

Keefe, Bruyette & Woods Conference

September 6, 2012

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 our outlook, 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; (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, recovery rates, mortality rates, and offsets 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, the effectiveness of claims management operations, and changes in government programs; (5) fluctuation in insurance reserve liabilities; (6) investment results, including but not limited to, realized investment losses resulting from defaults, contractual terms of derivative contracts, and impairments that differ from our assumptions and historical experience; (7) the lack of appropriate investments in the market which can be acquired to match our liability cash flows and duration; (8) changes in interest rates, credit spreads, and securities prices; (9) increased competition from other insurers and financial services companies due to industry consolidation or other factors; (10) changes in demand for our products due to, among other factors, changes in societal attitudes, the rate of unemployment, and consumer confidence; (11) changes in accounting standards, practices, or policies; (12) changes in our financial strength and credit ratings; (13) rating agency actions, state insurance department market conduct examinations and other inquiries, other governmental investigations and actions, and negative media attention; (14) effectiveness in managing our operating risks and the implementation of operational improvements and strategic growth initiatives; (15) actual experience that deviates from our assumptions used in pricing, underwriting, and reserving; (16) actual persistency and/or sales growth that is higher or lower than projected; (17) effectiveness of our risk management program; (18) the level and results of litigation; (19) currency exchange rates; (20) ability of our subsidiaries to pay dividends as a result of regulatory restrictions or changes in reserving or capital requirements; (21) ability and willingness of reinsurers to meet their obligations; (22) changes in assumptions related to intangible assets such as deferred acquisition costs, value of business acquired, and goodwill; (23) ability to recover our systems and information in the event of a disaster or unanticipated event and to protect our systems and information from unauthorized access and deliberate attacks; and (24) events or consequences relating to political instability, terrorism, or acts of war, both domestic and foreign. 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, 2011 and our 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

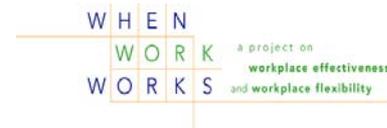
- **Introduction**
- **Operating Trends**
- **Capital Management**
- **Environment**
- **Closing Comments**

Introduction

Profile *(as of 6.30.12*)*

Total Revenue	\$10.3 billion
Pre-Tax Earnings [†]	\$1.3 billion
Total Assets	\$60.7 billion
Total Stockholders' Equity	\$8.4 billion

RECOGNITION OF THE UNUM BRAND



* Effective January 1, 2012, the Company adopted an accounting standards update for deferred acquisition costs (ASU 2010-26) and applied the amendments retrospectively, adjusting all prior periods presented, unless otherwise noted.

† Excluding certain items. See Reconciliation of Non-GAAP Financial Measures.

Introduction

Strategy



Unum US: Group Short Term and Long Term Disability inforce premium and cases: Gen Re 2011 U.S. Group Disability Market Survey; Group Life: Inforce cases, Gen Re 2011 U.S. Group Life Market Survey

Unum US and Colonial Life: Voluntary Benefits: Eastbridge U.S. Worksite Sales Report, Colonial Life Sales and Unum Sales and Inforce Premium Results for 2011, April 2012

Unum UK: Swiss Re Group Watch 2011

Need For Financial Protection

Individuals and Families At Risk

- 61% of Americans and 53% in the U.K. live paycheck to paycheck
- In the U.S. 70% of households couldn't meet financial obligations if wage earner becomes disabled for 6 months
- There is a 33% chance someone will be disabled for at least 6 months during their working career

Historically Low Levels of Insurance Protection

- In the U.S. 68% of private sector employees lack access to employer-provided long term disability insurance and 30% of households have no life insurance
- In the U.K. 90% of private sector employees have no disability coverage and 40% have no life insurance
- More than 50% of workers say they know very little or nothing at all about disability insurance

Workplace Remains Effective Distribution Channel

- In the U.S. 90% of disability and 40% of life policies purchased through workplace
- In the U.K. 56% of disability and 37% of life policies are purchased in workplace
- 70% of HR leaders say employers have responsibility to protect employees' financial well-being

