

## Analysis of Profitability by Segment

(Dollar amounts in thousands)

|                                             | Three months ended<br>March 31, |                  | Increase<br>(Decrease) |           |
|---------------------------------------------|---------------------------------|------------------|------------------------|-----------|
|                                             | <u>2012</u>                     | <u>2011</u>      | <u>Amount</u>          | <u>%</u>  |
| Life insurance                              | \$126,135                       | \$111,720        | \$14,415               | 13        |
| Health insurance                            | 47,656                          | 49,341           | -1,685                 | -3        |
| Annuity                                     | 872                             | 558              | 314                    |           |
| Other insurance:                            |                                 |                  |                        |           |
| Other income                                | 409                             | 543              | -134                   | -25       |
| Administrative expense                      | -40,570                         | -37,739          | -2,831                 | 8         |
| Investment                                  | 63,693                          | 65,776           | -2,083                 | -3        |
| Corporate and adjustments                   | -7,546                          | -5,469           | -2,077                 | 38        |
|                                             | <u>190,649</u>                  | <u>184,730</u>   | <u>5,919</u>           | <u>3</u>  |
| Pretax total (pretax operating income)      |                                 |                  |                        |           |
| Applicable taxes                            | -62,338                         | -61,320          | -1,018                 | 2         |
|                                             | <u>128,311</u>                  | <u>123,410</u>   | <u>4,901</u>           | <u>4</u>  |
| After-tax total (net operating income)      |                                 |                  |                        |           |
| Reconciling items, net of tax:              |                                 |                  |                        |           |
| Realized gains (losses) - Investments       | 3,254                           | -15,459          | 18,713                 |           |
| Loss on disposal of discontinued operations | 0                               | -599             | 599                    |           |
| Part D adjustment                           | -12,888                         | -2,463           | -10,425                |           |
| State administrative settlement             | 0                               | -4,082           | 4,082                  |           |
| Loss on sale of equipment                   | 0                               | -666             | 666                    |           |
|                                             | <u>0</u>                        | <u>-666</u>      | <u>666</u>             |           |
| Net Income                                  | <u>\$118,677</u>                | <u>\$100,141</u> | <u>\$18,536</u>        | <u>19</u> |