

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

	Three Months Ended March 31,		Change	%
	2021	2020		
Life insurance underwriting margin	\$ 136,646	\$ 178,803	\$ (42,157)	(24)
Health insurance underwriting margin	72,180	63,465	8,715	14
Annuity underwriting margin	2,187	2,270	(83)	(4)
Excess investment income	60,544	62,737	(2,193)	(3)
Other insurance:				
Other income	295	325	(30)	(9)
Administrative expense	(66,176)	(63,620)	(2,556)	4
Corporate and other	(10,206)	(11,687)	1,481	(13)
Pre-tax total	195,470	232,293	(36,823)	(16)
Applicable taxes	(35,379)	(43,549)	8,170	(19)
Net operating income⁽¹⁾	160,091	188,744	(28,653)	(15)
Reconciling items, net of tax:				
Realized gain (loss)—investments	22,240	(20,617)	42,857	
Legal proceedings	(3,814)	(2,587)	(1,227)	
Net income	\$ 178,517	\$ 165,540	\$ 12,977	8

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