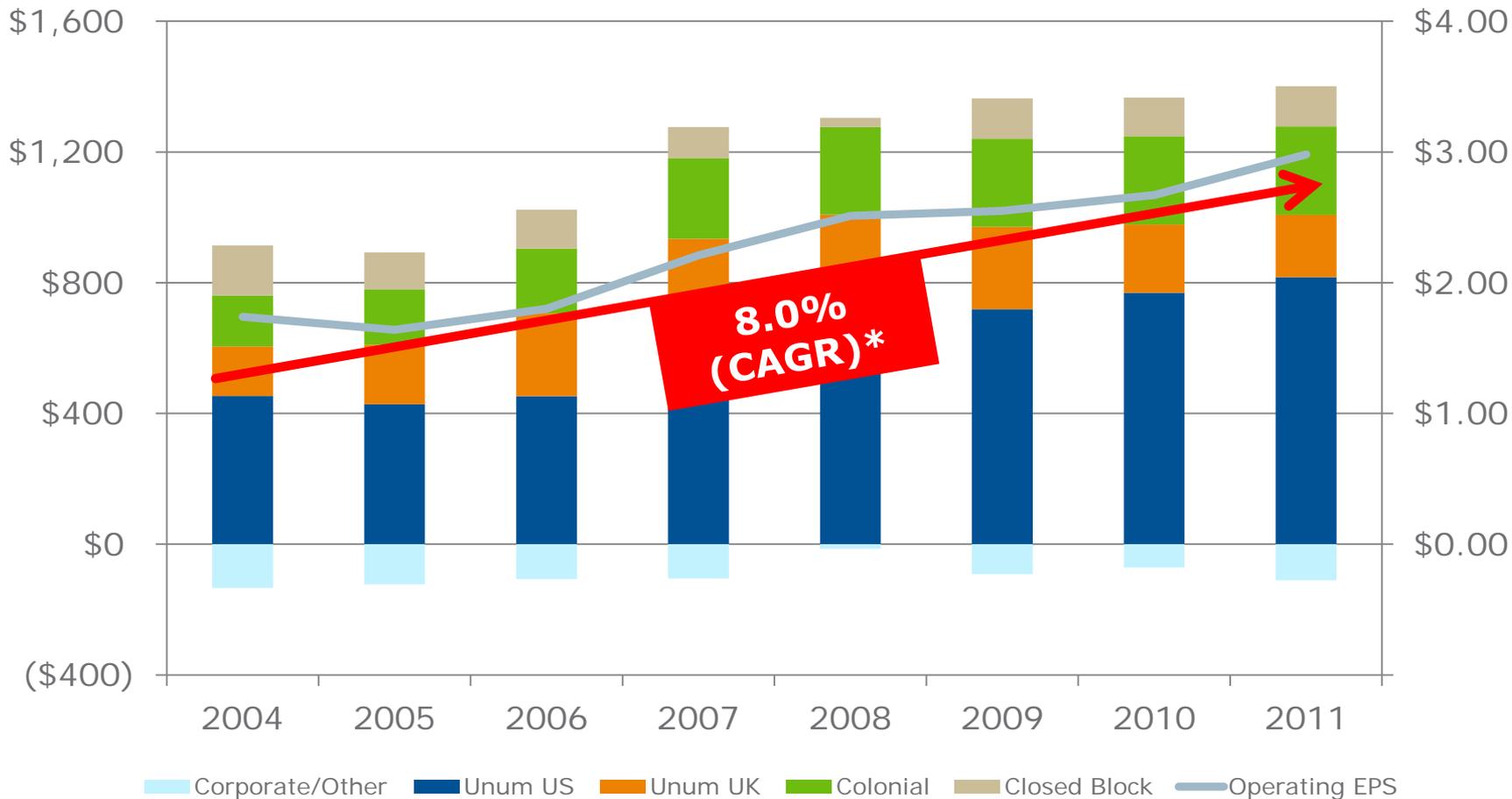
Opportunities for Further Private and Public Cooperation

