



Alfa Corporation

Investor Supplement

Third Quarter 2005

This Investor Supplement is for informational purposes only. The consolidated financial statements and financial exhibits included herein are unaudited. These consolidated financial statements and exhibits should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report on Form 10-K for 2004.

Measures used in these financial statements and exhibits that are not based on generally accepted accounting principles ("non-GAAP") are denoted with an asterisk (*) the first time they appear. These measures are defined on the page "Definitions of Non-GAAP, GAAP and Operating Measures" and are reconciled to the most directly comparable GAAP measure herein.

ALFA CORPORATION
PROPERTY/CASUALTY SEGMENT (UNAUDITED)
(in thousands, except ratios and per share data)

	Nine Months Ended					Three Months Ended				
	September 30,			Ratios		September 30,			Ratios	
	2005	2004	% Change	2005	2004	2005	2004	% Change	2005	2004
INCOME STATEMENT										
Revenues										
Automobile Premiums	\$ 252,459	\$ 226,358	11.5			\$ 87,161	\$ 76,205	14.4		
Homeowner Premiums	148,699	126,364	17.7			50,648	43,223	17.2		
Other Premiums	11,408	10,170	12.2			3,807	3,480	9.4		
Total Premiums - Property and Casualty Insurance	412,566	362,892	13.7	100.0%	100.0%	141,616	122,908	15.2	100.0%	100.0%
Net Investment Income	29,470	23,100	27.6			11,233	8,148	37.9		
Other Income	6,851	4,447	54.1			2,629	1,440	82.6		
Total Revenues	448,887	390,439	15.0			155,478	132,496	17.3		
Benefits, Losses and Expenses										
Incurred Losses (Non-storm)	237,818	213,278	11.5	57.6%	58.8%	83,885	76,675	9.4	59.2%	62.4%
Incurred Losses (Storm)	11,635	9,230	26.1	2.8%	2.5%	-	-	0.0	0.0%	0.0%
Loss Adjustment Expense	16,644	14,240	16.9	4.0%	3.9%	6,255	4,698	33.1	4.4%	3.8%
Total Benefits, Claims, Losses and Settlement Expenses	266,097	236,748	12.4	64.5%	65.2%	90,140	81,373	10.8	63.7%	66.2%
Amortization of Deferred Policy Acquisition Costs	75,008	63,259	18.6	18.2%	17.4%	26,311	21,569	22.0	18.6%	17.5%
Other Operating Expenses	26,268	22,367	17.4	6.4%	6.2%	9,771	8,206	19.1	6.9%	6.7%
Total Operating Expenses	101,276	85,626	18.3	24.5%	23.6%	36,082	29,775	21.2	25.5%	24.2%
Total Benefits, Losses and Expenses	367,373	322,374	14.0	89.0%	88.8%	126,222	111,148	13.6	89.1%	90.4%
Income Before Provision for Income Taxes	81,514	68,065	19.8			29,256	21,348	37.0		
Provision For Income Taxes	20,287	16,942	19.7			7,567	5,013	50.9		
Operating Income *	61,227	51,123	19.8			21,689	16,335	32.8		
Realized Investment Gains (Losses), Net of Tax	(303)	(2,718)	88.9			(514)	(2,783)	81.5		
Net Income	\$ 60,924	\$ 48,405	25.9			\$ 21,175	\$ 13,552	56.3		
Operating Income Per Share - Diluted *	\$ 0.76	\$ 0.63	19.6			\$ 0.27	\$ 0.20	32.6		
Net Income Per Share - Diluted	\$ 0.76	\$ 0.60	25.7			\$ 0.26	\$ 0.17	56.0		
Operating Return on Equity*	18.8%	17.5%								
Return on Equity*	18.6%	16.7%								
Other Key Information										
<i>Earned Premium by Region</i>										
Alabama	\$ 329,317	\$ 312,025	5.5	79.8%	86.0%	\$ 110,944	\$ 105,639	5.0	78.3%	85.9%
Georgia	25,057	23,953	4.6	6.1%	6.6%	8,409	8,121	3.5	5.9%	6.6%
Mississippi	29,207	26,914	8.5	7.1%	7.4%	9,860	9,148	7.8	7.0%	7.4%
VA Mutual	16,318	-	100.0	4.0%	0.0%	5,531	-	100.0	3.9%	0.0%
Vision	12,667	-	100.0	3.1%	0.0%	6,872	-	100.0	4.9%	0.0%
Total Earned Premium	\$ 412,566	\$ 362,892	13.7	100.0%	100.0%	\$ 141,616	\$ 122,908	15.2	100.0%	100.0%
<i>Incurred Losses by Region (Non-storm)</i>										
Alabama	\$ 186,495	\$ 181,287	2.9	56.6%	58.1%	\$ 65,406	\$ 65,083	0.5	59.0%	61.6%
Georgia	19,019	15,985	19.0	75.9%	66.7%	5,973	5,727	4.3	71.0%	70.5%
Mississippi	17,339	16,006	8.3	59.4%	59.5%	5,976	5,865	1.9	60.6%	64.1%
VA Mutual	7,360	-	100.0	45.1%	-	2,517	-	100.0	45.5%	-
Vision	7,605	-	100.0	60.0%	-	4,013	-	100.0	58.4%	-
Total Incurred Losses	\$ 237,818	\$ 213,278	11.5	57.6%	58.8%	\$ 83,885	\$ 76,675	9.4	59.2%	62.4%
Lapse Ratio: Preferred and Standard Classes *	3.45%	3.76%				3.75%	3.91%			
<i>Net Written Premium by LOB</i>										
Automobile	\$ 273,240	\$ 231,120	18.2			\$ 91,780	\$ 77,611	18.3		
Homeowners	163,027	136,935	19.1			53,483	47,769	12.0		
Other	12,582	11,067	13.7			3,942	3,729	5.7		
Total Net Written Premium	\$ 448,849	\$ 379,122	18.4			\$ 149,205	\$ 129,109	15.6		
<i>Net Written Premium by Region</i>										
Alabama	\$ 340,460	\$ 325,839	4.5			\$ 114,481	\$ 111,128	3.0		
Georgia	25,809	24,913	3.6			8,730	8,322	4.9		
Mississippi	30,560	28,370	7.7			10,290	9,659	6.5		
VA Mutual	27,048	-	100.0			6,580	-	100.0		
Vision	24,972	-	100.0			9,124	-	100.0		
Total Net Written Premium	\$ 448,849	\$ 379,122	18.4			\$ 149,205	\$ 129,109	15.6		

