

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Three months ended March 31,		Increase (Decrease)	
	<u>2015</u>	<u>2014</u>	<u>Amount</u>	<u>%</u>
Life insurance underwriting margin	\$141,403	\$140,619	\$784	1
Health insurance underwriting margin	51,577	49,457	2,120	4
Medicare Part D insurance underwriting margin	5,474	9,566	-4,092	-43
Annuity underwriting margin	1,093	1,045	48	
Excess investment income	55,140	56,920	-1,780	-3
Other insurance:				
Other income	722	544	178	33
Administrative expense	-47,200	-44,211	-2,989	7
Corporate and adjustments	-9,412	-10,252	840	-8
Pretax total (pretax operating income)	198,797	203,688	-4,891	-2
Applicable taxes	-65,211	-66,835	1,624	-2
After-tax total (net operating income)	133,586	136,853	-3,267	-2
Reconciling items, net of tax:				
Realized gains (losses) - Investments	77	10,802	-10,725	
Part D adjustment	-12,015	-13,179	1,164	
Legal settlement expense	0	-1,620	1,620	
Net Income	<u>\$121,648</u>	<u>\$132,856</u>	<u>-\$11,208</u>	<u>-8</u>