- In the U.S. SSDI costs increased from \$3.1B in 1970 to \$128.9B in 2011 - projections indicate SSDI trust fund will be exhausted by 2016
- Working age benefits in the U.K. increased from £63B in 1996-1997 to £87B in 2009-2010
- Access to disability insurance in the workplace in the U.S. protected over 500,000 families from impoverishment saving the government up to \$4.5B annually

Operating Trends

Pre-tax Operating Earnings and EPS Trends

Pre-Tax Operating Earnings

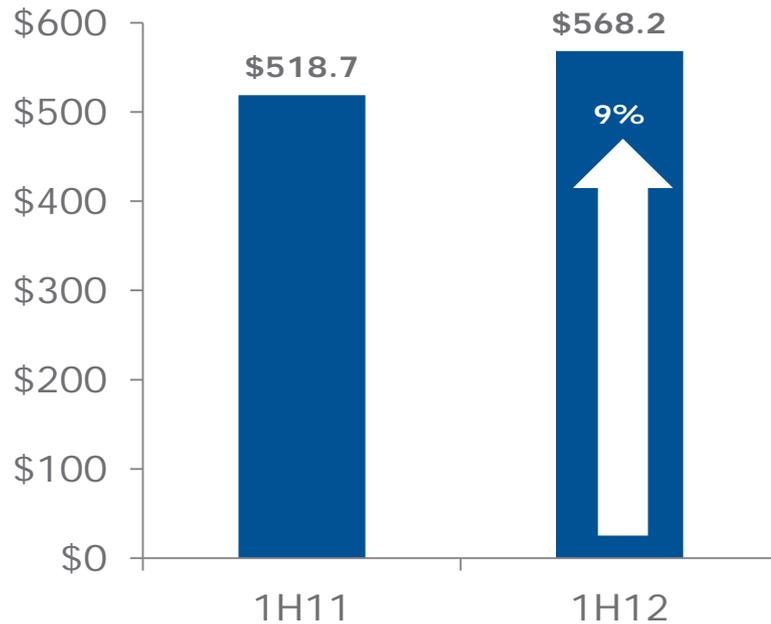


Years 2004-2005 do not reflect segment reporting changes implemented in Q4 2008
 Years 2004-2008 do not reflect the impact of ASU 2010-26 and the LTC re-segmentation
 Starting in 2011, Operating EPS exclude Non-operating Retirement-related Loss
 * EPS Growth Rate