Data may differ from actual due to rounding.

ALFA CORPORATION
LIFE SEGMENT (UNAUDITED)
(in thousands, except ratios and per share data)

	Nine Months Ended					Three Months Ended				
	September 30,			Ratios		September 30,			Ratios	
	2005	2004	% Change	2005	2004	2005	2004	% Change	2005	2004
INCOME STATEMENT										
Revenues										
Traditional Life Insurance Premiums	\$ 30,357	\$ 26,889	12.9			\$ 10,570	\$ 8,813	19.9		
Universal Life Policy Charges	15,479	14,849	4.2			5,199	4,972	4.6		
Universal Life Policy Charges - COLI	3,037	2,824	7.5			775	664	16.7		
Interest-sensitive Life Policy Charges	8,208	8,005	2.5			2,728	2,599	5.0		
Group Life Insurance Premiums	517	492	5.1			-	-	0.0		
Total Premiums and Policy Charges - Life Insurance	57,598	53,059	8.6	100.0%	100.0%	19,272	17,048	13.0	100.0%	100.0%
Net Investment Income	37,951	36,579	3.8			12,662	13,045	(2.9)		
Other Income	-	-	0.0			-	-	0.0		
Total Revenues	95,549	89,638	6.6			31,934	30,093	6.1		
Benefits, Claims, Losses and Settlement Expenses	55,993	54,484	2.8	97.2%	102.7%	19,721	18,331	7.6	102.3%	107.5%
Dividends to Policyholders	2,945	2,855	3.2	5.1%	5.4%	924	892	3.6	4.8%	5.2%
Amortization of Deferred Policy Acquisition Costs	7,725	6,854	12.7	13.4%	12.9%	2,557	2,270	12.6	13.3%	13.3%
Other Operating Expenses	8,158	8,759	(6.9)	14.2%	16.5%	2,727	2,895	(5.8)	14.2%	17.0%
Total Benefits, Losses and Expenses	74,821	72,952	2.6	129.9%	137.5%	25,929	24,388	6.3	134.5%	143.1%
Income Before Provision for Income Taxes	20,728	16,686	24.2			6,005	5,705	5.3		
Provision For Income Taxes	6,084	4,450	36.7			1,495	1,498	(0.2)		
Operating Income	14,644	12,236	19.7			4,510	4,207	7.2		
Realized Investment Gains, Net of Tax	3,103	6,249	(50.3)			1,367	3,960	(65.5)		
Net Income	\$ 17,747	\$ 18,485	(4.0)			\$ 5,877	\$ 8,167	(28.0)		
Operating Income Per Share - Diluted	\$ 0.18	\$ 0.15	19.5			\$ 0.06	\$ 0.05	7.0		
Net Income Per Share - Diluted	\$ 0.22	\$ 0.23	(4.1)			\$ 0.07	\$ 0.10	(28.1)		
Operating Return on Equity	7.2%	6.6%								
Return on Equity	8.8%	9.4%								
<u>Other Key Information (all information presented on a STAT-basis)</u>										
<i>Annualized New Business Premium by LOB</i>										
Traditional Life	\$ 5,828	\$ 5,308	9.8			\$ 1,821	\$ 1,679	8.5		
Universal Life	3,188	2,842	12.2			888	876	1.4		
Interest-sensitive Life	1,832	2,537	(27.8)			579	587	(1.4)		
Total Issued New Business Premium by LOB	\$ 10,848	\$ 10,687	1.5			\$ 3,288	\$ 3,142	4.6		
<i>Annualized New Business Premium by Region</i>										
Alabama	\$ 9,367	\$ 9,274	1.0			\$ 2,869	\$ 2,729	5.1		
Georgia	763	784	(2.7)			221	217	1.8		
Mississippi	718	629	14.1			198	196	1.0		
Total Issued New Business Premium by Region	\$ 10,848	\$ 10,687	1.5			\$ 3,288	\$ 3,142	4.6		
Actual vs. Expected Mortality Ratio *	95%	104%				111%	106%			
Persistency Ratio *	91.1%	91.7%								

