

Analysis of Profitability by Segment
(Unaudited)
(Dollar amounts in thousands)

	Three Months Ended		Increase (Decrease)	
	March 31,		Amount	%
	2018	2017		
Life insurance underwriting margin	\$ 154,821	\$ 144,104	\$ 10,717	7
Health insurance underwriting margin	58,048	53,377	4,671	9
Annuity underwriting margin	2,586	2,610	(24)	(1)
Excess investment income	61,937	59,288	2,649	4
Other and corporate:				
Other income	323	451	(128)	(28)
Administrative expense	(55,472)	(51,913)	(3,559)	7
Corporate and adjustments	(11,352)	(10,428)	(924)	9
Pre-tax total	210,891	197,489	13,402	7
Applicable taxes	(38,721)	(58,818)	20,097	(34)
Net Operating Income ⁽¹⁾	172,170	138,671	33,499	24
Realized gains (losses) - investments (after tax)	1,541	(1,493)	3,034	
Part D Adjustments - Discontinued Operations ⁽²⁾	(111)	(3,637)	3,526	
Net Income	<u>\$ 173,600</u>	<u>\$ 133,541</u>	<u>\$ 40,059</u>	<u>30</u>

⁽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 the purpose of reconciling to net income.