Operating Trends

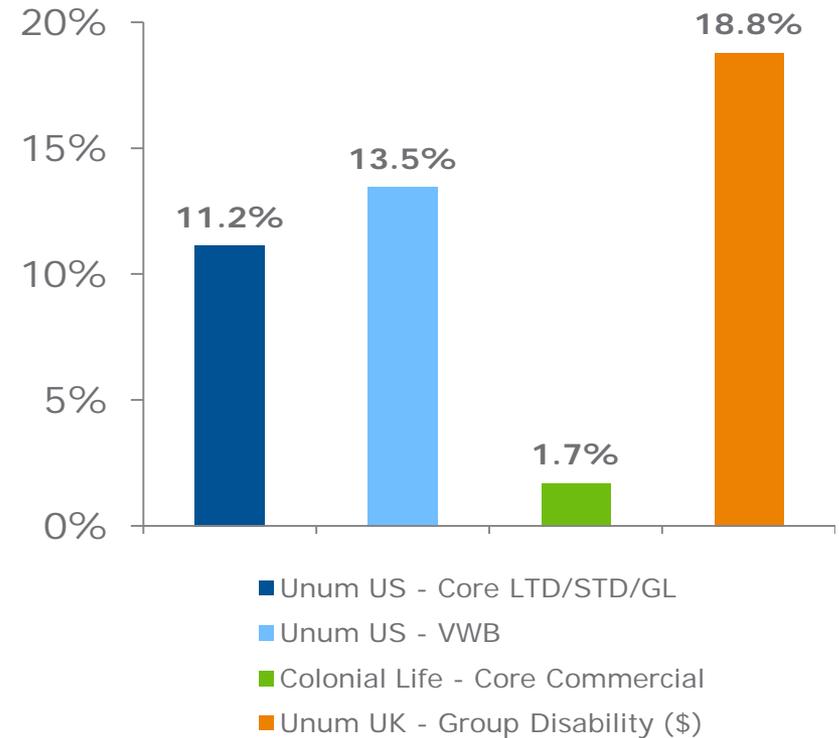
Sales Results

Total Sales[†]



Target Market Sales Growth

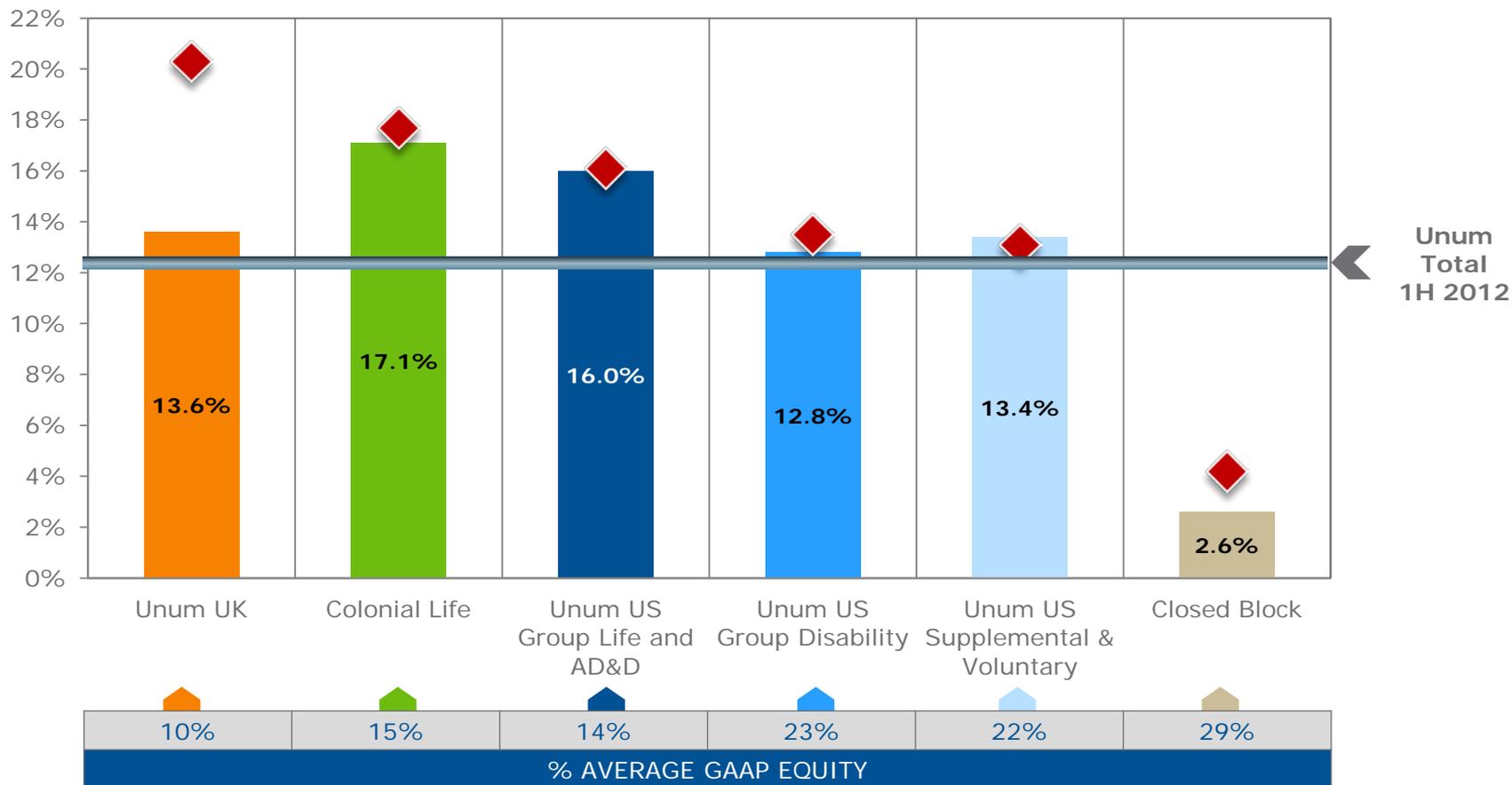
(1H12 YoY Sales Growth)