Data may differ from actual due to rounding.

ALFA CORPORATION
NONINSURANCE SEGMENT (UNAUDITED)
(in thousands, except ratios and per share data)

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2005	2004	% Change	2005	2004	% Change
INCOME STATEMENT						
Revenues						
Equity Interest in MidCountry Financial (net of expense)	\$ 1,278	\$ 597	114.1	\$ 372	\$ 164	126.8
Loan Income (net of expense)	3,208	3,161	1.5	1,120	1,031	8.6
Other Net Investment Income	1,753	5,019	(65.1)	560	757	(26.0)
Total Net Investment Income	6,239	8,777	(28.9)	2,052	1,952	5.1
Fee/Commission Income - Agency Operations	17,724	623	2,744.9	5,877	220	2,571.4
Other Income	1,018	1,302	(21.8)	258	340	(24.1)
Total Other Income	18,742	1,925	873.6	6,135	560	995.5
Total Revenues	24,981	10,702	133.4	8,187	2,512	225.9
Benefits, Losses and Expenses						
Claims and Settlement Expenses - Agency Operations	2,200	-	100.0	708	-	100.0
Other Operating Expenses - Loan/Lease Operations	5,143	5,272	(2.4)	1,805	1,802	0.2
Other Operating Expenses - Agency Operations	15,465	543	2,748.1	5,226	170	2,974.1
Other Operating Expenses - Other Operations	603	602	0.2	462	89	419.1
Total Benefits, Losses and Expenses	23,411	6,417	264.8	8,201	2,061	297.9
Income Before Provision for Income Taxes	1,570	4,285	(63.4)	(14)	451	(103.1)
Provision For Income Taxes	456	1,598	(71.5)	(46)	72	(163.9)
Operating Income	1,114	2,687	(58.5)	32	379	(91.6)
Realized Investment Gains (Losses), Net of Tax	32	(152)	121.1	31	-	100.0
Net Income	\$ 1,146	\$ 2,535	(54.8)	\$ 63	\$ 379	(83.4)
Operating Income Per Share - Diluted	\$ 0.01	\$ 0.03	(58.6)	\$ 0.00	\$ 0.00	(91.6)
Net Income Per Share - Diluted	\$ 0.01	\$ 0.03	(54.9)	\$ 0.00	\$ 0.00	(83.4)
Operating Return on Equity	0.8%	3.9%				
Return on Equity	0.9%	3.7%				
Other Key Information						
	9/30/05	9/30/04	% Change			
<i>Alfa Financial Corporation:</i>						
Loan Portfolio	\$ 122,323	\$ 109,256	12.0			
Loan Portfolio Yield *	7.30%	6.85%				
Loan Gross Charge-offs	\$ 582	\$ 548				
Loan Net Charge-offs	\$ 478	\$ 478				
Loan Delinquency Ratio *	1.20%	1.11%				
<i>MidCountry Financial Corporation:</i>						
Carrying Value (43% and 41% ownership at 9/30/05 and 9/30/04, respectively)	\$ 53,614	\$ 14,856	260.9			
Equity in Net Earnings	\$ 1,278	\$ 597	114.1			
Return on Carried Value *	3.2%	5.5%				

