SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1998

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File Number 1-5955

JEFFERSON-PILOT CORPORATION
(Exact Name of Registrant as Specified in its Charter)

North Carolina	56-0896180
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

100 North Greene Street, Greensboro, North Carolina	27401
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code 336-691-3691

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange(s) on Which Registered
Common Stock (Par Value $1.25)	New York, Midwest and Pacific Stock Exchange
7.25% Automatic Common Exchange Securities, Due January 21, 2000, exchangeable into shares of BankAmerica Corporation common stock or equivalent cash	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days.
Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (x)

State the aggregate market value of the voting and non-voting common equity held by nonaffiliates of the registrant: approximately $7.9 billion at March 15, 1999.

Indicate the number of shares outstanding of each of the issuer's classes of common stock:

Class	Outstanding at March 15, 1999
Common Stock (Par Value $1.25 per share)	105,974,062

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Shareholders to be held May 3, 1999 are incorporated by reference into Part III.

List of Exhibits appears on page E-1.

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PART I

Item 1. Business.

(a) General Development of Business

Jefferson-Pilot Corporation was incorporated in North Carolina in 1968. While it has broad powers to engage in business, it is solely a holding company. Our principal subsidiaries, which are wholly owned, are:

Jefferson-Pilot Life Insurance Company (JP Life),
Jefferson Pilot Financial Insurance Company (JPFIC), formerly named Chubb Life Insurance Company of America,
Jefferson Pilot LifeAmerica Insurance Company (JPLA), formerly named Chubb Colonial Life Insurance Company,
Alexander Hamilton Life Insurance Company of America (AH Life),
Jefferson Pilot Securities Corporation, a full service NASD registered broker/dealer, and
Jefferson-Pilot Communications Company (JPCC).

Through these and other subsidiaries, we are primarily engaged in the business of writing life and accident and health insurance policies, writing annuity policies and selling other investment products, operating radio and television facilities, and producing sports programming. Most operations are centered in Greensboro, North Carolina, although a major base of operations in Concord, NH serves JPFIC, JPLA and the broker/dealer. Further detail is provided in Management's Discussion and Analysis of Financial Condition and Results of Operations which begins on page 9 (MD&A).

Registrant has grown substantially in the past five years both internally and through acquisitions.

In May 1995, JP Life assumed certain life insurance and annuity business of Kentucky Central Life Insurance Company in an assumption reinsurance transaction.

In October 1995, JP acquired AH Life and its subsidiary, First Alexander Hamilton Life Insurance Company (FAHL), from a subsidiary of Household International, Inc. (HI). With the acquisition, certain blocks of AH Life's existing business were 100% coinsured with affiliates of HI, as more fully discussed in Note 15 on page 53.

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Effective May 1, 1997, JP acquired JPFIC, its subsidiary JPLA, and our full service broker/dealer from The Chubb Corporation.

(b) Financial Information About Industry Segments

Industry segment information is presented in Note 16 on page 54.

(c) Narrative Description of Business

Revenues derived from the principal products and services of Registrant's insurance subsidiaries and revenues from the Communications segment for the past three years are as follows (in millions):

Revenues by Product [F1]

	1998	1997	1996
Life Insurance Products:			
Individual:			
Traditional	$ 368	$ 343	$ 264
Universal life-type	1,056	882	600
Group	313	473	506
	$1,737	$1,698	$1,370
Annuity and Investment Products	505	500	442
Communications	194	190	189
Corporate and Other	174	190	124
Total revenues	$2,610	$2,578	$2,125

[F1] Revenues include net investment income

The following is a brief description of our principal wholly-owned subsidiaries, including their principal products and services, markets and methods of distribution.

INSURANCE COMPANY SUBSIDIARIES

JP Life, domiciled in North Carolina, commenced business operations in 1903. It is authorized to write insurance in 49 states, the District of Columbia, the Virgin Islands and Puerto Rico. It primarily writes whole life, term, annuity and endowment insurance policies on an individual ordinary basis, and group life and group accident and health insurance policies. It also writes accident and health insurance on an individual basis.

JPFIC, domiciled in New Hampshire, through predecessor companies commenced business in 1903. It is authorized to write insurance in 49 states, the District of Columbia, Guam, the Virgin Islands and Puerto Rico.

JPLA, domiciled in New Jersey, commenced business in 1897. It is authorized to write insurance in 50 states, the District of Columbia, four U.S. possessions/territories and Taiwan.

JPFIC and JPLA are primarily engaged in writing universal life, variable universal life and term life insurance policies.

AH Life, domiciled in Michigan, commenced business in 1977. It is authorized to write insurance in 49 states and the District of Columbia, and primarily writes fixed and variable annuities and fixed universal life policies.

FAHL, domiciled in New York, commenced business in 1987. It is authorized to write insurance in New York only and primarily writes individual fixed annuity policies.

Life Insurance Products. Life policies offered by insurance subsidiaries include continuous and limited-pay life and endowment policies, universal life policies, variable universal life policies, and level and decreasing term policies. On most policies, accidental death and disability benefits are available in the form of riders, and IRA riders also are available. At times, substandard risks are accepted at higher premiums.

The companies market individual products through a career agency force, independent agents recruited through independent marketing organizations and a regional marketing network, home service agents, and financial institutions. Group products are marketed through group brokers,

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career agents and home service agents. Individual health products are marketed through all of the Company's sales forces and through brokers.

The insurance subsidiaries have written substantially all of their accident and health policies on a group basis. Group insurance is generally issued to employers covering their employees and to associations covering their members. The group medical business is being phased out as more fully discussed in MD&A. JP Life continues to pursue group life and disability insurance and has expanded sales efforts through its other distribution channels.

Annuity and Investment Products. Annuity and investment products offered by insurance subsidiaries include fixed and variable annuity products. They are marketed through the distribution channels discussed above and through investment professionals, annuity marketing organizations and broker/dealers. Registrant's broker/dealer markets variable life insurance and variable annuities written by insurance subsidiaries, and also sells other securities and mutual funds.

Other Information Regarding Insurance Company Subsidiaries

Regulation. Insurance companies are subject to regulation and supervision in the states in which they do business. Generally the insurance laws establish supervisory agencies with broad administrative powers relating to the granting and revocation of licenses to transact business, the licensing of agents, approval of the forms of policies used, the regulation of trade practices and market conduct, form and content of required financial statements, reserve requirements, permitted investments, the approval of dividends and, in general, the conduct of all insurance activities.

Insurance companies are also required to file detailed annual reports with the supervisory agencies in the various states in which each does business, and business and accounts are subject to examination at any time by these agencies. Under the rules of the National Association of Insurance Commissioners (NAIC) and state laws, companies are examined periodically (usually at three or five year intervals) by the supervisory agencies of one or more states.

Various states, including Michigan, New Hampshire, New Jersey, New York and North Carolina, have enacted insurance holding company legislation. Registrant's insurance subsidiaries have registered as members of an "insurance holding company system" under applicable laws. Most states require prior approval by state insurance regulators of transactions with affiliates, including prior approval of payment of extraordinary dividends by insurance subsidiaries, and of acquisitions of insurance companies.

Risk-based capital requirements and state guaranty fund laws are discussed in MD&A.

Competition. The insurance subsidiaries operate in a highly competitive field which consists of a large number of stock, mutual and other types of insurers. A large number of established insurance companies compete in the states in which our subsidiaries transact business.

Certain insurance and annuity products also compete with other investment vehicles. Marketing of annuities and other competing products by banks and other financial institutions is increasing. Our broker/dealer also operates in a highly competitive environment. Existing tax laws affect the taxation of life insurance and many competing products. Various proposals for changes have been made, some of which could adversely affect the taxation of certain products, and thus impact their marketing and the volume of policies surrendered.

Employees. As of December 31, 1998, our insurance operations including our broker/dealer employed approximately 2,200 persons and held contracts with 29,000 independent and career agents.

COMMUNICATIONS

JPCC owns and operates television and radio stations as well as Jefferson-Pilot Sports, a production and syndication business.

Television Operations

JPCC owns and operates three television stations. WBTV, Channel 3, Charlotte, NC, is affiliated with CBS under a Network Affiliation Agreement expiring on May 31, 2011. Absent cancellation by either party, the Agreement

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will be renewed for successive five-year periods. WWBT, Channel 12, Richmond, VA, is affiliated with NBC under a Network Affiliation Agreement expiring August 15, 2002. Absent cancellation by either party, the Agreement will be renewed for successive five-year periods. WCSC, Channel 5, Charleston, SC, is affiliated with CBS under a Network Affiliation Agreement expiring on May 31, 2011. Absent cancellation by either party, the Agreement will be renewed for successive five-year periods.

Radio Operations

JPCC owns and operates one AM and one FM station in Atlanta, GA, one AM and two FM stations in Charlotte, NC, two AM and three FM stations in Denver, CO, one AM and two FM stations in Miami, FL and one AM and three FM stations in San Diego, CA.

Other Information Regarding Communications Companies

Competition. The radio and television stations compete for programming, talent and revenues with other radio and television stations as well as with other advertising and entertainment media. JPCC's other divisions compete with other vendors of similar products and services.

Employees. As of December 31, 1998, JPCC and its subsidiaries employed approximately 780 persons full time.

Federal Regulation. Television and radio broadcasting operations are subject to the jurisdiction of the Federal Communications Commission ("FCC") under the Communications Act of 1934, as amended (the "Act"). The Act empowers the FCC to issue, revoke or modify broadcasting licenses, assign frequencies, determine the locations of stations, regulate the apparatus used by stations, establish areas to be served, adopt necessary regulations, and impose certain penalties for violation of the regulations. The Act and present regulations prohibit the transfer of a license or of control of a licensee without prior approval of the FCC; restrict in various ways the common and multiple ownership of broadcast facilities; restrict alien ownership of licenses; and impose various other strictures on ownership and operation.

Broadcasting licenses are granted for a period of eight years for both television and radio and, in the absence of adverse claims as to the licensee's qualifications or performance, will normally be renewed by the FCC for an additional term. All our station licenses have been renewed as required.

(d) Foreign Operations

Substantially all operations are conducted within the United States. Subsidiaries have begun life insurance operations in Argentina and Uruguay, which are not material to our operations.

Item 2. Properties

JP and other subsidiaries utilize space and personnel of JP Life. JP Life owns its home office consisting of a 20-story building and an adjacent 17-story building in downtown Greensboro, NC. These buildings house insurance operations and provide space for commercial leasing. JP Life also owns a supply and printing facility, a parking deck and a computer center, all located on nearby properties. JP Life leases office space in Lexington, KY for operation of the KCL business assumed.

Operations in Concord, NH are conducted in two buildings on approximately 196 acres owned by JPFIC.

Insurance sales office space is leased in various jurisdictions.

JPCC owns its three television studios and office buildings, owns most of its radio studios and offices, and owns or leases the towers supporting its radio and television antennas.

Item 3. Legal Proceedings

JP Life is a defendant in a proposed class action suit, Romig v. Jefferson-Pilot Life Insurance Company, filed on November 6, 1995 in the Superior Court of Guilford County, NC. AH Life is a defendant in a separate

proposed class action suit, Hallabrin et al vs. Alexander Hamilton Life Insurance Company et al, filed on November 10, 1998 in the Circuit Court for Wayne County, MI. Both suits allege deceptive practices, fraudulent and negligent misrepresentation and breach of contract in the sale of certain life insurance policies using policy performance illustrations which used then current interest or dividend rates and insurance charges and illustrated

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that some or all of the future premiums might be paid from policy values rather than directly by the insured. The claimant's actual policy values exceeded those illustrated on a guaranteed basis, but were less than those illustrated on a then current basis due primarily to the interest crediting rates having declined along with the overall decline in interest rates in recent years. The Hallabrin suit also alleges a conspiracy among our subsidiary and three unaffiliated insurance companies. Unspecified compensatory and punitive damages, costs and equitable relief are sought. While management is unable to make a meaningful estimate of the amount or range of loss that could result from an unfavorable outcome, management believes that it has made appropriate disclosures to policyholders as a matter of practice, and intends to vigorously defend its position.

JP and its subsidiaries are involved in other legal and administrative proceedings and claims of various types, some of which include claims for punitive damages. In recent years, the life insurance industry has experienced increased litigation in which large jury awards including punitive damages have occurred. Because of the considerable uncertainties that exist, we cannot predict the outcome of pending or future litigation with certainty. Based on consultation with our legal advisers, management believes that resolution of pending legal proceedings will not have a material adverse effect on our financial position or liquidity, but could have a material adverse effect on the results of operations for a specific period.

Environmental Proceedings. There are no material administrative proceedings against us involving environmental matters.

Item 4. Submission of Matters to a Vote of Securities Holders

None.

Executive Officers of the Registrant

David A. Stonecipher, Chairman, President and Chief Executive Officer, joined JP as President-Elect and CEO-Elect in September 1992, and became President and CEO in March 1993, and Chairman in May 1998. Previously he was President of the Life Insurance Company of Georgia and Southland Life Insurance Company and their parent company, Georgia US.

Dennis R. Glass, Executive Vice President, Chief Financial Officer and Treasurer, and also President-Financial Operations from February 1999, joined JP in October 1993. Previously, he was Executive Vice President and CFO of Protective Life Corporation, and earlier, of the Portman Companies.

Kenneth C. Mlekush, Executive Vice President, and also President-Insurance Operations from February 1999, joined JP in January 1993. Previously he was President and Chief Operating Officer of Southland Life Insurance Company and Executive Vice President of its parent, Georgia US.

E. Jay Yelton, Executive Vice President - Investments, joined JP in October 1993, and previously was President of the Investment Centre.

John D. Hopkins, Executive Vice President and General Counsel, joined JP in April 1993, and previously was a partner in King & Spalding, an Atlanta law firm.

Theresa M. Stone, Executive Vice President of JP and President of JPCC since July 1, 1997, was previously President and Chief Executive Officer of JPFIC from December 1994, and Executive Vice President in 1995 to May 13 and Senior Vice President from 1990 to 1994 of The Chubb Corporation.

There are no agreements or understandings between any executive officer and any other person pursuant to which such executive officer was or is to be selected as an officer. Executive officers hold office at the will of the Board, subject for certain executives to their rights under employment agreements listed as exhibits to this Form 10-K.

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters

(a) Market Information. JP common stock principally trades on the New York Stock Exchange. Quarterly composite tape trading ranges have been:

<TABLE>

	1998	1997	1996
<S>	<C>	<C>	<C>
First Quarter	$60 1/16 - 48 11/16	$41 - 36 1/4	$38 13/16 - 30 1/16
Second Quarter	$62 1/8 - 54 7/8	$47 7/16 - 34 5/16	$37 1/16 - 33 1/2

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Third Quarter	$64 1/16 - 55 1/16	$53 1/2 - 44 7/8	$36 3/4 - 33 1/4
Fourth Quarter	$78 3/8 - 55 3/8	$57 13/16 - 48 1/4	$39 3/4 - 34 1/4

</TABLE>

(b) Holders. As of March 15, 1999, our stock was owned by 10,682 shareholders of record, and an even larger number of street name holders.

(c) Dividends. They are shown in Item 6 below.

Dividends to the Registrant from its insurance subsidiaries are subject to state regulation, as more fully described in MD&A on page 19.

Item 6. Selected Financial Data.

<TABLE>

JEFFERSON-PILOT CORPORATION AND SUBSIDIARIES

REVENUE BY SOURCES

<CAPTION>

	1998	1997	1996	1995	1994
			(In Millions)		
<S>	<C>	<C>	<C>	<C>	<C>
Life insurance	$ 1,737	$ 1,698	$ 1,370	$ 1,051	$ 854
Annuities and investment products	506	499	442	217	102
Communications	195	190	189	164	173
Corporate and other	79	80	77	87	79
Revenues before investment gains	2,517	2,467	2,078	1,519	1,208
Realized investment gains	93	111	47	49	61
Total Revenues	$ 2,610	$ 2,578	$ 2,125	$ 1,568	$ 1,269

</TABLE>

<TABLE>

NET INCOME BY SOURCES

<CAPTION>

	1998	1997	1996	1995	1994
			(In Millions)		
<S>	<C>	<C>	<C>	<C>	<C>
Life insurance	$ 245	$ 194	$ 150	$ 127	$ 98
Annuities and investment products	71	63	55	29	19
Communications	32	28	28	23	22
Corporate and other	12	12	27	42	52
Net income before investment gains	360	297	260	221	191
Realized investment gains, net of taxes	58	73	31	34	39
Net income, continuing operations	418	370	291	255	230
Discontinued operations	-	-	-	18	9
Net Income Available to Common Stockholders	$ 418	$ 370	$ 291	$ 273	$ 239

</TABLE>

<TABLE>

JEFFERSON-PILOT CORPORATION AND SUBSIDIARIES

SUMMARY OF SELECTED FINANCIAL DATA

<CAPTION>

	1998	1997	1996	1995	1994
	(In Millions Except Share and Per Share Information)				
<S>	<C>	<C>	<C>	<C>	<C>
Operating income before gain from sales of investments:					
Continuing operations	$ 360	$ 297	$ 260	$ 221	$ 191
Discontinued operations	-	-	-	2	9
Operating income	360	297	260	223	200
Gain from sales of investments, net of taxes:					
Continuing operations	58	73	31	34	39
Discontinued operations	-	-	-	16	-
Gain from sales of investments	58	73	31	50	39
Net income available to common stockholders	$ 418	$ 370	$ 291	$ 273	$ 239

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Income per share of common stock:					
Operating income before gain from sales of investments:					
Continuing operations	$ 3.39	$ 2.80	$ 2.44	$ 2.06	$ 1.75
Discontinued operations	-	-	-	0.02	0.09
Operating income	3.39	2.80	2.44	2.08	1.84
Gain from sales of investments, net of taxes:					
Continuing operations	0.55	0.69	0.29	0.31	0.35
Discontinued operations	-	-	-	0.15	-
Gain from sales of investments	0.55	0.69	0.29	0.46	0.35
Net income available to common stockholders	$ 3.94	$ 3.49	$ 2.73	$ 2.54	$ 2.19
Income per share of common stock - assuming dilution:					
Operating income	$ 3.37	$ 2.78	$ 2.43	$ 2.07	$ 1.83
Net income available to common stockholders	$ 3.91	$ 3.47	$ 2.72	$ 2.53	$ 2.19
Cash dividends paid on common stock	$ 122	$ 110	$ 100	$ 88	$ 82
Cash dividends paid per common share:					
First quarter	$ 0.27	$ 0.24	$ 0.21	$ 0.19	$ 0.17
Second quarter	0.30	0.27	0.24	0.21	0.19
Third quarter	0.30	0.27	0.24	0.21	0.19
Fourth quarter	0.30	0.27	0.24	0.21	0.19
Total	$ 1.16	$ 1.04	$ 0.93	$ 0.83	$ 0.75
Average common shares outstanding (thousands)	106,134	106,217	106,611	107,541	109,442
Total assets	$ 24,338	$ 23,131	$ 17,562	$ 16,478	$ 6,140
Debt, capital securities and mandatorily redeemable preferred stock	$ 919	$ 969	$ 423	$ 417	$ 29
Stockholders' equity	$ 3,052	$ 2,732	$ 2,297	$ 2,156	$ 1,733
Stockholders' equity per share of common stock	$ 28.82	$ 25.70	$ 21.65	$ 20.19	$ 15.89

Note: All share information has been restated to reflect an April 1998 3-for-2 stock split and a December 1995 3-for-2 stock split, each effected in the form of a dividend. Cash dividends per share may not add due to rounding related to the splits.

</TABLE>

<TABLE>

Jefferson-Pilot Corporation and Subsidiaries

Supplemental Information

<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>	1995 <C>	1994 <C>
			(In Millions)		
Life Insurance In Force (Excludes Annuities):					
Traditional	$ 38,928	$ 42,648	$ 19,734	$ 21,256	$ 6,615
Universal Life	85,649	84,721	52,392	51,199	13,027
Variable Universal Life	14,569	11,099	-	-	-
Group	24,415	24,359	27,224	26,389	25,417
Total Life Insurance In Force	$163,561	$162,827	$ 99,350	$ 98,844	$ 45,059
Life Premiums on a FAS 60 Basis:					
First Year Life (Note)	$ 575	$ 418	$ 241	$ 119	$ 43
Renewal and Other Life	934	822	507	331	238
Life Insurance	1,509	1,240	748	450	281

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Accident and Health, Including Premium Equivalents	422	612	645	696	706
Total Life Insurance Premiums	$ 1,931	$ 1,852	$ 1,393	$ 1,146	$ 987
Life Earnings by Product:					
Individual	$ 221	$ 184	$ 128	$ 93	$ 58
Group	24	10	22	34	40
Total Life Earnings	$ 245	$ 194	$ 150	$ 127	$ 98
Annuity Premiums on a FAS 60 Basis:					
Fixed Annuity	$ 376	$ 596	$ 557	$ 338	$ 240
Variable Annuity (including separate accounts)	88	51	50	42	10
Total Annuity Premiums	$ 464	$ 647	$ 607	$ 380	$ 250
Investment Product Sales	$ 1,816	$ 1,110	$ 70	$ 44	$ 71
Communications Broadcast Cash Flow	$ 76	$ 65	$ 58	$ 48	$ 44

Note: First year life premiums include single premiums.

</TABLE>

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

JEFFERSON-PILOT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition and results of operations for the three years ended December 31, 1998 analyzes the results of operations, consolidated financial condition, liquidity and capital resources of Jefferson-Pilot Corporation and consolidated subsidiaries (collectively referred to as JP or Company). The discussion should be read in conjunction with the Consolidated Financial Statements and Notes. All dollar amounts are in millions except per share amounts. Prior share amounts have been restated to give retroactive effect to the Company's three-for-two stock split, which was effective in April 1998. All references to Notes are to Notes to the Consolidated Financial Statements.

Company Profile

The Company has four business segments: Life Insurance Products, Annuity and Investment Products (AIP), Communications, and Corporate and Other. Within the Life Insurance Products segment, JP offers individual life and group insurance products. Life insurance, accident and health insurance, and annuities are currently marketed to individuals and businesses in the United States through the Company's principal life insurance subsidiaries: Jefferson -Pilot Life Insurance Company (JP Life), Alexander Hamilton Life Insurance Company of America and its subsidiary First Alexander Hamilton Life Insurance Company (collectively, AH Life), and Jefferson Pilot Financial Insurance Company (formerly named Chubb Life Insurance Company of America) and its subsidiary, Jefferson Pilot LifeAmerica Insurance Company (JPLA, formerly named Chubb Colonial Life Insurance Company). Chubb Sovereign Life Insurance Company, formerly a subsidiary of JP Financial, was merged into JP Financial in 1998.

Communications operations are conducted by Jefferson-Pilot Communications Company (JPCC) and consist of radio and television broadcasting properties located in strategically selected markets in the Southeastern and Western United States, and sports program production.

Corporate and Other contains the activities of the parent company and passive investment affiliates, surplus of the life insurance subsidiaries not allocated to other reportable segments including earnings thereon, financing expenses on Corporate debt and debt securities including Capital Securities and mandatorily redeemable preferred stock, and federal and state income taxes not otherwise allocated to business segments.

Excluding realized gains, JP's revenues are derived 69% from Life Insurance Products, 20% from AIP, 8% from Communications and 3% from Corporate and Other.

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Acquisition Summary

JP's acquisition strategy is designed to deploy capital to enhance its core business growth. The focus of such acquisitions is to increase distribution, add product offerings, and provide economies of scale. In May 1997, the Company acquired Jefferson Pilot Financial Insurance Company and its subsidiary, JPLA (collectively, JP Financial). The discussion of this acquisition and other significant transactions in Note 1 is incorporated herein by reference.

Results of Operations

In the following discussion "operating income" means income from operations before realized investment gains, but after dividends on Capital Securities and mandatorily redeemable preferred stock, except where otherwise indicated.

The following tables illustrate JP's results before and after the inclusion of realized investment gains.

	1998	1997	1996
Consolidated Summary of Income			
Operating income	$360.3	$297.1	$259.8
Realized investment gains (net of applicable income taxes)	58.0	73.4	30.7
Net income available to common stockholders	$418.3	$370.5	$290.5
Consolidated Earnings Per Share			
Operating income	$ 3.39	$ 2.80	$ 2.44
Realized investment gains (net of applicable income taxes)	0.55	0.69	0.29
Net income available to common stockholders	$ 3.94	$ 3.49	$ 2.73
Net income available to common stockholders - assuming dilution	$ 3.91	$ 3.47	$ 2.72

Operating income increased 21.3% in 1998 and 14.4% in 1997 due primarily to increased profitability in the Life Insurance Products and Annuities and Investment Products segments. 1998's results reflected the acquisition of JP Financial for twelve months, whereas 1997's results only included eight months' operations. Also, due to efforts to improve the economics of group health products, 1998's results benefited from a return to profitability of these coverages. Excluding the earnings impact of JP Financial (less related financing costs) and group medical results, operating income increased approximately 10% in 1998 and 1997.

Net realized gains in 1998 declined 21.0% in comparison to the 1997 increase of 139.1% as a result of selling investments in 1997 to finance the acquisition of JP Financial. Approximately 60%, 90% and 60% of pre-tax realized gains in 1998, 1997 and 1996 were due to sales of investments in common stocks.

Earnings per share increased 12.9% and 27.8% in 1998 and 1997 due to the increase in net income. Earnings per share - assuming dilution increased 12.7% and 27.6%. Operating income per share increased 21.1% and 14.8% in 1998 and 1997.

Operating Earnings by Business Segment

Reportable segments are determined in a manner consistent with the way management organizes for purposes of making operating decisions and assessing performance. Invested assets backing insurance liabilities are assigned to segments in relation to policyholder funds and reserves. Net deferred acquisition costs incurred or purchased, reinsurance receivables and communications assets are assigned to segments based on specific identification. Assets are also assigned to back capital allocated to each segment in relation to JP's philosophy for managing business risks, reflecting appropriate conservatism.

A more detailed discussion of operating results by segment follows.

