

## Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Twelve months ended December 31,		Increase (Decrease)	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
Life insurance underwriting margin	\$573,762	\$569,402	\$4,360	1
Health insurance underwriting margin	210,056	204,377	5,679	3
Annuity underwriting margin	9,394	4,568	4,826	
Excess investment income	224,031	219,504	4,527	2
Other and corporate:				
Other income	1,534	2,379	(845)	-36
Administrative expense	(196,598)	(186,191)	(10,407)	6
Corporate and adjustments	<u>(34,913)</u>	<u>(37,667)</u>	<u>2,754</u>	-7
Pre-tax total	787,266	776,372	10,894	1
Applicable taxes	<u>(237,906)</u>	<u>(253,459)</u>	<u>15,553</u>	-6
After-tax total, before discontinued operations	549,360	522,913	26,447	5
Discontinued Operations (after tax)	<u>10,189</u>	<u>10,807</u>	<u>(618)</u>	-6
Total	559,549	533,720	25,829	5
Realized gains (losses) - investments (after tax)	(6,944)	(5,714)	(1,230)	
Administrative settlements (after tax)	(2,467)	(906)	(1,561)	
Non-operating legal expenses (after tax)	<u>(359)</u>	<u>0</u>	<u>(359)</u>	
Net Income	<u><u>\$549,779</u></u>	<u><u>\$527,100</u></u>	<u><u>\$22,679</u></u>	4