

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

	Six Months Ended June 30,		Change	%
	2020	2019		
Life insurance underwriting margin	\$ 340,502	\$ 344,889	\$ (4,387)	(1)
Health insurance underwriting margin	127,705	121,673	6,032	5
Annuity underwriting margin	4,535	4,781	(246)	(5)
Excess investment income	123,874	130,233	(6,359)	(5)
Other insurance:				
Other income	729	639	90	14
Administrative expense	(125,186)	(118,607)	(6,579)	6
Corporate and other	(22,835)	(27,330)	4,495	(16)
Pre-tax total	449,324	456,278	(6,954)	(2)
Applicable taxes	(83,748)	(84,652)	904	(1)
Net operating income⁽¹⁾	365,576	371,626	(6,050)	(2)
Reconciling items, net of tax:				
Realized gain (loss)—investments	(24,401)	5,122	(29,523)	
Part D adjustments—discontinued operations	—	(92)	92	
Administrative settlements	—	(400)	400	
Legal proceedings	(2,587)	(4,345)	1,758	
Net income	\$ 338,588	\$ 371,911	\$ (33,323)	(9)

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