

The Value of First American

[FIRST QUARTER 2008 EARNINGS REVIEW]

May 1, 2008



The First American Corporation

Safe Harbor Statement

Certain statements made in this presentation, including those relating to annualized cost savings from reduced employee counts, offices closures and other cost savings initiatives, title order volumes, centralization of administrative functions and cost savings realized by the restructuring of the Risk Mitigation and Business Solutions and Employers Services segments, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These and other forward-looking statements may contain the words “believe”, “anticipate”, “expect”, “plan”, “predict”, “estimate”, “project”, “will be”, “will continue”, “will likely result” or other similar words or phrases. Risks and uncertainties exist that may cause results to differ materially from those set forth in these forward-looking statements. Factors that could cause the anticipated results to differ from those described in the forward-looking statements include: interest rate fluctuations; changes in the performance of the real estate markets; limitations on access to public records and other data; general volatility in the capital markets; changes in applicable government regulations; heightened scrutiny by legislators and regulators of the Company's title insurance segment and certain other of the Company's businesses; consolidation among the Company's significant customers and competitors; changes in the Company's ability to integrate businesses which it acquires; systems interruptions and intrusions; the Company's inability to realize the benefits of its offshore strategy; product migration; the inability to consummate the spin-off transaction announced January 15, 2008 as a result of, among other factors, the inability to obtain necessary regulatory approvals or the failure to obtain the final approval of the company's board of directors; the inability to recognize the benefits of the spin-off transaction as a result of, among other factors, unexpected corporate overhead costs, unfavorable reaction from customers, employees, ratings agencies or other interested persons, the triggering of rights and obligations by the spin-off, accommodations required to be made to obtain consents or waivers or the inability to transfer assets into the entity being spun-off; and other factors described in Part I, Item 1A of the Company's annual report on Form 10-K for the year ended December 31, 2007, as updated in Part II, Item 1A of the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2008, in each case as filed with the Securities and Exchange Commission. The forward-looking statements speak only as of the date they are made. The Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.



Use of Non-GAAP Financial Measures

This slide presentation contains certain financial measures that are not presented in accordance with generally accepted accounting principles (GAAP). The Company is presenting these non-GAAP financial measures because they provide the Company's management and investors with additional insight into the operational performance of the Company relative to earlier periods and relative to the Company's competitors. The Company does not intend for these non-GAAP financial measures to be a substitute for any GAAP financial information. In the slide presentation these non-GAAP financial measures have been presented with, and reconciled to, the most directly comparable GAAP financial measures. Investors should use these non-GAAP financial measures only in conjunction with the comparable GAAP financial measures.



Recent Highlights

- **On a pro forma basis, the Information Solutions group experienced a meaningful increase in adjusted pretax income of 55.2% from the fourth quarter of 2007**
- **The Information and Outsourcing Solutions segment posted its highest pretax income AND margin since 2005**
- **Expense reductions in Title Insurance**
- **Title order count increases relative to the fourth quarter**
- **Continued revenue growth in International title**



First Quarter Review

- **Total revenues decreased 21.9% compared to the first quarter of 2007**
- **Operating revenues for the Financial Services business group were \$1.1 billion, down 25.1% compared to the first quarter of 2007**
- **Operating revenues for the Information Solutions business group were \$530.9 million, down 6.0% compared to the first quarter of 2007**
- **Investment income of \$69.4 million decreased 3.8% compared to the first quarter of 2007**
- **Pretax income was \$69.6 million compared to \$180.4 million during the first quarter of 2007, a decrease of 61%. Excluding net realized investment gains, pretax income decreased 36% over prior year ^(a)**

(a) See reconciliation in the appendix



Financial Services Pro Forma Earnings

(\$ in thousands)

