unumGROUP

Keefe, Bruyette & Woods 2010 Insurance Conference

September 7, 2010

Safe Harbor Statement

Certain information in this presentation constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those not based on historical information, but rather relate to future operations, strategies, financial results, or other developments and speak only as of the date made. These forward-looking statements are subject to numerous assumptions, risks, and uncertainties, many of which are beyond our control. The following factors, in addition to other factors mentioned from time to time, may cause actual results to differ materially from those contemplated by the forward-looking statements: (1) unfavorable economic or business conditions, both domestic and foreign, including the continued financial market disruption; (2) legislative, regulatory, or tax changes, both domestic and foreign, including the effect of potential legislation and increased regulation in the current political environment; (3) sustained periods of low interest rates; (4) changes in claim incidence and recovery rates due to, among other factors, the rate of unemployment and consumer confidence, the emergence of new diseases, epidemics, or pandemics, new trends and developments in medical treatments, and the effectiveness of claims management operations; (5) fluctuation in insurance reserve liabilities; (6) investment results, including but not limited to, realized investment losses resulting from impairments that differ from our assumptions and historical experience; (7) changes in interest rates, credit spreads, and securities prices; (8) increased competition from other insurers and financial services companies due to industry consolidation or other factors; (9) changes in our financial strength and credit ratings; (10) rating agency actions, state insurance department market conduct examinations and other inquiries, other governmental investigations and actions, and negative media attention; (11) effectiveness in managing our operating risks and the implementation of operational improvements and strategic growth initiatives; (12) actual experience in pricing, underwriting, and reserving that deviates from our assumptions; (13) lower than projected persistency and lower sales growth; (14) changes in accounting standards, practices, or policies; (15) effectiveness of our risk management program; (16) the level and results of litigation; (17) currency exchange rates; (18) ability of our subsidiaries to pay dividends as a result of regulatory restrictions; (19) ability and willingness of reinsurers to meet their obligations; (20) changes in assumptions related to intangible assets such as deferred acquisition costs, value of business acquired, and goodwill; (21) events or consequences relating to terrorism and acts of war, both domestic and foreign; and (22) ability to recover our systems and information in the event of a disaster or unanticipated event. For further information about risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2009 and any subsequently filed Forms 10-Q. The forward-looking statements in this presentation are being made as of the date of this presentation, and the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein, even if made available on our website or otherwise.

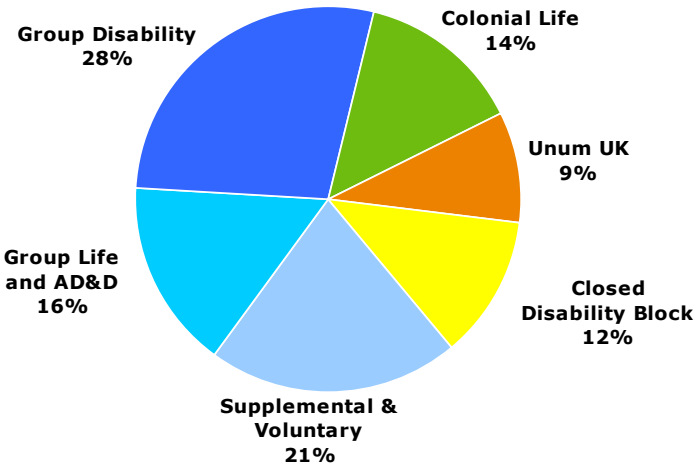
Agenda

- **Introduction**
- **Key Messages**
- **Closing**

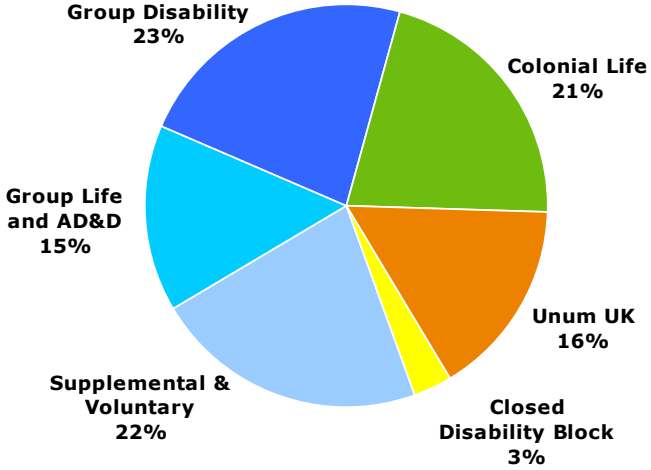
Introduction

Introduction

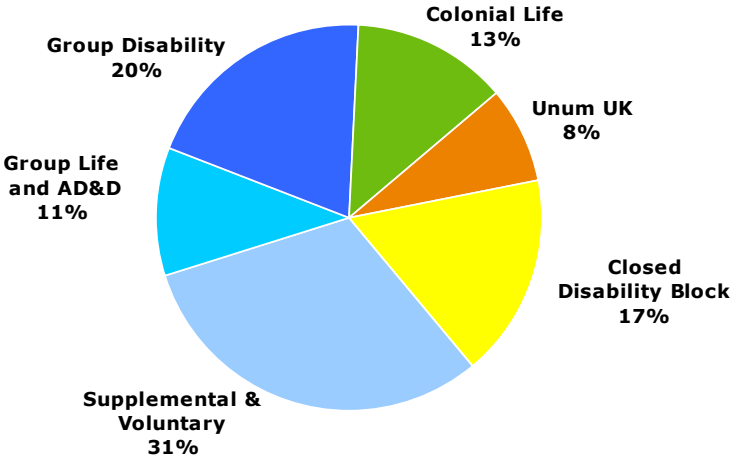
Premium Income[1,3]



BTOE[1,3]



Capital Allocation[2,3]

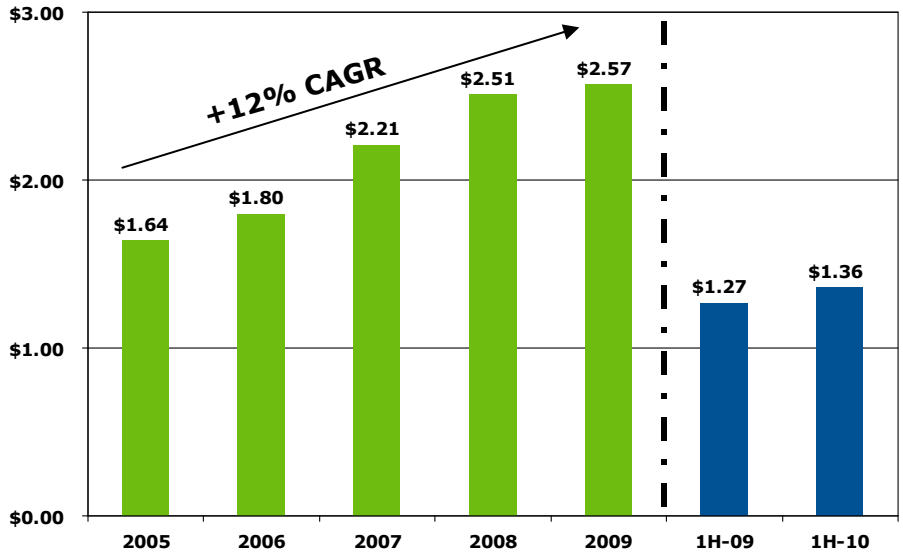


1 Six Months Ended 6/30/2010.
2 As of June 30, 2010. Excludes unrealized gains (losses) on securities and the net gains on cash flow hedges.
3 Excludes Corporate & Other Segment.

