

## Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Nine months ended September 30,		Increase (Decrease)	
	<u>2015</u>	<u>2014</u>	<u>Amount</u>	<u>%</u>
Life insurance underwriting margin	\$424,880	\$420,588	\$4,292	1
Health insurance underwriting margin	153,396	148,471	4,925	3
Medicare Part D insurance underwriting margin	19,888	22,734	(2,846)	-13
Annuity underwriting margin	3,297	3,195	102	
Excess investment income	166,369	169,496	(3,127)	-2
Other insurance:				
Other income	2,201	1,990	211	11
Administrative expense	(142,829)	(134,918)	(7,911)	6
Corporate and adjustments	<u>(28,539)</u>	<u>(31,503)</u>	<u>2,964</u>	<u>-9</u>
 Pretax total (pretax operating income)	 598,663	 600,053	 (1,390)	 0
Applicable taxes	<u>(196,005)</u>	<u>(196,288)</u>	<u>283</u>	<u>0</u>
 After-tax total (net operating income)	 402,658	 403,765	 (1,107)	 0
Reconciling items, net of tax:				
Realized gains (losses) - Investments	5,117	10,213	(5,096)	
Part D adjustment	(13,631)	(10,952)	(2,679)	
Administrative settlements	0	(5,316)	5,316	
Legal settlement expense	<u>0</u>	<u>(1,519)</u>	<u>1,519</u>	
 Net Income	 <u>\$394,144</u>	 <u>\$396,191</u>	 <u>(\$2,047)</u>	 <u>-1</u>