Data may differ from actual due to rounding.

ALFA CORPORATION
CORPORATE SEGMENT AND ELIMINATIONS (UNAUDITED)
(in thousands, except ratios and per share data)

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2005	2004	% Change	2005	2004	% Change
INCOME STATEMENT						
Revenues						
Investment Loss	\$ (1,169)	\$ (1,037)	(12.7)	\$ (441)	\$ (476)	7.4
Interest Expense	(2,002)	(536)	(273.5)	(898)	(238)	(277.3)
Total Net Investment Loss	(3,171)	(1,573)	(101.6)	(1,339)	(714)	(87.5)
Other Income	(8,365)	(70)	(11,850.0)	(3,484)	(16)	(21,675.0)
Total Revenues	(11,536)	(1,643)	(602.1)	(4,823)	(730)	(560.7)
Benefits, Losses and Expenses						
Claims and Settlement Expenses	(1,013)	-	(100.0)	(550)	-	(100.0)
Amortization of Deferred Policy Acquisition Costs	(735)	-	(100.0)	(400)	-	(100.0)
Other Operating Expenses	(4,950)	1,021	(584.8)	(1,820)	645	(382.2)
Total Benefits, Claims, Losses and Settlement Expenses	(6,698)	1,021	(756.0)	(2,770)	645	(529.5)
Loss Before Provision for Income Taxes	(4,838)	(2,664)	(81.6)	(2,053)	(1,375)	(49.3)
Provision For Income Taxes	(248)	-	(100.0)	(44)	-	(100.0)
Operating Loss	(4,590)	(2,664)	(72.3)	(2,009)	(1,375)	(46.1)
Realized Investment Gains, Net of Tax	-	-	0.0	-	-	0.0
Net Loss	\$ (4,590)	\$ (2,664)	(72.3)	\$ (2,009)	\$ (1,375)	(46.1)
Operating Loss Per Share - Diluted	\$ (0.06)	\$ (0.03)	(72.0)	\$ (0.02)	\$ (0.02)	(45.6)
Net Loss Per Share - Diluted	\$ (0.06)	\$ (0.03)	(72.0)	\$ (0.02)	\$ (0.02)	(45.6)

Data may differ from actual due to rounding.

ALFA CORPORATION
INVESTMENT PORTFOLIO
(in thousands, except ratios and per share data)

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2005	2004	% Change	2005	2004	% Change
Alfa Corporation Consolidated Investment Portfolio - Other Key Information						
<i>Net Investment Income and Pre-tax Yield:</i>						
	<u>Yields</u>			<u>Yields</u>		
				2005	2004	
Fixed Income Securities	\$ 57,577	\$ 55,025	4.6	5.9%	6.2% ¹	
Equity Securities	2,176	1,911	13.9	2.7%	2.1%	
Collateral Loans	6,493	5,583	16.3			
Commercial Leases	4,807	8,741	(45.0)			
Other Investment Income	14,194	7,609	86.5			
Interest Expense	(8,156)	(4,648)	(75.5)			
Investment Expenses	(6,601)	(7,337)	10.0			
Total Net Investment Income	\$ 70,490	\$ 66,884	5.4	\$ 24,607	\$ 22,431	9.7
<i>Investment Portfolio Composition:</i>						
	<u>9/30/05</u>	<u>12/31/04</u>				
<i>Fixed Income Securities, by Rating:²</i>						
	<i>NAIC Rated</i>	<i>Moody's Rated</i>				
	1	Aaa/Aa/A	\$ 1,282,319	\$ 1,251,059	2.5	
	2	Baa	94,273	97,725	(3.5)	
	3	Ba	7,518	5,542	35.7	
	4	B	4,322	-	100.0	
	5	Caa	-	296	(100.0)	
	6	In or near default	-	-	0.0	
Total Fixed Income Securities			1,388,432	1,354,622	2.5	
Equity Securities			116,610	99,701	17.0	
Collateral Loans			122,214	110,793	10.3	
Commercial Leases (Inc. Held for Sale Assets)			71,576	81,562	(12.2)	
Other Invested Assets			295,509	284,940	3.7	
Total Investment Portfolio			\$ 1,994,341	\$ 1,931,618	3.2	