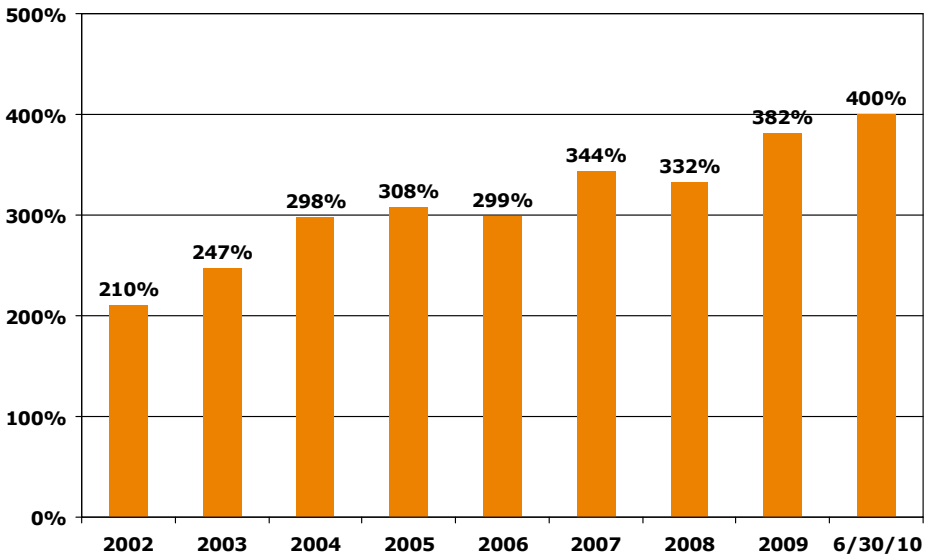
Introduction

Consistent Financial Performance

Operating EPS Growth - GAAP (excluding special items)



Risk-Based Capital[1]



[1] Weighted average RBC for Traditional US Insurance Companies.

Introduction

Financial Summary

Return on Equity	2006	2007	2008	2009	1H 2010
Unum US	6.3%	8.8%	9.6%	10.4%	11.0%
Unum UK	24.7%	30.7%	32.6%	27.8%	25.7%
Colonial Life	16.7%	19.3%	19.3%	18.9%	18.9%
Core Segments	9.8%	13.0%	13.6%	13.4%	13.6%
Closed Block	3.0%	3.0%	1.1%	1.4%	2.2%
Consolidated	9.3%	11.2%	12.0%	11.7%	11.5%
Risk-Based Capital[1]	299%	344%	332%	382%	400%
Leverage	25.1%	21.4%	21.5%	20.5%	19.9%
Holding Company Cash and Marketable Securities	$444 mm	$1,002 mm	$526 mm	$915 mm	$773 mm

[1] **Weighted average RBC for Traditional US Insurance Companies.**

Key Messages

Key Messages

- **Strong franchise – poised to profitably grow as employment trends improve.**
- **Solid financial foundation.**
  - Operating Earnings
  - Investment Portfolio
  - Capital
- **Stable financial outlook.**

Strong Franchise – Poised to Profitably Grow

Unum's Strategy is Aligned with Market Trends

- **We continue to see greater employee involvement in selection and funding of benefits.**
- **Priorities for benefits decision-makers to shift to greater benefit choices, extensive education and enrollment needs.**
- **Unum's value proposition meets the needs of today's benefit buyers.**
  - Broad set of group and voluntary benefits
  - Predictability and cost controls for employers
  - Simple administration with timely and effective claims services

Strong Franchise – Poised to Profitably Grow

Market Position

Unum US	
	2009
Group Disability	#1
Group Long Term Care	#1
Group Life	#4
Voluntary Benefits	
Sales (tie)	#3
Inforce	#2

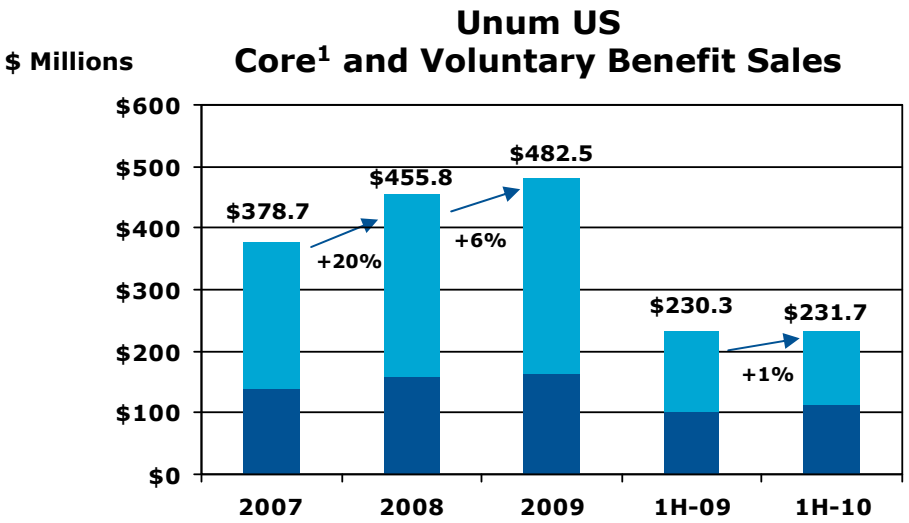
Colonial Life	
	2009
Voluntary Benefits	
Sales (tie)	#3
Inforce	#4

