

GLOBE LIFE INC.
Analysis of Profitability by Segment
(Unaudited)
(Dollar amounts in thousands)

| | Nine Months Ended September 30, | | Change | % |
|--------------------------------------------|------------------------------------|-------------------|------------------|----------|
| | 2019 | 2018 | | |
| Life insurance underwriting margin | \$ 526,348 | \$ 484,594 | \$ 41,754 | 9 |
| Health insurance underwriting margin | 182,614 | 177,839 | 4,775 | 3 |
| Annuity underwriting margin | 7,132 | 7,716 | (584) | (8) |
| Excess investment income | 195,006 | 183,414 | 11,592 | 6 |
| Other insurance: | | | | |
| Other income | 1,077 | 1,180 | (103) | (9) |
| Administrative expense | (179,177) | (166,560) | (12,617) | 8 |
| Corporate and other | (41,335) | (37,775) | (3,560) | 9 |
| Pre-tax total | 691,665 | 650,408 | 41,257 | 6 |
| Applicable taxes | (127,656) | (120,456) | (7,200) | 6 |
| Net operating income⁽¹⁾ | 564,009 | 529,952 | 34,057 | 6 |
| Reconciling items, net of tax: | | | | |
| Realized gain (loss)—investments | 14,557 | 11,689 | 2,868 | |
| Part D adjustments—discontinued operations | (92) | (55) | (37) | |
| Administrative settlements | (400) | (3,590) | 3,190 | |
| Non-operating fees | — | (1,247) | 1,247 | |
| Legal proceedings | (4,345) | — | (4,345) | |
| Net income | \$ 573,729 | \$ 536,749 | \$ 36,980 | 7 |

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