¹ Yield on Fixed Income Securities is calculated as annualized income divided by the average of the beginning and end of period amortized investment balances for the same 12-month period, which exclude unrealized investment gains and losses.

² Investment Portfolio Composition values for Fixed Income Securities are based on fair value for available for sale securities and amortized value for held for investment securities.

Data may differ from actual due to rounding.

ALFA CORPORATION
QUARTERLY FINANCIAL SUPPLEMENT
September 30, 2005
(Unaudited)

Additional Information	01:1Q	01:2Q	01:3Q	01:4Q	2001
Pretax P&C Net Investment Income	6,927,259	7,330,600	9,215,930	7,804,506	31,278,295
Pretax P&C Operating Income	11,832,832	17,381,869	16,226,126	16,910,149	62,350,976
P&C Statutory Invested Assets	529,832,002	542,658,849	551,514,402	557,002,373	
P&C Statutory Surplus	247,200,509	256,612,057	262,006,890	269,364,456	
P&C Loss & LAE Reserves	142,315,663	141,025,272	140,563,769	138,238,360	
Pretax Life Net Investment Income	11,269,815	11,636,260	11,563,799	12,153,399	46,623,273
Pretax Life Operating Income	7,525,273	7,091,057	6,296,551	6,664,855	27,577,736
Life Statutory Invested Assets	684,373,729	694,337,995	696,793,901	708,305,716	
Life Statutory Surplus	138,802,337	144,379,715	147,822,321	146,319,826	
	02:1Q	02:2Q	02:3Q	02:4Q	2002
Pretax P&C Net Investment Income	7,747,433	8,375,695	7,176,169	7,134,749	30,434,046
Pretax P&C Operating Income	17,393,023	14,283,409	13,309,248	19,211,125	64,196,805
P&C Statutory Invested Assets	562,536,805	587,045,896	592,330,618	598,545,022	
P&C Statutory Surplus	276,936,440	274,268,630	285,198,181	291,296,304	
P&C Loss & LAE Reserves	140,547,346	144,370,368	145,867,486	145,808,225	
Pretax Life Net Investment Income	11,482,042	11,673,726	12,057,548	12,076,982	47,290,298
Pretax Life Operating Income	6,038,921	6,493,899	6,928,507	6,748,195	26,209,522
Life Statutory Invested Assets	731,033,090	737,560,100	735,098,205	749,891,687	
Life Statutory Surplus	141,999,217	133,026,858	127,697,259	132,468,334	
	03:1Q	03:2Q	03:3Q	03:4Q	2003
Pretax P&C Net Investment Income	6,910,185	7,653,547	7,423,546	6,516,131	28,503,409
Pretax P&C Operating Income	20,276,043	16,813,874	16,415,815	16,120,258	69,625,990
P&C Statutory Invested Assets	619,015,221	626,103,044	640,677,141	643,775,395	
P&C Statutory Surplus	300,514,053	308,384,829	314,946,117	323,362,342	
P&C Loss & LAE Reserves (1)	144,689,722	145,691,012	147,585,697	139,589,753	
Pretax Life Net Investment Income	11,534,769	10,948,305	10,843,170	11,408,366	44,734,610
Pretax Life Operating Income	5,630,299	6,071,633	5,514,256	9,528,981	26,745,169
Life Statutory Invested Assets	771,143,631	809,472,299	808,833,684	823,345,514	
Life Statutory Surplus	127,075,494	130,374,293	133,237,013	144,834,065	
	04:1Q	04:2Q	04:3Q	04:4Q	2004
Pretax P&C Net Investment Income	7,422,200	7,529,905	8,140,669	11,653,490	34,746,264
Pretax P&C Operating Income	26,792,114	19,926,490	21,341,315	22,749,345	90,809,264
P&C Statutory Invested Assets (2)	663,386,315	668,080,084	716,819,582	716,630,234	
P&C Statutory Surplus	335,394,591	343,130,340	334,809,757	369,838,232	
P&C Loss & LAE Reserves (1)	144,839,184	144,417,593	151,118,973	150,856,684	
Pretax Life Net Investment Income	11,464,207	12,070,627	13,044,596	12,549,202	49,128,632
Pretax Life Operating Income	6,101,031	4,881,196	5,704,300	8,778,931	25,465,458
Life Statutory Invested Assets	850,439,601	865,246,778	876,301,256	890,441,591	
Life Statutory Surplus	147,078,186	149,627,085	151,079,986	161,992,039	
	05:1Q	05:2Q	05:3Q	05:4Q	2005
Pretax P&C Net Investment Income	9,310,764	8,926,932	11,232,799		29,470,495
Pretax P&C Operating Income	19,002,266	33,255,773	29,255,953		81,513,992
P&C Statutory Invested Assets (2)	705,855,331	715,563,873	720,574,977		
P&C Statutory Surplus	372,285,887	385,401,304	398,052,284		
P&C Loss & LAE Reserves (1)	145,569,327	141,926,723	149,282,527		
Pretax Life Net Investment Income	12,226,938	13,061,800	12,661,842		37,950,580
Pretax Life Operating Income	7,722,260	7,001,604	6,004,445		20,728,309
Life Statutory Invested Assets	923,042,022	932,889,527	957,943,993		
Life Statutory Surplus	163,786,697	167,102,347	171,890,971		