Unum UK	
	2009
Group Income Protection	#1
Critical Illness	#1
Group Life	#3

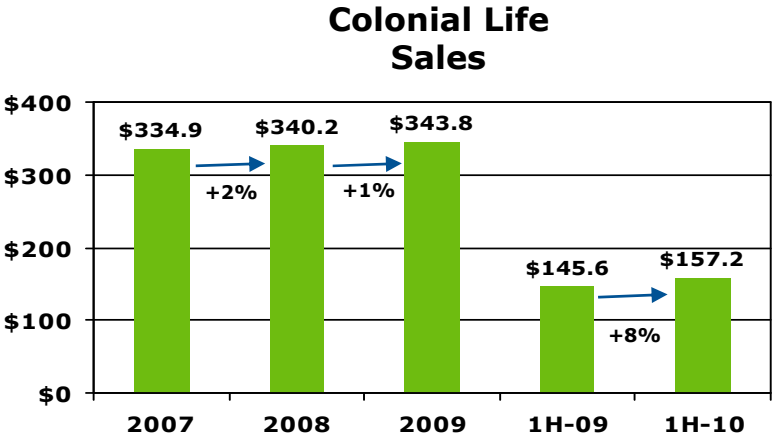
Unum US: Group Short Term and Long Term Disability inforce premium and cases: ***JHA 2009 U.S. Group Disability Market Survey***
Unum US: Group Life: ***LIMRA's U.S. Group Life Sales & In Force, 2009 Annual Results report***
Unum US and Colonial Life: Voluntary Benefits: ***Eastbridge U.S. Worksite Sales Report, Carrier Results for 2009, May 2010***
Unum UK: Swiss Re Group Watch 2010

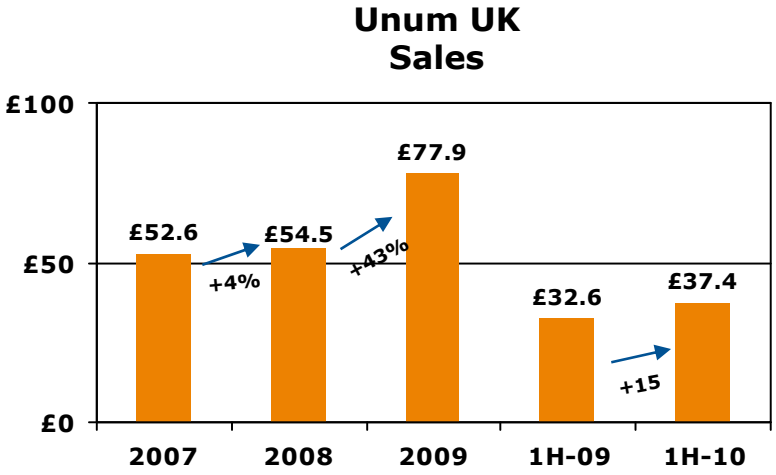
Strong Franchise – Poised to Profitably Grow

Sales Trends In Our Target Markets



[1]LTD, STD, Group Life and AD&D (<2,000 lives)

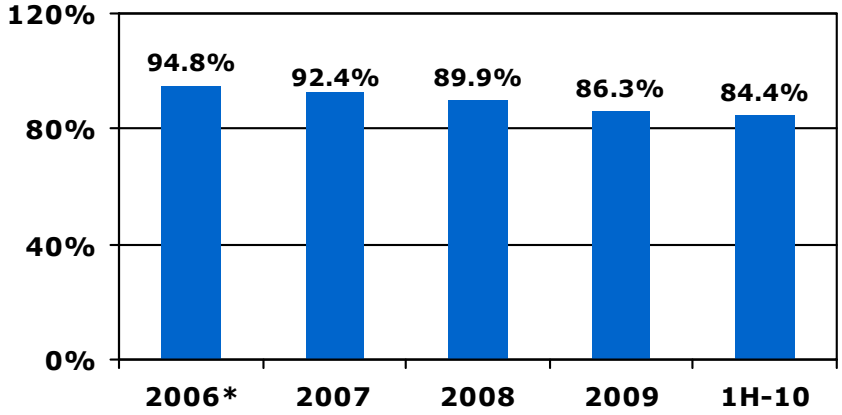




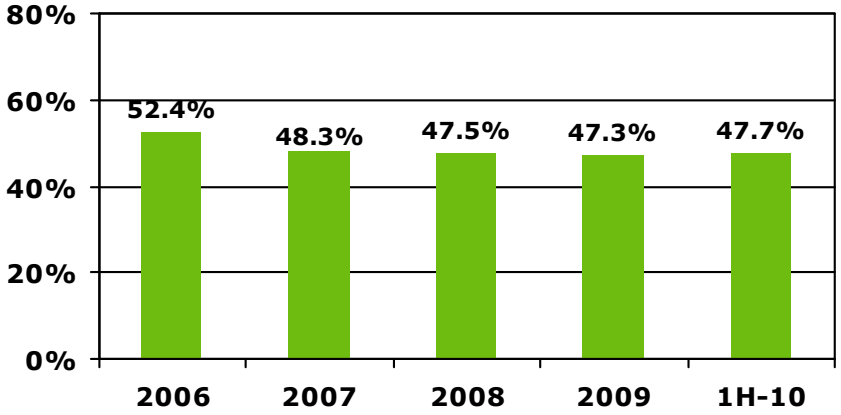
Strong Franchise – Poised to Profitably Grow