[†] Unum US, Unum UK, and Colonial Life | \$ millions

Operating Trends

Annualized Return on Equity†



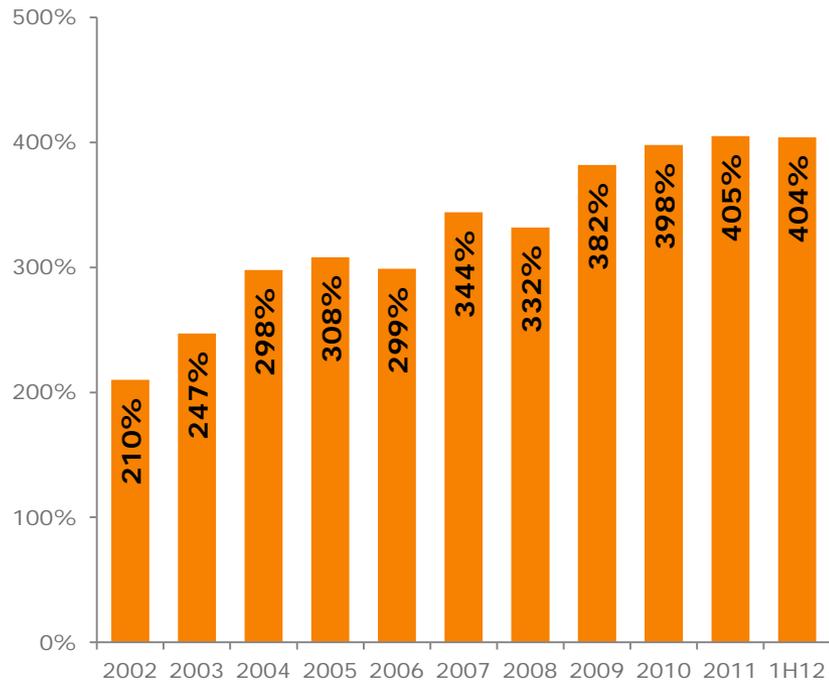
◆ 2011 Full Year ROE

† Excludes special items

Operating Trends

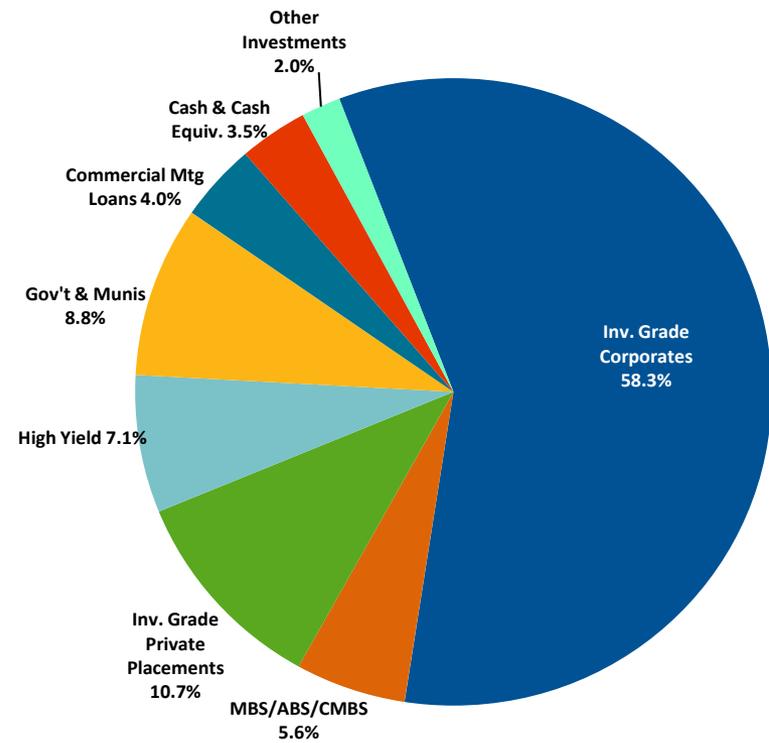
Balance Sheet

Risk-Based Capital¹



Invested Asset Distribution

As of June 30, 2012



¹ Weighted average RBC for Traditional US Insurance Companies

Capital Management

Our Capital Generation Model

Statutory Net Income*

(\$ millions)



Capital Generation Model

(\$ millions)

STATUTORY NET INCOME	U.S.	\$600 - \$650
	U.K.	\$100 - \$150
		\$700 - \$800
CAPITAL REQUIRED TO SUPPORT CURRENT GROWTH		+/- \$50
HOLDING COMPANY USES		\$250
EXCESS CAPITAL GENERATED ANNUALLY		\$500

* Statutory net income for traditional US Insurance Companies excluding special items

Capital Management

History of Returning Capital to Our Shareholders

	Share Repurchases	Dividend Increase
2008	\$700 million	---
2009	---	+10%
2010	\$356 million	+12%
2011	\$620 million	+14%
2012	\$500 million *	+24%

