

## Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Twelve months ended December 31,		Increase (Decrease)	
	<u>2012</u>	<u>2011</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$509,476	\$460,963	\$48,513	11
Health insurance	197,341	188,990	8,351	4
Annuity	3,465	2,345	1,120	48
Other insurance:				
Other income	1,898	2,507	-609	-24
Administrative expense	-165,405	-159,109	-6,296	4
Investment	236,644	258,986	-22,342	-9
Corporate and adjustments	<u>-29,827</u>	<u>-22,647</u>	<u>-7,180</u>	<u>32</u>
Pre-tax total (pretax operating income)	753,592	732,035	21,557	3
Applicable taxes	<u>-246,945</u>	<u>-238,335</u>	<u>-8,610</u>	<u>4</u>
After-tax total (net operating income)	506,647	493,700	12,947	3
Reconciling items, net of tax:				
Realized gains (losses) - Investments	24,591	16,838	7,753	
Loss on disposal of discontinued operations	0	-455	455	
State administrative settlement expense	0	-4,486	4,486	
Loss on sale of equipment	0	-636	636	
Litigation expense	0	-7,800	7,800	
Family Heritage Life acquisition expense	<u>-1,914</u>	<u>0</u>	<u>-1,914</u>	
Net Income	<u><u>\$529,324</u></u>	<u><u>\$497,161</u></u>	<u><u>\$19,216</u></u>	<u><u>6</u></u>