

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Nine months ended September 30,		Increase (Decrease)	
	<u>2014</u>	<u>2013</u>	<u>Amount</u>	<u>%</u>
Life insurance	\$420,588	\$407,845	\$12,743	3
Health insurance	148,471	147,099	1,372	1
Medicare Part D insurance	22,734	25,320	-2,586	-10
Annuity	3,195	3,006	189	
Excess investment income	169,496	164,072	5,424	3
Other insurance:				
Other income	1,990	1,970	20	1
Administrative expense	-134,918	-133,080	-1,838	1
Corporate and adjustments	<u>-31,503</u>	<u>-26,110</u>	<u>-5,393</u>	21
 Pretax total (pretax operating income)	 600,053	 590,122	 9,931	 2
Applicable taxes	<u>-196,288</u>	<u>-193,109</u>	<u>-3,179</u>	2
 After-tax total (net operating income)	 403,765	 397,013	 6,752	 2
Reconciling items, net of tax:				
Realized gains (losses) - Investments	10,213	2,974	7,239	
Part D adjustment	-10,952	-8,172	-2,780	
Guaranty Fund Assessment	0	-751	751	
Administrative settlements	-5,316	0	-5,316	
Family Heritage Life acquisition adjustments	0	522	-522	
Legal settlement expense	<u>-1,519</u>	<u>-5,931</u>	<u>4,412</u>	
 Net Income	 <u><u>\$396,191</u></u>	 <u><u>\$385,655</u></u>	 <u><u>\$10,536</u></u>	 <u><u>3</u></u>