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Operating Income by Reportable Segment

	1998	1997	1996
Life Insurance Products	$245.2	$193.7	$149.6
Annuity and Investment Products	71.1	63.5	55.1
Communications	32.3	27.5	28.2
Corporate and Other	11.7	12.4	26.9
Operating income available to common stockholders	360.3	297.1	259.8
Net realized investment gains	58.0	73.4	30.7
Net income available to common stockholders	$418.3	$370.5	$290.5

Segment Assets

	1998	1997	1996
Life Insurance Products	$12,579	$11,684	$ 7,083
Annuity and Investment Products	6,495	6,525	5,917
Communications	222	218	215
Corporate and Other	5,042	4,704	4,347
Total Assets	$24,338	$23,131	$17,562

Life Insurance Products

The Life Insurance Products (Life Insurance) segment offers a wide array of individual and group insurance policies through a career agency force, independent agents recruited through independent marketing organizations and a regional marketing network, home service agents, financial institutions, workplace marketing representatives, and a targeted marketing division.

Individual life insurance products include traditional life and health products, as well as universal life (UL) and variable universal life (VUL), together referred to as UL-type products. The operating cycle for life insurance products is long-term in nature; therefore, actuarial assumptions are important to financial reporting for these policies. Traditional products require the policyholder to pay scheduled premiums over the life of the coverage. Traditional premium receipts are recognized as revenues and profits are expected to emerge in relation thereto. Interest-sensitive product premiums may vary over the life of the policy at the discretion of the policyholder and are not recognized as revenues. Rather, revenues and operating income on these products arise from mortality, expense and surrender charges to policyholder fund balances (policy charges). Additionally, JP earns interest spreads and investment advisory fees on policyholder fund balances. Operating income for both traditional and UL-type products also includes earnings on assigned capital.

Group insurance products include life and disability products sold through employers, primarily in the Southeastern U.S. It also includes a block of medical policies which are being underwritten by a national managed care company as policy renewal dates arise over the next twelve months, on an "as-rated" basis. This will result in invested capital formerly assigned to these medical policies being reinvested in other life insurance products or other reportable segments during 1999 and 2000, as the Company exits the group medical business.

Operating results were:

	1998	1997	1996	1995	1994
Premiums and other considerations	$1,017.4	$1,080.6	$ 910.0	$ 756.6	$ 641.8
Net investment income	719.2	617.5	459.7	295.3	211.6
Total revenues	1,736.6	1,698.1	1,369.7	1,051.9	853.4
Policy benefits	992.8	1,057.1	882.8	676.5	564.0

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Expenses	368.8	345.3	260.7	187.8	139.2
Total benefits and expenses	1,361.6	1,402.4	1,143.5	864.3	703.2
Operating income before income taxes	375.0	295.7	226.2	187.6	150.2
Provision for income taxes	129.8	102.0	76.6	60.5	52.6
Operating income	$ 245.2	$ 193.7	$ 149.6	$ 127.1	$ 97.6

</TABLE>

Life Insurance recorded increases in operating income of 26.6% in 1998 and 29.5% in 1997. In 1998, individual products contributed a 20.1% increase while group products improved 151.6% due to aggressive rate increases and expense management. In 1997, individual products operating income increased 44.2%, due to acquisitions and internal growth, while group products declined 56.6% in a very competitive marketplace for continuing writers of medical coverages. The following table summarizes operating income for each category:

<TABLE>
<CAPTION>

<S>	1998	1997	1996	1995	1994
Individual	$221.3	$184.2	$127.7	$ 92.5	$ 57.6
Group	23.9	9.5	21.9	34.6	40.0
Total Life Insurance Products	$245.2	$193.7	$149.6	$127.1	$ 97.6

</TABLE>

During 1998, JP took aggressive action to restore the profitability of the in-force group medical business and then announced its intention to cease offering group medical policies beginning April 1, 1999. A full line of group life and disability policies are still offered through existing distribution channels. The following table illustrates amounts included in Life Insurance results attributable to group medical contracts for the years presented:

<TABLE>
<CAPTION>

<S>	1998	1997	1996
Premiums and other considerations	$156.0	$294.2	$328.0
Net investment income	12.1	15.9	16.9
Policy benefits	(106.8)	(254.7)	(269.2)
Expenses	(45.8)	(62.2)	(63.2)
Income before taxes	$ 15.5	$ (6.8)	$ 12.5

</TABLE>

The following table summarizes key information for Life Insurance products:

<TABLE>
<CAPTION>

<S>	1998	1997	1996
Annualized Individual life insurance sales	$ 178	$ 144	$ 92
Individual traditional insurance premium income	204	195	137
Group premium income	269	425	456
Group premium equivalents	183	228	238
Average UL policyholder fund balances	7,147	5,788	4,008
Average VUL separate account assets	710	352	-
Average assets - individual products	11,639	9,187	6,350
Average assets - group products	482	523	521

</TABLE>

Life Insurance revenues increased only 2.3% in 1998 because of declines in group premiums, and increased 24.0% in 1997 as a result of the JP Financial acquisition. Revenues include traditional insurance premiums, policy charges and investment income. Individual revenues increased 16.3% in 1998 and 41.8% in 1997 due to growth in core businesses from acquisitions and internal growth. To a large degree, increases in individual revenues are driven by growth in average policyholder fund balances, which increased 23.5% in 1998 and 44.4% in 1997. Group revenues declined 33.9% in 1998 and 6.4% in 1997, because the medical rate increases implemented resulted in non-renewals by certain customers.

Life Insurance traditional insurance premiums declined 23.6% in 1998 due to group medical products and increased 4.6% in 1997. Individual traditional

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premiums improved 4.6% in 1998 and 42.3% in 1997 due in large part to the acquisition of JP Financial. Group traditional premiums declined 36.5% in 1998 and 6.9% in 1997. Including equivalent premiums on self-insured health policies, group premiums were down 30.8% and 5.9%. Policy charges improved 18.6% in 1998 and 49.4% in 1997, in relation to growth in UL-type products, especially as a result of the JP Financial acquisition.

Investment income on assets assigned to the Life Insurance segment improved 16.5% and 34.3% in 1998 and 1997, following the growth in segment assets. Total portfolio yields have declined as a result of lower investment rates and credit spreads on new investment opportunities. The portfolio yield on traditional assets declined 12 basis points in 1998 versus 26 basis points in 1997. Due to effective management of asset/liability risks, the average investment spread (calculated as the difference between portfolio yields earned on invested assets less interest credited to policyholder funds,

assuming the same level of invested assets) on UL products decreased 9 basis points in 1998 to 1.63% and remained unchanged in 1997 at 1.72%. In addition to being impacted by portfolio yields and crediting rates, interest spreads may vary over time due to competitive strategies and changes in product design.

Policy benefits declined 6.1% in 1998, primarily due to group medical products, and increased 19.7% in 1997, primarily due to the JP Financial acquisition. Traditional policy benefits improved to 85.0% of premiums in 1998 versus 89.3% and 90.1% in 1997 and 1996. The improvement is attributable to aggressive rate actions taken to restore the profitability of group medical policies, which also resulted in the decline in premiums and premium equivalents. As a result of these actions, the group medical incurred loss ratio improved to 72% in 1998 versus 87% and 84% in 1997 and 1996. Policy benefits on UL-type products improved to 8.2% of average policyholder funds in 1998 versus 8.7% in 1997 and 1996. The improvement is due, in approximately equal measure, to favorable mortality and lower credited rates on policyholder accounts.

Expenses (including the net deferral and amortization of policy acquisition costs) increased 6.8% and 32.5% in 1998 and 1997 due to acquisitions. Expenses on individual traditional products were 31.27%, 32.76% and 32.66% of premiums in 1998, 1997 and 1996. For UL-type products, expenses as a percentage of policyholder funds and separate accounts, were 2.94%, 3.14% and 3.20% in 1998, 1997 and 1996. The improvement in 1998's maintenance expenses is a result of integration savings from the JP Financial acquisition. The increase in 1997 is due to the addition of equity-based variable products. For group policies, expenses declined 21.3% in 1998 and increased 1.1% in 1997. The 1998 decline was due to management actions to maintain profitability, and due to lower commissions, as revenues declined. As a percentage of premiums and equivalents, expenses increased to 15.4% in 1998 versus 13.6% and 12.6% in 1997 and 1996, due to severance benefits and lease cancellation costs associated with the non-renewal of health policies.

Average Life Insurance assets grew 24.8% in 1998, primarily due to ownership of JP Financial for all of 1998, sales of UL-type products, and growth in existing policyholder funds, from interest credited and equity returns. 1997 average assets grew 41.3% from internal growth and acquisitions. The return on average Life Insurance assets was 2.02%, 1.99% and 2.18% in 1998, 1997 and 1996. The improvement in 1998 relates to the profitable growth of UL-type assets and the return to profitability of group health policies. The decline in 1997 is due to diminished group health results and the addition of JP Financial equity-based variable products.

Annuity and Investment Products

Annuity and Investment Products (also referred to as AIP) offers its products through financial institutions, independent agents, career agents, investment professionals and broker-dealers. Operating results were:

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>	1995 <C>	1994 <C>
Premiums and other considerations	$ 17.6	$ 35.1	$ 66.7	$ 49.5	$ 14.8
Net investment income	425.0	429.3	371.1	168.2	86.9
Other income	63.0	35.1	4.2	-	-
Total revenues	505.6	499.5	442.0	217.7	101.7
Policy benefits	299.0	326.3	317.0	158.2	63.9
Expenses	96.9	75.2	40.9	15.5	8.4
Total benefits and expenses	395.9	401.5	357.9	173.7	72.3

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Operating income before income taxes	109.7	98.0	84.1	44.0	29.4
Provision for income taxes	38.6	34.5	29.0	14.4	10.3
Operating income	$ 71.1	$ 63.5	$ 55.1	$ 29.6	$ 19.1

</TABLE>

Operating income increased 12.0% in 1998 and 15.2% in 1997. The following table summarizes key information for AIP:

<TABLE>
<CAPTION>

<S>	1998	1997	1996
Fixed annuity receipts	$ 376	$ 596	$ 557
Variable annuity receipts	142	103	73
Average policyholder fund balances	5,730	5,755	5,434
Average separate account policyholder fund balances	409	243	166
Investment product sales	1,816	1,110	70
Average assets	6,516	6,253	5,526

</TABLE>

Revenues increased 1.2% in 1998 and 13.0% in 1997. Annuity revenues are derived from policy charges, investment income on segment assets and from concession income earned on investment product sales by Jefferson Pilot Securities Corporation (JPSC), a registered broker-dealer, and related entities. The increases in revenues are primarily related to increases in average policyholder fund balances including separate accounts which grew 2.4% in 1998 and 7.1% in 1997. The increases in policyholder fund balances results from interest credited and new receipts less benefits paid and withdrawals. The decline in fixed annuity receipts during 1998's low interest rate environment occurred as fixed rate products were perceived less favorably than other fixed interest investments, and as potential customers chose variable annuities on the strength of United States equity markets. Fixed annuity benefits and surrenders as a percentage of beginning fund balances were 15.8%, 15.0% and 13.4% in 1998, 1997 and 1996. Annuity surrenders may increase in relation to the portion of the business that can be withdrawn by policyholders without incurring a surrender charge. Other income includes concession income earned by JPSC and increased substantially in 1998 and 1997, subsequent to JPSC's acquisition as a part of the JP Financial acquisition.

Policy benefits as a percentage of average policyholder fund balances were 5.2%, 5.7% and 5.8% in 1998, 1997 and 1996. These declines as well as the declines in premiums are primarily attributable to a reclassification for 1998 of certain single premium annuity products as interest-sensitive rather than as traditional products. This reclassification had no effect on operating income. During 1997 and 1996, $16 and $54 of premiums associated with such products were reported as revenues, with similar amounts included in policy benefits. Interest credited represented 5.1%, 5.1% and 4.7% of average policyholder fund balances in 1998, 1997 and 1996. Effective spreads, which represent the yield on the investment portfolio less interest credited to policyholders, adjusted for net deferral of bonus interest and assuming the same level of assets, remained relatively constant at 2.11%, 2.13% and 2.09% for 1998, 1997 and 1996. This occurred in spite of a decline in portfolio yields to 7.38% in 1998 versus 7.44% in 1997 and 7.43% in 1996, due to effective asset/liability management.

Insurance expenses as a percentage of average policyholder fund balances including separate accounts were 0.64%, 0.68% and 0.67% for 1998, 1997 and 1996. In 1997, expenses were negatively impacted by a one-time expense for the relocation of annuity administrative functions to the Greensboro home office. The growth in AIP expenses in 1998 and 1997 was primarily due to broker/dealer operations, similar to the increases in other income. Broker/dealer expenses, which include commission expense, as a percentage of concession income were 91.1%, 95.1% and 83.3% for 1998, 1997 and 1996. The percentage for 1996 is not comparable because it precedes the JP Financial acquisition.

Average AIP assets increased 4.2% in 1998. In 1997, average assets increased 13.2%, due largely to the JP Financial acquisition. AIP posted returns on average assets of 1.09% in 1998, 1.02% in 1997 and 1.00% in 1996. The 1998 increase is primarily due to earnings of JPSC which were $3 and $1 in 1998 and 1997, as well as effective expense management.

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Communications

JPCC operates television and radio broadcast properties and produces syndicated sports and entertainment programming. Operating results were:

	1998	1997	1996	1995	1994
Communications sales	$ 199.8	$ 195.6	$188.9	$ 160.7	$ 144.4
Operating costs and expenses	124.1	130.6	130.9	112.9	100.1
Broadcast cash flow	75.7	65.0	58.0	47.8	44.3
Depreciation and amortization	11.5	11.0	9.3	8.8	10.2
Corporate general and administrative expenses	5.1	4.1	3.8	3.0	5.3
Net interest expense (income) and other income	5.1	5.1	(0.5)	(3.0)	(7.4)
Operating income before income taxes	54.0	44.8	45.4	39.0	36.2
Provision for income taxes	21.7	17.3	17.2	15.4	14.2
Operating income	$ 32.3	$ 27.5	$ 28.2	$ 23.6	$ 22.0

Operating income from the Communications segment increased $4.8 or 17.5% in 1998 compared to a decline of 2.5% in 1997. Results for 1997 and 1996 were positively impacted by tax refunds and related interest income of $0.3 and $2.6. Excluding the impact of these refunds, operating income for 1998 increased 18.8% over 1997. Net interest expense in 1998 and 1997 reflects increased interest expense on debt to finance acquisitions made since June 30, 1996, versus interest income from the tax refund in 1996.

The Company's broadcasting properties continued to benefit from the generally favorable advertising environment and the strong local economies in which they operate. Combined revenues for Radio and Television grew 8.9% and 14.0% in 1998 and 1997, respectively. Radio experienced strong revenue growth in 1998, resulting from programming changes made in 1997 and increased demand for local advertising. Two of the television stations are CBS affiliates and benefited from robust winter Olympic related advertising during first quarter 1998. However, Television revenues declined for much of 1998 as national agency sales continued to be sluggish, consistent with a nationwide trend.

Revenue from Sports operations decreased 25.6% during 1998. The decline is primarily a result of first quarter factors, including a non-recurring sporting event held in the first quarter of 1997 and a decrease in collegiate-related basketball sales in 1998. Revenues declined 24.7% during 1997 as a result of non-recurring Olympic revenues realized in 1996 and declines in advertising revenues.

Broadcast cashflow grew by 16.5% and 12.1% in 1998 and 1997, respectively, as the strong growth of the broadcast properties, particularly Radio in 1998 and TV in 1997, was partially offset by the results of Sports.

Total expenses (comprised of operating costs and expenses, depreciation and amortization, and corporate general and administrative expenses) decreased 3.4% in 1998 and increased 1.2% in 1997. Expenses as a percent of communication revenues for 1997 and 1996 of 74.5% and 76.2% decreased to 70.4% for 1998. The 1998 and 1997 decreases were attributable to a change in the mix of business away from lower margin sports products toward higher margin broadcast business, and improved expense control.

Corporate and Other

Activities of the parent company and passive investment affiliates, surplus of the life insurance subsidiaries not allocated to other reportable segments including earnings thereon, financing expenses on Corporate debt and debt securities including Capital Securities and mandatorily redeemable preferred stock, and federal and state income taxes not otherwise allocated to business segments are reported in this segment. The following table summarizes the operating results.

	1998	1997	1996	1995	1994

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<S>	<C>	<C>	<C>	<C>	<C>
Earnings on investments	$ 95.1	$ 87.1	$ 84.0	$ 87.2	$ 78.7
Interest expense on debt and Exchangeable Securities	(33.1)	(26.9)	(24.2)	(7.9)	(1.9)
Operating Expenses	(23.3)	(18.6)	(19.2)	(17.8)	(6.4)
Federal and state income tax expense	(1.3)	(3.5)	(10.3)	(19.7)	(18.1)
	37.4	38.1	30.3	41.8	52.3
Dividends on Capital Securities and mandatorily redeemable preferred stock	(25.7)	(25.7)	(3.4)	(0.9)	-
Operating income	$ 11.7	$ 12.4	$ 26.9	$ 40.9	$ 52.3

</TABLE>

The following table summarizes assets assigned to this segment.

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Parent company, passive investment companies and Corporate line assets of insurance subsidiaries	$1,978	$1,582	$1,708
Co-insurance receivables on acquired blocks	1,904	2,061	2,071
Net SFAS 115 adjustments	352	262	26
Employee benefit plan assets	448	369	295
Goodwill arising from insurance acquisitions	192	187	42
Other	168	243	205
Total	$5,042	$4,704	$4,347

</TABLE>

Total assets for the Corporate and Other segment grew 7.2% in 1998 and 8.2% in 1997 primarily due to retention of earnings less capital reinvested in the Life Insurance Products and Annuities and Investment Products segments.

Operating income declined 5.6% in 1998, compared to a decline of 53.9% in 1997 which resulted from the redeployment of capital into the Company's core businesses and the acquisition of JP Financial. The results of this segment may vary from year to year due to expenses associated with strategic activities, income recorded on equity-method investments, transfers of assets to and from business segments as well as refinements in asset assignments and investment income allocation methodologies to other reportable segments.

Earnings on investments increased 9.2% in 1998 compared to 3.7% in 1997 primarily due to growth in investment income on surplus not assigned to the other reportable segments and increased income from equity method investments. Acquisition financing accounts for the increase in interest expense and dividends on Capital Securities and mandatorily redeemable preferred stock for both 1998 and 1997. Operating expenses in 1998 increased by non-recurring expenses of $2.5 related to the recording of surplus furniture and equipment at its net realizable value and $3.0 associated with promoting the new brand name, Jefferson Pilot Financial. Federal and state income tax expense includes the tax benefits of preferred dividends on Capital Securities; such dividends are recorded gross of related tax effects.

Financial Position, Capital Resources And Liquidity

JP's primary resources are investments related to its Life Insurance Products and AIP segments, properties and other assets utilized in all segments and investments backing corporate capital. The Investments section reviews the Company's investment portfolio and key strategies.

Total assets increased $1,207 or 5.2% in 1998. This growth resulted from cash provided by operating activities, increases in Separate Account assets and increases in the market values of available for sale investments, an increase in policyholder contract deposits (despite being adversely impacted by a $146 decline related to business that is 100% coinsured to a third party), offset in part by redemption of $50 of preferred stock and payment of dividends. Total assets increased $5,569 or 31.7% in 1997 due mainly to the JP Financial acquisition. Excluding incremental total assets of JP Financial as of the acquisition date, the 1997 increase was $1,689 or 9.6%.

The Life Insurance Products and Annuities and Investment Products segments defer the costs of acquiring new business, including commissions, first year bonus interest, certain costs of underwriting and issuing policies plus agency office expenses (referred to as DAC). Such amounts deferred were $844 and

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$742 at December 31, 1998 and 1997, an increase of 13.7%.

Value of business acquired (VOBA) represents the actuarially-determined present value of future gross profits of each business acquired. VOBA of $482 was recorded during 1997 related to the JP Financial acquisition. Note 6 contains rollforwards of DAC and VOBA for 1998, 1997 and 1996, and is incorporated herein by reference.

Goodwill (representing the cost of acquired businesses in excess of the fair value of net assets) was $229 and $225 at December 31, 1998 and 1997, with the net increase due to final allocation of purchase price related to the JP Financial acquisition. Goodwill as a percentage of shareholders' equity was 7.5% and 8.2% at year end 1998 and 1997.

Carrying amounts of goodwill, VOBA and DAC are regularly reviewed for indications of value impairment, with consideration given to the financial performance of acquired properties, future gross profits of insurance in force and other factors.

At December 31, 1998 and 1997, JP had recorded reinsurance receivables of $1,072 and $1,250 and policy loans of $831 and $834 which are related to the businesses of AH Life that were coinsured with Household International (HI) affiliates. HI has provided payment, performance and capital maintenance guarantees with respect to the balances receivable. JP also had a recoverable of $95 and $97 as of December 31, 1998 and 1997 from a single reinsurer related to a block of business of JP Financial that is 50% reinsured. JP and the reinsurer are joint and equal owners of $191 and $195 of securities and short-term investments as of December 31, 1998 and 1997 which support the block. JP regularly evaluates the financial condition of its reinsurers and monitors concentrations of credit risk related to reinsurance activities. No significant credit losses have resulted from reinsurance activities during the three years ended December 31, 1998.

Capital Resources

Stockholders' Equity

JP's capital adequacy is illustrated by the following table:

	1998	1997	1996	1995	1994
Total assets	$24,338	$23,131	$17,562	$16,478	$ 6,140
Total stockholders' equity	3,052	2,732	2,297	2,156	1,733
Ratio of stockholders' equity to assets	12.5%	11.8%	13.1%	13.1%	28.2%

The Company's ratio of capital to assets has declined over time as a result of acquisitions, except in 1998 when no new acquisitions occurred.

JP considers existing capital resources to be more than adequate to support the current level of its business activities. The business plan places priority on redirecting certain capital resources invested in bonds and stocks into its core businesses, such as the JP Financial acquisition, which would be expected to produce higher returns over time.

The Life Insurance and AIP segments are subject to regulatory constraints. The Company's insurance subsidiaries have statutory surplus and risk based capital levels well above required levels. These capital levels together with the rating agencies' assessments of the Company's business strategies have enabled JP Life, AH Life and JP Financial to attain the following claims paying ratings:

	JP Life	AH Life	JP Financial
A.M. Best	A++	A++	A+
Standard & Poor's	AAA	AAA	AAA
Duff and Phelps	AAA	AAA	AAA

Debt and Exchangeable Securities

Short-term borrowings outstanding of $289 and $285 as of December 31, 1998 and 1997 consisted of commercial paper. The weighted average interest rates were 5.61% and 6.02% as of December 31, 1998 and 1997. The maximum commercial paper outstanding during 1998 and 1997 was $302 and $317.

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JP has sold U. S. Treasury obligations and collateralized mortgages under repurchase agreements involving various counterparties, accounted for as financing arrangements. Proceeds are used to purchase securities with longer durations as an asset/liability management strategy. The maximum amounts outstanding were $290 and $242 during 1998 and 1997. The securities involved had a fair value and amortized cost of $303 and $232, and $287 and $241, as of year end 1998 and 1997.

In April 1997, the Company privately placed $75 of 6.95% Mandatorily Exchangeable Debt Securities (MEDS) and in June 1997, the Company privately placed $75 of 6.65% MEDS. The discussion of these issuances and the previously issued Automatic Common Exchange Securities (ACES) in Note 8 is incorporated herein by reference.

Capital Securities and Mandatorily Redeemable Preferred Stock

In January and March 1997, the Company privately placed $200 of 8.14% Capital Securities Series A and $100 of 8.285% Capital Securities Series B. The discussion of these issuances in Note 9 is incorporated herein by reference.

Of the $53 of mandatorily redeemable preferred stock outstanding at December 31, 1997, $50 was redeemed upon the request of the holder in April 1998 at par plus accrued dividends. The remaining $3 was repurchased and canceled as of January 1, 1999.

While the Company has made no commitments for additional financing, additional securities may be issued to finance acquisitions or for other corporate purposes.

Liquidity

Liquidity requirements are met primarily by positive cash flows from the operations of insurance subsidiaries and other consolidated subsidiaries. Overall sources of liquidity are sufficient to satisfy operating requirements. Primary sources of cash from insurance operations are premiums and other considerations, receipts for policyholder accounts, investment sales and maturities and investment income. Primary uses of cash include purchase of investments, payment of benefits, operating expenses, withdrawals from policyholder accounts, costs related to acquiring new business and income taxes. Primary sources of cash from communications operations are revenues from advertising and sports and entertainment production. Primary uses of cash include payment of agency commissions, cost of sales, operating expenses and income taxes.

Cash provided by operations for 1998, 1997 and 1996 was $435, $516 and $998. In 1996, cash flow from operations was impacted by the receipt of $462 in conjunction with the retrocession assumption of periodic payment annuities from HI. Cash flows from operations may decline as the Company's policy receipts continue to shift from traditional products (which are reflected in operating cash flows) to interest sensitive products (which are reflected in financing cash flows).

Net cash used in investing activities was $716, $1,173 and $1,124 for 1998, 1997 and 1996. The Company used cash of $758 in 1997 to acquire JP Financial. The 1996 amount included the investing of the $462 received from HI mentioned in the preceding paragraph. Sales of securities available for sale were $465, $1,614 and $500 in 1998, 1997 and 1996. Sales of securities in 1997 were used to partially fund the JP Financial acquisition. Total maturities, calls, and redemptions were $1,379, $839 and $1,276 in 1998, 1997 and 1996.

Net cash provided by financing activities was $293, $561 and $109 for 1998, 1997 and 1996. Proceeds from the issuance of securities of $450 related to funding of the JP Financial acquisition drove the 1997 totals, while 1998 reflects the redemption of $50 of preferred stock and repurchases of Company common stock of $27. Net borrowings/(repayments) from short-term debt and securities sold under repurchase agreements were $201, $(138) and $40 for 1998, 1997 and 1996. Cash inflows from changes in policyholder contract deposits were $318, $374 and $193 for 1998, 1997 and 1996. Cash was used to pay dividends of $149, $129 and $103 during 1998, 1997 and 1996.

