

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

	Twelve Months Ended December 31,		Change	%
	2021	2020		
Life insurance underwriting margin	\$ 623,675	\$ 674,946	\$ (51,271)	(8)
Health insurance underwriting margin	304,302	272,369	31,933	12
Annuity underwriting margin	8,704	9,029	(325)	(4)
Excess investment income	238,528	244,424	(5,896)	(2)
Other insurance:				
Other income	1,216	1,325	(109)	(8)
Administrative expense	(271,631)	(250,947)	(20,684)	8
Corporate and other	(39,825)	(45,783)	5,958	(13)
Pre-tax total	864,969	905,363	(40,394)	(4)
Applicable taxes	(157,472)	(167,771)	10,299	(6)
Net operating income⁽¹⁾	707,497	737,592	(30,095)	(4)
Reconciling items, net of tax:				
Realized gain (loss)—investments	54,220	(1,915)	56,135	
Realized gain (loss)—redemption of debt	(7,358)	(501)	(6,857)	
Administrative settlements	(1,047)	—	(1,047)	
Non-operating expenses	(1,923)	(816)	(1,107)	
Legal proceedings	(6,430)	(2,587)	(3,843)	
Net income	\$ 744,959	\$ 731,773	\$ 13,186	2

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