

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Twelve months ended December 31,		Increase (Decrease)	
	<u>2011</u>	<u>2010</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$486,235	\$455,266	\$30,969	7
Health insurance	161,991	170,059	-8,068	-5
Annuity	2,345	1,348	997	
Other insurance:				
Other income	2,507	2,834	-327	-12
Administrative expense	-159,109	-155,615	-3,494	2
Investment	292,597	297,145	-4,548	-2
Corporate and adjustments	<u>-22,647</u>	<u>-20,657</u>	<u>-1,990</u>	10
 Pretax total (pretax operating income from continuing operations)	 763,919	 750,380	 13,539	 2
Applicable taxes	<u>-249,495</u>	<u>-252,357</u>	<u>2,862</u>	-1
 After-tax total (net operating income from continuing operations)	 514,424	 498,023	 16,401	 3
Discontinued Operations (after tax)	<u>0</u>	<u>27,932</u>	<u>-27,932</u>	
 After-tax total (net operating income from all operations)	 514,424	 525,955	 -11,531	 -2
Reconciling items, net of tax:				
Realized gains (losses) - Investments	16,838	24,270	-7,432	
Realized gains (losses) - Discontinued operations	0	1,852	-1,852	
Loss on disposal of discontinued operations	-455	-35,013	34,558	
State administrative settlement	-4,486	0	-4,486	
Loss on sale of equipment	-636	0	-636	
Litigation expense	<u>-7,800</u>	<u>0</u>	<u>-7,800</u>	
 Net Income	 <u><u>\$517,885</u></u>	 <u><u>\$517,064</u></u>	 <u><u>\$821</u></u>	 <u><u>0</u></u>