

Consolidated Statements of Income

December 31	2003	2002	2001
	<i>(in thousands, except share and per share data)</i>		
Revenue:			
Premiums earned	\$4,875,380	\$4,628,035	\$4,246,168
Administrative service fees	445,865	396,203	321,984
Investment income, net	51,235	64,806	69,356
Net realized investment gains (losses)	11,799	2,604	(12,403)
Other (loss) income, net	(1,724)	14,012	6,101
Total revenue	5,382,555	5,105,660	4,631,206
Expenses:			
Cost of benefits provided	4,162,246	3,947,382	3,738,821
Administrative expenses	876,687	833,160	742,777
Conversion and IPO expenses	—	15,350	2,043
Total expenses	5,038,933	4,795,892	4,483,641
Income from continuing operations before income taxes	343,622	309,768	147,565
Income tax (expense) benefit	(142,496)	67,847	(135)
Income from continuing operations	201,126	377,615	147,430
Loss from discontinued operations, net of taxes of \$0	—	(1,056)	(16,452)
Net income	\$ 201,126	\$ 376,559	\$ 130,978
Basic net income per common share	\$ 2.41		
Diluted net income per common share	\$ 2.41		
Shares used to compute basic earnings per share based on weighted-average shares outstanding.	83,490,478		
Shares used to compute diluted earnings per share based on weighted-average shares outstanding.	83,518,167		
Net loss for the period from November 7, 2002 (date of conversion and initial public offering) to December 31, 2002		\$ (38,542)	
Basic and diluted net loss per common share for the period from November 7, 2002 (date of conversion and initial public offering) to December 31, 2002		\$ (0.46)	
Shares used to compute earnings per share, based on weighted-average shares outstanding November 7, 2002 (date of conversion and initial public offering) to December 31, 2002		83,333,244	

See notes to consolidated financial statements.