* 2012 Capital Management Outlook

Challenges

- **Unum UK**
- **Interest Rates**
 - Long-term Care
- **Competition**

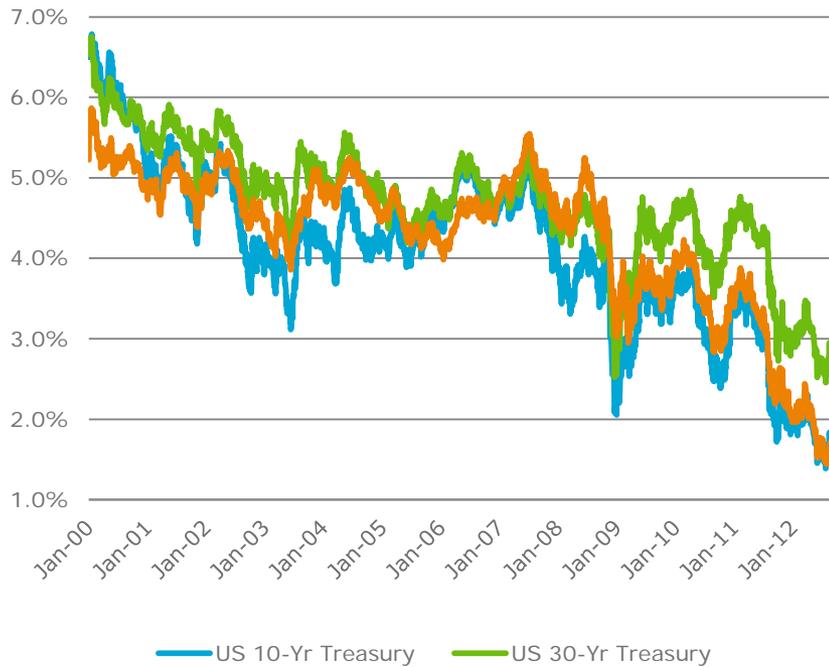
Pre-tax Earnings Trend



Interest Rates

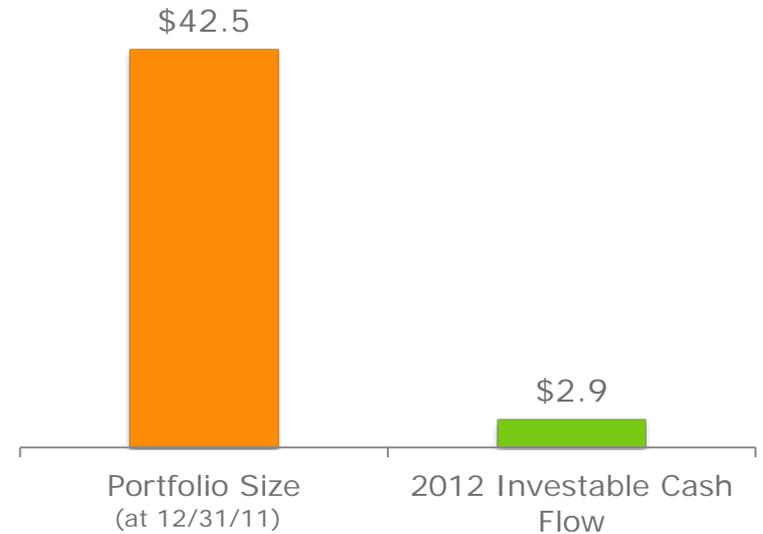
Overview

Interest Rates



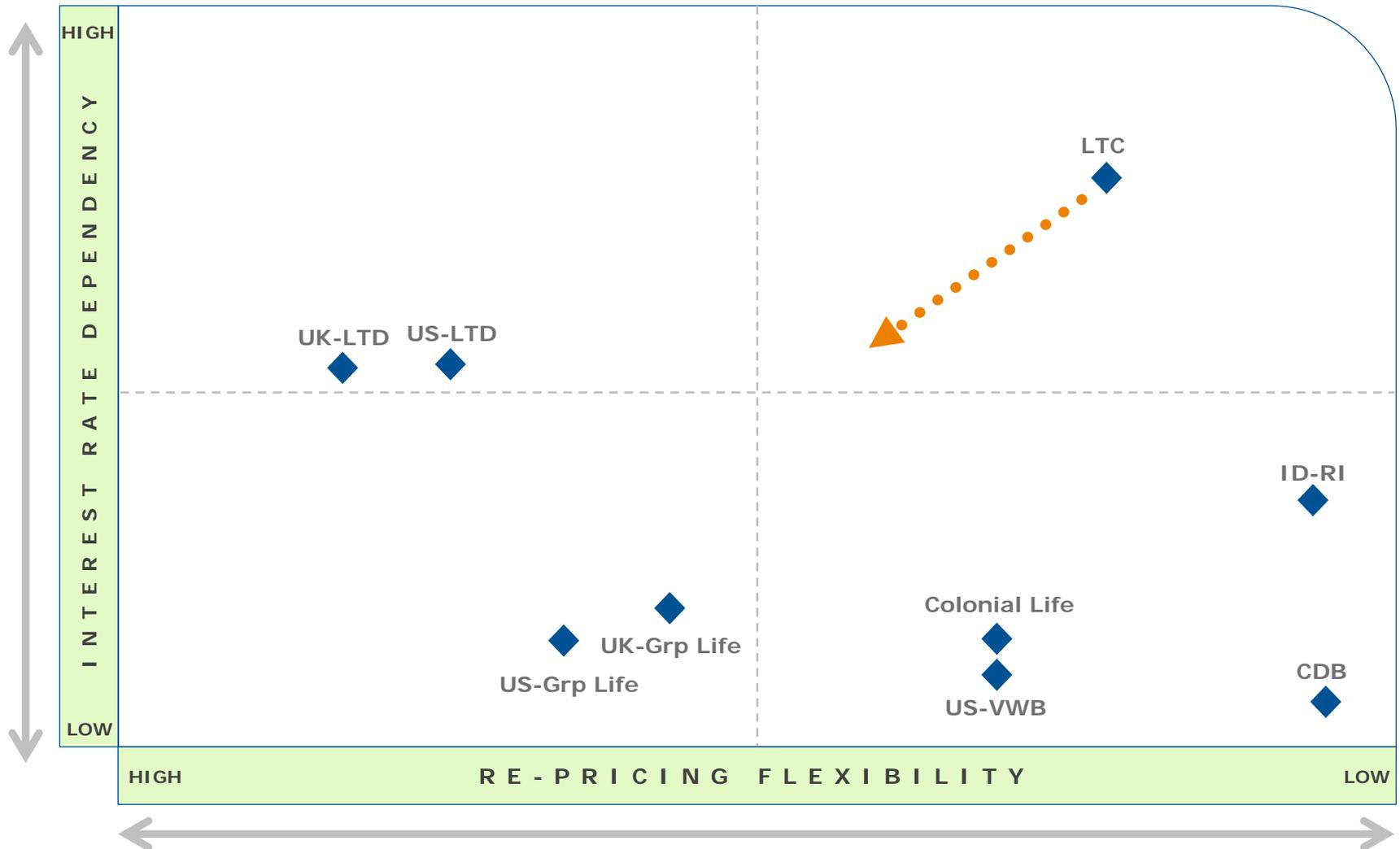
Unum Group Combined

(\$ billions)



Interest Rates

Product Line Sensitivities



Closing Comments

- **Good businesses with positive long-term trends**
- **Committed to disciplined growth**
 - And maintaining attractive operating returns
- **Solid financial foundation**
 - With sustainable capital deployment strategy
- **Track record of delivering on commitments**

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Non-GAAP Financial Measures

	Six Months Ended June 30	
	2012	2011