	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q1 2007</u>	<u>Q1 2008</u> <u>Q1 2007</u> <u>Variance</u>	<u>Q1 2008</u> <u>Q4 2007</u> <u>Variance</u>
Operating revenue	\$ 1,076,027	\$ 1,277,090	\$ 1,435,947	(25.1)%	(15.7)%
Investment	47,881	(9,444)	56,825	(15.7)%	(607.0)%
Total revenues	\$ 1,123,908	\$ 1,267,646	\$ 1,492,772	(24.7)%	(11.3)%
Salaries and other operating	\$ 1,094,714	\$ 1,441,968	\$ 1,419,517	(22.9)%	(24.1)%
Depreciation and amort.	21,129	21,666	19,995	5.7%	(2.5)%
Interest	8,163	7,184	9,874	(17.3)%	13.6%
Total expenses	\$ 1,124,006	\$ 1,470,818	\$ 1,449,386	(22.4)%	(23.6)%
Pretax (loss) income ^(a)	\$ (98)	\$ (203,172)	\$ 43,386	(100.2)%	(100.0)%
Minority interest	1,337	1,880	2,344	(43.0)%	(28.9)%
Income (benefit) taxes	(617)	(42,036)	17,032	(103.6)%	(98.5)%
Net (loss) income	\$ (818)	\$ (163,016)	\$ 24,010	(103.4)%	(99.5)%
Capital Expenditures	\$ 16,148	\$ 23,366	\$ 19,234	(16.0)%	(30.9)%

Note: Pro forma earnings represent actual results for the Title Insurance and Services and Specialty Insurance segments adjusted for estimated allocation of net corporate expenses

(a) Income (loss) before income taxes and minority interest expense



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Title Insurance Results

- **Total revenues in the first quarter decreased 26.0% compared to the first quarter of 2007**
- **Salaries and other personnel costs decreased 13.3% from the fourth quarter of 2007 and 16.1% from the first quarter of 2007**
- **Other operating expenses decreased 18.7% from the fourth quarter of 2007 and 8.2% from the first quarter of 2007**
- **International title revenue for the first quarter totaled \$103.1 million, a 13.8% increase over the prior year. Pretax margin for the International title business was 4.8% for the first quarter**



Title Insurance Results

(\$ in millions)

	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>	<u>Q1 2007</u>	<u>Q1 2008</u> <u>Q1 2007</u>	<u>Q1 2008</u> <u>Q4 2007</u>
						<u>Variance</u>	<u>Variance</u>
Revenues:							
Direct	\$ 552.8	\$ 617.1	\$ 686.0	\$ 782.5	\$ 674.7	(18.1)%	(10.4)%
Agent	451.6	587.5	683.4	655.8	685.6	(34.1)%	(23.1)%
	<u>\$ 1,004.4</u>	<u>\$ 1,204.6</u>	<u>\$ 1,369.4</u>	<u>\$ 1,438.3</u>	<u>\$ 1,360.3</u>	<u>(26.2)%</u>	<u>(16.6)%</u>
Investment ^(a)	42.9	52.9	53.0	69.0	59.9	(28.4)%	(18.9)%
Total revenues ^(a)	<u>\$ 1,047.3</u>	<u>\$ 1,257.5</u>	<u>\$ 1,422.4</u>	<u>\$ 1,507.3</u>	<u>\$ 1,420.2</u>	<u>(26.3)%</u>	<u>(16.7)%</u>
Expenses:							
Salaries and other	\$ 342.0	\$ 394.3	\$ 408.5	\$ 445.5	\$ 407.8	(16.1)%	(13.3)%
Agent retention	360.3	467.8	545.9	527.6	550.8	(34.6)%	(23.0)%
Other operating	242.7	298.4	289.7	296.2	264.3	(8.2)%	(18.7)%
Loss provision ^(b)	62.3	56.0	88.4	97.5	96.3	(35.3)%	11.3%
Dep. and amort.	18.7	21.1	18.3	22.8	19.5	(4.1)%	(11.4)%
Premium taxes	10.8	13.0	14.7	16.5	16.1	(32.9)%	(16.9)%
Interest	8.2	5.0	8.9	8.4	7.8	5.1%	64.0%
Total expenses	<u>\$ 1,045.0</u>	<u>\$ 1,255.6</u>	<u>\$ 1,374.4</u>	<u>\$ 1,414.5</u>	<u>\$ 1,362.6</u>	<u>(23.3)%</u>	<u>(16.8)%</u>
Adjusted Pretax income^(c)	<u>\$ 2.3</u>	<u>\$ 1.9</u>	<u>\$ 48.0</u>	<u>\$ 92.8</u>	<u>\$ 57.6</u>	<u>(96.0)%</u>	<u>21.1%</u>
+ Net Realized Investment Gains	0.6	(65.0)	(4.3)	(5.4)	(4.3)		
- Reserve Strengthening	-	122.3	-	243.6	-		
GAAP Pretax (loss) income	<u>\$ 2.9</u>	<u>\$ (185.4)</u>	<u>\$ 43.7</u>	<u>\$ (156.2)</u>	<u>\$ 53.3</u>	<u>(94.6)%</u>	<u>(101.6)%</u>