In order to meet the parent company's dividend payments, debt servicing obligations and other expenses, internal dividends are received from the subsidiary companies. Total internal cash dividends paid to the parent company from its subsidiaries during 1998, 1997 and 1996 were $235, $391 and $156. JP Life and AH Life were the primary source of dividends in 1998. The Company's life insurance subsidiaries are subject to laws in the states of domicile that limit the amount of dividends that can be paid without the prior approval of the respective State's Insurance Commissioner. Approximately 20% of the amount of dividends planned from life subsidiaries for 1999 will

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require regulatory approval. The Company has no reason to believe that such approval will be withheld.

Cash and short-term investments were $21, $9 and $105 at December 31, 1998, 1997 and 1996. Additionally, fixed income and equity securities held by the parent company and non-regulated subsidiaries were $538, $564 and $483 at December 31, 1998, 1997 and 1996. These securities, less the $325 (at December 31, 1998) of BankAmerica Corporation common stock which supports the Exchangeable Securities, are considered to be sources of liquidity to support the Company's strategies. Total trading securities and debt and equity securities available for sale at December 31, 1998 and 1997 were $11,907 and $11,048.

Investments

JP's strategy for managing the insurance investment portfolio is to dependably meet pricing assumptions while achieving the highest possible after-tax returns over the long term. Cash flows are invested primarily in fixed income securities. The nature and quality of the various types of investments held by insurance subsidiaries must comply with state regulatory requirements. The Company has a formal investment policy that governs overall quality and diversification.

JP held the following carrying amounts of investments:

<TABLE>
<CAPTION>

<S>	December 31, 1998 <C>	<C>	December 31, 1997 <C>	<C>
Publicly-issued bonds	$11,356	60%	$11,090	61%
Privately-placed bonds	3,131	16	2,832	16
Commercial mortgage loans	1,969	10	1,716	9
Common stock	931	5	891	5
Policy loans	1,439	8	1,422	8
Preferred stock	34	-	25	-
Real estate	86	1	75	1
Cash and other invested assets	53	-	52	-
Total	$18,999	100%	$18,103	100%

</TABLE>

The strategy of identifying market sectors and niches that provide investment opportunities to meet the portfolios' growth, quality and yield requirements is expected to continue to result in increasing percentages of private placements and commercial mortgage loans.

JP's Investment Policy Statement (Policy) requires an average quality fixed income portfolio (excluding mortgage loans) of "A" or higher. Currently, the average quality is "A1", excluding mortgage loans. The Policy also imposes limits on the amount of lower quality investments and requires diversification by issuer and asset type. The Company monitors "higher risk" investments for compliance with the Policy and for proper valuation. Securities that experience other than temporary declines in value are adjusted to net realizable values through a charge to earnings. Commercial mortgage loans in foreclosure are carried at the net present value of expected future cash flows. The Company has established a reserve to account for impaired mortgage loans which was $31 and $27 as of December 31, 1998 and 1997.

Carrying amounts of investments categorized as "higher risk" assets were:

<TABLE>
<CAPTION>

<S>	December 31, 1998 <C>	<C>	December 31, 1997 <C>	<C>
Bonds near or in default	$ 2	- %	$ 2	- %
Bonds below investment grade	659	3.5	757	4.2
Mortgage loans 60 days delinquent or in foreclosure	3	-	7	-
Mortgage loans restructured	10	0.1	13	0.1
Foreclosed properties	3	-	4	-
Sub-total, "higher risk assets"	677	3.6	783	4.3
All other investments	18,322	96.4	17,320	95.7
Total cash and investments	$18,999	100.0%	$18,103	100.0%

</TABLE>

The Policy permits the use of derivative financial instruments such as futures

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contracts and interest rate swaps in conjunction with specific direct investments. The Company's actual use of derivative financial instruments has been limited, using them to manage well-defined interest rate risks. Interest rate swaps with a notional value of $186, $200 and $254 were open as of December 31, 1998, 1997 and 1996. Termination of these arrangements under year end 1998 interest rates would result in a gain of $13. The periodic cash settlements under these arrangements are reflected as an adjustment to investment income.

Collateralized Mortgage Obligations (CMO's), which are included in debt securities available for sale, as of December 31 were:

	1998	1997
Federal agency issued CMO's	$2,723	$2,398
Corporate private-labeled CMO's	1,705	1,485
Total	$4,428	$3,883

The Company's investment strategy with respect to CMO's focuses on actively-traded, less volatile issues that produce relatively stable cash flows. The majority of CMO holdings are sequential tranches of federal agency issuers. The CMO portfolio has been constructed with underlying mortgage collateral characteristics and structure in order to lower cash flow volatility over a range of interest rate levels.

Year 2000 Issue

Like most if not all companies, JP faces certain risks associated with the coming of the year 2000. The year 2000 issue relates to the way computer systems and programs define calendar dates. By using only two digit dates, they could fail or make miscalculations due to the inability to distinguish between dates in the 1900's and in the 2000's. Also, many systems and equipment that are not typically thought of as "computer-related" (referred to as "non-IT") contain embedded hardware or software that must handle dates and may not properly perform with dates after 1999.

The Company began work on the Year 2000 compliance issue in 1995. The scope of the project includes: ensuring the compliance of all applications, operating systems and hardware on mainframe, PC and LAN platforms; addressing issues related to non-IT embedded software and equipment; and addressing the compliance of key vendors and service providers to the Company (business partners).

The project has four phases: assessment of systems and equipment affected by the Year 2000 issue; definition of strategies to address affected systems and equipment; remediation of affected systems and equipment; and certification that each is Year 2000 compliant. To certify that all IT systems (internally developed or purchased) are Year 2000 compliant, each system is tested using a standard testing methodology which includes regression testing, millennium testing, millennium leap year testing and cross over year testing. Certification testing is performed on each system as soon as remediation is completed.

The target for completion of all phases and categories is September 30, 1999. The Company has completed the assessment and strategy phases for mainframe applications, operating systems and hardware and is executing the remediation and certification phases. The Company's new business and policyholder administration systems and the general ledger are on the mainframe. The Company has determined that approximately 62% of all mainframe systems are compliant. The Company does not deem a system to be compliant until the completion of remediation and certification to confirm that its performance will not be affected by dates extending after 1999. With respect to significant policyholder systems, all required remediation has been completed on all systems. The majority of these systems, including all systems which support products the Company is currently marketing, have been certified as Year 2000 compliant. Completion of certification of remaining systems for some closed blocks of business is expected by April 1999. Other non-policyholder mainframe systems have either been certified or are on schedule. For PC and LAN systems, the Company has completed the strategy phases and is executing the assessment, remediation and certification phases concurrently and intends to complete these phases during the third quarter of 1999.

For the majority of the Company's non-IT related systems and equipment, the Company has been advised by vendors that the systems and equipment are currently Year 2000 compliant. Written documentation regarding compliance is being obtained. Where feasible, certification testing will be conducted for

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systems and equipment that are material to operations. Some systems and equipment, such as electrical power supply, are not feasible for the Company to certify. Completion for non-IT systems and equipment is scheduled for September 1999.

The most significant category of key business partners is financial institutions. Their critical functions include safeguarding and managing investment portfolios, processing of the Company's operating bank accounts, and sales/distribution. All of the Company's business partner financial institutions that have responded to the Company's inquiries have indicated they are on schedule for Year 2000 compliance. The Company continues to follow up with business partner financial institutions that have not yet responded. Other partner categories include insurance agents and marketing organizations, and suppliers of communication services, utilities, materials and supplies. The Company has conducted surveys of all its software and hardware vendors, and certification is underway. In addition to financial institutions, other critical business partners have been identified and surveys initiated. Results of these surveys are being analyzed in the first quarter of 1999 and appropriate testing or other due diligence will be conducted in the second and third quarters of 1999.

The Company has not had an independent review of its Year 2000 risks or estimates. However, experts have been engaged to assist in developing estimates and to complete remediation work on specific portions of the project.

Since inception of the project, the Company has incurred external costs of $7 and internal costs of $7. The current estimate, based on actual experience to date, of total project expense is $24, with remaining external costs of $5 and internal costs of $5. Costs are included in various budgets and expensed as incurred. Expected total costs are less than earlier estimates due in part to refinements in estimates as more projects near completion. In addition, remediation/certification costs on projects completed to date have been lower than originally estimated. Total 1998 costs were $8. There has not been a material adverse impact on the Company's operations as a result of IT projects being deferred due to resource constraints caused by the Year 2000 project.

The Company has investments in publicly and privately placed securities and loans. The Company may be exposed to credit risk to the extent that related borrowers are materially adversely impacted by the Year 2000 issue. Portfolio diversification reduces the overall risk. The Company is in compliance with the NAIC Securities Valuation Office's Due Diligence Guidelines for analyzing these risks.

Although the Company expects to certify that its critical policyholder systems are compliant by the end of April 1999, there is no guarantee that these results will be achieved. Specific factors that give rise to this uncertainty include a possible loss of technical resources to perform the work (not yet encountered), failure to identify all susceptible systems, non-compliance by third parties whose systems and operations impact the Company, and other similar uncertainties.

Specifically, from Year 2000 problems, the Company could experience an interruption in its ability to collect and process premiums, process claim payments, safeguard and manage its invested assets and operating cash accounts, accurately maintain policyholder information, accurately maintain accounting records, issue new policies and/or perform adequate customer service. JPCC could experience an inability to broadcast commercial spots and invoice them, or to receive TV network programming. While the Company believes the occurrence of such a situation is unlikely, a possible worst case scenario might include one or more of the Company's significant policyholder systems or broadcasting inventory management systems being non-compliant. Such an event could result in a material disruption to the Company's or JPCC's operations. Should the worst case scenario occur (except in JPCC), it could, depending on its duration, have a material impact on the Company's results of operations and liquidity and ultimately on its financial position.

Although the Company is on schedule to complete certification of all internal systems and non-IT equipment well in advance of January 1, 2000, the Company recognizes the need to plan for unanticipated problems resulting from failure of internal systems or equipment or from failures by the Company's business partners, providers, suppliers or other critical third parties. The Company has begun work on contingency plans for all mission critical functions.

Market Risk Exposures

Since JP's assets and liabilities are largely monetary in nature, the Company's financial position and earnings are subject to risks resulting from changes in interest rates at varying maturities, changes in spreads over U.S. Treasuries on new investment opportunities, changes in the yield curve and equity pricing risks. Continued favorable economic conditions in the U.S. contributed to a decline in 10 year U.S. Treasury rates of 110 basis points in 1998 versus a 68 basis point decline in 1997. These forces contributed to

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an increase in unrealized gains on securities available for sale of $53 and $174 in 1998 and 1997. Further, in 1997, various forces in the fixed income markets resulted in a compression of risk premiums over Treasury securities that can be earned on new investments. In 1998, risk premiums widened significantly in the third and fourth quarters.

In a falling interest rate environment, the risk of prepayment on some fixed income securities increases, causing funds to be reinvested at lower yields. The Company limits this risk by concentrating the fixed income portfolio on non-callable securities, through careful selection of CMO's that are structured to minimize cash flow volatility and by purchasing securities that provide for "make-whole" type prepayment fees. Falling interest rates can also impact demand for the Company's products, as bank certificates of deposit with no surrender charges and higher average returns from equity markets may become more attractive to new and existing customers. Conversely, in a rising interest rate environment, competitive pressures may make it difficult for the Company to sustain spreads between rates credited on interest-sensitive products and portfolio earnings rates, thereby prompting withdrawals by policyholders. The Company manages this risk by adjusting interest crediting rates, at least on an annual basis, with due regard to the yield of its investment portfolio and pricing assumptions and by prudently managing interest rate risk of assets and liabilities.

As is typical in the industry, the Company's life and annuity products contain minimum rate guarantees regarding interest credited. For interest sensitive life products the minimum rates range from approximately 3.0% to 5.5%, with an approximate weighted average of 4.5%. For annuity products, the minimum rates range from 3.0% to 5.5%, with the greatest concentration in the 3.5% to 4.0% range.

The Company employs various methodologies to manage its exposure to interest rate risks. The asset/liability management process focuses primarily on the management of interest rate risk of the Company's insurance operations. JP monitors the duration of insurance liabilities compared to the duration of

assets backing the insurance lines, giving measurement to the optionality of cash flows. The Company's goal in such analysis is to prudently balance profitability and risk for each insurance product category, and for the Company as a whole. At December 31, 1998 and 1997, 88% and 87% of policy liabilities related to interest-sensitive portfolios.

The Company also considers the timing of cash flows arising from market risk sensitive instruments (other than trading) and insurance portfolios under varying interest rate scenarios as well as the related impact on reported earnings under those varying scenarios. Market risk sensitive instruments (other than trading) include debt and equity securities available for sale and held to maturity, mortgage loans, policy loans, investment commitments, annuities in the accumulation phase and periodic payment annuities, commercial paper borrowings, repurchase agreements, interest rate swaps, and debt and Exchangeable Securities. The following table shows the estimated impact that various hypothetical interest rate scenarios would be expected to have on the Company's earnings for a calendar year, based on the assumptions contained in the Company's model. The change in these estimates as of year end 1998 versus year end 1997 was due primarily to differences in the yield curve and in the sensitivities they introduced to the Company's model.

<TABLE>
<CAPTION>

	Incremental Income (Loss)	
Change in Interest Rate	1998	1997
<S>	<C>	<C>
+ 100 basis points	$(8)	$(2)
+ 50 basis points	(4)	(1)
- 50 basis points	4	3
- 100 basis points	6	8

</TABLE>

These estimates were derived by modeling estimated cash flows of the Company's market risk sensitive instruments and insurance portfolios. Changes in interest rates illustrated above assume parallel shifts in the yield curve graded pro-rata over four quarters. Incremental income or loss is net of taxes at 35%. Estimated cash flows produced in the model assume reinvestments representative of JP's current investment strategy and calls/prepayments include scheduled maturities as well as those expected to occur when issuers can benefit financially based on the difference between prepayment penalties and new money rates under each scenario. Assumed lapse rates among insurance portfolios give consideration to relationships expected between crediting rates and market interest rates, as well as the level of surrender charges

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inherent in individual contracts. The illustrated incremental income or loss also includes the expected impact on amortization of DAC and VOBA. The model is based on the Company's existing business in force as of December 31, 1998 and does not consider new sales of life and annuity products or the potential impact (as discussed above) of interest rate fluctuations on sales.

The Company is exposed to equity price risk on its equity securities (other than trading). JP holds common stock with a fair value of $949. Approximately $500 of such value is represented by investments in a single issuer, BankAmerica. The Company's Exchangeable Securities are exchangeable into shares of BankAmerica common stock. Had the Exchangeable Securities been redeemable as of year end, the redemption value would have been $325 (see Notes 8 and 18). If the market value of the S&P 500 Index, and of BankAmerica common stock specifically, decreased 10% from their December 31, 1998 values, the fair value of the Company's common stock and Exchangeable Securities would change as follows:

	Favorable (Unfavorable) Change in Fair Value	
	1998	1997
BankAmerica common stock	$(50)	$(50)
Exchangeable Securities	27	26
	(23)	(24)
Remaining equity securities	(45)	(39)
Total change in fair values	$(68)	$(63)

Certain fixed interest rate market risk sensitive instruments may not give rise to incremental income or loss during the period illustrated but may be subject to changes in fair values. Note 18 presents additional disclosures concerning fair values of financial assets and financial liabilities, and is incorporated by reference herein.

External Trends And Forward Looking Information

JP operates largely in the U. S. Financial Services market, which is subject to general economic conditions in the U.S. During 1998 and 1997, the U.S. economy exhibited continued favorable trends including low inflation with minimal risk of price increases, moderate business growth and increases in productivity through technological innovation. However, this environment has resulted in a scarcity of quality investments at favorable yields, in part due to abundant liquidity among corporate borrowers. Also, a robust domestic economy creates pressure on wages for skilled workers. There are certain secular forces driving economic results including aging of baby-boomers, an increase in the supply of investable funds, increased global competition and increasing use of technology. These forces impact JP in various ways such as demand for its products (especially savings-oriented products), competition for new investments, mergers and consolidations within the financial services sector and costs inherent in administering complex financial products.

JP has grown at a rate faster than the overall industry because of acquisitions, and its strong financial position, superior claims paying ratings, and efforts to increase distribution sources.

Medical Trends

Medical inflation and utilization of medical services affect the profitability of health products offered through the individual and group distribution systems. In the event that premium rates are not adequately adjusted in anticipation of medical trends, profitability of health insurance products is adversely affected. JP has elected to non-renew its group medical coverages beginning April 1999, but will continue to offer individual and group disability insurance.

Environmental Liabilities

JP is exposed to environmental regulation and litigation as a result of ownership of investment real estate and Communications subsidiaries. Actual loss experience has been minimal and exposure to environmental losses is considered by the Company to be insignificant.

Regulatory and Legal Environment

The U.S. insurance industry has experienced an increasing number of mergers,

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acquisitions, consolidations and sales of business lines. These activities have been driven by a need to reduce costs of distribution and by the need to increase economies of scale in the face of growing competition from larger foreign, domestic and mutual insurers, and from non-traditional players such as banks, securities brokers and mutual funds. Consolidation is expected to continue and may be heightened by federal legislation. HR 10 or some variant will likely be passed in Congress, perhaps in 1999, and would allow banks, insurance companies and investment banks to affiliate.

The Clinton Administration has recently recommended $34 billion in new corporate taxes as part of its proposal for next year's budget, and has targeted a substantial share of the new tax burden at the life insurance industry. Several of the Administration's proposals which could impact JP include:

1. An increase in the DAC tax on annuities and life insurance (e.g. life insurance companies are required to defer certain expenses, by formula, attributable to premium revenues from the sale of these products).

2. A proposal to require recapture of policyholder surplus accounts as taxable income over ten years.

3. A proposal to place an additional tax on companies that borrow for any purpose if those companies also own life insurance, including key employee insurance.

If adopted, item 1 would result in an increase in current tax liabilities but would not impact earnings except for lost investment income on accelerated tax payments. Item 2 would result in approximately $37 million of additional tax expense over ten years. Item 3 would limit the attractiveness of life insurance policies for corporate policyholders. JP believes that life insurers already pay higher effective tax rates than the average for corporate America as a whole. It is not possible to predict the outcome of the Administration's proposals at this time.

Prescribed or permitted Statutory Accounting Principles (SAP) may vary between states and between companies. The NAIC has completed the process of codifying SAP (Codification) to promote standardization of methods, and is encouraging each state to adopt Codification as soon as possible, with a proposed implementation date of January 1, 2001. Related statutory accounting changes are not expected to significantly impact the Company's statutory capital requirements, although they are expected to reduce levels of statutory capital industry wide.

Assessments by state guaranty associations are made to cover losses to policyholders of insolvent or rehabilitated insurance companies. Assessments may be partially recovered through a reduction in future premium taxes in most states. The Company has accrued for expected assessments net of estimated future premium tax deductions.

In recent years, the life insurance industry has experienced increased litigation in which large jury awards including punitive damages have occurred. See Note 19, which is incorporated herein by reference, for discussion of the Company's contingent liabilities.

Accounting Pronouncements

See Note 2, which is incorporated herein by reference.

Forward-looking information

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward looking statements. Certain information contained herein or in any other written or oral statements made by, or on behalf of JP are or may be viewed as forward looking. Although the Company has used appropriate care in developing any such forward looking information, forward looking information involves risks and uncertainties that could significantly impact actual results. These risks and uncertainties include, but are not limited to, the matters discussed in "Year 2000 Issue", "Market Risk Exposures", "External Trends and Forward Looking Information" and other risks detailed from time to time in the Company's SEC filings; to the risks that JP might fail to successfully complete strategies for cost reductions and for growth in sales of products through all distribution channels; to business interruption risks if the Company does not timely complete its Year 2000 compliance project; and more generally to: general economic conditions; competitive factors, including pricing pressures, technological developments, new product offerings and the emergence of new competitors; interest rate trends and fluctuations; and changes in federal and state laws and regulations, including, without limitation, changes in financial services industry or tax laws and regulations. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future developments or otherwise.

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Information under the heading "Market Risk Exposures" in MD&A is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

<TABLE>

JEFFERSON-PILOT CORPORATION AND SUBSIDIARIES

MANAGEMENT'S PRESENTATION OF QUARTERLY FINANCIAL DATA (UNAUDITED)

<CAPTION>

	1998			
	March 31	June 30	September 30	December 31
	(In Millions Except Share Information)			
<S>	<C>	<C>	<C>	<C>
Revenues, excluding realized investment gains	$ 654	$ 632	$ 616	$ 615
Realized investment gains	43	18	33	(1)
Revenues	697	650	649	614
Benefits and expenses	521	488	468	463
Provision for income taxes	57	54	66	49
Net Income	119	108	115	102
Dividends on Capital Securities and preferred stock	7	6	6	7
Net income available to common stockholders	$ 112	$ 102	$ 109	$ 95
Per share of common stock	$1.05	$0.95	$1.03	$0.91
Per share of common stock - assuming dilution	$1.04	$0.94	$1.02	$0.90
Operating income per common share	$0.79	$0.85	$0.85	$0.90

</TABLE>

<TABLE>
<CAPTION>

	1997			
	March 31	June 30	September 30	December 31
	(In Millions Except Share Information)			
<S>	<C>	<C>	<C>	<C>
Revenues, excluding realized investment gains	$ 530	$ 624	$ 652	$ 661
Realized investment gains	61	41	5	4
Revenues	591	665	657	665
Benefits and expenses	421	502	530	534
Provision for income taxes	57	54	41	43
Net Income	113	109	86	88
Dividends on Capital Securities and preferred stock	4	7	7	8
Net income available to common stockholders	$ 109	$ 102	$ 79	$ 80
Per share of common stock	$1.02	$0.96	$0.75	$0.76
Per share of common stock - assuming dilution	$1.02	$0.95	$0.74	$0.75
Operating income per common share	$0.65	$0.71	$0.71	$0.73

</TABLE>

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders

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Jefferson-Pilot Corporation
Greensboro, North Carolina

We have audited the accompanying consolidated balance sheets of Jefferson-Pilot Corporation and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jefferson-Pilot Corporation and subsidiaries at December 31, 1998 and 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

ERNST & YOUNG, LLP

Greensboro, North Carolina
February 8, 1999

<TABLE>

JEFFERSON-PILOT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

<CAPTION>

	December 31	
	1998	1997
	(Dollar Amounts in Millions Except Share Information)	
<S>	<C>	<C>
ASSETS		
Investments:		
Debt securities available for sale, at fair value (amortized cost 1998 - $10,500; 1997 - $9,748)	$10,958	$10,155
Debt securities held to maturity, at amortized cost (fair value 1998 - $3,699; 1997 - $3,892)	3,545	3,790
Equity securities available for sale, at fair value (cost 1998 - $94; 1997 - $89)	949	893
Mortgage loans on real estate	1,969	1,716
Policy loans	1,439	1,422
Real estate	86	75
Other investments	32	43
Total investments	18,978	18,094
Cash and cash equivalents	21	9
Accrued investment income	241	217
Due from reinsurers	1,342	1,526
Deferred policy acquisition costs and value of business acquired	1,412	1,364
Cost in excess of net assets acquired	229	225
Assets held in separate accounts	1,754	1,282
Other assets	361	414
	$24,338	$23,131
LIABILITIES AND STOCKHOLDERS' EQUITY		
Policy liabilities:		
Future policy benefits	$ 2,062	$ 2,138
Policyholder contract deposits	14,996	14,703
Dividend accumulations and other policyholder funds on deposit	184	181

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Policy and contract claims	179	228
Other	246	247
Total policy liabilities	17,667	17,497
Debt:		
Commercial paper and revolving credit borrowings	289	285
Exchangeable Securities and other debt	327	331
Securities sold under repurchase agreements	292	95
Currently payable income taxes	43	13
Deferred income tax liabilities	301	222
Liabilities related to separate accounts	1,754	1,282
Accounts payable, accruals and other liabilities	310	321
Total liabilities	20,983	20,046
Commitments and contingent liabilities		
Guaranteed preferred beneficial interest in subordinated debentures ("Capital Securities")	300	300
Mandatorily redeemable preferred stock	3	53
Stockholders' equity:		
Common stock and paid in capital, par value $1.25 per share: Authorized 350,000,000 shares; issued and outstanding 1998 - 105,896,185 shares; 1997 - 106,278,409 shares	133	93
Retained earnings	2,191	1,964
Accumulated other comprehensive income - net unrealized gains on securities	728	675
	3,052	2,732
	$24,338	$23,131

See Notes to Consolidated Financial Statements

</TABLE>

<TABLE>

JEFFERSON-PILOT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

<CAPTION>

	Year Ended December 31		
	1998	1997	1996
	(Dollar Amounts in Millions Except Share Information)		
<S>	<C>	<C>	<C>
Revenues			
Premiums and other considerations	$1,049	$1,135	$ 994
Net investment income	1,202	1,103	893
Realized investment gains	93	111	47
Communications sales	198	194	187
Other	68	35	4
Total revenues	2,610	2,578	2,125
Benefits and Expenses			
Insurance and annuity benefits	1,307	1,399	1,211
Insurance commissions	290	253	153
General and administrative expenses	233	237	174
Insurance taxes, licenses and fees	52	50	39
Net deferral of policy acquisition costs	(112)	(109)	(52)
Net amortization of value of business acquired	46	26	26
Communications operations	124	131	131
Total benefits and expenses	1,940	1,987	1,682
Income before income taxes	670	591	443
Income taxes	226	195	149
Net Income	444	396	294
Dividends on Capital Securities and preferred stock	26	26	3
Net income available to common stockholders	$ 418	$ 370	$ 291
Net income per share available to common stockholders	$ 3.94	$ 3.49	$ 2.73

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Net income per share available to common stockholders - assuming dilution	$ 3.91	$ 3.47	$ 2.72

