

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Six months ended June 30,		Increase (Decrease)	
	<u>2012</u>	<u>2011</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$250,295	\$228,142	\$22,153	10
Health insurance	96,214	95,997	217	0
Annuity	1,772	1,166	606	
Excess investment income	126,206	131,272	-5,066	-4
Other insurance:				
Other income	865	1,240	-375	-30
Administrative expense	-80,427	-77,909	-2,518	3
Corporate and adjustments	<u>-15,447</u>	<u>-11,813</u>	<u>-3,634</u>	<u>31</u>
Pretax total (pretax operating income)	379,478	368,095	11,383	3
Applicable taxes	<u>-124,209</u>	<u>-121,919</u>	<u>-2,290</u>	<u>2</u>
After-tax total (net operating income)	255,269	246,176	9,093	4
Reconciling items, net of tax:				
Realized gains (losses) - Investments	6,284	5,557	727	
Loss on disposal of discontinued operations	0	-599	599	
Part D adjustment	-13,888	-3,676	-10,212	
State administrative settlement	0	-3,900	3,900	
Loss on sale of equipment	<u>0</u>	<u>-636</u>	<u>636</u>	
Net Income	<u><u>\$247,665</u></u>	<u><u>\$242,922</u></u>	<u><u>\$4,743</u></u>	<u><u>2</u></u>