

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

	Twelve Months Ended December 31,		Change	%
	2020	2019		
Life insurance underwriting margin	\$ 674,946	\$ 703,464	\$ (28,518)	(4)
Health insurance underwriting margin	272,369	243,638	28,731	12
Annuity underwriting margin	9,029	9,458	(429)	(5)
Excess investment income	244,424	257,605	(13,181)	(5)
Other insurance:				
Other income	1,325	1,318	7	1
Administrative expense	(250,947)	(240,321)	(10,626)	4
Corporate and other	(45,783)	(55,103)	9,320	(17)
Pre-tax total	905,363	920,059	(14,696)	(2)
Applicable taxes	(167,771)	(167,957)	186	—
<b>Net operating income<sup>(1)</sup></b>	<b>737,592</b>	<b>752,102</b>	<b>(14,510)</b>	<b>(2)</b>
Reconciling items, net of tax:				
Realized gain (loss)—investments	(1,915)	16,291	(18,206)	
Realized loss—redemption of debt	(501)	—	(501)	
Part D adjustments—discontinued operations	—	(92)	92	
Administrative settlements	—	(400)	400	
Non-operating expenses	(816)	(508)	(308)	
Legal proceedings	(2,587)	(6,603)	4,016	
<b>Net income</b>	<b>\$ 731,773</b>	<b>\$ 760,790</b>	<b>\$ (29,017)</b>	<b>(4)</b>

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