See Notes to Consolidated Financial Statements

</TABLE>

<TABLE>

JEFFERSON-PILOT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<CAPTION>

	Common Stock and Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income-Net Unrealized Gains On Securities	Total Stockholders' Equity
	(Dollar Amounts in Millions Except Share Information)			
Balance, January 1, 1996	$ 89	$ 1,542	$ 525	$ 2,156
Net income	-	294	-	294
Other comprehensive income	-	-	(24)	(24)
Comprehensive income				270
Common dividends $.96 per share	-	(102)	-	(102)
Preferred dividends	-	(3)	-	(3)
Common stock issued	1	-	-	1
Common stock reacquired	(2)	(23)	-	(25)
Balance, December 31, 1996	88	1,708	501	2,297
Net income	-	396	-	396
Other comprehensive income	-	-	174	174
Comprehensive income				570
Common dividends $1.07 per share	-	(114)	-	(114)
Preferred dividends	-	(26)	-	(26)
Common stock issued	5	-	-	5
Balance, December 31, 1997	93	1,964	675	2,732
Net income	-	444	-	444
Other comprehensive income	-	-	53	53
Comprehensive income				497
Common dividends $1.18 per share	-	(125)	-	(125)
Preferred dividends	-	(26)	-	(26)
Common stock issued	6	-	-	6
Common stock reacquired	(10)	(22)	-	(32)
Three-for-two common stock split	44	(44)	-	-
Balance, December 31, 1998	$ 133	$2,191	$ 728	$3,052

See Notes to Consolidated Financial Statements

</TABLE>

<TABLE>

JEFFERSON-PILOT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

<CAPTION>

	Year Ended December 31		
	1998	1997	1996
	(Dollar Amounts in Millions)		
Cash Flows from Operating Activities			
Net income	$ 444	$ 396	$ 294

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Adjustments to reconcile net income to net cash provided by operating activities:			
Change in policy liabilities other than deposits	(132)	66	336
Credits to policyholder accounts, net	121	179	188
Deferral of policy acquisition costs, net	(112)	(112)	(52)
Change in receivables and asset accruals	20	38	222
Change in payables and expense accruals	58	(28)	50
Realized investment gains	(93)	(111)	(47)
Depreciation and amortization	92	71	58
Other	37	17	(51)
Net cash provided by operating activities	435	516	998
Cash Flows from Investing Activities			
Securities available for sale:			
Sales	465	1,614	500
Maturities, calls and redemptions	884	462	1,050
Purchases	(2,033)	(2,199)	(1,916)
Securities held to maturity:			
Sales	13	10	-
Maturities, calls and redemptions	495	377	226
Purchases	(267)	(297)	(575)
Repayments of mortgage loans	168	123	115
Mortgage loans originated	(427)	(507)	(389)
Decrease (increase) in policy loans, net	(17)	12	(60)
Acquisitions of subsidiaries, net of cash received	-	(758)	-
Purchase of intangibles	-	(15)	(58)
Other investing activities, net	3	5	(17)
Net cash used in investing activities	(716)	(1,173)	(1,124)
Cash Flows from Financing Activities			
Policyholder contract deposits	1,720	1,693	1,191
Withdrawals of policyholder contract deposits	(1,402)	(1,319)	(998)
Borrowings under short-term credit facilities	5,155	2,709	222
Repayments under short-term credit facilities	(5,151)	(2,699)	(230)
Issuance of Capital Securities	-	300	-
Issuance of Exchangeable Securities and other debt	-	150	-
Proceeds (payments) from securities sold under repurchase agreements	197	(148)	48
Cash dividends paid	(149)	(129)	(103)
Common stock transactions, net	(27)	4	(24)
Redemption of mandatorily redeemable preferred stock	(50)	-	-
Other financing activities, net	-	-	3
Net cash provided by financing activities	293	561	109
Net increase (decrease) in cash and cash equivalents	12	(96)	(17)
Cash and cash equivalents, beginning	9	105	122
Cash and cash equivalents, ending	$ 21	$ 9	$ 105
Supplemental Cash Flow Information			
Income taxes paid	$ 169	$ 158	$ 162
Interest paid	$ 37	$ 38	$ 37

See Notes to Consolidated Financial Statements

</TABLE>

JEFFERSON-PILOT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in millions, except share information)

December 31, 1998

Note 1. Nature of Operations and Significant Transactions

Nature of Operations: Jefferson-Pilot Corporation (the Company) operates in the life insurance and communications industries. Life insurance, accident and health insurance and annuities are currently marketed to individuals and businesses in the United States through the Company's principal life insurance subsidiaries: Jefferson-Pilot Life Insurance Company (JP Life),

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Alexander Hamilton Life Insurance Company of America (AH Life) and its subsidiary First Alexander Hamilton Life Insurance Company (FAHL) and Jefferson Pilot Financial Insurance Company (JP Financial, formerly named Chubb Life Insurance Company of America) and its subsidiary, Jefferson Pilot LifeAmerica Insurance Company (JPLA, formerly named Chubb Colonial Life Insurance Company). Chubb Sovereign Life Insurance Company, formerly a subsidiary of JP Financial, was merged into JP Financial in 1998. Communications operations are conducted by Jefferson-Pilot Communications Company (JPCC) and consist of radio and television broadcasting, through facilities located in strategically selected markets in the Southeastern and Western United States, and sports program production.

Business Acquisitions: In May 1997, the Company acquired all the outstanding shares of JP Financial from The Chubb Corporation (Seller). JP Financial's operations, principally universal life, variable universal life and term insurance, are conducted nationwide through JP Financial and JPLA. JP Financial and its subsidiaries, as of the acquisition date, are collectively referred to as "JP Financial." Jefferson Pilot Securities Corporation (formerly Chubb Securities Corporation) is a full service NASD registered broker-dealer. The cost of the acquisition consisted of $775 cash paid by JP to Seller at closing, plus other acquisition costs. In addition, JP Financial paid a $100 special dividend to Seller which was funded through liquidation of short-term investments. The $775 was financed through the liquidation of invested assets, various securities offerings (see Notes 8 and 9) and the issuance of commercial paper. The acquisition, which was effective as of April 30, 1997, was accounted for using the purchase method. As a result, JP Financial's results of operations from May 1, 1997 forward are included in the accompanying financial statements. The purchase price was subject to certain post-closing adjustments, none of which had a material impact on the balance sheet or results of operations. In 1998, the final allocation of purchase price to JP Financial's tangible and identifiable intangible assets and liabilities was completed, based on their fair values. The resulting adjustments were not material. The acquisition resulted in $163 of cost in excess of net assets acquired (i.e. goodwill) and $494 of value of business acquired. Goodwill arising from the acquisition is being amortized over a period of 35 years.

The following pro-forma financial information has been prepared assuming that the acquisition of JP Financial had taken place at the beginning of each year presented:

	1997	1996
Revenue	$2,690	$2,680
Net income available to common stockholders	335	312
Net income per common share	3.16	2.93
Net income per common share - assuming dilution	3.14	2.92

On a pro-forma basis, net income available to common stockholders before realized investment gains, net of income taxes, increased from $297 to $309 for 1997. The pro-forma adjustments eliminate the effect of realized gains on invested assets sold in 1997 to finance the JP Financial acquisition. Thus, 1997 pro-forma realized gains and pro-forma net income available to common stockholders are lower than actual 1997 results.
In January 1997, JPCC purchased substantially all of the broadcast assets of a radio station in Denver, Colorado for $15 in cash. This acquisition resulted in cost in excess of net assets acquired of $14. In 1996, JPCC

purchased substantially all of the broadcast assets of two radio stations in San Diego, California for $59 in cash, resulting in cost in excess of net assets acquired of $26. All three acquisitions were accounted for as purchases, and the results of operations of the acquisitions have been included in the consolidated operations of the Company since the respective dates of acquisition. Pro-forma financial information for these acquisitions has not been presented, as the pro-forma impact on consolidated operations for 1997 and 1996 is not significant.

Note 2. Significant Accounting Policies

Basis of Presentation: The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP). The insurance subsidiaries also submit financial statements to insurance industry regulatory authorities. Those financial statements are prepared on the basis of statutory accounting practices (SAP) and are significantly different from financial statements prepared in accordance with GAAP. See Note 12. All share and per share amounts have been restated to give retroactive effect to the April 1998 three-for-two common stock split. See Note 10.

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Principles of Consolidation: The consolidated financial statements include the accounts of Jefferson-Pilot Corporation and all of its subsidiaries. All material intercompany accounts and transactions have been eliminated.

Use of Estimates: The preparation of financial statements requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses for the reporting period. Those estimates are inherently subject to change and actual results could differ from those estimates. Included among the material (or potentially material) reported amounts and disclosures that require extensive use of estimates are asset valuation allowances, policy liabilities, deferred policy acquisition costs, value of business acquired and the potential effects of resolving litigated matters.

Cash and Cash Equivalents: The Company includes with cash and cash equivalents its holdings of highly liquid investments which mature within three months of the date of acquisition.

Debt and Equity Securities: Debt and equity securities are classified as either securities held to maturity, stated at amortized cost, or securities available for sale, stated at fair value with net unrealized gains and losses included in accumulated other comprehensive income, net of deferred income taxes and adjustments to deferred policy acquisition costs and value of business acquired.

Amortization of premiums and accrual of discounts on investments in debt securities are reflected in earnings over the contractual terms of the investments in a manner that produces a constant effective yield. Realized gains and losses on dispositions of securities are determined by the specific-identification method.

Mortgage and Policy Loans: Mortgage loans on real estate are stated at unpaid balances, net of allowances for unrecoverable amounts. Policy loans are stated at their unpaid balances.

Real Estate and Other Investments: Real estate not acquired by foreclosure is stated at cost less accumulated depreciation. Real estate acquired by foreclosure is stated at the lower of depreciated cost or fair value minus estimated costs to sell. Real estate, primarily buildings, is depreciated principally by the straight-line method over estimated useful lives generally ranging from 30 to 40 years. Accumulated depreciation was $39 and $38 at December 31, 1998 and 1997. Other investments are stated at equity, or the lower of cost or market, as appropriate.

Property and Equipment: Property and equipment, which is included in other assets, is stated at cost and depreciated principally by the straight-line method over estimated useful lives, generally 30 to 50 years for buildings and approximately 10 years for other property and equipment. Accumulated depreciation was $144 and $133 at December 31, 1998 and 1997.

Deferred Policy Acquisition Costs and Value of Business Acquired: Costs related to obtaining new business, including commissions, certain costs of underwriting and issuing policies, certain agency office expenses, and first year bonus interest on annuities, all of which vary with and are primarily related to the production of new business, have been deferred.

Deferred policy acquisition costs for traditional life insurance policies are amortized over the premium paying periods of the related contracts using the same assumptions for anticipated premium revenue that are used to compute liabilities for future policy benefits. For universal life and annuity products, these costs are amortized at a constant rate based on the present value of the estimated future gross profits to be realized over the terms of the contracts, not to exceed 25 years.

Value of business acquired represents the actuarially determined present value of anticipated profits to be realized from life insurance and annuity business purchased, using the same assumptions used to value the related liabilities. Amortization of the value of business acquired occurs over the related contract periods, using current crediting rates to accrete interest and a constant amortization rate based on the present value of expected future profits.

The carrying amounts of deferred policy acquisition costs and value of business acquired are adjusted for the effect of realized gains and losses and the effects of unrealized gains or losses on debt securities classified as available for sale. Both deferred policy acquisition costs and value of business acquired are reviewed periodically to determine that the unamortized portion does not exceed expected recoverable amounts. No impairment adjustments have been reflected in earnings of any year presented.

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Cost in Excess of Net Assets Acquired: Cost in excess of net assets acquired (goodwill) is amortized on a straight-line basis over periods of 25 to 40 years. Accumulated amortization was $21 and $14 at December 31, 1998 and 1997. Carrying amounts are regularly reviewed for indications of value impairment, with consideration given to financial performance and other relevant factors.

Separate Accounts: Separate account assets and liabilities represent funds segregated by the Company for the benefit of certain policyholders who bear the investment risk. The separate account assets and liabilities, which are equal, are recorded at fair value. Policyholder account deposits and withdrawals, investment income and realized investment gains and losses are excluded from the amounts reported in the Consolidated Statements of Income. Fees charged on policyholders' deposits are included in other considerations.

Recognition of Revenue: Premiums on traditional life insurance products are reported as revenue when received unless received in advance of the due date.

Premiums on accident and health, and disability insurance are reported as earned, over the contract period. A reserve is provided for the portion of premiums written which relates to unexpired coverage terms.

Revenue from universal life-type and annuity products includes charges for the cost of insurance, for initiation and administration of the policy, and for surrender of the policy. Revenue from these products is recognized in the year assessed to the policyholder, except that any portion of an assessment which relates to services to be provided in future years is deferred and recognized over the period during which services are provided.

Communications sales are presented net of agency and representative commissions. Concession income of the broker/dealer subsidiaries is recorded as earned and is presented in other revenue.

Recognition of Benefits and Expenses: Benefits and expenses, other than deferred policy acquisition costs, related to traditional life, accident and health, and disability insurance products are recognized when incurred in a manner designed to match them with related premiums and spread income recognition over expected policy lives. For universal life-type and annuity products, benefits include interest credited to policyholders' accounts, which is recognized as it accrues.

Future Policy Benefits: Liabilities for future policy benefits on traditional life and disability insurance are computed by the net level premium valuation method based on assumptions about future investment yield, mortality, morbidity and persistency. Estimates about future circumstances are based principally on historical experience and provide for possible adverse deviations.

Policyholder Contract Deposits: Policyholder contract deposits consist of policy values that accrue to holders of universal life-type contracts and annuities. The liability is determined using the retrospective deposit method and consists of policy values that accrue to the benefit of the policyholder, before deduction of surrender charges.

Policy and Contract Claims: The liability for policy and contract claims consists of the estimated amount payable for claims reported but not yet settled and an estimate of claims incurred but not reported, which is based on historical experience, adjusted for trends and circumstances. Management believes that the recorded liability is sufficient to provide for claims incurred through the balance sheet date and the associated claims adjustment expenses.

Reinsurance Balances and Transactions: Reinsurance receivables include amounts related to paid benefits and estimated amounts related to unpaid policy and contract claims, future policy benefits and policyholder contract deposits. The cost of reinsurance is accounted for over the terms of the underlying reinsured policies using assumptions consistent with those used to account for the policies.

Stock Based Compensation: The Company accounts for stock incentive awards in accordance with APB Opinion No. 25, Accounting for Stock Issued to Employees, and accordingly, recognizes no compensation expense for stock option awards when the option price is not less than the market value of the stock at the date of award.

Income Taxes: The Company and most of its subsidiaries file a consolidated life/nonlife federal income tax return. Currently, AH Life and JP Financial each file a separate consolidated return with their respective subsidiaries.

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Deferred income taxes are recorded on the differences between the tax bases of assets and liabilities and the amounts at which they are reported in the consolidated financial statements. Recorded amounts are adjusted to reflect changes in income tax rates and other tax law provisions as they become enacted.

Reclassifications: Certain amounts reported in prior years' consolidated financial statements have been reclassified to conform with the presentations adopted in the current year. These reclassifications have no effect on net income or stockholders' equity of the prior years.

New Accounting Pronouncements: As of January 1, 1998, the Company adopted SFAS 130, "Reporting Comprehensive Income", which sets standards for the reporting and display of comprehensive income and its components in financial statements. Adoption had no impact on the Company's net income or stockholders' equity. Comprehensive income consists of net income plus other comprehensive income. Under SFAS 130, one of the items included in other comprehensive income is unrealized gains and losses on available for sale securities. Prior year financial statements have been reclassified to conform with the requirements of SFAS 130. See Note 17.

Effective January 1, 1998, the Company adopted SFAS 131, "Disclosures about Segments of an Enterprise and Related Information". This pronouncement superseded SFAS 14, "Financial Reporting for Segments of a Business Enterprise". SFAS 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. SFAS 131 also establishes standards for related disclosures about products and services, geographic areas and major customers. The adoption of SFAS 131 did not affect results of operations or financial position, but did affect the disclosure of segment information. See Note 16.

In June 1998, the FASB issued SFAS 133, "Accounting for Derivative Instruments and for Hedging Activities". This pronouncement is effective for annual periods beginning after June 15, 1999. SFAS 133 requires all derivatives to be recorded on the balance sheet and establishes accounting rules for hedging activities. The effect of the hedge accounting rules is to offset changes in value or cash flows of both the hedge and hedged item in earnings in the same period. Changes in the fair value of derivatives that do not qualify for hedge accounting are reported in earnings in the period of the change. Based on the limited nature of the Company's use of derivatives and hedging activities, adoption of this pronouncement is not expected to have a material impact on the Company's financial position or results of operations.

During 1998, the Company adopted SOP 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use", which requires capitalization of certain costs incurred in connection with developing or obtaining internal use software. The impact of adoption was not material.

Note 3. Income Per Share of Common Stock

The following table sets forth the computation of earnings per share and earnings per share assuming dilution:

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Numerator:			
Net Income	$ 444	$ 396	$ 294
Dividends on Capital Securities and preferred stock	26	26	3
Numerator for earnings per share and earnings per share - assuming dilution - Net income available to common stockholders	$ 418	$ 370	$ 291
Denominator:			
Denominator for earnings per share - weighted-average shares outstanding	106,134,031	106,216,997	106,611,045
Effect of dilutive securities:			
Employee stock options	918,108	562,314	333,653
Denominator for earnings per share - assuming dilution - adjusted weighted-average shares outstanding	107,052,139	106,779,311	106,944,698

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Earnings per share	$ 3.94	$ 3.49	$ 2.73
Earnings per share - assuming dilution	$ 3.91	$ 3.47	$ 2.72

</TABLE>

Note 4. Investments

Summary Cost and Fair Value Information: Aggregate amortized cost, aggregate fair value and gross unrealized gains and losses are as follows:

<TABLE>
<CAPTION>

	December 31, 1998			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
<S>	<C>	<C>	<C>	<C>
Available for sale carried at fair value				
U. S. Treasury obligations and direct obligations of U.S. Government agencies	$ 316	$ 23	$ -	$ 339
Federal agency issued mortgage backed securities (including collateralized mortgage obligations)	2,610	119	(1)	2,728
Obligations of states and political subdivisions	18	-	-	18
Corporate obligations	5,908	288	(45)	6,151
Corporate private-labeled mortgage backed securities (including collateralized mortgage obligations)	1,633	79	(6)	1,706
Redeemable preferred stocks	15	1	-	16
Subtotal, debt securities	10,500	510	(52)	10,958
Equity securities	94	855	-	949
Securities available for sale	$10,594	$1,365	$ (52)	$11,907
Held to maturity carried at amortized cost				
Obligations of state and political subdivisions	$ 7	$ -	$ -	$ 7
Corporate obligations	3,538	159	(5)	3,692
Debt securities held to maturity	$ 3,545	$ 159	$ (5)	$ 3,699

</TABLE>

<TABLE>
<CAPTION>

	December 31, 1997			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
<S>	<C>	<C>	<C>	<C>
Available for sale carried at fair value				
U. S. Treasury obligations and direct obligations of U.S. Government agencies	$ 384	$ 18	$ -	$ 402
Federal agency issued mortgage backed securities (including collateralized mortgage obligations)	2,634	108	(1)	2,741
Obligations of states and political subdivisions	27	1	(2)	26
Corporate obligations	5,018	237	(14)	5,241
Corporate private-labeled mortgage backed securities (including collateralized mortgage obligations)	1,663	59	-	1,722
Redeemable preferred stocks	22	1	-	23
Subtotal, debt securities	9,748	424	(17)	10,155
Equity securities	89	804	-	893
Securities available for sale	$ 9,837	$ 1,228	$ (17)	$11,048
Held to maturity carried at amortized cost				
Obligations of state and political subdivisions	$ 10	$ -	$ -	$ 10
Corporate obligations	3,780	107	(5)	3,882
Debt securities held to maturity	$3,790	$ 107	$ (5)	$ 3,892

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</TABLE>

Contractual Maturities: Aggregate amortized cost and aggregate fair value of debt securities as of December 31, 1998, according to contractual maturity date, are as indicated below. Actual future maturities will differ from the contractual maturities shown because the issuers of certain debt securities have the right to call or prepay the amounts due the Company, with or without penalty.

	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 206	$ 207	$ 231	$ 233
Due after one year through five years	1,481	1,530	988	1,017
Due after five years through ten years	1,910	1,999	602	636
Due after ten years through twenty years	626	673	257	276
Due after twenty years	746	791	45	50
Amounts not due at a single maturity date	5,516	5,742	1,422	1,487
	10,485	10,942	3,545	3,699
Redeemable preferred stocks	15	16	-	-
	$10,500	$10,958	$ 3,545	$ 3,699

Investment Concentration, Risk, and Impairment: Investments in debt and equity securities include 1,518 issuers, with only one corporate issuer representing more than one percent of the aggregate reported amounts of these investments. Included with equity securities is an investment in BankAmerica Corporation of $500 as of December 31, 1998 and 1997. Debt securities considered less than investment grade approximated 4.5% and 5.4% of the total debt securities portfolio as of December 31, 1998 and 1997.

The Company's mortgage loan portfolio is comprised primarily of conventional real estate mortgages collateralized by retail (44%), apartment (15%), industrial (13%), office (11%) and hotel (11%) properties. Mortgage loan underwriting standards emphasize the credit status of a prospective borrower, quality of the underlying collateral and conservative loan-to-value relationships. Approximately 39% of stated mortgage loan balances as of December 31, 1998 are due from borrowers in South Atlantic states and approximately 23% are due from borrowers in West South Central states. No other geographic region represents as much as 10% of December 31, 1998 mortgage loans.

At December 31, 1998 and 1997, the recorded investment in mortgage loans that are considered to be impaired was $65 and $75. Delinquent loans outstanding as of December 31, 1998 and 1997 totaled $3 and $7. The related allowance for credit losses increased from $27 at December 31, 1997 to $31 at December 31, 1998 through a $4 charge to realized gains in 1998. The average recorded investment in impaired loans was $70, $78 and $79 during the years ended December 31, 1998, 1997 and 1996, on which interest income of $7, $8 and $8 was recognized.

Securities Lending: The Company participates in a securities lending program. The Company generally receives cash collateral in an amount that is in excess of the market value of the securities loaned. Market values of securities loaned and collateral are monitored daily, and additional collateral is obtained as necessary. At December 31, 1998, the market value of securities loaned and collateral received amounted to $239 and $250, respectively. There was no outstanding securities lending at December 31, 1997.

Changes in Net Unrealized Gains on Securities: Changes in amounts affecting net unrealized gains included in other comprehensive income, reduced by deferred income taxes, are as follows:

	Net Unrealized Gains (Losses)		
	Debt Securities	Equity Securities	Total
Net unrealized gains on securities available for sale as of December 31, 1995	$124	$401	$525

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Change during year ended December 31, 1996:			
Increase (decrease) in stated amount of securities	(184)	102	(82)
Increase in value of business acquired and deferred policy acquisition costs	58	-	58
Increase in carrying value of Exchangeable Securities (Note 8)	-	(16)	(16)
Decrease (increase) in deferred income tax liabilities	48	(32)	16
Increase (decrease) in net unrealized gains included in other comprehensive income	(78)	54	(24)
Net unrealized gains on securities available for sale as of December 31, 1996	46	455	501
Change during year ended December 31, 1997:			
Increase in stated amount of securities	341	94	435
Decrease in value of business acquired and deferred policy acquisition costs	(138)	-	(138)
Increase in carrying value of Exchangeable Securities (Note 8)	-	(30)	(30)
Increase in deferred income tax liabilities	(71)	(22)	(93)
Increase in net unrealized gains included in other comprehensive income	132	42	174
Net unrealized gains on securities available for sale as of December 31, 1997	178	497	675
Change during year ended December 31, 1998:			
Increase in stated amount of securities	49	51	100
Decrease in value of business acquired and deferred policy acquisition costs	(22)	-	(22)
Decrease in carrying value of Exchangeable Securities (Note 8)	-	2	2
Increase in deferred income tax liabilities	(8)	(19)	(27)
Increase in net unrealized gains included in other comprehensive income	19	34	53
Net unrealized gains on securities available for sale as of December 31, 1998	$197	$531	$728

</TABLE>

Net Investment Income: The details of investment income, net of investment expenses, follow:

<TABLE>
<CAPTION>

	Year ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Interest on fixed income securities	$1,020	$ 935	$ 747
Investment income on equity securities	27	30	41
Interest on mortgage loans	153	130	109
Interest on policy loans	40	32	21
Other investment income	30	32	30
Gross investment income	1,270	$1,159	948
Investment expenses	(68)	(56)	(55)
Net investment income	$1,202	$1,103	$ 893

</TABLE>

Investment expenses include salaries, interest, expenses of maintaining and operating investment real estate, real estate depreciation and other allocated costs of investment management and administration.

Realized Gains and Losses: The details of realized investment gains (losses) follow:

<TABLE>
<CAPTION

	Year ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Common stocks	$ 61	$100	$ 39

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Real estate	24	9	2
Debt securities	19	2	(1)
Preferred stocks	-	2	4
Other	(3)	(2)	3
Amortization of deferred policy acquisition costs and value of business acquired	(8)	-	-
Realized investment gains	$ 93	$111	$ 47

</TABLE>

Information about gross realized gains and losses on available for sale securities transactions follows:

<TABLE>
<CAPTION>

	Year ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Gross realized:			
Gains	$ 80	$122	$ 66
Losses	(9)	(19)	(15)
Amortization of deferred policy acquisition costs and value of business acquired	(4)	-	-
Net realized gains on available for sale securities	$ 67	$103	$ 51

</TABLE>

Other Information: During 1998 and 1997, the Company sold certain securities that had been classified as held to maturity, due to significant declines in credit worthiness. Total proceeds were $13 and $10 in 1998 and 1997, respectively.

During 1996, JP Life transferred securities classified as available for sale to the Company's defined benefit pension plans. Equity securities with cost of $5 and fair value of $27 were transferred during 1996, and gains of $22 were recognized.

Note 5. Derivatives

Use of Derivatives: The Company's investment policy permits limited use of derivative financial instruments such as interest rate swaps in certain circumstances. The following summarizes open interest rate swaps:

<TABLE>

	December 31	
	1998	1997
<S>	<C>	<C>
Receive-fixed swaps held as hedges of direct investments:		
Notional amount	$156	$170
Average rate received	7.21%	6.86%
Average rate paid	5.46%	5.91%
Receive-fixed swaps held to modify annuity crediting rates:		
Notional amount	$ 30	$ 30
Average rate received	6.78%	6.78%
Average rate paid	5.31%	5.67%

</TABLE>

Hedging Direct Investments: Interest rate swaps are used to reduce the impact of interest rate fluctuations on specific floating-rate direct investments. Interest is exchanged periodically on the notional value, with the Company receiving the fixed rate and paying various short-term LIBOR rates on a net exchange basis. The net amount received or paid under these swaps is reflected as an adjustment to investment income. For hedges of investments classified as available for sale, net unrealized gains, net of the effects of income taxes and the impact on deferred policy acquisition costs and the value of business acquired, are not significant and are included in net unrealized gains on securities available for sale in stockholders' equity as of December 31, 1998 and 1997.