Note: Results for the Title Insurance and Services segment only. Excludes corporate expenses

(a) Excludes all net realized investment gains; see reconciliation in the appendix

(b) Excludes loss reserve strengthening; see reconciliation in the appendix

(c) Excludes net realized investment gains and loss reserve strengthening



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Title Insurance Claims History

(\$ in thousands)

	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>	<u>Q1 2007</u>	<u>Q1 2008</u> <u>Q1 2007</u> <u>Variance</u>	<u>Q1 2008</u> <u>Q4 2007</u> <u>Variance</u>
Paid title claims	\$ 65,340	\$ 95,807	\$ 70,904	\$ 72,056	\$ 62,393	4.7%	(31.8)%
Known Claims	69,324	116,280	81,737	82,523	71,402	(2.9)%	(40.4)%
Provision for title claims	\$ 62,279	\$ 178,329	\$ 88,407	\$ 341,081	\$ 96,266	(35.3)%	(65.1)%
Provision for title claims as a % of title operating revenues	6.2%	14.8%	6.5%	23.7%	7.1%	(0.9) ^(a)	(8.6) ^(a)

(a) Reflects percentage point changes only



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Title Insurance Results

- **National Commercial Services^(a) generated revenue of \$79.4 million in the first quarter, a 26.3% decrease over prior year**

(\$ in millions)

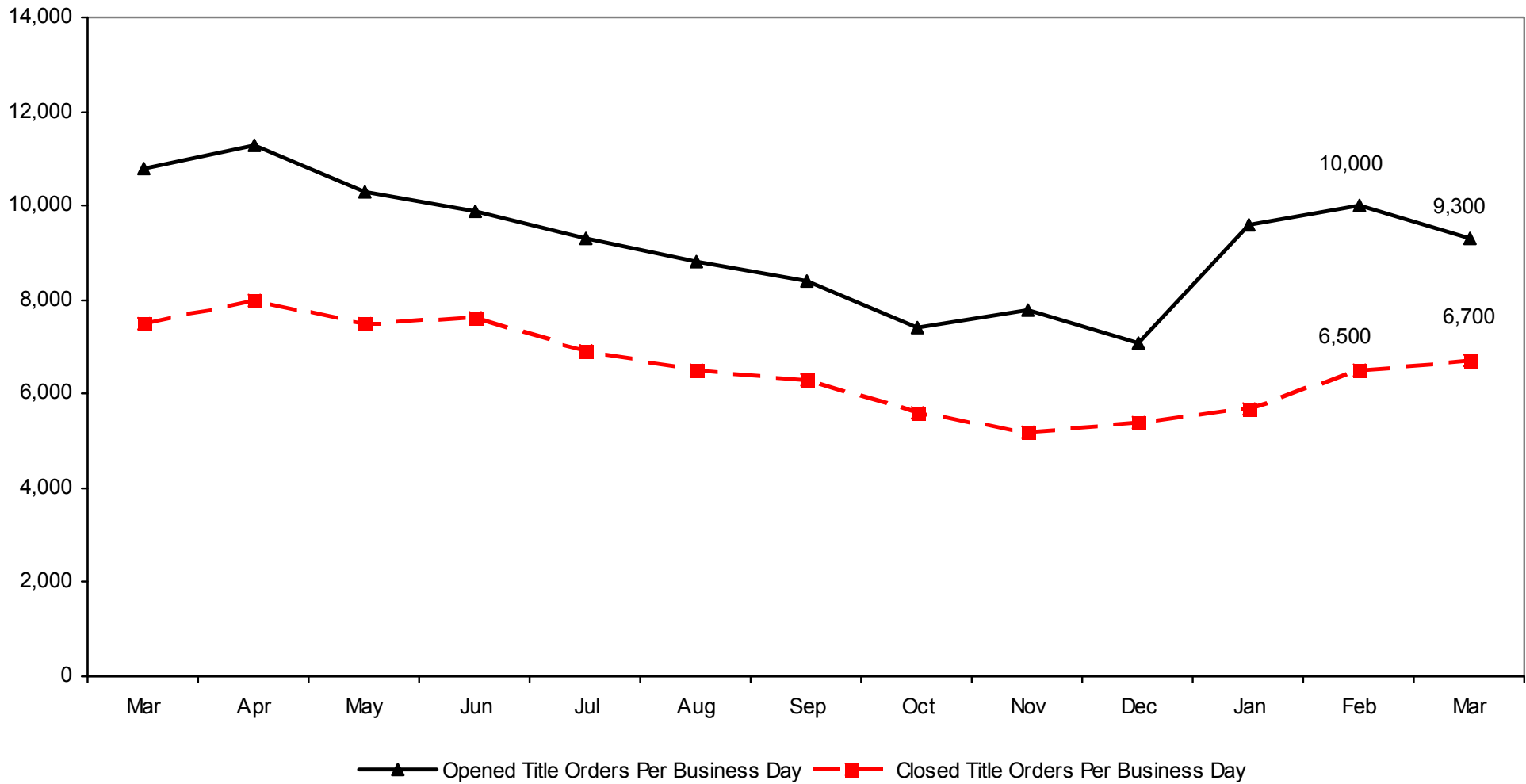
National Commercial Services	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>	<u>Q1 2007</u>	Q1 2008	Q1 2008
						Q1 2007	Q4 2007
						<u>Variance</u>	<u>Variance</u>
Total revenues	\$ 79.4	\$ 118.8	\$ 120.3	\$ 126.8	\$ 107.8	(26.3)%	(33.2)%
Title orders opened	17,795	18,036	20,076	23,145	23,307	(23.6)%	(1.3)%
Title orders closed	8,653	10,441	10,582	10,401	9,871	(12.3)%	(17.1)%

