

Analysis of Profitability by Segment

(Dollar amounts in thousands)

| | Twelve months ended December 31, | | Increase (Decrease) | |
|--|-------------------------------------|-------------------------|------------------------|-----------------|
| | <u>2014</u> | <u>2013</u> | <u>Amount</u> | <u>%</u> |
| Life insurance | \$556,489 | \$545,059 | \$11,430 | 2 |
| Health insurance | 199,319 | 196,507 | 2,812 | 1 |
| Medicare Part D insurance | 27,266 | 35,300 | -8,034 | -23 |
| Annuity | 4,312 | 3,939 | 373 | 9 |
| Other insurance: | | | | |
| Other income | 2,354 | 2,208 | 146 | 7 |
| Administrative expense | -179,955 | -178,898 | -1,057 | 1 |
| Investment | 225,091 | 218,826 | 6,265 | 3 |
| Corporate and adjustments | <u>-40,362</u> | <u>-34,137</u> | <u>-6,225</u> | 18 |
| Pre-tax total | 794,514 | 788,804 | 5,710 | 1 |
| Applicable taxes | <u>-260,046</u> | <u>-258,137</u> | <u>-1,909</u> | 1 |
| Total | 534,468 | 530,667 | 3,801 | 1 |
| Realized gains (losses) (after tax) | 15,306 | 3,965 | 11,341 | |
| Administrative settlements (after tax) | -5,316 | 0 | -5,316 | |
| Guaranty Fund Assessment (after tax) | 0 | -751 | 751 | |
| Legal settlement expenses (after tax) | -1,519 | -5,931 | 4,412 | |
| Family Heritage Life acquisition adjustments (after tax) | <u>0</u> | <u>522</u> | <u>-522</u> | |
| Net Income | <u><u>\$542,939</u></u> | <u><u>\$528,472</u></u> | <u><u>\$14,467</u></u> | <u><u>3</u></u> |