

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Six months ended June 30,	
	2017	2016
Life insurance underwriting margin	\$291,433	\$287,904
Health insurance underwriting margin	108,633	104,136
Annuity underwriting margin	5,217	3,572
Excess investment income	120,822	109,270
Other insurance:		
Other income	878	887
Administrative expense	(103,325)	(96,881)
Corporate and adjustments	(21,444)	(18,394)
Pre-tax total	402,214	390,494
Applicable taxes	(121,361)	(120,420)
Net operating income from continuing operations ⁽¹⁾	280,853	270,074
Discontinued operations (after tax) ⁽²⁾	(3,727)	(10,406)
After-tax total, after discontinued operations	277,126	259,668
Realized gains (losses) - investments (after tax)	(1,951)	2,794
Administrative settlements	(1,361)	0
Net Income	\$273,814	\$262,462

⁽¹⁾ Net operating income from continuing operations is the consolidated total of segment profits after tax and as such is considered a non-GAAP measure.

⁽²⁾ Income from discontinued operations (after tax) is included for purpose of reconciling to net income.