Modifying Annuity Crediting Rates: Interest rate swaps are used to modify the interest characteristics of certain blocks of annuity contract deposits. Interest is exchanged periodically on the notional value, with the Company receiving a fixed rate and paying various short-term LIBOR rates on a net

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exchange basis. The net amount received or paid under these swaps is reflected as an adjustment to insurance and annuity benefits.

Credit and Market Risk: The Company is exposed to credit risk in the event of non-performance by counterparties to swap agreements. The Company limits this exposure by diversifying the counterparties used and by only using counterparties with high credit ratings.

The Company's credit exposure on swaps is limited to the fair value of swap agreements that are favorable to the Company. The Company does not expect any counterparty to fail to meet its obligation. Currently, non-performance by a counterparty would not have a material adverse effect on the Company's financial position or results of operations.

The Company's exposure to market risk is mitigated by the offsetting effects of changes in the value of swap agreements and the related direct investments and credited interest on annuities. The Company routinely monitors correlation between hedged items and hedging instruments. In the event a hedge relationship is terminated or loses correlation, any related hedging instrument that remained would be marked to market through income. If the

hedging instrument is terminated, any gain or loss is deferred and amortized over the remaining life of the hedged asset or liability.

Note 6. Deferred Policy Acquisition Costs and Value of Business Acquired

Deferred Policy Acquisition Costs: Information about deferred policy acquisition costs follows:

<TABLE>
<CAPTION>

	Year ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Beginning balance	$742	$669	$543
Deferral:			
Commissions	152	141	105
Other	56	56	36
	208	197	141
Amortization	(96)	(88)	(89)
Net deferral reflected in expenses	112	109	52
Addition for KCL assumption	-	3	40
Adjustment related to unrealized losses (gains) on debt securities available for sale	(4)	(39)	34
Adjustment related to realized losses (gains) on debt securities	(6)	-	-
Ending balance	$844	$742	$669

</TABLE>

Value of Business Acquired: Information about value of business acquired follows:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Beginning balance	$622	$265	$292
Acquisitions	-	482	-
Deferral of commissions and accretion of interest	37	37	6
Amortization	(83)	(63)	(32)
Net amortization reflected in expenses	(46)	(26)	(26)
Adjustment related to unrealized losses (gains) on debt securities available for sale	(18)	(99)	24
Adjustment related to realized losses (gains) on debt securities	(2)	-	-
Adjustment related to purchase accounting	12	-	(25)

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Ending balance	$568	$622	$265
	====	====	====

</TABLE>

During 1998, the Company finalized its purchase accounting for the acquisition of JP Financial, resulting in an adjustment to increase the value of business acquired by $12. In September 1996, the Company finalized its purchase accounting for the acquisition of AH Life, and an adjustment of $25 was made to reduce the value of business acquired.

Expected approximate amortization percentages relating to the value of business acquired for the next five years are as follows:

<TABLE>
<CAPTION>

Year	Amortization Percentage
1999	10.4%
2000	9.0%
2001	7.9%
2002	7.1%
2003	6.5%

</TABLE>

Note 7. Policy Liabilities Information

Interest Rate Assumptions: The liability for future policy benefits associated with ordinary life insurance policies has been determined using initial interest rate assumptions ranging from 2% to 9.9% and, when applicable, uniform grading over 20 to 30 years to ultimate rates ranging from 2% to 6%. Interest rate assumptions for weekly premium, monthly debit and term life insurance products generally fall within the same ranges as those pertaining to individual life insurance policies.

Credited interest rates for universal life-type products ranged from 3.8% to 6.85% in 1998, 4.0% to 7.5% in 1997 and 4.2% to 6.75% in 1996. The average credited interest rates for universal life-type products were 5.84%, 6.02%, and 6.03% for 1998, 1997 and 1996. For annuity products, credited interest rates generally ranged from 4.0% to 8.15% in 1998, 4.0% to 9.25% in 1997 and 4.4% to 8.65% in 1996.

Mortality and Withdrawal Assumptions: Assumed mortality rates are generally based on experience multiples applied to select and ultimate tables commonly used in the industry. Withdrawal assumptions for individual life insurance policies are based on historical company experience and vary by issue age, type of coverage and policy duration.

For immediate annuities issued prior to 1987, mortality assumptions are based on blends of the 1971 Individual Annuity Mortality Table and the 1969-71 U. S. Life Tables. For similar products issued after 1986, mortality assumptions are based on blends of the 1983a and 1979-81 U. S. Life Tables.

Accident and Health, and Disability Insurance Liabilities Activity: Activity in the liabilities for accident and health, and disability benefits, including reserves for future policy benefits and unpaid claims and claim adjustment expenses, is summarized below:

<TABLE>
<CAPTION>

	1998	1997	1996
Balance as of January 1	$385	$265	$261
Less reinsurance recoverables	62	18	15
Net balance as of January 1	323	247	246
Acquired in JP Financial acquisition	-	73	-
Amount incurred:			
Current year	246	385	401
Prior years	(54)	(47)	(63)
	192	338	338
Less amount paid:			
Current year	130	230	246
Prior years	98	105	91

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	228	335	337
Net balance as of December 31	287	323	247
Plus reinsurance recoverables	71	62	18
Balance as of December 31	$358	$385	$265
Balance as of December 31 included with:			
Future policy benefits	$288	$261	$134
Policy and contract claims	70	124	131
	$358	$385	$265

</TABLE>

The Company uses conservative estimates for determining its liability for accident and health, and disability benefits, which are based on historical claim payment patterns and attempt to provide for potential adverse changes in claim patterns and severity. Lower than anticipated claims resulted in adjustments to the liability for accident and health, and disability benefits in each of the years presented.

Note 8. Debt and Exchangeable Securities

Commercial Paper and Revolving Credit Borrowings: The Company has entered into a bank credit agreement for $375 of unsecured revolving credit extending through May 2002, under which the Company has the option to borrow at various interest rates. Since the establishment of a commercial paper arrangement in 1996, the credit agreement has principally supported the issuance of commercial paper. As of December 31, 1998, outstanding commercial paper had various maturities, with none in excess of 90 days. The Company can issue commercial paper with maturities of up to 270 days. If the Company is not able to remarket its commercial paper on the respective maturity dates, the Company intends to borrow a like amount under the credit agreement. The weighted-average interest rate for commercial paper borrowings outstanding of $289 at December 31, 1998 was 5.61%. The weighted-average interest rate for $285 of commercial paper borrowings outstanding at December 31, 1997 was 6.02%.

Exchangeable Securities: The Mandatorily Exchangeable Debt Securities (MEDS) and Automatic Common Exchange Securities (ACES) are collectively referred to as "Exchangeable Securities."

MEDS

In April and June 1997, the Company issued MEDS of $75 at 6.95% and $75 at 6.65%. The MEDS are based on BankAmerica common stock. Interest is payable quarterly. The MEDS mature January 10, 2002 and represent senior indebtedness of the Corporation.

The MEDS had principal amounts of: 6.95% MEDS, $55.55 per security and 6.65% MEDS, $66.625 per security. Two weeks prior to, or at, maturity, the principal amount of the MEDS will be mandatorily exchanged into either a number of shares of the common stock of BankAmerica (stock) determined based on an exchange rate reflecting the then trading price for the stock, or cash in an amount of equal value, at the Company's option. Subject to adjustments to reflect dilution, the exchange rate is equal to (1) 0.8264 shares if the stock price is at least: 6.95% MEDS, $67.22 and 6.65% MEDS, $80.62, (2) a fractional share of the stock having a value equal to the principal amount if the price is more than the principal amount but less than the amount stated in (1), or (3) one share if the price is less than or equal to the principal amount.

ACES

The Company has issued 1,815,000 unsecured 7.25% ACES due January 21, 2000, having a principal amount of $72.50 per security. In the 30 days prior to, or at, maturity, the principal amount of the ACES will be mandatorily exchanged into either (1) a number of shares of BankAmerica stock determined based on an exchange rate reflecting the then trading price for the stock or (2) cash in an amount of equal value. Subject to adjustments to reflect future dilution, the exchange rate is equal to (1) 1.66 shares if the stock price is at least $43.50, (2) fractional shares of the stock having a value equal to $72.50 if the price is more than $36.25 but less than $43.50, or (3) two shares if the price is not more than $36.25.

Carrying Value of Exchangeable Securities

The Exchangeable Securities are carried at fair value. Changes in the carrying value, net of deferred income taxes, are recorded in other comprehensive income. At December 31, 1998 and 1997, the combined carrying

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value of the Exchangeable Securities was $325 and $327, based on the market value of BankAmerica stock, which had a market value of $60.125 per share as of year end 1998.

Interest: Interest expense totaled $46 for 1998, $37 for 1997 and $39 for 1996.

Note 9. Capital Securities and Mandatorily Redeemable Preferred Stock

In January and March 1997, respectively, the Company privately placed $200 of 8.14% Capital Securities, Series A and $100 of 8.285% Capital Securities, Series B. The Capital Securities mature in the year 2046, but are redeemable prior to maturity at the option of the Company beginning January 15, 2007. The Capital Securities are supported by subordinated indebtedness of the Company.

Mandatorily redeemable non-voting floating rate preferred stock (with a par value of $100 per share) of subsidiaries authorized, issued and outstanding at December 31, 1998 and 1997 totaled 30,000 and 530,000 shares. In April 1998, the holder of $50 preferred stock of AH Life redeemed the shares at par plus accrued dividends. The remaining $3 of mandatorily redeemable preferred stock was issued in September 1996 related to the PPA recapture (Note 15), and was repurchased and cancelled as of January 1, 1999.

Note 10. Stockholders' Equity

Preferred Stock: The Company has 20,000,000 shares of preferred stock authorized (none issued) with the par value, dividend rights and other terms to be fixed by the Board of Directors, subject to certain limitations on voting rights.

Common Stock: On February 9, 1998, the Board authorized a three-for-two common stock split which was effected as a 50% stock dividend distributed on April 13, 1998 to shareholders of record as of March 20, 1998. The split-adjusted value of fractional shares was paid in cash. The par value of additional shares issued, which totaled $44, was reclassified from retained earnings to common stock. All share and per share information gives retroactive effect to the stock split.

Changes in the number of shares outstanding are as follows:

<TABLE>
<CAPTION>

	Year Ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Shares outstanding, beginning	106,278,409	106,119,350	106,819,743
Shares issued under stock option plans	207,776	159,059	49,607
Shares reacquired	(590,000)	-	(750,000)
Shares outstanding, ending	105,896,185	106,278,409	106,119,350

</TABLE>

Shareholders' Rights Plan: Under a shareholders' rights plan, one common share purchase right is attached to each share of the Company's common stock. The plan becomes operative in certain events involving an offer for or the acquisition of 15% or more of the Company's common stock by any person or group. Following such an event, each right, unless redeemed by the Board, entitles the holder (other than the acquiring person or group) to purchase for an exercise price of $235.00 an amount of common stock of the Company, or in certain circumstances stock of the acquiring company, having a market value of twice the exercise price. Approximately 105 million shares of common stock are reserved for the amended rights plan. The rights expire on February 8, 2009 unless extended by the Board, and are redeemable by the Board at a price of 0.44 cents per right at any time before they become exercisable.

Note 11. Stock Incentive Plans

Long Term Stock Incentive Plan: Under the Long Term Stock Incentive Plan (Employees' Plan), a Committee of disinterested directors may award nonqualified or incentive stock options and stock appreciation rights, and make grants of the Company's stock, to employees of the Company and to life insurance agents. Stock grants may be either restricted stock or unrestricted stock distributed upon the achievement of performance goals established by the Committee.

A total of 6,109,001 shares are available for issuance pursuant to outstanding or future awards under the Employees' Plan as of December 31,

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1998. The option price may not be less than the market value of the Company's common stock on the date awarded. Options are exercisable for periods determined by the Committee, not to exceed ten years from the award date, and vest immediately or over periods as determined by the Committee. Awards of restricted and unrestricted stock grants are limited to 10% of the total shares reserved for the Plan. The Employees' Plan will terminate as to further awards on May 1, 2005, unless terminated by the Board at an earlier date.

Non-Employee Directors' Plan: Under the Non-Employee Directors' Stock Option Plan (Directors' Plan), 417,376 shares of the Company's common stock are reserved for issuance pursuant to outstanding or future awards as of December 31, 1998. Nonqualified stock options are automatically awarded, at market prices on specified award dates. The options vest over a period of one to three years, and terminate ten years from the date of award, but are subject to earlier vesting or termination under certain circumstances. The Directors' Plan will terminate as to further awards on March 31, 1999.

Summary Stock Option Activity: Summarized information about the Company's stock option activity follows:

<TABLE>
<CAPTIONS>

	1998		1997		1996	
	Options	Weighted-Average Exercise Price Per Share	Options	Weighted-Average Exercise Price Per Share	Options	Weighted-Average Exercise Price Per Share
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding beginning of year	3,675,552	$36.14	2,116,902	$27.60	1,359,515	$22.39
Granted	828,225	53.54	1,746,456	45.38	814,312	35.79
Exercised	(210,725)	27.75	(143,883)	20.65	(37,758)	36.07
Forfeited	(254,354)	49.91	(43,923)	42.79	(19,167)	21.38
Outstanding end of year	4,038,698	$39.28	3,675,552	$36.14	2,116,902	$27.60
Exercisable at end of year	1,801,138	$28.82	1,412,127	$26.53	956,465	$22.62
Weighted-average fair value of options granted during the year	$ 13.54		$ 10.07		$ 7.38	

</TABLE>

The following table summarizes certain stock option information at December 31, 1998:

<TABLE>
<CAPTION>

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Shares	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$17.45 - $24.89	1,021,500	6.2	$22.83	1,021,500	$22.83
$31.17 - $38.59	1,497,398	8.5	37.18	779,638	36.68
$48.50 - $58.44	1,519,800	9.5	52.40	-	-
	4,038,698	8.3	$39.28	1,801,138	$28.82

</TABLE>

Pro-Forma Information: SFAS 123, "Accounting for Stock-Based Compensation", requires the presentation of pro-forma information regarding net income and earnings per share as if the Company had accounted for its employee stock options granted subsequent to December 31, 1994 under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following

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weighted-average assumptions for 1998, 1997 and 1996: risk-free interest rates of 5.8%, 6.2% and 5.9%; volatility factors of the expected market price of the Company's common stock of 0.17; and a weighted-average expected life of the options of 9.9 years for 1998, 7.7 years for 1997 and 10 years for 1996. Dividends were assumed to increase by 10% annually.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not provide a reliable single measure of the fair value of the Company's options.

For purposes of pro-forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The pro-forma information follows:

	Year Ended December 31		
	1998	1997	1996
Pro-forma net income available to common stockholders	$ 411	$ 366	$ 288
Pro-forma earnings per share available to common stockholders	$3.87	$3.45	$2.71
Pro-forma earnings per share available to common stockholders - assuming dilution	$3.84	$3.43	$2.69

Because the options generally vest over three years and because SFAS 123 is applicable only to options granted subsequent to December 31, 1994, 1998 is the first year in which the full pro-forma effect is reflected.

Note 12. Statutory Financial Information

The Company's life insurance subsidiaries prepare financial statements on the basis of statutory accounting practices (SAP) prescribed or permitted by the insurance departments of their states of domicile. Prescribed SAP include a variety of publications of the National Association of Insurance Commissioners (NAIC) as well as state laws, regulations and administrative rules. Permitted SAP encompass all accounting practices not so prescribed. The impact of permitted accounting practices on statutory capital and surplus is not significant for the life insurance subsidiaries.

The principal differences between SAP and generally accepted accounting principles (GAAP) as they relate to the financial statements of the subsidiaries are (1) policy acquisition costs are expensed as incurred under SAP, whereas they are deferred and amortized under GAAP, (2) the value of business acquired is not capitalized under SAP but is under GAAP, (3) amounts collected from holders of universal life-type and annuity products are recognized as premiums when collected under SAP, but are initially recorded as contract deposits under GAAP, with cost of insurance recognized as revenue when assessed and other contract charges recognized over the periods for which services are provided, (4) the classification and carrying amounts of investments in certain securities are different under SAP than under GAAP, (5) the criteria for providing asset valuation allowances, and the methodologies used to determine the amounts thereof, are different under SAP than under GAAP, (6) the timing of establishing certain reserves, and the methodologies used to determine the amounts thereof, are different under SAP than under GAAP, (7) no provision is made for deferred income taxes under SAP, and (8) certain assets are not admitted for purposes of determining surplus under SAP.

A comparison of net income and statutory capital and surplus of the life insurance subsidiaries determined on the basis of SAP to net income and stockholder's equity of these life insurance subsidiaries on the basis of GAAP is as follows:

	1998	1997	1996
Statutory Accounting Practices			

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Net income for the year ended December 31	$ 384	$ 462	$ 253
Statutory capital and surplus as of December 31	$1,584	$1,470	$1,218
Generally Accepted Accounting Principles			
Net income for the year ended December 31	$ 388	$ 349	$ 261
Stockholder's equity as of December 31	$3,342	$3,106	$2,181

</TABLE>

Risk-Based Capital ("RBC") requirements promulgated by the NAIC require life insurers to maintain minimum capitalization levels that are determined based on formulas incorporating credit risk pertaining to investments, insurance risk, interest rate risk and general business risk. As of December 31, 1998, the life insurance subsidiaries' adjusted capital and surplus exceeded their authorized control level RBC.

The NAIC Codification of Statutory Accounting Principles (Codification) has been completed. The purpose of Codification is to create uniformity in statutory financial reporting across states. Codification must be adopted by individual states before it will have any bearing on the statutory reporting requirements of companies domiciled in a particular state. The NAIC is encouraging the states to adopt Codification as soon as possible, with an implementation date of January 1, 2001. The Company does not expect implementation to have a material impact on statutory surplus of its insurance subsidiaries; however, implementation is expected to result in a net reduction of statutory surplus and RBC throughout the insurance industry.

The insurance statutes of the states of domicile limit the amount of dividends that the life insurance subsidiaries may pay annually without first obtaining regulatory approval. Generally, the limitations are based on a combination of statutory net gain from operations for the preceding year, 10% of statutory surplus at the end of the preceding year, and dividends and distributions made within the preceding twelve months. Approximately $205 of dividends could be paid by the life insurance subsidiaries in 1999 without regulatory approval.

Note 13. Income Taxes

Income taxes reported are as follows:

<TABLE>
<CAPTION>

	Year ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Current expense	$195	$180	$132
Deferred expense	31	15	17
Total income tax expense	$226	$195	$149

</TABLE>

A reconciliation of the federal income tax rate to the Company's effective income tax rate follows:

<TABLE>
<CAPTION>

	Year Ended December 31		
	1998	1997	1996
<S>	<C>	<C>	<C>
Federal income tax rate	35.0%	35.0%	35.0%
Reconciling items:			
Tax exempt interest and dividends received deduction	(1.5)	(1.3)	(4.1)
Other increases (decreases), net	0.2	(0.7)	2.7
Effective income tax rate	33.7%	33.0%	33.6%

</TABLE>

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The tax effects of temporary differences that result in significant deferred tax assets and deferred tax liabilities are as follows:

	December 31	
	1998	1997
Deferred tax assets:		
Difference in policy liabilities	$453	$457
Obligation for postretirement benefits	5	7
Deferred compensation	21	19
Other deferred tax assets	61	35
Gross deferred tax assets	540	518
Deferred tax liabilities:		
Net unrealized gains on securities	385	355
Deferral of policy acquisition costs and value of business acquired	356	331
Deferred gain recognition for income tax purposes	17	17
Differences in investment bases	19	12
Depreciation differences	8	4
Other deferred tax liabilities	56	21
Gross deferred tax liabilities	841	740
Net deferred income tax liability	$301	$222

Federal income tax returns for all years through 1994 are closed. Tax years 1995 and 1996 are currently under examination by the Internal Revenue Service, and no assessments have been proposed to date. In the opinion of management, recorded income tax liabilities adequately provide for all remaining open years.

Under prior federal income tax law, one-half of the excess of a life insurance company's income from operations over its taxable investment income was not taxed, but was set aside in a special tax account designated as "Policyholders' Surplus." The Company has approximately $105 of untaxed "Policyholders' Surplus" on which no payment of federal income taxes will be required unless it is distributed as a dividend, or under other specified conditions. The current administration has proposed to tax, as part of its 1999 budget initiative, the "Policyholders' Surplus" over a ten year period. No related deferred tax liability has been recognized for the potential tax which would approximate $37 under the current proposal.

Note 14. Retirement Benefit Plans

Pension Plans

The Company and its subsidiaries have defined benefit pension plans which are funded through group annuity contracts with JP Life. The assets of the plans are those of the related contracts, and are primarily held in separate accounts of JP Life. Information regarding pensions plans is as follows:

	Year Ended December 31	
	1998	1997
Change in benefit obligation:		
Benefit obligation at beginning of year	$224	$201
Service cost	10	8
Interest cost	14	14
Actuarial gains	7	14
Benefits paid	(14)	(13)
Benefit obligation at end of year	241	224

Change in plan assets:

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Fair value of assets at beginning of year	302	260
Actual return on plan assets	57	53
Transfer in	2	2
Benefits paid	(14)	(13)
Fair value of assets at end of year	347	302
Funded status of the plans	106	78
Unrecognized net gain	(103)	(71)
Unrecognized transition net asset	(12)	(14)
Unrecognized prior service cost	8	9
Prepaid (accrued) benefit cost	$ (1)	$ 2

</TABLE>

<TABLE>
<CAPTION>

	Year Ended December 31		
	1998	1997	1996
Weighted-average assumptions as of December 31:			
Discount rate	6.5%	7.0%	7.0%
Expected return on plan assets	8.0%	8.0%	8.0%
Rate of compensation increase	4.5%	5.0%	5.0%
Components of net periodic benefit cost:			
Service cost, benefits earned during the year	$ 10	$ 8	$ 6
Interest cost on projected benefit obligation	14	14	13
Expected return on plan assets	(19)	(17)	(17)
Net amortization and deferral	(1)	(1)	(1)
Benefit cost	$ 4	$ 4	$ 1

</TABLE>

Other Postretirement Benefit Plans

The Company sponsors contributory health care and life insurance benefit plans for eligible retired employees, qualifying retired agents and certain surviving spouses. The Company contributes to a welfare benefit trust from which future benefits will be paid. The Company accrues the cost of providing postretirement benefits other than pensions during the employees' active service period. The non-pension postretirement expense was $1 in 1998, 1997 and 1996.

Defined Contribution Plans

The Company sponsors defined contribution retirement plans covering most employees and full time agents. The Company matches a portion of participant contributions and makes profit sharing contributions to a fund that acquires and holds shares of the Company's common stock. Plan assets were invested under a group variable annuity contract issued by JP Life. Expenses were $3, $4 and $3 during 1998, 1997 and 1996.

Note 15. Reinsurance

The Company attempts to reduce its exposure to significant individual claims by reinsuring portions of certain individual life insurance policies and annuity contracts written. The Company reinsures the portion of an individual life insurance risk in excess of the Company's retention, which ranges from $0.3 to $1.5 for various individual life and annuity products. The Company also attempts to reduce exposure to losses that may result from unfavorable events or circumstances by reinsuring certain levels and types of accident and health insurance risks underwritten. The Company assumes portions of the life and accident and health risks underwritten by certain other insurers on a limited basis, but amounts related to assumed reinsurance are not significant to the consolidated financial statements.

In 1995, the Company acquired AH Life and FAHL from Household International, Inc. (Household). AH Life and FAHL reinsured 100% of the PPA, COLI and Affiliated credit insurance business written prior to their acquisition in 1995 with affiliates of Household on a coinsurance basis. Balances are settled monthly, and AH Life is compensated by the reinsurers for administrative services related to the reinsured business. On September 30, 1996, the Company recaptured a portion of the PPA reinsurance from affiliates of Household. This recapture was completed by these affiliates transferring approximately $463 of assets and $489 of reserves to

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the Company. The Company also established a $29 deferred tax asset on this recapture, and issued $3 of mandatorily redeemable preferred stock of one of the Company's life insurance subsidiaries to Household. The amount due from reinsurers in the consolidated balance sheets includes $1,072 and $1,250 due from the Household affiliates at December 31, 1998 and 1997.

Assets related to the reinsured PPA and COLI business have been placed in irrevocable trusts formed to hold the assets for the benefit of AH Life and FAHL and are subject to investment guidelines which identify (1) the types and quality standards of securities in which new investments are permitted, (2) prohibited new investments, (3) individual credit exposure limits and (4) portfolio characteristics. Household has unconditionally and irrevocably guaranteed, as primary obligor, full payment and performance by its affiliated reinsurers. AH Life has the right to terminate the PPA and COLI reinsurance agreements by recapture of the related assets and liabilities if Household does not take a required action under the guarantee agreements within 90 days of a triggering event. AH Life has the option to terminate the PPA and COLI reinsurance agreements on the seventh anniversary of the acquisition, by recapturing the related assets and liabilities at an agreed-upon price or their then current fair values as independently determined.

As of December 31, 1998 and 1997, JP Financial had a reinsurance recoverable of $95 and $97 from a single reinsurer, pursuant to a 50% coinsurance agreement. JP Financial and the reinsurer are joint and equal owners in $191 and $195 of securities and short-term investments as of December 31, 1998 and 1997, 50% of which is included in investments in the accompanying consolidated balance sheets.

Reinsurance contracts do not relieve an insurer from its primary obligation to policyholders. Therefore, the failure of a reinsurer that is party to a contract with a subsidiary to discharge its reinsurance obligations could result in a loss to the subsidiary. The Company regularly evaluates the financial condition of its reinsurers and monitors concentrations of credit risk related to reinsurance activities. No significant credit losses have resulted from the reinsurance activities of the subsidiaries during the three years ended December 31, 1998.