Stable Benefit Ratios Reflects Focus on Profitable Growth

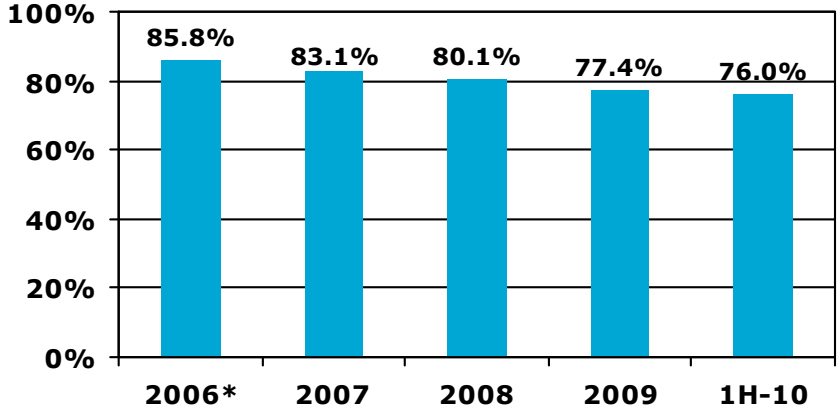
Unum US – Group Disability



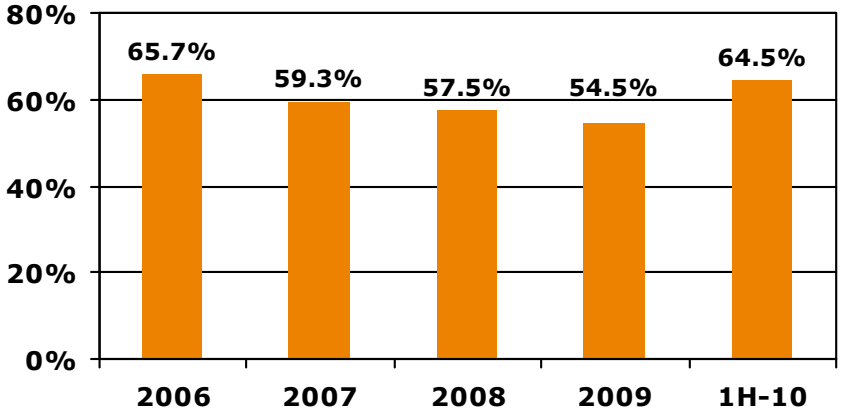
Colonial Life



Unum US – Group & Voluntary Benefits

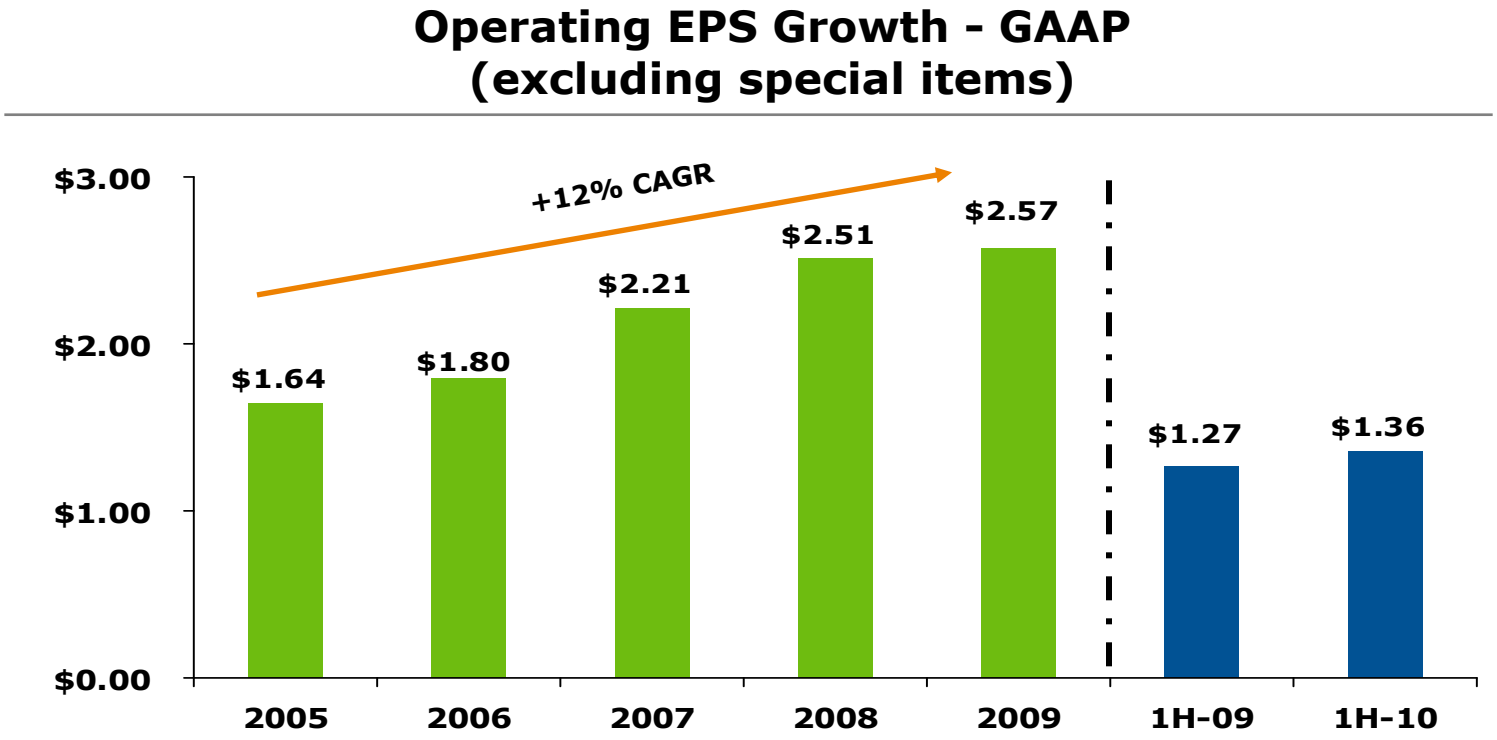


Unum UK



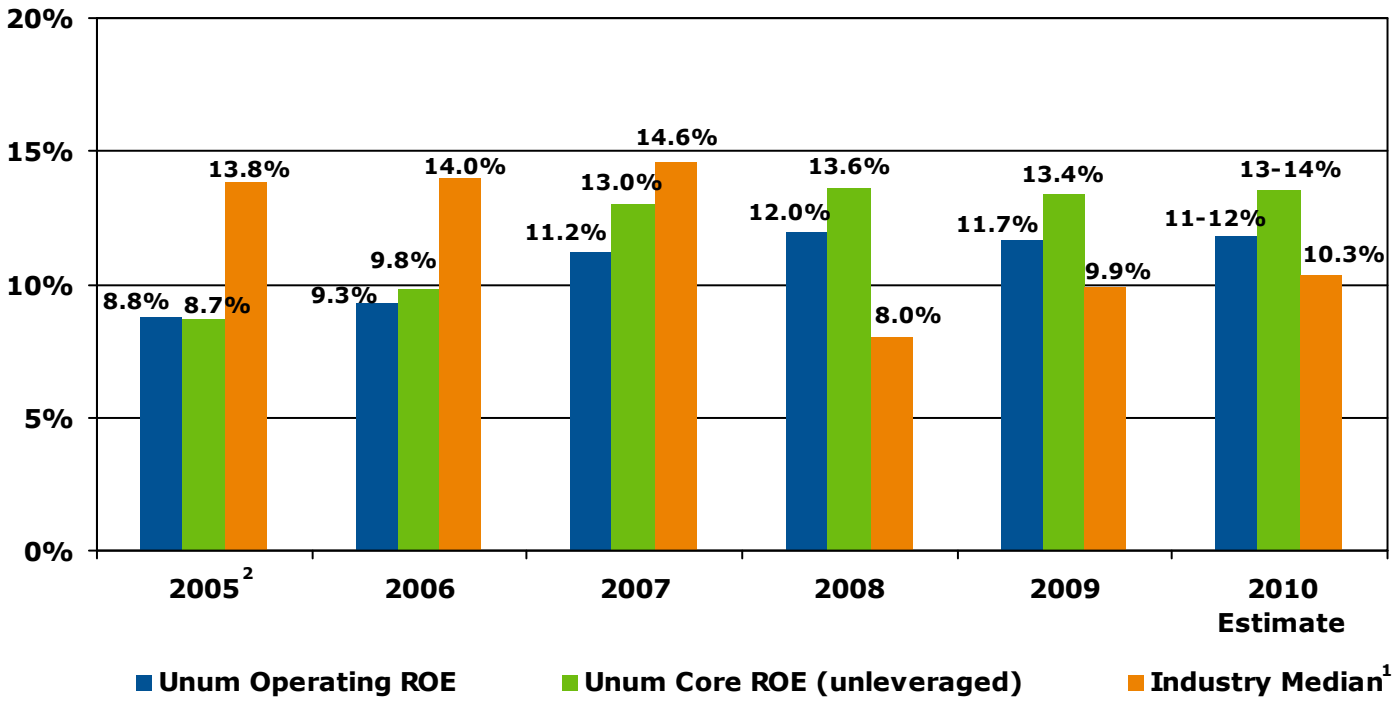
*Excluding Claim Reassessment

Solid Financial Foundation – Operating Earnings



Solid Financial Foundation – Operating Earnings

Return on Equity



[1] Median ROE of Citigroup Investment Research Life/Health Coverage Universe.
[2] Core ROE unadjusted for segment reporting changes implemented 4Q-2008.

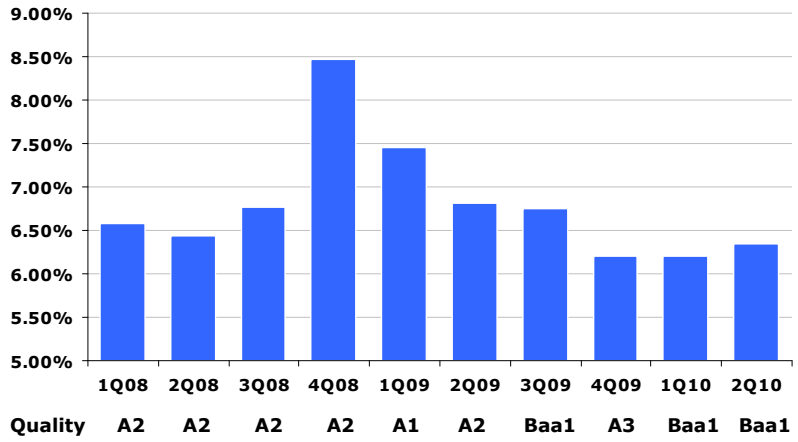
Solid Financial Foundation – Investment Performance

