

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Nine months ended September 30,		Increase (Decrease)	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$319,725	\$308,612	\$11,113	4
Health insurance	147,826	155,632	-7,806	-5
Annuity	2,404	7,756	-5,352	-69
Other insurance:				
Other income	3,027	3,244	-217	-7
Administrative expense	-116,251	-115,652	-599	1
Investment	250,661	243,724	6,937	3
Corporate and adjustments	<u>-14,284</u>	<u>-12,576</u>	<u>-1,708</u>	14
 Pretax total (pretax operating income)	 593,108	 590,740	 2,368	 0
Applicable taxes	<u>-198,378</u>	<u>-200,827</u>	<u>2,449</u>	-1
 After-tax total (net operating income)	 394,730	 389,913	 4,817	 1
Reconciling items, net of tax:				
Realized gains (losses)	-80,924	5,609	-86,533	
Part D adjustment	-7,572	-3,260	-4,312	
Tax settlements	10,707	613	10,094	
Net proceeds (costs) from legal settlements	-688	-272	-416	
Gain on sale of agency buildings	181	2,587	-2,406	
Loss on company occupied property	<u>-1,384</u>	<u>0</u>	<u>-1,384</u>	
 Net Income	 <u>\$315,050</u>	 <u>\$395,190</u>	 <u>-\$80,140</u>	 <u>-20</u>