(1) P&C Loss & LAE Reserves for fourth quarter 2003, fourth quarter 2004 and periods beginning in 2005 include salvage and subrogation receivables.

(2) P&C Statutory Invested Assets for fourth quarter 2004 and periods beginning in 2005 reflect a reclassification of premium installment plan receivables into Accounts Receivable.

Definitions of Non-GAAP, GAAP and Operating Measures

Management believes that disclosure of the following non-GAAP financial measures provides investors with meaningful tools to assess the Company's ongoing operations. Our methods of calculating these measures may differ from those used by other companies, thereby limiting comparability.

Operating Income is defined as net income excluding realized investment gains and losses, net of applicable taxes. Management uses operating income as a measure of the Company's ongoing profitability since it eliminates the effect of securities market volatility from earnings.

Operating Income per Share is defined as operating income divided by the weighted average shares outstanding for the reporting period. Management uses operating income per share as a measure of the Company's ongoing profitability since it eliminates the effect of securities market volatility from earnings.

Operating Return on Equity (Current Period) is defined as operating income for the trailing 12-month period divided by the simple average of the beginning and ending stockholders' equity of the same 12-month period.

Operating Return on Equity (Prior Period) is defined as operating income for the prior year divided by the simple average of the beginning and ending stockholders' equity of the same 12-month period.

Return on Equity (Current Period) is defined as net income for the trailing 12-month period divided by the simple average of the beginning and ending stockholders' equity of the same 12-month period.

Return on Equity (Prior Period) is defined as net income for the prior year divided by the simple average of the beginning and ending stockholders' equity of the same 12-month period.

Management uses the following GAAP ratios to measure the Company's ongoing operations. They are calculated as follows:

Loss Ratio is defined as incurred losses divided by earned premiums.

Loss Adjustment Expense Ratio is defined as loss adjustment expenses divided by earned premiums.

Operating Expense Ratio is defined as total operating expenses divided by earned premiums.

Combined Ratio is defined as the sum of the loss ratio, the loss adjustment expense ratio and the expense ratio or the sum of incurred losses, loss adjustment expenses and total operating expenses divided by earned premiums.

Management uses the following operating statistics to measure components of the Company's ongoing operations. They are calculated as follows:

Lapse Ratio is defined as the number of policies lapsing as a percentage of billings produced during a stated time period.

Actual vs. Expected Mortality Ratio is defined as benefit payments divided by the actuarially estimated benefit payments for the stated time period.

Persistency Ratio is defined as the annualized premium of policies in force at the end of the period as a percentage of the annualized premium paid at the end of the period.

Loan Portfolio Yield is defined as annualized interest income divided by the loan portfolio balance.

Loan Delinquency Ratio is defined as the amount of loans 30 or more days past due divided by the loan portfolio balance.

Return on Carried Value is defined as equity in net earnings divided by the simple average of beginning and end of period carrying value..