Key Messages

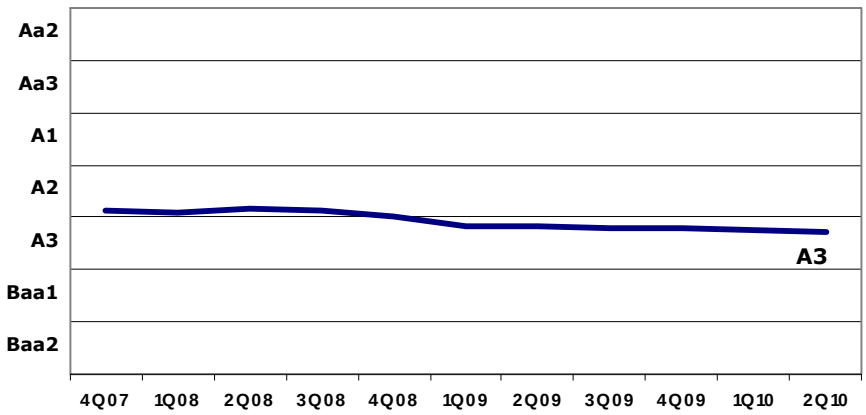
- **Portfolio designed to perform through cycles.**
  - Unum's business mix leads to a long-duration, primarily fixed income portfolio
- **Focus on corporate credit.**
  - Low A / high BBB concentration; limited ratings migration
  - Favorable default experience
- **Today's low interest rates are challenging, but manageable.**
  - Long duration portfolios
  - Limited new money to invest relative to portfolio size
  - Current reserve interest margins exceed our targeted levels

Well Positioned Investment Portfolio

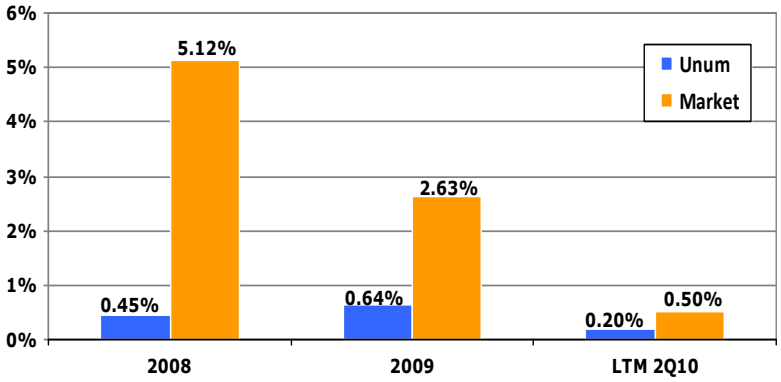
Unum's Purchase Yields



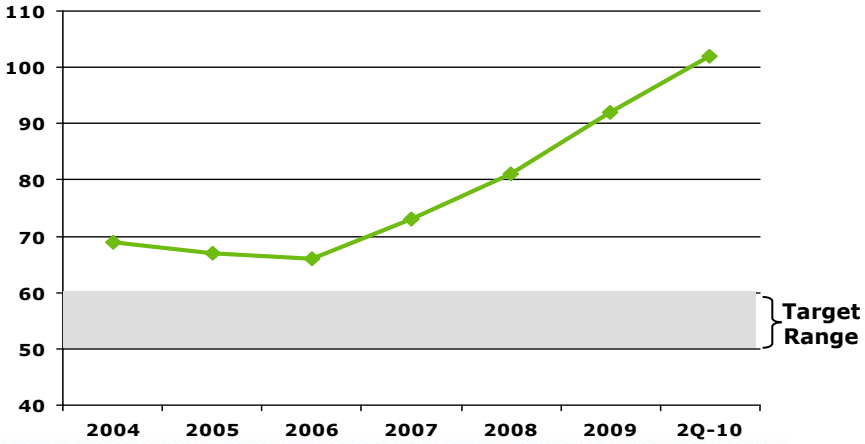
Portfolio Quality—Weighted Average Rating



