

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Three months ended March 31,		Increase (Decrease)	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
Life insurance underwriting margin	\$144,300	\$141,403	\$2,897	2
Health insurance underwriting margin	51,515	51,577	(62)	0
Annuity underwriting margin	1,631	1,093	538	
Excess investment income	54,673	54,926	(253)	0
Other insurance:				
Other income	465	722	(257)	-36
Administrative expense	(48,468)	(45,951)	(2,517)	5
Corporate and adjustments	<u>(8,961)</u>	<u>(9,412)</u>	451	-5
 Pretax total (pretax operating income from continuing operations)	195,155	194,358	797	0
Applicable taxes	<u>(61,771)</u>	<u>(63,657)</u>	1,886	-3
 After-tax total (net operating income from continuing operations)	133,384	130,701	2,683	2
Discontinued Operations (after tax)	<u>1,976</u>	<u>2,885</u>	<u>(909)</u>	-32
 Total (net operating income from all operations)	135,360	133,586	1,774	1
Reconciling items, net of tax:				
Realized gains (losses) - Investments	190	77	113	
Part D adjustment - discontinued operations	<u>(11,517)</u>	<u>(12,015)</u>	498	
 Net Income	<u>\$124,033</u>	<u>\$121,648</u>	<u>\$2,385</u>	<u>2</u>