The effects of reinsurance on total premiums and other considerations and total benefits are as follows:

<TABLE>
<CAPTION>

<S>	Year ended December 31 1998 <C>	1997 <C>	1996 <C>
Premiums and other considerations, before effect of reinsurance ceded	$1,217	$1,233	$1,121
Less premiums and other considerations ceded	168	98	127
Net premiums and other considerations	$1,049	$1,135	$ 994
Benefits, before reinsurance recoveries	$1,654	$1,648	$1,498
Less reinsurance recoveries	347	249	287
Net benefits	$1,307	$1,399	$1,211

</TABLE>

Note 16. Segment Information

The Company has four reportable segments which are defined based on the nature of the products and services offered: Life Insurance Products, Annuity and Investment Products (AIP), Communications, and Corporate and Other. The Life Insurance Products segment offers a wide array of life and health insurance through captive agents (career and home service agency forces), independent agents (recruited through independent marketing organizations and a regional marketing network) and financial institutions, as well as offering group insurance products for employers and their employees primarily in the South and Southeast. AIP offers fixed and variable annuities and investment products through proprietary and independent agents, financial institutions, investment professionals and broker-dealers. The Communications segment consists principally of radio and television broadcasting and sports program production. The Corporate and Other segment includes activities of the parent company and passive investment affiliates, surplus of the life insurance subsidiaries not otherwise allocated to reportable segments including earnings thereon, and all of the Company's realized gains and losses. Surplus is allocated to the Life Insurance Products and AIP reportable segments based on risk-based capital formulae which give consideration to asset/liability and general business risks, as well as the Company's strategies for managing those risks. Various distribution channels and/or product classes related to the

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Company's life insurance, annuity and investment products have been aggregated in the Life Insurance and AIP reporting segments.

The segments are managed separately because of the different products, distribution channels and marketing strategies each employs. The Company evaluates performance based on several factors, of which the primary financial measure is operating income or loss, which excludes realized gains and losses. The accounting policies of the business segments are the same as those described in the summary of significant accounting policies (Note 2). Substantially all the Company's revenue is derived from sales within the United States, and foreign assets are not material. The following table summarizes financial information regarding the Company's reportable segments:

	December 31	
	1998	1997
Assets		
Life Insurance Products	$12,579	$11,684
AIP	6,495	6,525
Communications	222	218
Corporate & other	5,042	4,704
Total assets	$24,338	$23,131

	Year Ended December 31		
	1998	1997	1996
Revenues			
Life Insurance Products	$1,737	$1,698	$1,370
AIP	506	499	442
Communications	195	190	189
Corporate & other	79	80	77
	2,517	2,467	2,078
Realized investment gains, before tax	93	111	47
Total revenues	$2,610	$2,578	$2,125
Operating income and reconciliation to net income available to common stockholders			
Life Insurance Products	$ 245	$ 194	$ 150
AIP	71	63	55
Communications	32	28	28
Corporate & other	12	12	27
Total operating income	360	297	260
Realized investment gains, net of tax	58	73	31
Net income available to common stockholders	$ 418	$ 370	$ 291
Net investment income			
Life Insurance Products	$ 719	$ 618	$ 460
AIP	425	429	371
Communications	(5)	(5)	-
Corporate & other	63	61	62
Total net investment income	$1,202	$1,103	$ 893
Net deferral of deferred policy acquisition costs and value of business acquired			
Life Insurance Products	$ (55)	$ (60)	$ (12)
AIP	(11)	(23)	(14)
Net deferral reflected in operating income	(66)	(83)	(26)
Amortization on realized investment gains	8	-	-
Net deferral of deferred policy acquisition costs and value of business acquired	$ (58)	$ (83)	$ (26)

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Income tax expense			
Life Insurance Products	$ 130	$ 102	$ 77
AIP	38	34	29
Communications	22	17	17
Corporate & other	1	4	10
Total operating income tax expense	191	157	133
Income tax expense on realized investment gains	35	38	16
Total income tax expense	$ 226	$ 195	$ 149

</TABLE>

The Company allocates depreciation expense to Life Insurance and AIP; however, the related fixed assets are not allocated to these operating segments.

Note 17. Other Comprehensive Income

Comprehensive income and its components are displayed in the statements of stockholders' equity. Currently, the only element of other comprehensive income applicable to the Company is changes in unrealized gains and losses on securities classified as available for sale, which are displayed in the following table, along with related tax effects. See Note 4 for further detail of changes in the Company's unrealized gains on securities available for sale.

<TABLE>
<CAPTION>

	Year Ended December 31,		
	1998	1997	1996
<S>	<C>	<C>	<C>
Unrealized holding gains arising during period, before taxes	$147	$370	$ 11
Income taxes	(51)	(129)	(4)
Unrealized holding gains arising during period, net of taxes	96	241	7
Less: reclassification adjustment			
Gains realized in net income	67	103	51
Income taxes	(24)	(36)	(20)
Reclassification adjustment for gains realized in net income	43	67	31
Other comprehensive income (loss) - net unrealized gains	$ 53	$174	$(24)

</TABLE>

Note 18. Disclosures About Fair Value of Financial Instruments

The carrying values and fair values of financial instruments as of December 31 are summarized as follows:

<TABLE>
<CAPTION>

	1998		1997	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<S>	<C>	<C>	<C>	<C>
Financial Assets				
Debt securities available for sale	$10,958	$10,958	$10,155	$10,155
Debt securities held to maturity	3,545	3,699	3,790	3,892
Equity securities available for sale	949	949	893	893
Mortgage loans	1,969	2,124	1,716	1,783
Policy loans	1,439	1,525	1,422	1,465
Financial Liabilities				
Annuity contract liabilities in accumulation phase	4,959	4,785	5,141	4,939
Commercial paper and revolving credit borrowings	289	289	285	285

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Exchangeable Securities and other debt	327	338	331	341
Securities sold under repurchase agreements	292	292	95	95
Capital Securities	300	333	300	319
Mandatorily redeemable preferred stock	3	3	53	53

</TABLE>

The fair values of cash, cash equivalents, balances due on account from agents, reinsurers and others, and accounts payable approximate their carrying amounts as reflected in the consolidated balance sheets due to their short-term maturity or availability. Assets and liabilities related to the Company's separate accounts are reported at fair value in the accompanying consolidated balance sheets.

The fair values of debt and equity securities have been determined from nationally quoted market prices and by using values supplied by independent pricing services and discounted cash flow techniques. These fair values are disclosed together with carrying amounts in Note 4.

The fair value of the mortgage loan portfolio has been estimated by discounting expected future cash flows using the interest rate currently offered for similar loans.

The fair value of policy loans outstanding for traditional life products has been estimated using a current risk-free interest rate applied to expected future loan repayments projected based on historical repayment patterns. The fair values of policy loans on universal life-type and annuity products approximate carrying values due to the variable interest rates charged on those loans.

Annuity contracts issued by the Company do not generally have defined maturities. Therefore, fair values of the Company's liabilities under annuity contracts, the carrying amounts of which are included with policyholder contract deposits in the accompanying consolidated balance sheets, are estimated to equal the cash surrender values of the underlying contracts.

The fair values of commercial paper and revolving credit borrowings approximate their carrying amounts due to their short-term nature. Similarly, the fair value of the liability for securities sold under repurchase agreements approximates its carrying amount, which includes accrued interest. With respect to the Exchangeable Securities, the fair value of the ACES is based on its nationally quoted market price. The fair value of the MEDS, which are not publicly traded, is estimated based on the value holders would have received had the MEDS been redeemable as of year end (which was derived based on the market price of BankAmerica stock as of year end).

The fair value of the Capital Securities was determined based on market quotes for the securities.

The fair value of the Company's mandatorily redeemable preferred stock approximates its stated amount because its dividend rate is adjustable.

Interest rate swaps that hedge direct investments classified as available for sale are recorded at fair value (1998 - gain of $11; 1997 - gain of $5) and are included in the carrying value of debt securities available for sale. The fair value of interest rate swaps that hedge direct investments classified as held to maturity and that hedge annuity contract deposits (1998 - gain of $2; 1997 - gain of $1) have not been recorded in the consolidated balance sheets.

Note 19. Commitments and Contingent Liabilities

The Company routinely enters into commitments to extend credit in the form of mortgage loans and to purchase certain debt instruments for its investment portfolio in private placement transactions. The fair value of outstanding commitments to fund mortgage loans and to acquire debt securities in private placement transactions, which are not reflected in the consolidated balance sheet, approximates $148 as of December 31, 1998.

The Company leases electronic data processing equipment and field office space under noncancelable operating lease agreements. The lease terms generally range from three to five years. Neither annual rent nor future rental commitments are significant.

JPCC has commitments for purchases of syndicated television programming and future sports programming rights of approximately $121 as of December 31, 1998. These commitments are not reflected as an asset or liability in the accompanying 1998 consolidated balance sheet because these programs are not currently available for use.

JP Life is a defendant in a proposed class action suit, and AH Life is a defendant in a separate proposed class action suit. Each suit alleges

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deceptive practices, fraudulent and negligent misrepresentation and breach of contract in the sale of certain life insurance policies using policy illustrations which plaintiffs claim were misleading. Unspecified compensatory and punitive damages, costs and equitable relief are sought in each case. While management is unable to make a meaningful estimate of the amount or range of loss that could result from an unfavorable outcome in either or both cases, management believes that it has made appropriate disclosures to policyholders as a matter of practice, and intends to vigorously defend its position.

In the normal course of business, the Company and its subsidiaries are parties to various lawsuits. Because of the considerable uncertainties that exist, the Company cannot predict the outcome of pending or future litigation. However, management believes that the resolution of pending legal proceedings will not have a material adverse effect on the Company's financial position or liquidity, although it could have a material adverse effect on the results of operations for a specific period.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Part III

Item 10. Directors and Executive Officers of the Registrant

Information under the heading "Proposal I - Election of Directors" in the Registrant's definitive Proxy Statement for the Annual Meeting to be held on May 3, 1999 (Proxy Statement) is incorporated herein by reference. Executive Officers are described in Part I above. Information under the heading "Stock Ownership" in the Proxy Statement relating to the absence of any delinquent filers under Section 16(a) of the Securities Exchange Act of 1934 is incorporated herein by reference.

Item 11. Executive Compensation

Information under the heading "Executive Compensation" in the Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information under the heading "Stock Ownership" in the Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

Information under the heading "Is the Compensation Committee Independent?" in the Proxy Statement is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) The response to this portion of Item 14 is submitted as a separate section of this report. (See F-1.) The List and Index of Exhibits is included on page E-1 of this report.

(b) No Form 8-K was filed in the fourth quarter 1998. A Form 8-K was filed as of February 8, 1999 to report amendments to the Company's shareholder rights plan, including an increase in the rights exercise price and an extension of the plan.

(c) Exhibits are submitted as a separate section of this report. (See E-1.)

(d) Financial Statement Schedules - The response to this portion of Item 14 is submitted as a separate section of this report. (See F-1.)

Undertakings

For the purposes of complying with the amendments to the rules governing Form S-8 under the Securities Act of 1933, the undersigned registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into registrant's Registration Statements on Form S-8 Nos. 2-36778 (filed March 23, 1970) and 2-56410 (filed May 12, 1976)

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and 33-30530 (filed August 15, 1989), and in outstanding effective registration statements on Form S-16 included in such S-8 filings:

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JEFFERSON-PILOT CORPORATION
(Registrant)

BY (SIGNATURE) /s/ David A. Stonecipher
(NAME AND TITLE) David A. Stonecipher
Chairman, President and Director
(Also signing as Principal
Executive Officer)
DATE March 26, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

BY (SIGNATURE) /s/ Dennis R. Glass
NAME AND TITLE) Dennis R. Glass
Executive Vice President and Treasurer
(Principal Financial Officer)
DATE March 26, 1999

BY (SIGNATURE) /s/ Reggie D. Adamson
(NAME AND TITLE) Reggie D. Adamson
Senior Vice President, Finance
(Principal Accounting Officer)
DATE March 26, 1999

BY (SIGNATURE) /s/ Edwin B. Borden*
(NAME AND TITLE) Edwin B. Borden, Director
DATE March 26, 1999

BY (SIGNATURE) /s/ William H. Cunningham*
(NAME AND TITLE) William H. Cunningham, Director
DATE March 26, 1999

BY (SIGNATURE) /s/ Robert G. Greer*
(NAME AND TITLE) Robert G. Greer, Director
DATE March 26, 1999

BY (SIGNATURE) /s/ George W. Henderson, III*
(NAME AND TITLE) George W. Henderson, III
DATE March 26, 1999

BY (SIGNATURE) /s/ E. S. Melvin*
(NAME AND TITLE) E. S. Melvin, Director
DATE March 26, 1999

BY (SIGNATURE) /s/ Kenneth C. Mlekush*

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(NAME AND TITLE)   Kenneth C. Mlekush, Director
DATE   March 26, 1999

BY (SIGNATURE)   /s/   William P. Payne*
(NAME AND TITLE)   William P. Payne, Director
DATE   March 26, 1999

BY (SIGNATURE)   /s/   Patrick S. Pittard*
(NAME AND TITLE)   Patrick S. Pittard, Director
DATE   March 26, 1999

BY (SIGNATURE)   /s/   Donald S. Russell, Jr.*
(NAME AND TITLE)   Donald S. Russell, Jr., Director
DATE   March 26, 1999

BY (SIGNATURE)   /s/   Robert H. Spilman*
(NAME AND TITLE)   Robert H. Spilman, Director
DATE   March 26, 1999

*BY /s/   Robert A. Reed
Robert A. Reed, Attorney-in-Fact
March 26, 1999

FORM 10-K - ITEM 14(A)(1) AND (2) AND (D)

JEFFERSON-PILOT CORPORATION AND SUBSIDIARIES

LIST OF FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

The following consolidated financial statements of Jefferson-Pilot Corporation and subsidiaries are included in Item 8.

Consolidated Balance Sheets - December 31, 1998 and 1997

Consolidated Statements of Income - Years Ended December 31, 1998, 1997 and 1996

Consolidated Statements of Stockholders' Equity - Years Ended December 31, 1998, 1997 and 1996

Consolidated Statements of Cash Flows - Years Ended December 31, 1998, 1997 and 1996

Notes to Consolidated Financial Statements - December 31, 1998

The following consolidated financial statement schedules of Jefferson-Pilot Corporation and subsidiaries are included in Item 14(d).

	- Pages -
Schedule I - Summary of Investments - Other Than Investments in Related Parties	F-2
Schedule II - Financial Statements of Jefferson-Pilot Corporation: Condensed Balance Sheets as of December 31, 1998 and 1997	F-3
Condensed Statements of Income for the Years Ended December 31, 1998, 1997 and 1996	F-4
Condensed Statements of Cash Flows for the Years Ended December 31, 1998, 1997 and 1996	F-5
Note to Condensed Financial Statements	F-6
Schedule III - Supplementary Insurance Information	F-7
Schedule IV - Reinsurance	F-8
Schedule V - Valuation and Qualifying Accounts	F-9
List and Index of Exhibits	E-1 - E-2

All other schedules required by Article 7 of Regulation S-X are not required under the related instructions or are inapplicable and therefore have been omitted.

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<TABLE>

Jefferson-Pilot Corporation and Subsidiaries
Schedule I - Summary of Investments - Other than Investments in Related Parties
December 31, 1998
In millions

<CAPTION>

Column A	Column B	Column C	Column D
Type of Investment	Cost (a)	Value	Amount at Which Shown in the Consolidated Balance Sheet
Debt securities:			
Bonds and other debt instruments:			
United States Treasury obligations and direct obligations of U. S. Government agencies	$ 316	$ 339	$ 339
Federal agency issued collateralized mortgage obligations	2,610	2,728	2,728
Obligations of states, municipalities and political subdivisions (b)	25	25	25
Obligations of public utilities (b)	1,443	1,531	1,497
Corporate obligations (b)	8,003	8,312	8,192
Corporate private-labeled collateralized mortgage obligations	1,633	1,706	1,706
Redeemable preferred stocks	15	16	16
Total debt securities	14,045	14,657	14,503
Equity securities:			
Common stocks:			
Public utilities	42	200	200
Banks, trust and insurance companies	15	587	587
Industrial and all other	19	144	144
Nonredeemable preferred stocks	18	18	18
Total equity securities	94	949	949
Mortgage loans on real estate (c)	2,000		1,969
Real estate acquired by foreclosure (c)	1		1
Other real estate held for investment	85		85
Policy loans	1,439		1,439
Other long-term investments	32		32
Total investments	$17,696		$18,978

</TABLE>

a. Cost of debt securities is original cost, reduced by repayments and adjusted for amortization of premiums and accrual of discounts. Cost of equity securities is original cost. Cost of mortgage loans on real estate and policy loans represents aggregate outstanding balances. Cost of real estate acquired by foreclosure is the originally capitalized amount, reduced by applicable depreciation. Cost of other real estate held for investment is depreciated original cost.

b. Differences between amounts reflected in Column B or Column C and amounts at which shown in the consolidated balance sheet reflected in Column D result from the application of SFAS 115, Accounting for Certain Investments in Debt and Equity Securities. A portion of bonds and debt securities are recorded as investments held to maturity at amortized cost and a portion are recorded as investments available for sale at fair value.

c. Differences between cost reflected in Column B and amounts at which shown in the consolidated balance sheet reflected in Column D result from valuation allowances.

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<TABLE>

Jefferson-Pilot Corporation and Subsidiaries
Schedule II - Condensed Balance Sheets of Jefferson-Pilot Corporation
December 31, 1998 and 1997
In millions (except share information)

<CAPTION>

	1998	1997
ASSETS		
Cash and investments:		
Cash and cash equivalents	$ -	$ 2
Investment in subsidiaries	4,019	3,753
Other investments	4	3
Total cash and investments	4,023	3,758
Deferred income tax assets	15	17
Other assets	14	20
	$4,052	$3,795
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Notes payable, short-term	$ 289	$ 285
Exchangeable Securities	325	327
Notes payable, subsidiaries	343	414
Payables and accruals	8	5
Dividends payable	31	28
Income taxes payable	4	4
Total liabilities	1,000	1,063
Commitments & contingent liabilities		
Stockholders' equity :		
Common stock, par value $1.25 per share, authorized 1998 and 1997: - 350,000,000; issued: 1998 - 105,896,185 shares; 1997 - 106,278,409 shares	133	93
Retained earnings, including equity in undistributed net income of subsidiaries 1998 - $1,729, 1997 - $1,489	2,191	1,964
Accumulated other comprehensive income - net unrealized gains on securities	728	675
Total stockholders' equity	3,052	2,732
	$4,052	$3,795

See Note to Condensed Financial Statements.
</TABLE>

<TABLE>

Jefferson-Pilot Corporation and Subsidiaries
Schedule II - Condensed Statements of Income of Jefferson-Pilot Corporation
Years Ended December 31, 1998, 1997 and 1996
In millions

<CAPTION>

	1998	1997	1996
Income:			
Dividends from subsidiaries:			
Jefferson-Pilot Life Insurance Company	$ 120	$ 337	$ 120
Alexander Hamilton Life Insurance Company	70	-	-
Jefferson-Pilot Communications Company	25	29	23
Other subsidiaries	20	25	13
	235	391	156
Other investment income, including interest from subsidiaries, net	1	4	3
Realized investment gains	-	14	2
Total income	236	409	161

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Financing costs	67	55	24
Other expenses	20	20	20
Income before income taxes and equity in undistributed net income of subsidiaries	149	334	117
Income taxes (benefits)	(29)	(20)	(15)
Income before equity in undistributed net income of subsidiaries	178	354	132
Equity in undistributed net income of subsidiaries:			
Jefferson-Pilot Life Insurance Company	89	(129)	80
Alexander Hamilton Life Insurance Company	29	88	60
Jefferson-Pilot Communications Company	7	(1)	5
Jefferson Pilot Financial Insurance Company	80	54	-
Other subsidiaries, net	35	4	14
	240	16	159
Net income available to common stockholders	$ 418	$ 370	$ 291

See Note to Condensed Financial Statements.

</TABLE>

<TABLE>

Jefferson-Pilot Corporation and Subsidiaries
Schedule II - Condensed Statements of Cash Flows of Jefferson-Pilot Corporation
Years Ended December 31, 1998, 1997 and 1996
In millions
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Cash Flows from Operating Activities:			
Net income	$ 418	$ 370	$ 291
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed net income of subsidiaries	(240)	(16)	(159)
Realized investment gains	-	(14)	(2)
Change in accrued items and other adjustments, net	8	12	(13)
Net cash provided by operating activities	186	352	117
Cash Flows from Investing Activities:			
Purchases of investments	-	(22)	(4)
Proceeds from sales of investments	-	57	6
Acquisition of Jefferson Pilot Financial Insurance Company	-	(786)	-
Other returns from (investments in) subsidiaries	27	(42)	7
Other, net	-	(2)	-
Net cash provided by (used in) investing activities	27	(795)	9
Cash Flows from Financing Activities:			
Cash dividends	(122)	(113)	(99)
Common stock transactions, net	(26)	4	(25)
Proceeds from external borrowings	5,155	2,815	-
Repayments of external borrowings	(5,151)	(2,603)	(8)
Borrowings from subsidiaries, net	(71)	333	12
Net cash (used in) provided by financing activities	(215)	436	(120)
Net increase (decrease) in cash and cash equivalents	(2)	(7)	6
Cash and cash equivalents:			
Beginning	2	9	3
Ending	$ -	$ 2	$ 9

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See Note to Condensed Financial Statements.
</TABLE>

Jefferson-Pilot Corporation and Subsidiaries
Schedule II- Note to Condensed Financial Statements
of Jefferson-Pilot Corporation

Note 1. Basis of Presentation and Significant Accounting Policies

The accompanying financial statements comprise a condensed presentation of financial position, results of operations and cash flows of Jefferson-Pilot Corporation (the "Company") on a separate-company basis. These condensed financial statements do not include the accounts of the Company's majority-owned subsidiaries, but instead include the Company's investment in those subsidiaries, stated at amounts which are equal to the Company's equity in the subsidiaries' net assets. Therefore the accompanying financial statements are not those of the primary reporting entity. The consolidated financial statements of the Company and its subsidiaries are included in the Form 10-K for the year ended December 31, 1998.

Additional information about (1) accounting policies pertaining to investments and other significant accounting policies applied by the Company and its subsidiaries, (2) debt and (3) commitments and contingent liabilities are as set forth in Notes 2, 8 and 19, respectively, to the consolidated financial statements of Jefferson-Pilot Corporation and subsidiaries which are included in the Form 10-K for the year ended December 31, 1998.

<TABLE>
Jefferson-Pilot Corporation and Subsidiaries
Schedule III - Supplementary Insurance Information For the Years Indicated
In millions

<CAPTION>

Column A	Column B	Column C	Column D	Column E	Column F
Segment	Deferred Policy Acquisition Costs and Value of Business Acquired	Future Policy Benefits and Policyholder Contract Deposits	Deferred Revenue and Premiums Collected in Advance	Other Policy Claims and Benefits Payable (a)	Premiums and Other Considerations
<S>	<C>	<C>	<C>	<C>	<C>
As of or Year Ended December 31, 1998					
Life insurance products	$1,234	$10,390	$56	$532	$1,017
AIP	178	6,668	-	21	17
Corporate and other	-	-	-	-	15
Total	$1,412	$17,058	$56	$553	$1,049
As of or Year Ended December 31, 1997					
Life insurance products	$1,192	$10,003	$47	$586	$1,081
AIP	172	6,838	-	23	35
Corporate and other	-	-	-	-	19
Total	$1,364	$16,841	$47	$609	$1,135
As of or Year Ended December 31, 1996					
Life insurance products	$ 777	$ 6,603	$40	$473	$ 910
AIP	157	6,479	-	24	66
Corporate and other	-	-	-	-	18
Total	$ 934	$13,082	$40	$497	$ 994

</TABLE>

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Column A	Column G	Column H	Column I	Column J
Segment	Net Investment Income	Benefits, Claims, Losses and Settlement Expenses	Amortization of Deferred Policy Acquisition Costs and Value of Business Acquired	Other Operating Expenses (b)
As of or Year Ended December 31, 1998				
Life insurance products	$ 719	$ 993	$151	$ 217
AIP	425	299	28	69
Communications	(5)	-	-	141
Corporate and other	63	15	-	27
Total	$1,202	$1,307	$179	$454
As of or Year Ended December 31, 1997				
Life insurance products	$ 618	$1,057	$126	$ 219
AIP	429	326	25	50
Communications	(5)	-	-	146
Corporate and other	61	16	-	22
Total	$1,103	$1,399	$151	$437
As of or Year Ended December 31, 1996				
Life insurance	$ 460	$ 883	$102	$ 159
AIP	371	317	19	22
Communications	-	-	-	144
Corporate and other	62	11	-	25
Total	$ 893	$1,211	$121	$350

a. Other policy claims and benefits payable include dividend accumulations and other policyholder funds on deposit, policy and contract claims (life and annuity and accident and health), dividends for policyholders and other policy liabilities.

b. Expenses related to the management and administration of investments have been netted with investment income in the determination of net investment income. Such expenses amounted to $68 in 1998, $56 in 1997,and $55 in 1996.

Jefferson-Pilot Corporation and Subsidiaries
Schedule IV - Reinsurance For the Years Indicated
In millions

Column A	Column B	Column C	Column D	Column E	Column F
	Gross Amount	Ceded to Other Companies	Assumed From Other Companies	Net Amount	Percentage of Amount Assumed to Net <F2>
Year Ended December 31, 1998:					
Life insurance in force at end of year	$ 172,351	$ 48,592	$ 29	$ 123,788	0.0%
Premiums: <F1>	$ 1,207	$ 168	$ 10	$ 1,049	1.0%
Year Ended December 31, 1997:					
Life insurance in force at end of year	$ 175,267	$ 42,214	$ 186	$ 133,239	0.1%

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Premiums: <F1>	$ 1,223	$ 98	$ 10	$ 1,135	1.0%
Year Ended December 31, 1996:					
Life insurance in force at end of year	$ 109,407	$ 30,486	$ 50	$ 78,971	0.1%
Premiums: <F1>	$ 1,119	$ 127	$ 2	$ 994	0.2%

<FN>
<F1> Included with life insurance premiums are premiums on ordinary life insurance products and policy charges on interest-sensitive products.