Default Experience



Unum US LTD Yield vs. Discount Rate



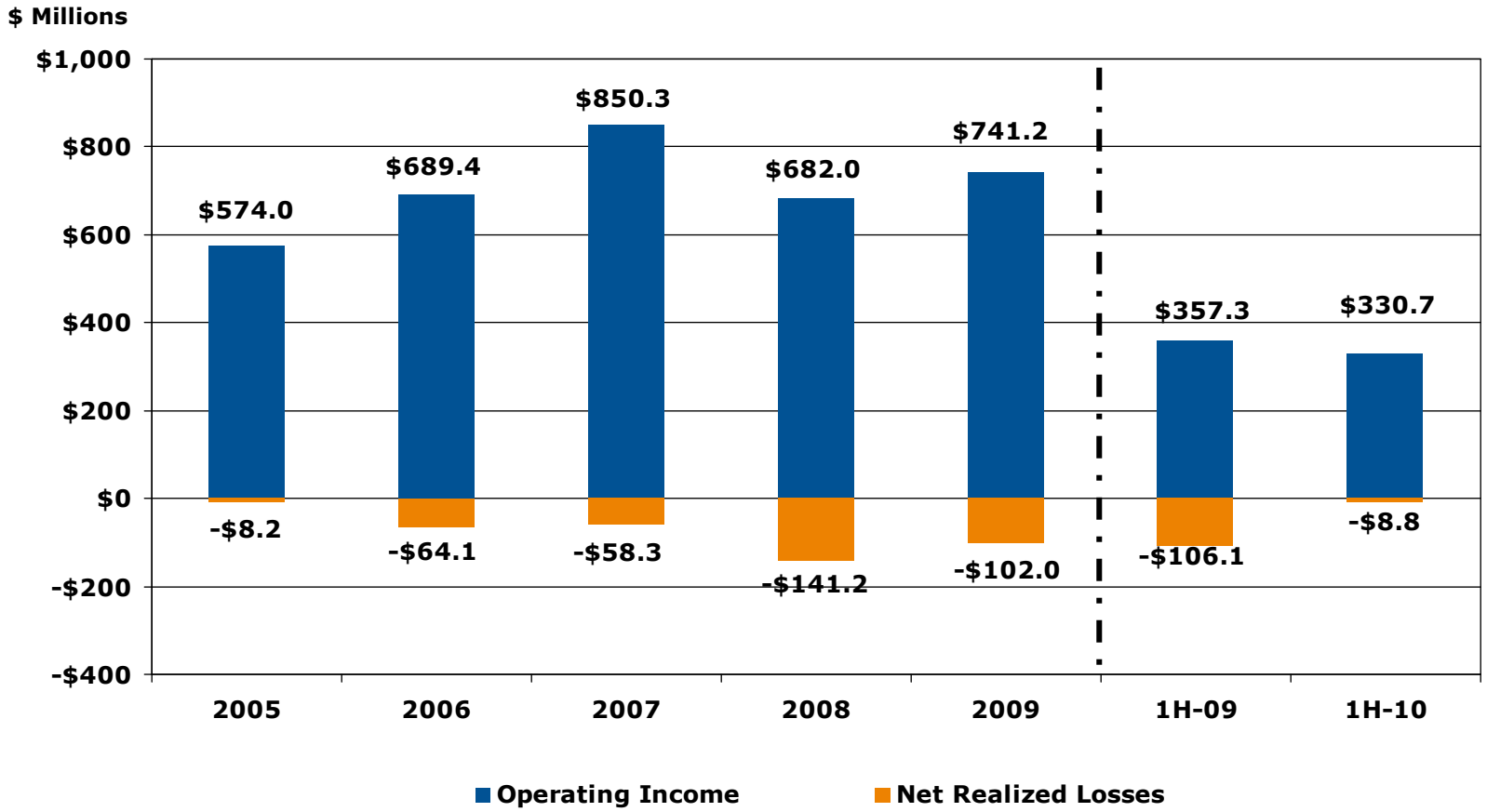
Solid Financial Foundation – Capital Management

A Source of Value

- **Our current position is strong and is expected to continue to strengthen.**
- **Financial flexibility has been enhanced through consistent operating and investment performance.**
- **We will continue to take a cautious approach to our capital position.**
  - Raised our level of capital at both insurance subsidiary and holding company levels
- **Deploying excess capital with $500 million share repurchase authorization and 12% dividend increase.**

Solid Financial Foundation – Capital Management

Statutory Net Income*

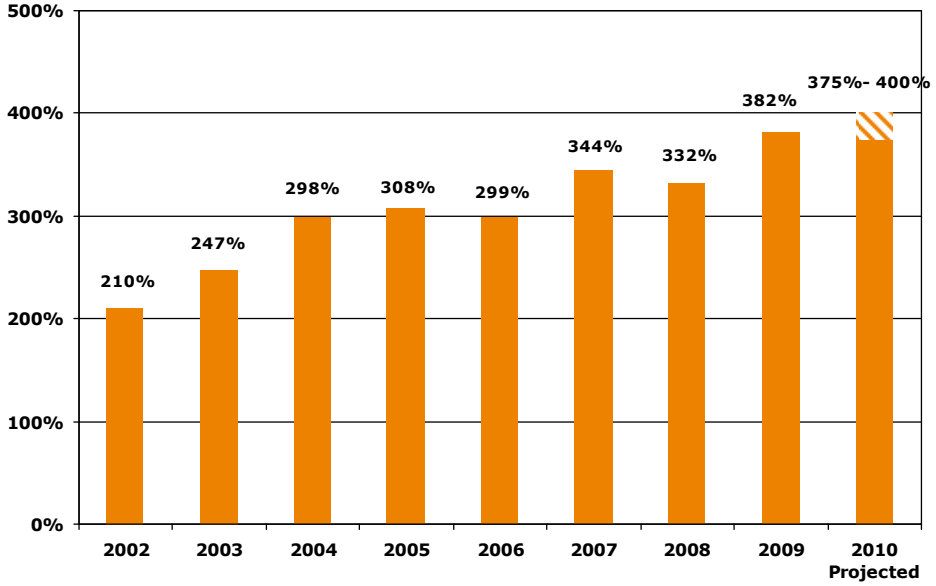


* Statutory net income for traditional US Insurance Companies excluding Northwind transaction and Claim Reassessment.

