

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Three months ended March 31,		Increase (Decrease)	
	<u>2013</u>	<u>2012</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$133,110	\$126,135	\$6,975	6
Health insurance	57,942	47,656	10,286	22
Annuity	972	872	100	
Excess investment income	55,591	63,693	-8,102	-13
Other insurance:				
Other income	544	409	135	33
Administrative expense	-43,935	-40,570	-3,365	8
Corporate and adjustments	<u>-8,373</u>	<u>-7,546</u>	<u>-827</u>	11
Pretax total (pretax operating income)	195,851	190,649	5,202	3
Applicable taxes	<u>-64,209</u>	<u>-62,338</u>	<u>-1,871</u>	3
After-tax total (net operating income)	131,642	128,311	3,331	3
Reconciling items, net of tax:				
Realized gains (losses) - Investments	-3,768	3,254	-7,022	
Part D adjustment	-8,242	-12,888	4,646	
FHL acquisition expense	<u>0</u>	<u>0</u>	<u>0</u>	
Net Income	<u><u>\$119,632</u></u>	<u><u>\$118,677</u></u>	<u><u>\$955</u></u>	<u><u>1</u></u>