

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Six months ended June 30,		Increase (Decrease)	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$211,715	\$203,224	\$8,491	4
Health insurance	99,518	104,433	-4,915	-5
Annuity	2,099	5,335	-3,236	-61
Other insurance:				
Other income	1,870	2,266	-396	-17
Administrative expense	-77,962	-75,594	-2,368	3
Investment	167,488	163,105	4,383	3
Corporate and adjustments	-9,933	-8,644	-1,289	15
	<u>394,795</u>	<u>394,125</u>	670	0
Pretax total (pretax operating income)				
Applicable taxes	-132,359	-133,953	1,594	-1
	<u>262,436</u>	<u>260,172</u>	2,264	1
After-tax total (net operating income)				
Reconciling items, net of tax:				
Realized gains (losses)	-9,530	4,694	-14,224	
Part D adjustment	-10,744	-4,729	-6,015	
Tax settlements	10,106	701	9,405	
Net proceeds (costs) from legal settlements	869	-328	1,197	
Gain on sale of agency buildings	146	1,798	-1,652	
Loss on company occupied property	-1,384	0	-1,384	
	<u>\$251,899</u>	<u>\$262,308</u>	<u>-\$10,409</u>	<u>-4</u>
Net Income				