

Analysis of Profitability by Segment

(Dollar amounts in thousands)

	Nine months ended September 30,	
	2017	2016
Life insurance underwriting margin	\$444,164	\$431,045
Health insurance underwriting margin	164,382	157,212
Annuity underwriting margin	7,866	6,202
Excess investment income	181,758	166,008
Other insurance:		
Other income	1,239	1,086
Administrative expense	(155,751)	(146,129)
Corporate and adjustments	(32,037)	(26,694)
 Pre-tax total	 611,621	 588,730
 Applicable taxes	 (184,703)	 (178,842)
 Net operating income from continuing operations ⁽¹⁾	 426,918	 409,888
 Discontinued operations (after tax) ⁽²⁾	 (3,739)	 (447)
 After-tax total, after discontinued operations	 423,179	 409,441
 Realized gains (losses) - investments (after tax)	 6,235	 5,057
Administrative settlements (after tax)	(1,361)	0
Non-operating fees (after tax)	0	(167)
Guaranty fund assessment (after tax)	(905)	0
 Net Income	 \$427,148	 \$414,331

⁽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.