

## Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Six months ended June 30,		Increase (Decrease)	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
Life insurance underwriting margin	\$287,904	\$280,780	\$7,124	3
Health insurance underwriting margin	104,136	103,189	947	1
Annuity underwriting margin	3,572	2,196	1,376	
Excess investment income	109,270	111,790	(2,520)	-2
Other insurance:				
Other income	887	1,464	(577)	-39
Administrative expense	(96,881)	(91,425)	(5,456)	6
Corporate and adjustments	<u>(18,394)</u>	<u>(19,526)</u>	<u>1,132</u>	<u>-6</u>
Pretax total (pretax operating income from continuing operations)	390,494	388,468	2,026	1
Applicable taxes	<u>(120,420)</u>	<u>(126,939)</u>	<u>6,519</u>	<u>-5</u>
After-tax total (net operating income from continuing operations)	270,074	261,529	8,545	3
Discontinued Operations (after tax)	<u>4,034</u>	<u>5,515</u>	<u>(1,481)</u>	<u>-27</u>
Total (net operating income from all operations)	274,108	267,044	7,064	3
Reconciling items, net of tax:				
Realized gains (losses) - Investments	2,794	1,776	1,018	
Part D adjustment - discontinued operations	<u>(14,440)</u>	<u>(20,062)</u>	<u>5,622</u>	
Net Income	<u>\$262,462</u>	<u>\$248,758</u>	<u>\$13,704</u>	<u>6</u>