<F2> Percentage of amount assumed to net is computed by dividing the amount in Column D by the amount in Column E.
</FN>

</TABLE>

<TABLE>
Jefferson-Pilot Corporation and Subsidiaries
Schedule V - Valuation and Qualifying Accounts December 31, 1998
In millions
<CAPTION>

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Realized Investment Gains	Charged to Other Accounts	Deductions	Balance at End of Period
<S>	<C>	<C>	<C>	<C>	<C>
1998:					
Valuation allowance for mortgage loans on real estate	$ 27	$ 4	$ -	$ -	$ 31
1997:					
Valuation allowance for mortgage loans on real estate	$ 27	$ -	$ -	$ -	$ 27
1996:					
Valuation allowance for mortgage loans on real estate	$ 27	$ -	$ -	$ -	$ 27

</TABLE>

List and Index of Exhibits

Reference Per Exhibit Table	Description of Exhibit	Page
(2)	(i) Plan of acquisition - Life and Health Agreement in Connection with the Rehabilitation of Kentucky Central Life Insurance Company is incorporated by reference to Form 10-Q for the third quarter 1994.	-
	(ii) Stock Purchase Agreement by and among Household Group, Inc., Household International, Inc., Alexander Hamilton Life Insurance Company of America, and Jefferson-Pilot Corporation dated August 9, 1995, is incorporated by reference to Form 8-K for October 6, 1995 (confidential treatment requested with respect to certain portions thereof). Exhibits set forth in the Stock Purchase Agreement have been omitted and will be furnished supplementally to the Commission upon request.	-
	(iii) Stock Purchase Agreement dated as of February 23,	

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1997 between Jefferson-Pilot Corporation and The Chubb Corporation (confidential treatment was granted with respect to certain portions thereof), is incorporated by reference to Form 10-K/A for 1996. Exhibits and Schedules to the Stock Purchase Agreement were omitted and were furnished supplementally to the Commission. -

(3) (i) Articles of Incorporation and amendments that have been approved by shareholders are incorporated by reference to Form 10-Q for the first quarter 1996. -

(ii) By-laws as amended February 9, 1998 are incorporated by reference to Form 10-K for 1997. -

(4) (i) Amended and Restated Rights Agreement dated November 7, 1994 between Jefferson-Pilot Corporation and First Union National Bank, as Rights Agent, was included in Form 8-K for November 7, 1994, and Amendment to Rights Agreement dated February 8, 1999 was included in Form 8-K for February 8, 1999; both are incorporated by reference. -

(ii) Amended and Restated Credit Agreement dated as of May 7, 1997 among the Registrant and the banks named therein, and NationsBank, N.A., as Agent, is not being filed because the total amount of borrowings available thereunder does not exceed 10% of total consolidated assets. The Registrant agrees to furnish a copy of the Credit Agreement to the Commission upon request. -

(10) The following contracts and plans:

(i) Employment contract between the Registrant and David A. Stonecipher, an executive officer, effective September 15, 1997 is incorporated by reference to Form 10-Q for the third quarter 1997. -

(ii) Employment contract between the Registrant and John D. Hopkins, an executive officer, effective April 19, 1996 is incorporated by reference to Form 10-Q for the first quarter 1996. -

(iii) Employment contract between the Registrant and Dennis R. Glass, an executive officer, effective October 18, 1996 is incorporated by reference to Form 10-K for 1996. -

(iv) Employment contract between the Registrant and E. J. Yelton, an executive officer, effective October 18, 1996 is incorporated by reference to Form 10-K for 1996. -

(v) Employment contract between the Registrant and Theresa M. Stone, an executive officer, effective July 1, 1997 is incorporated by reference to Form 10-Q for the second quarter 1997. -

(vi) Long Term Stock Incentive Plan, as amended, subject to shareholder approval. E-

(vii) Non-Employee Directors' Stock Option Plan, as amended, subject to shareholder approval. E-

(viii) Jefferson-Pilot Life Insurance Company Supplemental Benefit Plan and Executive Special Supplemental Benefit Plan is incorporated by reference to Form 10-K for 1994. -

(ix) Management Incentive Compensation Plan for Jefferson-Pilot Corporation and its insurance subsidiaries is incorporated by reference to Form 10-K for 1997. -

(x) Deferred Fee Plan for Non-Employee Directors, as amended. E-

(xi) Executive Change in Control Severance Plan. E-

(21) Subsidiaries of the Registrant E-

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(23) Consent of Independent Auditors E-

(24) Power of Attorney Form E-

(27) Financial Data Schedule E-

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EXHIBIT 10(vi)

JEFFERSON-PILOT CORPORATION

LONG TERM STOCK INCENTIVE PLAN

This Long Term Stock Incentive Plan (the "Plan") of Jefferson-Pilot Corporation (the "Corporation") reflects amendments effective February 8 and May 3, 1999 to the Corporation's Long Term Stock Incentive Plan as amended and restated in 1995 (the "Original Plan").

1. Purpose of the Plan.

The purpose of the Plan is to provide further incentive to, and to encourage stock ownership by, the officers, employees and agents of the Corporation and its subsidiaries (the "Company"). The Plan is intended to benefit the Company and its shareholders by attracting, retaining and motivating highly qualified employees and agents and by providing increased incentive to such employees and agents while also helping to align their interests more closely with those of shareholders.

2. Administration.

The Plan shall be administered by the Compensation Committee (the "Committee") of the Corporation's Board of Directors (the "Board") exclusive of any member who is not an outside Director (within the meaning of Section 162(m) of the Internal Revenue Code) or a non-employee Director within the meaning of Rule 16b-3 ("Rule 16b-3") under the Securities Exchange Act of 1934 (the "1934 Act"). The Committee shall have exclusive authority to interpret the Plan, to establish and revise rules and regulations relating to the Plan and its administration and to make any other determination which it believes necessary or advisable for the administration of the Plan. Decisions of the Committee shall be final and binding upon all persons having an interest in the Plan.

Subject to the terms and conditions of the Plan, the Committee shall have the exclusive authority to identify the individuals eligible to receive awards under the Plan and to make awards of stock options, stock appreciation rights and stock grants which may include Long Term Incentive Program ("LTIP") awards. Consistent with the provisions of the Plan, the Committee shall establish the terms, conditions and duration of each award made under the Plan.

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3. Eligibility.

Awards under the Plan may be made only to employees of the Company or to insurance agents who represent one or more of the Company's life insurance subsidiaries. The Committee may designate one or more classes of participants under the Plan. "Employee" includes full-time life insurance agents who are employees for Social Security tax purposes.

The aggregate number of shares covered by options awarded to an individual during any calendar year shall not exceed 500,000, subject to adjustment pursuant to Section 12, and the total LTIP payout to an individual during any calendar year shall not exceed $800,000.

No option, stock appreciation right or stock grant may be granted to any person who, immediately after the time of the award, owns 10 percent or more of the common stock of the Corporation or one of its subsidiaries. For this purpose, all outstanding options and stock appreciation rights awarded to an individual shall be considered stock owned by the individual.

4. Stock Subject to the Plan.

There shall be reserved for purposes of the Plan, subject to adjustment pursuant to Section 12, four million shares of the common stock of the Corporation ("common stock") plus such number of shares of common stock as remain reserved as of May 3, 1999 under the Original Plan. Any shares subject to an option or other award under the Plan which for any reason expires or is terminated unexercised or unvested as to such shares, any previously acquired common stock that is tendered as payment for an option being exercised and any shares withhold for taxes shall be available for further use under the Plan, to the extent not restricted by Rule 16b-3.

Restricted and unrestricted stock grants shall be limited to 10% of the total shares reserved for the Plan, subject to adjustment pursuant to Section 12.

5. Option Price.

The exercise price of all options and stock appreciation rights awarded pursuant to the Plan shall be set by the Committee and shall not be less than the Fair Market Value of the common stock on the date the award is made.

"Fair Market Value" of the common stock on any date shall be the closing price on that date (or if the Committee so determines as to ISO's, the mean between the high and low trading prices) based upon its consolidated trading as generally reported. For any

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date on which the stock is not traded, Fair Market Value shall be such price on the next preceding trading day.

6. Types of Options.

All stock options shall represent the right to purchase common stock and shall be non-qualified stock options unless the Committee has specified, at the time of grant, that options are Incentive Stock Options ("ISO's") under Section 422 of the Internal Revenue Code. The grant, exercise or lapse of an ISO (or non-qualified stock option) shall not increase, decrease or otherwise affect the terms or conditions attached to the grant, exercise or lapse of a non-qualified stock option (or ISO).

The aggregate Fair Market Value (determined at the time the option is granted) of the stock with respect to which ISO's first become exercisable by an employee during any calendar year shall not exceed $100,000. If the Company establishes any other ISO plan, the $100,000 limit shall apply to ISO's first exercisable in any calendar year under all of the Company's plans.

7. Limitations on Exercise.

Each option or stock appreciation right shall be exercisable for such period as the Committee shall determine, including a period after termination of employment or an agent's contract, but for not more than ten years after the date of grant thereof.

8. Exercise of Option.

The option price for the shares purchased under an option shall be paid in full at the time of exercise, in cash or by the surrender of shares of common stock of the Corporation valued at Fair Market Value on the date of exercise, or by any combination of cash and such shares. Exercise shall be effective upon receipt by the Secretary of the Corporation of notice of such exercise accompanied by proper payment.

9. Stock Purchase Savings Account

The Committee may require that any, certain classes or all individuals receiving specified options establish and maintain a Stock Purchase Savings Account. The purpose of such account would be to accumulate by payroll deduction on the exercise date of the option an amount sufficient to fully pay for the number of option shares, including an allowance for interest on the account at a rate and under conditions determined by the Committee.

10. Stock Appreciation Rights.

The Committee may grant stock appreciation rights to eligible

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individuals, either separately or in tandem with stock options. The Committee shall determine the time and conditions of exercisability and whether the stock appreciation shall be payable in common stock, cash or a combination of both. The grant, exercise or lapse of a stock appreciation right shall not increase, decrease or otherwise affect the terms or conditions attached to the grant, exercise or lapse of an ISO.

11. Stock Grants and LTIP.

The Committee may make stock grants to selected officers and other employees and agents of the Corporation and its subsidiaries to enable such persons to acquire stock on such terms and conditions as the Committee determines are in the best interests of the Company. Stock grants may be either Restricted Stock which vests over time or subject to other conditions, or restricted or unrestricted stock paid out upon the achievement of performance goals established by the Committee. Discretionary, unrestricted stock grants are not permitted.

The Committee may make LTIP awards payable in whole or part in common stock. Until LTIP is revised by the Committee, LTIP payouts shall be based on cumulative growth in the Company's operating earnings per share (EPS). Participants selected by the Committee shall be eligible for a payment each year, contingent upon the Corporation's achieving levels, specified by the Committee, of compound growth rate in cumulative operating earnings per share ("CGR") during the prior three years and continued service to the end of the three year period. Payouts shall be expressed as a percentage (which may vary according to the participant and the level of CGR achieved, as specified by the Committee) of each participant's salary during the last year of the three year measurement period. The target amount shall be paid if the targeted CGR is achieved. The threshold amount shall be paid if 50% of the targeted CGR is achieved; below 50% no payout shall be made. The maximum amount shall be paid if 150% or more of the targeted CGR is achieved. Payouts, if any, shall be made in a 50/50 ratio of cash and common stock valued at the fair market value on the payment date.

12. Dilution and other Adjustments.

In the event of any change in the outstanding shares of the common stock by reason of any stock split, stock dividend, reorganization, recapitalization, merger, consolidation, combination or exchange of shares, the sale, lease or conveyance of all or substantially all of the assets of the Corporation, or other relevant corporate change, such equitable adjustments shall be made in the Plan, in the number of shares reserved for the Plan and in the awards hereunder including the exercise price and number of shares under outstanding options, as the Committee determines are

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necessary or appropriate. Adjustments for stock splits and stock dividends shall be automatic.

13. Change in Control.

In the event of a Change in Control, options and stock appreciation rights may become immediately exercisable and may remain exercisable for such periods not exceeding the original terms thereof, restricted stock awards may immediately vest, and long term incentive awards providing for restricted or unrestricted stock payouts may be immediately settled, and any options or other awards may be settled in cash, all as the Committee shall determine either at or after the time of granting the options or making the respective other awards. "Change in Control" may be defined by the Committee in its sole discretion.

14. Miscellaneous Provisions.

(a) Rights as Shareholder. An optionee shall have no rights as a holder of common stock with respect to options or stock appreciation rights awarded hereunder, unless and until certificates for shares of such stock are issued.

(b) Non-Transferability. Options and stock appreciation rights shall not be assignable or transferable otherwise than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order, and during an optionee's lifetime shall be exercisable only by the optionee or a duly appointed guardian or legal representative of the optionee. However, the Committee may specify as to one or more optionees, that limited transfers shall be permitted because of special circumstances.

(c) Agreements. All options and stock appreciation rights awarded under the Plan shall be evidenced by agreements or notices containing such terms and conditions (not inconsistent with the Plan) as the Committee shall specify.

(d) Government Regulations. The Plan and the awarding and exercise of options hereunder shall be subject to all applicable Federal and state laws and all rules and regulations issued thereunder, including registration and private placement restrictions, and the Board in its discretion may, subject to the provisions of Section 16 hereof, make such changes in the Plan (except such changes which by law must be approved by the shareholders) or impose restrictions upon the exercise of options as may be required to conform the Plan to such applicable laws, rules and regulations.

(e) Costs, Expenses and Taxes. The costs and expenses of administering the Plan shall be borne by the Company and not

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charged to any optionee. Income and other taxes assessed on the spread when an option or stock appreciation right is exercised and on stock grants shall be the responsibility of the individual. Any tax withholding required by law may be paid through the Corporation's withholding of shares otherwise issuable upon exercise, in accordance with procedures established by the Committee and consistent with Section 16.

(f) No Right to Continue as an Employee or Agent. Neither the Plan, nor the granting of an option, stock appreciation right or stock grant or any other action taken pursuant to the Plan, shall confer upon an individual any right to remain an employee or agent or restrict the Company's right to take any personnel or other action with respect to such individual.

(g) Notice. Any notice required or permitted to be given to the Company under the Plan, including notice of exercise of any awards, shall be in writing to the Secretary of the Corporation and shall be effective upon receipt.

15. Amendment and Termination of the Plan.

(a) Amendment of the Plan. The Board may amend, suspend or terminate the Plan at any time and from time to time, provided however that without approval of the Corporation's shareholders, no revision or amendment shall increase the number of shares reserved for the Plan (except as provided in Section 12), reduce the minimum exercise price specified in Section 5, extend the duration of the Plan, change the designation of the class of employees eligible to receive options or other awards (except as permitted by Rule 16b-3), or materially increase the benefits accruing to participants under the Plan. Further, no amendment or termination of the Plan may alter or impair any rights or obligations of any award previously made without the consent of the awardee.

(b) Termination. The Plan (but not any awards theretofore made) shall in any event terminate on, and no awards shall be made after, May 3, 2009.

16. Compliance with SEC Regulations.

It is the Corporation's intent that the Plan comply in all respects with Rule 16b-3 and any related regulations and interpretations. If any provision of this Plan is later found not to be in compliance with such Rule and regulations, the provision shall be limited in application to persons not affected by Rule 16b-3 if Rule 16b-3 so permits, and otherwise shall be deemed null and void.

17. Section 162(m).

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It is intended that the Plan comply fully with and meet all the requirements of section 162(m) of the Code so that options, stock appreciation rights, and LTIP awards granted hereunder and, if determined by the Committee, restricted stock awards shall constitute "performance-based" compensation within the meaning of such section. If any provision of the Plan would disqualify the Plan or would not otherwise permit the Plan to comply with section 162(m) as so intended such provision shall be construed or deemed amended to conform to the requirements or provisions of section 162(m); provided that no such construction or amendment shall have an adverse effect on the economic value to a holder of any option or other award previously granted hereunder.

18. Governing Law.

The Plan shall be construed in accordance with and governed by the laws of the State of North Carolina, excluding any choice of law provisions which may indicate the application of the laws of another jurisdiction.

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EXHIBIT 10(vii)

JEFFERSON-PILOT CORPORATION

NON-EMPLOYEE DIRECTORS' STOCK OPTION PLAN

1. Purpose.

The Non-Employee Directors' Stock Option Plan (the "Plan") of Jefferson-Pilot Corporation (the "Corporation") is designed to encourage directors to acquire increased ownership of the Corporation's common stock, thereby helping to align the interests of non-employee directors and the shareholders, and to assist in attracting and retaining directors who have the experience, ability and skills necessary to assist in the Corporation's sustained growth and prosperity.

2. Effective Date.

The Plan as set forth herein reflects amendments effective February 8 and May 3, 1999 to the Corporation's 1995 Non-Employee Directors' Stock Option Plan (the "Original Plan"). The ongoing Plan after March 31, 1999 is subject to the approval of the Plan by the shareholders of the Corporation at the 1999 Annual Meeting of Shareholders.

3. Administration of the Plan.

The Plan shall be administered by a committee of at least three persons appointed by the Board of Directors (the "Board") of the Corporation (the "Committee"), who need not be directors and none of whom shall be eligible to receive options under the Plan. The Plan is intended to meet the requirements of Rule 16b-3 or any successor provision adopted under the Securities Exchange Act of 1934 (the "1934 Act"). To the extent, if any, that any questions of interpretation arise, they shall be resolved by the Committee in its sole discretion and such determination shall be final and binding upon all persons having an interest in the Plan. Any or all powers and discretion vested in the Committee under this Plan may be exercised by any one Committee member who is so authorized by the Committee. The Committee shall have no discretion with respect to designating the recipient of an option, the number of shares subject to an option, the date of award or the exercise price of an option.

4. Participation in the Plan.

All members of the Corporation's Board who are not as of the

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date of any option award employees of the Corporation or any of its subsidiaries or affiliates shall be eligible to participate in the Plan ("Eligible Non-Employee Director").

5. Non-Qualified Stock Options.

All options awarded under the Plan shall be non-qualified stock options covering shares of common stock of the Corporation.

6. Terms, Conditions and Form of Options.

(a) Annual Option Awards. On the date of the first regular meeting of the Board in each calendar year from 1999 through 2003, an option to purchase 5,000 shares shall be automatically awarded to each Eligible Non-Employee Director, subject to the two next following sentences. The face value of this option award (number of shares times fair market value on the award date) to each eligible director in any year shall not exceed the face value of the February 8, 1999 option award by more than 8% per year compounded for the number of years from February 1999 to the relevant award date. The annual option award for a new director who was elected after the prior annual award date shall be prorated for the number of months served since election to the Board, and a new director elected to the Board at the February meeting in any year shall receive only the initial award described below. Each such option shall vest on the first anniversary of the date of award.

(b) Initial Option Award. On the date that each new Eligible Non-Employee Director joins the Board, an option shall be automatically awarded to such director covering shares having a fair market value of $175,000. Such option will vest and become exercisable in three equal annual installments commencing on the first anniversary of the date of award.

(c) Exercise Price. The exercise price per share of stock for which each option is exercisable shall be 100% of the fair market value per share on the date the option is awarded, which shall be the closing price of the stock based upon its consolidated trading as generally reported for that date. If there is no reported trading for that date, such closing price for the next preceding trading day shall be used.

(d) Term of Option. Each option shall terminate upon the expiration of ten years from the date of award, and shall be subject to earlier termination as hereinafter provided.

(e) Termination of Service. In the event of the termination of service on the Board by the holder of any option, other than by reason of retirement pursuant to Board policy, permanent disability, death or a Change in Control, the then outstanding

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options of such optionee shall be exercisable only to the extent that they were exercisable on the date of such termination, and any unvested options shall be forfeited. In the event of termination of Board service of an optionee by reason of retirement pursuant to Board policy, permanent disability, death or a Change in Control, each of the then outstanding options of such optionee shall immediately vest and become exercisable, provided however that no option (even though exercisable) shall be exercised within six months after the date it is awarded but that the Committee may settle such option in cash during such period following a Change in Control.

(f) Exercise After Service Terminated. An optionee shall be entitled to exercise all vested options within five years after termination of Board service, but in no event after the expiration date of the option.

(g) Exercise of Options. The option price for the shares purchased shall be paid in full at the time of exercise, in cash or by the surrender of shares of common stock of the Corporation valued at their fair market value on the date of exercise, or by any combination of cash and such shares. Exercise shall be effective upon receipt by the Secretary of the Corporation of notice of such exercise accompanied by proper payment.

7. Shares of Stock Subject to the Plan.

The shares that may be purchased pursuant to options under the Plan shall not exceed an aggregate of 120,000 shares of the Corporation's common stock plus such number of shares as remain reserved as of May 3, 1999 under the Original Plan. Any shares subject to an option which for any reason expires or is terminated unexercised as to such shares, and previously acquired common stock that is tendered for payment for an option being exercised and any shares withheld for taxes shall again be available for issuance under the Plan, to the extent not restricted by Rule 16b-3.

8. Dilution and Other Adjustment.

In the event of any change in the outstanding shares of the Corporation's stock by reason of any stock split, stock dividend, recapitalization, merger, consolidation, combination or exchange of shares, the sale, lease or conveyance of substantially all of the assets of the Corporation or other relevant corporate change, such equitable adjustments shall be made in the Plan, in the maximum number of shares referred to in Section 7 and in the awards hereunder, including future awards under Section 6 and the exercise price of outstanding options, as the Committee determines are necessary or appropriate. In the event of any stock split or stock dividend, such adjustments shall be self-operative and shall not require any Committee action.

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9. Change in Control.

In the event of a Change in Control, all outstanding options shall become immediately exercisable and remain exercisable for the relevant period specified in Section 6(d) or 6(f). Change in Control means a change in control of JP of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A, promulgated under the Securities Exchange Act of 1934 as amended or any successor thereto ("Act"), provided that without limiting the foregoing, a change in control of JP also shall be deemed to have occurred if:

(a) Any "person" (as defined under Section 3(a)(9) of the Act)("Person") or "group" of persons (as provided in Rule 13d-3 under the Act) ("Group") is or becomes the "beneficial owner" (as defined in Rule 13d-3 or otherwise under the Act), directly or indirectly (including as provided in Rule 13d-3(d)(1) under the Act), of 20% or more of either

(i) the then outstanding shares of JP common stock (the "Outstanding Common Stock"), or

(ii) the combined voting power of the then outstanding JP voting securities entitled to vote generally in the election of directors (the "Outstanding Voting Securities");
provided, however that for purposes of this paragraph (a), the following acquisitions shall not constitute a change in control:

(A) any acquisition directly from JP,

(B) any acquisition by JP,

(C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by JP or any corporation controlled by JP, or

(D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of paragraph (c) below;
or

(b) individuals who constitute the JP Board of Directors ("Board") on February 8, 1999 (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to such date whose election, or nomination for election, is at any time approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though he or she were a member of the Incumbent Board but excluding, for this purpose, any such individual whose initial assumption of office as a director occurs as a result of (i) an actual or threatened election contest

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with respect to the election or removal of directors, (ii) any other actual or threatened solicitation of proxies or consents by or on behalf of any Person or Group that beneficially owns 20% or more of the Outstanding Common Stock or the Outstanding Voting Securities, or (iii) any other pressure from such a Person or Group; or

(c) consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of JP or the acquisition of assets of another corporation (a "Business Combination"), in each case, unless, following such Business Combination,

(i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Common Stock and Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% (40% for any Business Combination characterized by resolution of the Incumbent Board prior to its consummation as a merger of equals) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including without limitation, a corporation which as a result of such transaction owns JP or all or substantially all of JP assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Common Stock and Outstanding Voting Securities, as the case may be,

(ii) no person (excluding any employee benefit plan (or related trust) of JP, such corporation resulting from such Business Combination, or any corporation controlled by, controlling or under common control with either of them) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and

(iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) approval by JP shareholders of a complete liquidation or dissolution of JP; or

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(e) any other event or condition specified by the Board of Directors as effectively changing control such that early vesting of all options is appropriate.

10. Miscellaneous Provisions.

(a) Rights as Shareholder. An optionee shall have no rights as a holder of the Corporation's common stock with respect to options awarded hereunder, unless and until certificates for shares of such stock are issued to the optionee.

(b) Non-Transferability. Options shall not be assignable or transferable otherwise than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order, and during an optionee's lifetime shall be exercisable only by the optionee or a duly appointed guardian or legal representative of the optionee. However, the Committee may specify as to one or more optionees, that limited transfers shall be permitted because of special circumstances.

(c) Agreements or Notices. All options awarded under the Plan shall be evidenced by agreements or notices containing such terms and conditions (not inconsistent with the Plan) as the Committee shall adopt.

(d) Government Regulations. The Plan and the awarding and exercise of options hereunder shall be subject to all applicable Federal and state laws and all rules and regulations issued thereunder, including registration and private placement restrictions, and the Board in its discretion may, subject to the provisions of Section 12 hereof, make such changes in the Plan (except such changes which by law must be approved by the shareholders) or impose restrictions upon the exercise of options as may be required to conform the Plan to such applicable laws, rules and regulations.

(e) Costs, Expenses and Taxes. The costs and expenses of administering the Plan shall be borne by the Corporation and not charged to any optionee. Income and other taxes assessed on the spread when an option is exercised shall be the responsibility of the person exercising the option. Should any tax withholding be required by law, such taxes may be paid through the Corporation's withholding of shares otherwise issuable upon exercise, in accordance with procedures established by the Committee and consistent with Section 12.

(f) No Right to Continue as a Director. Neither the Plan, nor the granting of an option nor any other action taken pursuant to the Plan, shall constitute or be evidence of any agreement or understanding, express or implied, that the Corporation will retain a director for any period of time, or at any particular rate of

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compensation.