(a) Represents the Company's National Commercial Services (NCS) group. Does not include commercial title orders generated from the Company's direct operations, commercial agents or brands other than First American Title



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Title Order Count Trends



Note: Title order counts rounded to the nearest hundred



Title Margin Initiatives Update

- **The title insurance segment reduced employees by approximately 1,000 during the first quarter yielding an annualized cost savings of \$58.1 million**
- **The company closed 118 offices during the first quarter and continues to consolidate offices where appropriate. Annualized cost savings from offices closed in the first quarter totaled \$7.7 million**
- **Administrative functions such as accounting, human resources, information technology and treasury management are being centralized**
- **The company continues to analyze all agency relationships and is taking appropriate action for those agents not meeting minimum standards**



Information Solutions Pro Forma Earnings

(\$ in thousands)

	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q1 2007</u>	<u>Q1 2008</u> <u>Q1 2007</u> <u>Variance</u>	<u>Q1 2008</u> <u>Q4 2007</u> <u>Variance</u>
Operating revenue	\$ 515,501	\$ 487,194	\$ 547,776	(5.9)%	5.8%
Investment	15,598	119,120	79,881	(80.5)%	(86.9)%
Total revenues	\$ 531,099	\$ 606,314	\$ 627,657	(15.4)%	(12.4)%
Salaries and other operating	\$ 415,114	\$ 412,196	\$ 447,142	(7.2)%	0.7%
Depreciation and amort.	35,044	34,606	32,029	9.4%	1.3%
Interest	11,270	12,745	11,454	(1.6)%	(11.6)%
Total expenses	\$ 461,428	\$ 459,547	\$ 490,625	(6.0)%	0.4%
Pretax income^(a)	\$ 69,671	\$ 146,767	\$ 137,032	(49.2)%	(52.5)%
Minority interest	16,802	26,642	34,848	(51.8)%	(36.9)%
Income taxes	22,734	24,626	42,406	(46.4)%	(7.7)%
Net income	\$ 30,135	\$ 95,499	\$ 59,778	(49.6)%	(68.4)%

