

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Six months ended June 30,		Increase (Decrease)	
	<u>2011</u>	<u>2010</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$243,808	\$224,956	\$18,852	8
Health insurance	81,314	83,906	-2,592	-3
Annuity	1,166	724	442	
Other insurance:				
Other income	1,240	1,546	-306	-20
Administrative expense	-77,909	-76,509	-1,400	2
Investment	148,060	146,454	1,606	1
Corporate and adjustments	-11,813	-11,457	-356	3
Pretax total (pretax operating income from continuing operations)	385,866	369,620	16,246	4
Applicable taxes	-128,139	-124,729	-3,410	3
After-tax total (net operating income from continuing operations)	257,727	244,891	12,836	5
Discontinued Operations (after tax)	0	12,472	-12,472	
After-tax total (net operating income from all operations)	257,727	257,363	364	0
Reconciling items, net of tax:				
Realized gains (losses) - Investments	5,557	1,468	4,089	
Realized gains (losses) - Discontinued operations	0	12	-12	
Loss on disposal of discontinued operations	-599	0	-599	
Part D adjustment	-3,676	-11,118	7,442	
State administrative settlement	-3,900	0	-3,900	
Loss on sale of equipment	-636	0	-636	
Net Income	<u>\$254,473</u>	<u>\$247,725</u>	<u>\$6,748</u>	<u>3</u>