

Analysis of Profitability by Segment

(Dollar amounts in thousands)

| | Three months ended March 31, | | Increase (Decrease) | |
|--|---------------------------------|------------------|------------------------|------------|
| | <u>2011</u> | <u>2010</u> | <u>Amount</u> | <u>%</u> |
| Life insurance | \$119,087 | \$111,064 | \$8,023 | 7 |
| Health insurance | 41,886 | 40,545 | 1,341 | 3 |
| Annuity | 558 | 490 | 68 | |
| Other insurance: | | | | |
| Other income | 543 | 596 | -53 | -9 |
| Administrative expense | -37,739 | -37,074 | -665 | 2 |
| Investment | 74,159 | 72,061 | 2,098 | 3 |
| Corporate and adjustments | -5,469 | -5,598 | 129 | -2 |
| | | | | |
| Pretax total (pretax operating income from continuing operations) | 193,025 | 182,084 | 10,941 | 6 |
| | | | | |
| Applicable taxes | -64,223 | -61,471 | -2,752 | 4 |
| | | | | |
| After-tax total (net operating income from continuing operations) | 128,802 | 120,613 | 8,189 | 7 |
| | | | | |
| Discontinued Operations (after tax) | 0 | 5,963 | -5,963 | |
| | | | | |
| After-tax total (net operating income from all operations) | 128,802 | 126,576 | 2,226 | 2 |
| | | | | |
| Reconciling items, net of tax: | | | | |
| Realized gains (losses) - Investments | -15,459 | 4,719 | -20,178 | |
| Realized gains (losses) - Discontinued operations | 0 | 320 | -320 | |
| Loss on disposal of discontinued operations | -599 | 0 | -599 | |
| Part D adjustment | -2,463 | -9,939 | 7,476 | |
| State administrative settlement | -4,082 | 0 | -4,082 | |
| Loss on sale of equipment | -666 | 0 | -666 | |
| | | | | |
| Net Income | <u>\$105,533</u> | <u>\$121,676</u> | <u>-\$16,143</u> | <u>-13</u> |