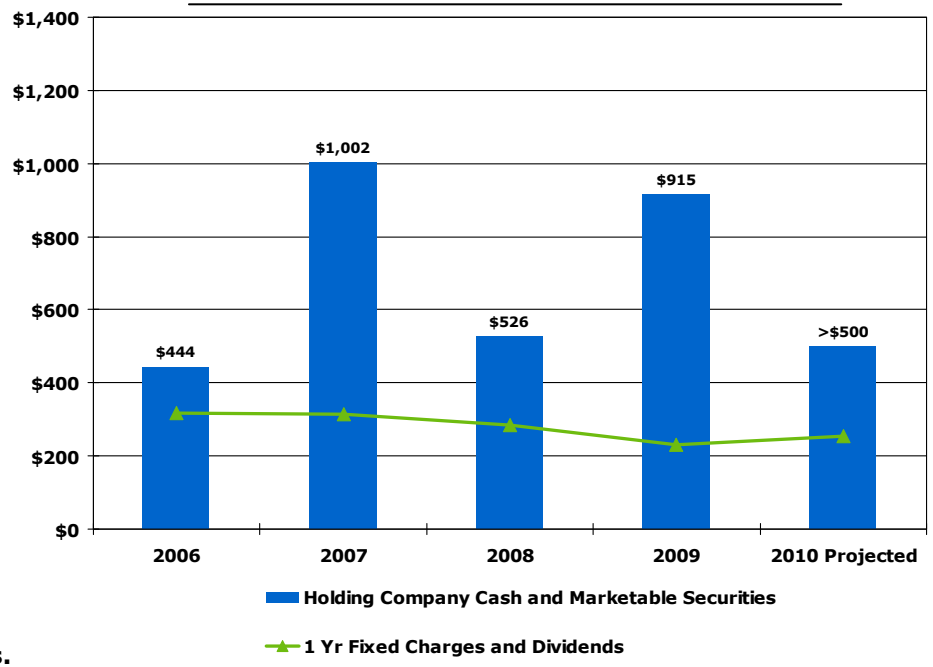
Solid Financial Foundation – Capital Management

Balance Sheet Strength

Risk-Based Capital[1]



Holding Company Cash and Marketable Securities



[1] Weighted average RBC for Traditional US Insurance Companies.

Solid Financial Foundation – Capital Management

Capital Generation Model

Statutory Net Income	**U.S.**	**$500 – 600**
	U.K.	**150 – 200**
		$650 – 800
Capital Required to Support Current Growth		**+/- 50**
Holding Company Uses		**≈ 250**
Excess Capital Generated Annually		**≈ $500**

*** Values are provided in millions**

Solid Financial Foundation – Capital Management

Redeploying Capital

- **Funding Growth**
  - Internal
  - Acquisitions
- **Balance Sheet Management**
  - Retiring Debt
  - Pension Funding
- **Return to Shareholders**
  - Dividends – 12% increase with 3Q-2010 dividend
  - Share Repurchase - $500 million authorized

Solid Financial Foundation – Capital Management

Strong Financial Flexibility

Capital Management Criteria	2009 Actual	2Q-2010 Actual	2010 Projection
Risked-Based Capital Ratio*	382%	400%	375% - 400%
Leverage	20.5%	19.9%	19%
Holding Companies Cash and Marketable Securities ($ millions)	$915	$773	>$500

* Weighted average RBC for Traditional US Insurance Companies.

Stable Financial Outlook

- **Confident in long-term growth opportunities.**
  - Challenges exist, but substantial opportunities remain
- **Confident in Company's financial position and our position in our markets.**
- **Cautious of the near-term general economic and financial market environment.**
  - More limited "natural growth"
  - Employment, wages, benefits
- **Our focus will remain the same – disciplined top-line growth and thoughtful capital management.**

Stable Financial Outlook

Strategic Growth Summary

	2010	Normalized (w/Capital Management)
Sales	8-9%	12-14%
Premium	0-2%	5-7%
Earnings	4-6%	9-11%
ROE	11-12%	12-14%

Closing

Closing

- **Leadership position in our markets.**
  - Attractive long-term growth prospects
- **Strong operating performance.**
  - More diversified and better positioned set of businesses
  - Disciplined approach to growth and risk management
- **Well positioned investment portfolio.**
- **Significant financial flexibility.**
  - Maintaining strong capital position while returning excess to shareholders
- **Track record of delivering on our commitments.**

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Non-GAAP Financial Measures

	Six Months Ended June 30		Twelve Months Ended December 31				
	2010	2009	2009	2008	2007	2006	2005
	(in millions)						
Income from Continuing Operations Excluding Net Realized Investment Gain (Loss) and Special Items	$ 452.1	$ 422.5	$ 852.4	$ 857.3	$ 786.2	$ 603.3	$ 513.1
Net Realized Investment Gain (Loss)	(2.4)	9.6	0.2	(304.1)	(43.2)	1.5	(4.3)
Regulatory Reassessment Charges	-	-	-	-	(34.5)	(267.4)	(51.6)
Special Tax Items and Debt Extinguishment Costs	(10.2)	-	-	-	(36.1)	78.9	42.8
Broker Compensation Settlements	-	-	-	-	-	(12.7)	-
Gain on Disposition	-	-	-	-	-	-	4.0
Income from Continuing Operations	439.5	432.1	852.6	553.2	672.4	403.6	504.0
Income from Discontinued Operations	-	-	-	-	6.9	7.4	9.6
Net Income	$ 439.5	$ 432.1	$ 852.6	$ 553.2	$ 679.3	$ 411.0	$ 513.6

	Six Months Ended June 30		Twelve Months Ended December 31				
	2010	2009	2009	2008	2007	2006	2005
Per Diluted Common Share:							
Income from Continuing Operations Excluding Net Realized Investment Gain (Loss) and Special Items	$ 1.36	$ 1.27	$ 2.57	$ 2.51	$ 2.21	$ 1.80	$ 1.64
Net Realized Investment Gain (Loss)	(0.01)	0.03	-	(0.89)	(0.12)	0.01	(0.02)
Regulatory Reassessment Charges	-	-	-	-	(0.10)	(0.79)	(0.16)
Special Tax Items and Debt Extinguishment Costs	(0.03)	-	-	-	(0.10)	0.23	0.14
Broker Compensation Settlements	-	-	-	-	-	(0.04)	-
Gain on Disposition	-	-	-	-	-	-	0.01
Income from Continuing Operations	1.32	1.30	2.57	1.62	1.89	1.21	1.61
Income from Discontinued Operations	-	-	-	-	0.02	0.02	0.03
Net Income	$ 1.32	$ 1.30	$ 2.57	$ 1.62	$ 1.91	$ 1.23	$ 1.64

