

## Analysis of Profitability by Segment

(Unaudited)

(Dollar amounts in thousands)

	Six Months Ended		Increase (Decrease)	
	June 30,		Amount	%
	2018	2017		
Life insurance underwriting margin .....	\$ 315,998	\$ 291,433	\$ 24,565	8
Health insurance underwriting margin .....	117,586	108,633	8,953	8
Annuity underwriting margin .....	5,152	5,217	(65)	(1)
Excess investment income .....	121,886	120,822	1,064	1
Other and corporate:				
Other income .....	764	878	(114)	(13)
Administrative expense .....	(110,748)	(103,325)	(7,423)	7
Corporate and adjustments .....	(24,696)	(21,444)	(3,252)	15
Pre-tax total .....	425,942	402,214	23,728	6
Applicable taxes .....	(78,712)	(121,361)	42,649	(35)
Net Operating Income <sup>(1)</sup> .....	347,230	280,853	66,377	24
Reconciling items, net of tax:				
Realized gains (losses) - investments .....	10,874	(1,951)	12,825	
Part D Adjustments - Discontinued Operations .....	(79)	(3,727)	3,648	
Administrative settlements .....	—	(1,361)	1,361	
Net Income .....	<u>\$ 358,025</u>	<u>\$ 273,814</u>	<u>\$ 84,211</u>	<u>31</u>

<sup>(1)</sup>Net operating income is the consolidated total of segment profits after tax and as such is considered a non-GAAP measure.