

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Three months ended March 31,		Increase (Decrease)	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$107,575	\$101,762	\$5,813	6
Health insurance	50,403	52,707	-2,304	-4
Annuity	1,125	2,641	-1,516	-57
Other insurance:				
Other income	847	887	-40	-5
Administrative expense	-39,773	-38,687	-1,086	3
Investment	83,427	83,036	391	0
Corporate and adjustments	-4,155	-3,870	-285	7
	<u>199,449</u>	<u>198,476</u>	<u>973</u>	<u>0</u>
Pretax total (pretax operating income)				
Applicable taxes	-67,614	-67,417	-198	0
	<u>131,835</u>	<u>131,059</u>	<u>775</u>	<u>1</u>
After-tax total (net operating income)				
Reconciling items, net of tax:				
Realized gains (losses)	-4,526	6,532	-11,058	
Part D adjustment	-8,626	-3,126	-5,500	
Tax settlements	0	350	-350	
Net proceeds (costs) from legal settlements	862	-211	1,073	
Gain on sale of agency buildings	12	587	-575	
Loss on company occupied property	-1,384	0	-1,384	
	<u>\$118,173</u>	<u>\$135,191</u>	<u>-\$17,019</u>	<u>-13</u>
Net Income				