

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

	Three Months Ended March 31,		Change	%
	2020	2019		
Life insurance underwriting margin	\$ 178,803	\$ 169,839	\$ 8,964	5
Health insurance underwriting margin	63,465	61,514	1,951	3
Annuity underwriting margin	2,270	2,416	(146)	(6)
Excess investment income	62,737	65,555	(2,818)	(4)
Other insurance:				
Other income	325	241	84	35
Administrative expense	(63,620)	(59,191)	(4,429)	7
Corporate and other	(11,687)	(13,202)	1,515	(11)
Pre-tax total	232,293	227,172	5,121	2
Applicable taxes	(43,549)	(42,428)	(1,121)	3
<b>Net operating income<sup>(1)</sup></b>	<b>188,744</b>	<b>184,744</b>	<b>4,000</b>	<b>2</b>
Reconciling items, net of tax:				
Realized gain (loss)—investments	4,548	1,050	3,498	
Provision for credit losses	(25,165)	—	(25,165)	
Part D adjustments—discontinued operations	—	(49)	49	
Administrative settlements	—	(400)	400	
Legal proceedings	(2,587)	—	(2,587)	
<b>Net income</b>	<b>\$ 165,540</b>	<b>\$ 185,345</b>	<b>\$ (19,805)</b>	<b>(11)</b>

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