Note: Pro forma earnings represent actual results for the Information and Outsourcing Solutions, Data and Analytic Solutions and Risk Mitigation and Business Solutions segments adjusted for estimated allocation of net corporate expenses

(a) Income before income taxes and minority interest expense



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Information Solutions Pro Forma Earnings

(\$ in thousands)

	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q1 2007</u>	<u>Q1 2008</u> <u>Q1 2007</u> <u>Variance</u>	<u>Q1 2008</u> <u>Q4 2007</u> <u>Variance</u>
GAAP Pretax income	\$ 69,671	\$ 146,767	\$ 137,032	(49.2)%	(52.5)%
- Net Realized Investment (Loss) Gains	(3,900)	99,371	72,092	(105.4)%	(103.9)%
+ Employee Separation Costs	-	-	8,000	(100.0)%	NM
Adj. Pretax Income	<u>\$ 73,571</u>	<u>\$ 47,396</u>	<u>\$ 72,940</u>	0.9%	55.2%
+ Depreciation & Amortization	35,044	34,606	32,029	9.4%	1.3%
+ Interest	11,270	12,745	11,454	(1.6)%	(11.6)%
Adj. EBITDA	<u>\$ 119,885</u>	<u>\$ 94,747</u>	<u>\$ 116,423</u>	3.0%	26.5%
Capital Expenditures	\$ 27,683	\$ 35,351	\$ 42,458	(34.8)%	(21.7)%
Finite-Lived Intangible Asset Amort.	\$ 12,573	\$ 12,555	\$ 12,424	1.2%	0.1%



Information and Outsourcing Solutions Highlights

- Revenues in the first quarter increased by \$23.3 million or 13.5% compared to the fourth quarter of 2007
 - Volume increases across all business lines represented over \$20 million of the improvement
 - \$2.2 million organic growth from sales to the property and casualty insurance industry
- Cost savings initiatives through April are expected to result in annualized cost savings of \$3.0 million
- Total 2008 cost savings initiatives are expected to result in annualized savings of \$8.0 million



Information and Outsourcing Solutions Highlights

(in thousands, except percentages)

	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>	<u>Q1 2007</u>	<u>Q1 2008 Q1 2007 Variance</u>	<u>Q1 2008 Q4 2007 Variance</u>
Tax and Flood	\$ 88,722	\$ 79,110	\$ 90,323	\$ 95,831	\$ 97,153	(8.7)%	12.2%
Collateral Valuation	54,616	48,196	56,933	83,109	75,652	(27.8)%	13.3%
Default and Other ^(a)	52,844	45,552	43,980	37,041	33,794	56.4%	16.0%
Total revenues	\$ 196,182	\$ 172,858	\$ 191,236	\$ 215,981	\$ 206,599	(5.0)%	13.5%
Pretax income ^(b)	\$ 50,518	\$ 27,970	\$ 40,201	\$ 47,616	\$ 46,213	9.3%	80.6%
Pretax margin	25.8%	16.2%	21.0%	22.0%	22.4%	3.4 ^(e)	9.6 ^(e)
Loans under Tax Service ^(c)	28,155	28,626	28,600	28,155	27,878	1.0%	(1.6)%
Flood certifications ^(d)	3,185	2,295	2,757	3,185	3,191	(0.2)%	38.8%

Note: Results for the Information and Outsourcing Solutions segment only. Excludes corporate expenses

(a) Includes default businesses within the Information and Outsourcing Solutions segment only

(b) Income before income taxes and minority interest expense

(c) Tax service life of loan orders under service

(d) Flood certifications ordered per quarter

(e) Margin comparisons reflect percentage point changes only



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Data and Analytic Solutions Highlights

- **Adjusted total revenues in the first quarter increased by \$6.5 million or 4.7% compared to the fourth quarter of 2007^(a)**
 - **Volumes increase across all transaction-based product lines**
 - **Meaningful new product development efforts**
 - **Organic growth in mortgage risk analytic products**
 - **Securitization-related business remains low consistent with new issuance flow**
- **Cost savings initiatives through April are expected to result in annualized cost savings of \$6.0 million**
- **Total 2008 cost savings initiatives are expected to result in annualized savings of \$10.0 million**