11. Amendment and Termination of the Plan.

(a) Amendment of the Plan. The Board may amend, suspend or terminate the Plan at any time, provided, however, that without approval of the shareholders, no revision or amendment shall increase the number of shares subject to the Plan (except as provided in Section 8), extend the Plan's duration, reduce the option price, change the designation of the class of directors eligible to receive options, or materially increase the benefits accruing to participants under the Plan. Further, no amendment or termination of the Plan may alter or impair any rights or obligations of any option previously awarded without the consent of the holder of the option. The Plan provisions may not be amended more that once every six months unless such amendment may be made without adverse impact under Rule 16b-3.

(b) Termination. The Plan (but not any options theretofore awarded) shall in any event terminate on, and no options shall be granted after, March 31, 2003.

12. Compliance with SEC Regulations.

It is the Corporation's intent that the Plan comply in all respects with Rule 16b-3 under the 1934 Act and any related regulations. If any provision of this Plan is later found not to be in compliance with such Rule and regulations, the provision shall be deemed null and void. All awards and exercises of options under this Plan shall be executed in accordance with the requirements of Section 16 of the 1934 Act and regulations promulgated thereunder.

13. Governing Law.

The Plan shall be construed in accordance with and governed by the laws of the State of North Carolina, excluding any choice of law provisions which may indicate the application of the laws of another jurisdiction.

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EXHIBIT 10(x)

JEFFERSON-PILOT CORPORATION
DEFERRED FEE PLAN FOR NON-EMPLOYEE DIRECTORS
(Revised February 8, 1999)

1. Eligibility.

Each member of the Board of Directors of Jefferson-Pilot Corporation (the "Corporation") who is not an employee of the Corporation or any of its subsidiaries ("Eligible Director") is eligible to participate in this Deferred Fee Plan for Non-Employee Directors (the "Plan").

2. Participation.

(a) An Eligible Director may elect, or modify a prior election, at a time specified in Section 2(b), to defer the receipt of all or part of the fees which would otherwise have been payable currently for services as a Director (including retainer and meeting fees for Board and committee service). Deferrals shall be credited to a deferred fee account (a bookkeeping account) subject to the terms of the Plan.

(b) An election to defer fees must be made as follows:

i. Any person who is not a Director but who as a Director would be eligible may elect in advance to commence participation at the time he or she becomes a Director.

ii. An Eligible Director may elect at any time to commence participation effective on the first day of any February, May, August or November after the election is received.

(c) An election to defer fees must be made on a form provided by the Corporation and filed with the Secretary of the Corporation (the "Secretary"), and shall remain in effect until the Director ceases to be a Director, or until the election is modified or terminated by written notice received by the Secretary. Termination shall be effective only as to fees for periods or meetings after such receipt. In the event a Director terminates a deferral election, the amount already deferred cannot be distributed until the Director ceases to be a Director.

(d) A Director who has filed a revocation of an election to participate in the Plan may thereafter again file an election to participate, in accordance with Section (2)(b)(ii).

3. Deferred Fee Accounts.

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(a) Deferred amounts shall constitute an unsecured claim on the general assets of the Corporation. The amounts thereof shall be credited to the Director's account as of the date such amounts otherwise would have been paid to the Director, except that fees for committee meetings not held on the date of a Board meeting shall be credited on the date of the next Board meeting.

(b) The Director shall designate the portion of his or her deferrals to be "invested" in one or both investment options, an interest rate option and a phantom stock option.

(c) Deferrals under the interest rate option shall be credited with interest for each year at a rate equal to the average of the rate of interest on seven year U.S. Treasury obligations as of the end of each of the twenty-four months prior to such year.

(d) Deferrals under the phantom stock option shall be credited to the Director's account in full and fractional units based on the fair market value of the common stock of the Corporation on the crediting date. One phantom unit has the same value as one share of common stock on a given day. Additional phantom units shall be credited equivalent to dividends paid on the common stock, based on the fair market value on the dividend payment date. Equitable adjustments shall be made to reflect any stock split, stock dividend, recapitalization, merger, consolidation, combination or exchange of shares or other relevant corporate change. Fair market value means the closing price of the common stock based upon its consolidated trading as generally reported for a given date, or if there is no reported trading for that date, such closing price for the next preceding trading day.

(e) Diversification of amounts credited to accounts through any transfer between phantom stock units and the interest rate option shall not be permitted.

4. Payment.

(a) All payments with respect to a Director's deferred account under the interest rate option shall be made in cash. All payments under the phantom stock option shall be made in shares of common stock. Phantom units shall be valued at the fair market value on the payment date, and cash shall be paid for any fractional share.

(b) The value of a Director's deferred account shall be paid out in ten annual installments, unless otherwise elected. The amount of each installment shall be a fraction of the value of the account at the end of the preceding year, the numerator of which is one and the denominator of which is the total number of installments minus the number previously paid.

(c) A Director may elect to receive payment in a lump sum or in some other number of equal annual installments not exceeding ten. Such election must be made at least one year prior to the date on which the Director ceases to be a Director.

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(d) The first installment or the lump sum payment shall be paid on the first business day of the calendar year following the year in which the Director ceases to be a Director, and any subsequent installments shall be paid on the first business day of each succeeding calendar year until the entire account value is paid.

(e) If a Director dies before full payment of the account value, the balance shall be paid to the Director's estate or to a beneficiary or beneficiaries designated in writing by the Director, as the case may be, on the first business day of the calendar year following death.

(f) Each participating Director may designate from time to time any person or persons, natural or otherwise, as his beneficiary or beneficiaries to whom the amounts credited to his or her deferred account are to be paid if he or she dies before all such amounts have been paid. Each beneficiary designation shall be made on a form prescribed by the Corporation and shall be effective only when received by the Secretary during the participant's lifetime. Each beneficiary designation received by the Secretary shall revoke all beneficiary designations previously made. The revocation of a designation shall not require the consent of any beneficiary. In the absence of an effective beneficiary designation or if payment can be made to no beneficiary, payment shall be made to the participant's estate.

5. Administration.

The Plan shall be administered by a Committee consisting of the Chief Executive Officer and the Secretary of the Corporation. The Committee shall have authority to adopt rules and regulations for carrying out the Plan and to interpret, construe and implement its provisions. Decisions of the Committee shall be final and binding. Routine administration may be delegated by the Committee.

6. Miscellaneous.

(a) The right of a Director or any beneficiary to his or her account under the Plan shall not be subject to assignment, alienation or pledge by the Director or beneficiary.

(b) The Corporation shall not be required to reserve, or otherwise set aside, funds for the payment of its obligations under the Plan. The Corporation may establish one or more Rabbi Trusts, separately for phantom stock units and invested in common stock (as described in Section 3(d)), and for the interest rate option invested as the Corporation shall determine from time to time.

(c) The Director and his or her designated beneficiary or beneficiaries shall not have any property interest whatsoever in a deferred account, in any specific assets of the Corporation or in any Rabbi Trust assets. The right to receive payments under the Plan shall be a claim against the general assets of the Corporation as a general creditor.

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(d) All notices to the Corporation under the Plan shall be in writing and shall be given to the Secretary or to an agent or other person designated by the Secretary.

(e) The Plan shall be construed in accordance with and governed by the laws of the State of North Carolina, excluding its choice of law provisions.

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EXHIBIT 10(xi)

EXECUTIVE CHANGE IN CONTROL SEVERANCE PLAN

Jefferson-Pilot Corporation ("Corporation") has established this Executive Change in Control Severance Plan ("Plan") to assist in retaining executives in the face of a consolidating industry, and to provide key management stability in the event that the Corporation becomes subject to a tender offer, proxy contest or other transaction that could result in a change of control of the Corporation or its Board of Directors ("Board").

The Compensation Committee of the Board is authorized to designate those executives of the Corporation and/or its subsidiaries who from time to time are participants in the Plan (each an "Executive"), and to specify the Tier of participation for each Executive. No Executive shall have any rights under the Plan unless advised in a letter from the Chief Executive Officer of the Corporation that he or she has been designated as a participant by the Compensation Committee in a specified Tier.

The Plan states certain terms and conditions related to the impact of any Change in Control (as defined below) on each participating Executive's employment, without affecting in any other way the terms and conditions of any Executive's employment.

NOTE: certain capitalized terms are defined later, principally in Section 5.

1. Payments for Termination Following Change in Control. If, upon or following a Change in Control, Executive's employment with the Corporation is terminated by the Corporation, other than for Cause or Disability, or is terminated by Executive for Good Reason, in either case on or before two years following the date of a Change in Control, then:

(a) Executive shall be entitled to all compensation and benefits of every kind accrued through the date of termination of employment including any unpaid amount accrued (including for the partial year of termination) under the Annual Incentive Plan and LTIP if applicable.

(b) Executive shall be entitled to a lump sum payment equal to the applicable Tier times covered pay, except as provided in paragraph (e) below. "Covered pay" means the sum of

(i) Executive's annual base salary in effect on the date of a termination of employment (or, if higher, the Executive's

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annual base salary established at the beginning of the year in which the Change in Control occurred), plus

(ii) the higher of (A) the average annual incentive compensation accrued or (B) the average annual target incentive compensation, for service by Executive under the Annual Incentive Plan in the three full plan years immediately preceding the year in which the termination of employment occurs, plus

(iii) if Executive participates in LTIP, the higher of (A) the average annual LTIP award accrued, or (B) the average target LTIP, for service by Executive in the three plan years immediately preceding the year in which the termination of employment occurs.

(c) Executive shall be entitled to continued coverage for Executive and eligible dependents under all of the Corporation's Benefit Plans for a period of years equal to the applicable Tier (except as provided in paragraph (e) below) following termination of employment.

(d) The payments described in (a) and (b) above shall be made within five business days after termination of Executive's employment, or if later, ten business days after notice to the Corporation of termination for Good Reason. Any payments not timely made will accrue interest at 10% per annum until made.

(e) The applicable Tier (years) in (b) and (c) above shall be reduced and prorated on months for full months eliminated, so it will not exceed the period between termination of employment and the first day of the month following Executive's 65th birthday.

(f) Vesting of Options upon Change in Control. In the event of a Change in Control, whether or not Executive's employment continues with the Corporation, all outstanding options under the Option Plan not otherwise vested under the terms of the Option Plan and/or the applicable option agreements or notices shall immediately vest on the date of the Change in Control, unless Executive voluntarily terminated employment or employment terminated for Cause such that the options expired prior to the Change in Control.

2. Related Termination. If Executive's employment is terminated by the Corporation without Cause within 6 months prior to a public announcement of a potential transaction, proxy contest or other event or condition which then results in a Change in Control of the Corporation, and if it can be shown that Executive's termination was at the direction or request of a third party that had taken steps reasonably calculated to effect the Change in Control of the Corporation thereafter, then Executive shall have the rights described in Section (1) above, as if a Change in Control of the Corporation had occurred on the date immediately preceding such termination.

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3. Certain Supplemental Payments by the Corporation.

(a) If Executive is entitled to compensation under Section 1 or 2, and if in connection therewith it is determined that

(i) part or all of the compensation and benefits to be paid to Executive related to the Change in Control constitute "parachute payments" under Section 28OG of the Internal Revenue Code of 1986 as amended ("Code"), and

(ii) the payment thereof will cause Executive to incur excise tax under Section 4999 of the Code, the Corporation, on or before the date for payment of such excise tax, shall pay Executive, in a lump sum, an amount (the "Gross-Up Amount") such that, after payment of all federal, state and local income tax and any additional excise tax under Section 4999 of the Code in respect of the Gross-Up Amount payment, Executive will be fully reimbursed for the amount of such excise tax.

(b) The determination of the Parachute Amount and Base Amount (as these terms are defined under the Code), and the Gross-Up Amount, as well as any other calculations necessary to implement this Section, shall be made by a nationally recognized accounting or benefits consulting firm selected by the Corporation and which has not performed services, other than minor incidental services, for either the Corporation or Executive for three years prior to the date such consultant is retained for this purpose. The consultant's fee shall be paid by the Corporation.

(c) As promptly as practicable following any such determination, the Corporation shall pay to or distribute to or for the benefit of the Executive such amounts as are due to Executive under this Section.

4. Expenses and Interest. If, after a Change in Control of the Corporation, a good faith dispute arises with respect to the enforcement of the Executive's rights under the Plan, or if any legal or arbitration proceeding shall be brought in good faith to enforce or interpret any rights provided under the Plan, Executive shall recover from the Corporation any reasonable attorney's fees and necessary costs and disbursements incurred as a result of such dispute, and prejudgment interest on any money judgment or arbitration award obtained by Executive, calculated at 10% per annum from the date that payments should have been made under the Plan to the date such payments are made.

5. Definitions Used in the Plan:

(a) "Change in Control" of the Corporation means the occurrence of any of the following:

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(i) any event, circumstance or transaction (other than a Corporate Transaction as defined in paragraph (ii) below) pursuant to which individuals who constitute the Board on the date hereof ("Incumbent Board") cease for any reason to constitute at least a majority thereof, provided that any person becoming a director subsequent to such date whose election, or nomination for election, is at any time approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though he or she were a member of the Incumbent Board but excluding, for this purpose, any such individual whose initial assumption of office as a director occurs as a result of (A) an actual or threatened election contest with respect to the election or removal of directors, (B) any other actual or threatened solicitation of proxies or consents by or on behalf of a Person or Group (as defined in (C)) other than the Board or (C) any other type of pressure from any "person" ("Person") or "group" ("Group") that "beneficially owns" (as such terms are defined in Rule 13d-3 or otherwise under the Securities Exchange Act of 1934, as amended or any successor thereto (the "Act")) 20% or more of the Outstanding Common Stock or the Outstanding Voting Securities;

(ii) any transaction involving, directly or indirectly, the issuance or acquisition of the Corporation's equity securities by the Corporation or any of its affiliates or associates (as such terms are defined in Rule 12b-2 or otherwise under the Act), or consummation of a reorganization, merger or consolidation or a sale or other disposition of all or substantially all of the assets of the Corporation or the acquisition of assets of another corporation (any such transaction, "Corporate Transaction") in which, upon consummation of such transaction:

(A) any Person (excluding any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Corporate Transaction or any affiliate of either of them), or Group beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the then outstanding voting securities of such corporation (a "20% Holder"), except to the extent (x) that such ownership existed prior to the Corporate Transaction or (y) such 20% Holder has agreed, for a period of five years after the consummation of the Corporate Transaction, not to solicit or participate, directly or indirectly, in the solicitation of proxies in opposition to management of the Corporation and not to vote any securities beneficially owned by the 20% Holder other than in proportion to the votes cast by other shareholders who are not affiliates of such 20% Holder, or

(B) at least a majority of the members of the board of directors of the corporation resulting from such Corporate

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Transaction are not members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction.

(iii) any Person or Group is or becomes the beneficial owner, directly or indirectly, of at least 40% of the Outstanding Common Stock or the Outstanding Voting Securities (giving effect to the deemed ownership of securities by such Person or Group, as provided in Rule 13d-3(d)(1) under the Act, but not giving effect to any such deemed ownership of securities by another Person or Group (the "40% Holder"), unless prior to becoming a 40% Holder such Person has agreed, for a period of at least five years after becoming a 40% Holder, not to solicit or participate, directly or indirectly, in the solicitation of proxies in opposition to management of the Corporation and not to vote any securities beneficially owned by the 40% Holder other than in proportion to the votes cast by other shareholders who are not affiliates of such 40% Holder.

(iv) approval by the shareholders of the Corporation of a complete liquidation or dissolution of the Corporation.

(b) "Annual Incentive Plan" means the Corporation's Management Incentive Compensation Plan and any such successor plans as may be adopted to provide annual incentive compensation for executives.

(c) "Option Plan" means the Corporation's Long Term Stock Incentive Plan and any successor stock option plans, or any combination of such plans.

(d) "LTIP" means the Corporation's Long Term Incentive Compensation program and any successor programs or plans as may be adopted to provide long term incentive compensation for senior executives ("LTIP").

(e) "Benefit Plans" means the group life insurance, health insurance, disability insurance, and survivor income insurance plans, JP TeamShare Plan or any successor thereto, qualified, and if applicable the nonqualified, retirement plan, and any other benefit plans or programs, maintained by the Corporation and/or its subsidiaries and covering Executive, as in effect immediately prior to the earlier of Executive's termination of employment or a Change in Control.

(f) "Cause" means:

(i) a willful and continuing failure to perform substantially the duties of Executive's office as assigned from time to time (other than as a result of Executive's death or disability); or

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(ii) conduct undertaken by the Executive which is demonstrably willful and deliberate on the Executive's part and which is intended to result in (A) substantial personal enrichment of the Executive at the Corporation's expense and (B) substantial injury to the Corporation; or

(iii) Executive's conviction of, or plea of guilty or nolo contendere to, a felony, unless committed in the good faith belief that Executive's actions were in the Corporation's best interests and would not violate criminal law.

(g) "Disability" means Executive is unable to substantially perform his or her duties for a period of at least three months due to physical or mental disability, and at the end of such period a physician agreed upon by the Corporation and the Executive determines that such disability is permanent.

(h) "Good Reason" means:

(i) any reduction in the aggregate amount of Executive's base salary and benefits (excluding programs described in (ii)) as in effect from time to time; or

(ii) any significant reduction in annual bonus and LTIP, except variation in bonus and/or LTIP related to corporate or business unit performance and calculated under a formula and individual performance evaluation criteria not significantly less favorable to Executive than the formula and criteria in place prior to the Change in Control.

Upon the occurrence of any event described in (i) or (ii) above, Executive may give the Corporation written notice that such event constitutes Good Reason, and the Corporation shall thereafter have 30 days in which to cure. If the Corporation has not wholly cured in that time, the event shall constitute Good Reason.

(i) "Outstanding Common Stock" means the then outstanding shares of common stock of the Corporation.

(j) "Outstanding Voting Securities" means the combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors.

6. Terminations for Cause. In the case of termination for Cause in anticipation of, upon or following a Change in Control, Executive shall be given written notice that the Corporation intends to terminate employment for Cause. Such notice shall specify the particular acts, or failures to act, that give rise to the decision to terminate employment.

7. Payment Obligations Absolute. The Corporation's obligation to

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pay the Executive the compensation and to make the arrangements provided in the Plan shall be absolute and unconditional and shall not be affected by any circumstances including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Corporation may have against Executive or anyone else. All amounts due under the Plan shall be paid without notice or demand. Each such payment shall be final and the Corporation will not seek to recover all or any part of the payment from Executive or from whomsoever may be entitled thereto, for any reason whatever; provided that if Executive is convicted of, or pleads guilty or nolo contendere to, a felony or misdemeanor involving acts or omissions of the Executive in connection with his employment by the Corporation, the Corporation shall be allowed to recover any actual damages it has incurred from such action or omission out of amounts paid or owing to Executive hereunder.

Except for the compensation rights expressly granted to Executive herein in connection with a Change in Control, this Plan shall not confer on Executive any right to remain an employee or to retain executive responsibilities or compensation, or restrict the Corporation's right to take any personnel action with respect to Executive. The Plan also shall not affect any previously signed employment agreement.

8. Arbitration.

(a) Any dispute, controversy, or claim between the parties arising out of, relating to, or concerning the Plan or its breach, termination, or invalidity, or the scope of this arbitration clause, shall be settled by arbitration in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association ("AAA") then in effect. Any award rendered shall be final and binding on the parties hereto, and judgment may be entered in any court having jurisdiction thereof.

(b) The arbitrator shall be mutually acceptable to the parties, or failing agreement, selected pursuant to the Employment Dispute Arbitration Rules of the AAA. The arbitration award shall be in writing and shall specify the factual and legal bases for the award. In rendering the award, the arbitrator shall determine the respective rights and obligations of the parties according to the laws of the State of North Carolina, not including its choice-of-law rules, or, if applicable, federal law.

(c) All costs and expenses of the arbitration shall be paid by the Corporation.

(d) This arbitration clause shall be governed by the Federal Arbitration Act, 9 U.S.C. Section 1, et seq. ("FAA"); however, if this clause is unenforceable for any reason under the FAA, then it shall be governed by the provisions of the North Carolina Uniform

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Arbitration Act, N.C.G.S.45A:1-567.1 et seq.

9. Withholding. From payments under the Plan to Executive or his or her spouse, estate or beneficiaries, the Corporation may withhold such amounts relating to taxes as it reasonably determines should be withheld pursuant to any applicable law or regulation.

10. Assignability. Executive's rights under the Plan will inure to the benefit of Executive's successors, heirs, administrators, executors and assigns. Executive may not assign, transfer or otherwise alienate any rights under the Plan, except that rights to compensation and benefits, which rights will remain subject to the limitations in the Plan, may be transferred by will or operation of law or under a qualified domestic relations order, and except that rights under Benefit Plans may be assigned or transferred in accordance with such plans or programs or regular practices thereunder.

No rights or obligations of the Corporation under the Plan may be assigned or transferred. The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to a majority of the business assets of the Corporation, by written agreement in form and substance satisfactory to the Incumbent Board, as a condition to such transaction, expressly to assume and agree to perform the Plan in the same manner and to the same extent as the Corporation would be required to perform it if no such succession had occurred (to the extent not, in fact, performed by the Corporation).

11. Amendment. The Plan may be amended or terminated at any time by the Board or, except for any increase in the maximum Tier multiplier, by the Compensation Committee and either body may terminate an Executive's participation or change the applicable Tier; provided however that no such action shall diminish the protection afforded to Executive hereunder (a) upon less than one year's written notice to any affected Executive or (b) following a Change in Control, for any termination of employment that occurs on or before two years after such Change in Control.

12. Severability. If fulfillment of any provision of the Plan, at the time such fulfillment shall be due, shall transcend the limit of validity prescribed by law, then the obligation to be fulfilled shall be deemed reduced to the limit of such validity; and if any clause or provision contained in the Plan operates or would operate to invalidate the Plan, in whole or in part, then such clause or provision only shall be held ineffective to the extent of such invalidity, as though not herein contained, and the remainder of the Plan shall remain operative and in full force and effect.

13. References. Upon Executive's death or a judicial determination of incompetence, reference in the Plan to Executive

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will be deemed, where appropriate, to refer to Executive's legal representative or to Executive's beneficiary or beneficiaries.

14. Governing Law. Except to the extent governed by the FAA as provided in Section 8 above, the Plan shall be construed in accordance with and governed by the laws of North Carolina, not including its choice-of-law rules.

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EXHIBIT 21

JEFFERSON-PILOT CORPORATION

Subsidiary listing as of January 6, 1999

Jefferson-Pilot Corporation (North Carolina corp.)

- Alexander Hamilton Life Insurance Company of America (Michigan corp.)
  - First Alexander Hamilton Life Insurance Company (New York corp.)
- Jefferson Pilot Financial Insurance Company (New Hampshire corp.)
  - Jefferson Pilot LifeAmerica Insurance Company (New Jersey corp.)
- HARCO Capital Corp. (Delaware corp.)
  - Omega Jefferson Pilot Seguros de Vida S.A. (Argentina corp.)(2)
    - Jefferson Pilot Omega Seguros de Vida S.A. (Uruguay corp.)
- Hampshire Funding Inc. (New Hampshire corp.)
- Jefferson-Pilot Capital Trust A (Delaware business trust)
- Jefferson-Pilot Capital Trust B (Delaware business trust)
- Jefferson-Pilot Communications Company (North Carolina corp.)
  - Jefferson-Pilot Communications Company of California (North Carolina corp.)
  - Jefferson-Pilot Communications Company of Virginia (Virginia corp.)
  - Jefferson-Pilot Sports, Inc. (North Carolina corp.)
  - WCSC, Inc. (South Carolina corp.)
    - Tall Tower, Inc. (South Carolina corp.)
- Jefferson Pilot Investment Advisory Corporation (Tennessee corp.)
- Jefferson-Pilot Investments, Inc. (North Carolina corp.)
- Jefferson Pilot Variable Corporation (North Carolina corp.)

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Jefferson-Pilot Life Insurance Company (North Carolina corp.)

Jefferson Standard Life Insurance Company (North Carolina corp.)

Jefferson-Pilot Property Insurance Company (North Carolina corp.)

Jefferson Pilot Securities Corporation (New Hampshire corp.)

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Notes:

(1) Each indentation reflects another tier of ownership.
(2) The immediate parent owns 100% of the voting securities of each entity except that HARCO owns 99% of Omega.
(3) All entities more than 50% owned are listed, except that several subsidiaries that in the aggregate are insignificant have been omitted.

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EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference of our report dated February 8, 1999 with respect to the consolidated financial statements included in this Annual Report (Form 10-K) of Jefferson-Pilot Corporation, and our report included in the following paragraph with respect to the financial statement schedules, in the following Registration Statements:

- Form S-8, Nos. 2-36778, 2-56410, and 33-30530, pertaining to the Long Term Stock Incentive Plan and predecessor stock plans, and outstanding effective registration statements on Form S-16 included in such S-8 filings;
- Form S-8, No. 33-56369, pertaining to the JP TeamShare Plan;
- Form S-8, No. 33-64137, pertaining to the Non-Employee Directors' Stock Option Plan;
- Form S-3, No. 33-63521, pertaining to debt securities and warrants to purchase securities.

Our audit also included the financial statement schedules of Jefferson-Pilot Corporation listed in Item 14(a). These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

Greensboro, North Carolina
March 24, 1999

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EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, an officer and/or director of Jefferson-Pilot Corporation, a North Carolina holding company, does hereby constitute and appoint John D. Hopkins, Robert A. Reed, Richard T. Stange and Andrea H. Fox, and each of them (with full power of substitution to appoint any Senior Officer, Vice President, Secretary or Assistant Secretary of the Corporation), as his or her true and lawful attorney and agent, to do any and all acts and things and to execute any and all instruments which said attorney and agent may deem necessary or advisable to enable the said Corporation to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the annual report for the year 1998 or any later year on Form 10-K, including specifically, but without limiting the generality of the foregoing, the power and authority to sign for and on behalf of the undersigned the name of the undersigned as officer and/or director of the said Corporation to any such Form 10-K or to any amendment thereto filed with the Securities and Exchange Commission and to any instrument or document filed as part of, as an exhibit to or in connection with, said Form 10-K or amendment; and the undersigned does hereby ratify and confirm as his or her own act and deed all that said attorney and agent (or the substitute) shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has subscribed these presents.

(SEAL) ____________________________________

Name:

Date: February 8, 1999

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