Reconciliation of Non-GAAP Financial Measures

	Average Allocated Equity	Income (Loss) from Operations Before Net Realized Investment Gain/Loss	After-tax Special Item Adjustments	Income (Loss) from Operations Before Net Realized Investment Gain/Loss and After-tax Special Item Adjustments	Annualized Unleveraged Return On Equity
	(in millions)				
Six Months Ended June 30, 2010					
Unum US	$ 4,992.2	$ 273.5	$ -	$ 273.5	11.0%
Unum UK	654.8	84.1	-	84.1	25.7%
Colonial Life	1,015.2	96.1	-	96.1	18.9%
Core Operations	6,662.2	453.7	-	453.7	13.6%
Individual Disability - Closed Block	1,313.5	14.5	-	14.5	2.2%
Corporate and Other	(115.6)	(26.3)	10.2	(16.1)	
Total	$ 7,860.1	$ 441.9	$ 10.2	$ 452.1	11.5%
Twelve Months Ended December 31, 2009					
Unum US	$ 4,882.2	$ 509.4	$ -	$ 509.4	10.4%
Unum UK	653.9	182.0	-	182.0	27.8%
Colonial Life	965.4	182.6	-	182.6	18.9%
Core Operations	6,501.5	874.0	-	874.0	13.4%
Individual Disability - Closed Block	1,262.0	17.1	-	17.1	1.4%
Corporate and Other	(502.6)	(38.7)	-	(38.7)	
Total	$ 7,260.9	$ 852.4	$ -	$ 852.4	11.7%
Twelve Months Ended December 31, 2008					
Unum US	$ 4,673.5	$ 446.9	$ -	$ 446.9	9.6%
Unum UK	724.3	236.4	-	236.4	32.6%
Colonial Life	902.9	174.3	-	174.3	19.3%
Core Operations	6,300.7	857.6	-	857.6	13.6%
Individual Disability - Closed Block	1,392.5	14.7	-	14.7	1.1%
Corporate and Other	(556.5)	(15.0)	-	(15.0)	
Total	$ 7,136.7	$ 857.3	$ -	$ 857.3	12.0%
Twelve Months Ended December 31, 2007*					
Unum US	$ 4,514.5	$ 356.4	$ 43.1	$ 399.5	8.8%
Unum UK	771.6	236.9	-	236.9	30.7%
Colonial Life	829.8	159.8	-	159.8	19.3%
Core Operations	6,115.9	753.1	43.1	796.2	13.0%
Individual Disability - Closed Block	2,109.7	71.3	(8.6)	62.7	3.0%
Corporate and Other	(1,191.3)	(108.8)	36.1	(72.7)	
Total	$ 7,034.3	$ 715.6	$ 70.6	$ 786.2	11.2%
Twelve Months Ended December 31, 2006					
Unum US	$ 4,762.2	$ 64.5	$ 236.7	$ 301.2	6.3%
Unum UK	739.7	264.7	(81.7)	183.0	24.7%
Colonial Life	772.5	129.2	-	129.2	16.7%
Core Operations	6,274.4	458.4	155.0	613.4	9.8%
Individual Disability - Closed Block	2,590.0	46.4	30.7	77.1	3.0%
Corporate and Other	(2,344.6)	(102.7)	15.5	(87.2)	
Total	$ 6,519.8	$ 402.1	$ 201.2	$ 603.3	9.3%
Twelve Months Ended December 31, 2005**					
Core Operations	$ 6,039.3	$ 503.1	$ 23.6	$ 526.7	8.7%
Individual Disability - Closed Block	2,424.8	50.6	23.6	74.2	
Corporate and Other	(2,600.4)	(45.4)	(42.4)	(87.8)	
Total	$ 5,863.7	$ 508.3	$ 4.8	$ 513.1	8.8%

** Not adjusted for segment reporting changes implemented 4Q 2008.

Reconciliation of Non-GAAP Financial Measures

	June 30	December 31			
	2010	2009	2008	2007*	2006
	(in millions)				
Total Stockholders' Equity, As Adjusted	$ 7,970.6	$ 7,749.7	$ 6,772.0	$ 7,501.3	$ 6,989.8
Net Unrealized Gain (Loss) on Securities	476.4	379.6	(832.6)	356.1	534.8
Net Gain on Cash Flow Hedges	424.7	370.8	458.5	182.5	194.2
Total Stockholders' Equity (Book Value)	$ 8,871.7	$ 8,500.1	$ 6,397.9	$ 8,039.9	$ 7,718.8
Average Equity, As Adjusted	$ 7,860.1	$ 7,260.9	$ 7,136.7	$ 7,034.3	$ 6,519.8

	December 31	
	2005	2004
	(in millions)	
Total Stockholders' Equity, As Adjusted	$ 6,049.9	$ 5,677.4
Net Unrealized Gain on Securities	1,040.7	1,309.8
Net Gain on Cash Flow Hedges	273.3	236.9
Total Stockholders' Equity (Book Value)	$ 7,363.9	$ 7,224.1
Average Equity, As Adjusted	$ 5,863.7	

* Average adjusted for cumulative effect of accounting principle changes of $422.5 million effective January 1, 2007.

	June 30	December 31			
	2010	2009	2008	2007	2006
	(in millions)				
Debt	$ 2,491.9	$ 2,549.6	$ 2,449.9	$ 2,690.2	$ 2,659.6
Exclude:					
50% of Adjustable Conversion Rate Equity Units (ACEs)	-	-	-	-	150.0
Non-recourse Debt	737.5	785.2	843.2	912.5	130.0
Debt, As Adjusted	$ 1,754.4	$ 1,764.4	$ 1,606.7	$ 1,777.7	$ 2,379.6
Debt	$ 2,491.9	$ 2,549.6	$ 2,449.9	$ 2,690.2	$ 2,659.6
Total Stockholders' Equity	8,871.7	8,500.1	6,397.9	8,039.9	7,718.8
Exclude:					
Net Unrealized Gain (Loss) on Securities and Cash Flow Hedges	901.1	750.4	(374.1)	538.6	729.0
Northwind and Tailwind Debt and Capital	1,656.9	1,692.2	1,754.9	1,867.2	162.0
Total Debt and Stockholders' Equity, As Adjusted	$ 8,805.6	$ 8,607.1	$ 7,467.0	$ 8,324.3	$ 9,487.4
Leverage Ratio	19.9%	20.5%	21.5%	21.4%	25.1%

Reconciliation of Non-GAAP Financial Measures

	Twelve Months Ended December 31, 2007		Twelve Months Ended December 31, 2006	
	(in millions)	Benefit Ratio *	(in millions)	Benefit Ratio *
Unum US Group Disability				
Premium Income	$ 2,381.3		$ 2,483.5	
Benefits and Change in Reserves for Future Benefits	2,277.4	95.6%	2,702.5	108.8%
Regulatory Reassessment Charge	76.5		349.2	
Benefits and Change in Reserves for Future Benefits, Excluding Regulatory Reassessment Charge	2,200.9	92.4%	2,353.3	94.8%

* Benefits and Change in Reserves for Future Benefits as a percent of Premium Income