(a) See reconciliation in the appendix



Data and Analytic Solutions Highlights

(\$ in thousands)

	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>	<u>Q1 2007</u>	<u>Q1 2008</u> <u>Q1 2007</u> <u>Variance</u>	<u>Q1 2008</u> <u>Q4 2007</u> <u>Variance</u>
Property data and analytics	\$ 110,953	\$ 108,639	\$ 117,434	\$ 127,460	\$ 120,613	(8.0)%	2.1%
Other Real Estate Products	37,266	34,218	36,785	37,812	35,743	4.3%	8.9%
Eliminations and Other	(1,427)	(2,608)	(3,195)	(3,495)	(3,699)	(61.4)%	(45.3)%
Total revenues ^(a)	<u>\$ 146,792</u>	<u>\$ 140,249</u>	<u>\$ 151,024</u>	<u>\$ 161,777</u>	<u>\$ 152,657</u>	(3.8)%	4.7%
Pretax income ^(b)	\$ 20,522	\$ 20,982	\$ 21,485	\$ 29,080	\$ 30,075	(31.8)%	(2.2)%
Pretax margin	14.0%	15.0%	14.2%	18.0%	19.7%	(5.7) ^(c)	(1.0) ^(c)

Note: Results for the Data and Analytic Solutions segment only. Excludes corporate expenses

(a) Excludes net realized investment gains; see reconciliation in the appendix

(b) Income before income taxes and minority interest expense; excludes net realized investment gains; see reconciliation in the appendix

(c) Margin comparisons reflect percentage point changes only



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Risk Mitigation and Business Solutions Highlights

- **Operating revenues in the first quarter decreased 5.0% over prior year**
- **Pretax margins in the Lender and Data segments rebounded from fourth quarter of 2007 levels**
- **Cash provided by continuing operations was strong in the first quarter of 2008**
- **The Multifamily Services and Investigative & Litigation Support Services segments posted solid results**
- **The process of identifying and disposing of non-core assets continues**
- **Restructuring of the Employer Services segment will reduce the domestic employee count by 17% with annualized cost savings of approximately \$5.0 million**



Risk Mitigation and Business Solutions Highlights

(\$ in thousands)

	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>	<u>Q1 2007</u>	<u>Q1 2008 Q1 2007 Variance</u>	<u>Q1 2008 Q4 2007 Variance</u>
Total revenues ^(a)	\$ 207,543	\$ 207,561	\$ 220,708	\$ 221,935	\$ 217,284	(4.5)%	(0.0)%
Pretax income ^(b)	\$ 26,062	\$ 30,449	\$ 33,116	\$ 32,196	\$ 27,992	(6.9)%	(14.4)%
Pretax margin	12.6%	14.7%	15.0%	14.5%	12.9%	(0.3) ^(c)	(2.1) ^(c)
Cash provided by operating activities	\$ (35,228) ^(d)	\$ 44,796	\$ 38,646	\$ 26,077	\$ 24,893	(241.5)%	(178.6)%

(a) Excludes net realized investment gains; see reconciliation in the appendix

(b) Income before income taxes and minority interest expense; excludes net realized investment gains; see reconciliation in the appendix

(c) Margin comparisons reflect percentage point changes only

(d) Includes \$57.7 million of tax payments related to the sale of DealerTrack shares in the fourth quarter of 2007



Pro Forma Balance Sheet Summary

As of March 31, 2008; \$ in thousands

Assets	Financial Services	Information Solutions	Consolidated
Cash and investments	\$ 2,688,582	\$ 317,601	\$ 3,006,183
Others assets	1,384,460	1,418,107	2,802,567
Goodwill & intangibles	847,896	2,106,307	2,954,203
Total Assets	\$ 4,920,938	\$ 3,842,015	\$ 8,762,953
Liabilities and Equity			
Debt	\$ 245,644	\$ 764,302	\$ 1,009,946
Minority interest	47,910	640,042	687,952
Other liabilities	3,095,438	987,887	4,083,325
Equity	1,531,946	1,449,784	2,981,730
Total Liabilities and Equity	\$ 4,920,938	\$ 3,842,015	\$ 8,762,953
Debt/Total Capitalization	13.5%	26.8%	21.6%



