

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Six months ended June 30,		Increase (Decrease)	
	<u>2014</u>	<u>2013</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$281,335	\$268,840	\$12,495	5
Health insurance	99,245	100,124	-879	-1
Medicare Part D insurance	18,211	16,236	1,975	12
Annuity	2,110	1,996	114	
Excess investment income	114,167	110,469	3,698	3
Other insurance:				
Other income	1,266	1,227	39	3
Administrative expense	-89,573	-88,062	-1,511	2
Corporate and adjustments	<u>-21,446</u>	<u>-17,883</u>	<u>-3,563</u>	20
 Pretax total (pretax operating income)	 405,315	 392,947	 12,368	 3
Applicable taxes	<u>-132,458</u>	<u>-128,632</u>	<u>-3,826</u>	3
 After-tax total (net operating income)	 272,857	 264,315	 8,542	 3
Reconciling items, net of tax:				
Realized gains (losses) - Investments	11,177	76	11,101	
Part D adjustment	-16,749	-9,782	-6,967	
New York Guaranty Fund Assessment	0	-751	751	
Administrative settlements	-1,987	0	-1,987	
Legal settlement expense	<u>-1,519</u>	<u>-325</u>	<u>-1,194</u>	
 Net Income	 <u><u>\$263,779</u></u>	 <u><u>\$253,533</u></u>	 <u><u>\$10,246</u></u>	 <u><u>4</u></u>