Appendix



Reconciliation of Segment Results

(\$ in thousands)

	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>	<u>Q1 2007</u>	<u>Q1 2008</u> <u>Q1 2007</u> <u>Variance</u>	<u>Q1 2008</u> <u>Q4 2007</u> <u>Variance</u>
Title Insurance							
GAAP Investment Income (Loss)	\$ 43,523	\$ (12,040)	\$ 48,701	\$ 63,583	\$ 55,513	(21.6)%	(461.5)%
- Net Realized Investment Income (Losses)	629	(64,985)	(4,307)	(5,426)	(4,338)		
Adjusted Investment Income	<u>\$ 42,894</u>	<u>\$ 52,945</u>	<u>\$ 53,008</u>	<u>\$ 69,009</u>	<u>\$ 59,851</u>	(28.3)%	(19.0)%
GAAP Loss Provision	\$ 62,279	\$ 178,329	\$ 88,407	\$ 341,081	\$ 96,266	(35.3)%	(65.1)%
- Reserve Strengthening	-	122,300	-	243,600	-		
Adjusted Loss Provision	<u>\$ 62,279</u>	<u>\$ 56,029</u>	<u>\$ 88,407</u>	<u>\$ 97,481</u>	<u>\$ 96,266</u>	(35.3)%	11.2%
Data & Analytic Solutions							
GAAP Total Revenue	\$ 146,854	\$ 122,373	\$ 153,500	\$ 161,795	\$ 224,845	(34.7)%	20.0%
- Net Realized Investment Gains (Losses)	62	(17,875)	2,477	18	72,188		
Adjusted Total Revenues	<u>\$ 146,792</u>	<u>\$ 140,248</u>	<u>\$ 151,023</u>	<u>\$ 161,777</u>	<u>\$ 152,657</u>	(3.8)%	4.7%
GAAP Pretax Income	\$ 20,584	\$ 3,107	\$ 23,961	\$ 29,098	\$ 102,263	(79.9)%	562.4%
- Net Realized Investment Gains (Losses)	62	(17,875)	2,477	18	72,188		
Adjusted Pretax Income	<u>\$ 20,522</u>	<u>\$ 20,982</u>	<u>\$ 21,484</u>	<u>\$ 29,080</u>	<u>\$ 30,075</u>	(31.8)%	(2.2)%
Risk Mitigation & Business Solutions							
GAAP Total Revenue	\$ 203,620	\$ 325,241	\$ 220,387	\$ 221,901	\$ 217,197	(6.3)%	(37.4)%
- Net Realized Investment (Losses) Gains	(3,923)	117,680	(321)	(35)	(87)		
Adjusted Total Revenues	<u>\$ 207,543</u>	<u>\$ 207,561</u>	<u>\$ 220,708</u>	<u>\$ 221,936</u>	<u>\$ 217,284</u>	(4.5)%	(0.0)%
GAAP Pretax Income	\$ 22,139	\$ 148,129	\$ 32,795	\$ 32,161	\$ 19,905	11.2%	(85.1)%
- Net Realized Investment (Losses) Gains	(3,923)	117,680	(321)	(35)	(87)		
+ Employee Separation Cost					8,000		
Adjusted Pretax Income	<u>\$ 26,062</u>	<u>\$ 30,449</u>	<u>\$ 33,116</u>	<u>\$ 32,196</u>	<u>\$ 27,992</u>	(6.9)%	(14.4)%
Consolidated							
GAAP Pretax Income (Loss)	\$ 69,574	\$ (56,405)	\$ 108,453	\$ (79,960)	\$ 180,418	(61.4)%	(223.3)%
- Net Realized Investment (Losses) Gains	(5,876)	26,152	(2,885)	(20,108)	62,509		
Adjusted Pretax Income (Loss)	<u>\$ 75,450</u>	<u>\$ (82,557)</u>	<u>\$ 111,338</u>	<u>\$ (59,852)</u>	<u>\$ 117,909</u>	(36.0)%	(191.4)%