	per share *	per share *
After-tax Operating Income	\$ 1.53	\$ 1.46
Net Realized Investment Gain, Net of Tax	0.02	0.02
Non-operating Retirement-related Loss, Net of Tax	(0.05)	(0.03)
Net Income	<u>\$ 1.50</u>	<u>\$ 1.45</u>

* Assuming Dilution

	Six Months Ended June 30	
	2012	2011
	(in millions)	
Core Operations		
Unum US	\$ 418.6	\$ 400.3
Unum UK	68.8	104.1
Colonial Life	137.3	138.4
Total Core Operations	<u>624.7</u>	<u>642.8</u>
Closed Block	41.1	62.3
Corporate	<u>(46.5)</u>	<u>(38.8)</u>
Total Operating Income by Segment	619.3	666.3
Net Realized Investment Gain	10.3	11.6
Non-operating Retirement-related Loss	(23.2)	(16.0)
Income Tax	<u>(176.1)</u>	<u>(210.7)</u>
Net Income	<u>\$ 430.3</u>	<u>\$ 451.2</u>

	Average	After-Tax Operating	Annualized
	Allocated	Income (Loss)	Return
	Equity	(in millions)	On Equity
Six Months Ended June 30, 2012			
Core Operations			
Unum US			
Group Disability	\$ 1,493.7	\$ 95.6	12.8%
Group Life and AD&D	890.7	71.4	16.0%
Supplemental and Voluntary	<u>1,605.4</u>	<u>107.4</u>	13.4%
Total Unum US	3,989.8	274.4	13.8%
Unum UK	778.3	52.9	13.6%
Colonial Life	<u>1,045.7</u>	<u>89.2</u>	17.1%
Total Core Operations	5,813.8	416.5	14.3%
Closed Block	2,077.8	26.8	2.6%
Corporate	<u>(694.9)</u>	<u>(4.8)</u>	
Total	<u>\$ 7,196.7</u>	<u>\$ 438.5</u>	12.2%

Reconciliation of Non-GAAP Financial Measures

	Average Allocated Equity	Adjusted After-Tax Operating Income (Loss)	DAC and Reserve Charges (in millions)	Special Tax Items	After-Tax Operating Income (Loss)	Return On Equity
Year Ended December 31, 2011						
Core Operations						
Unum US						
Group Disability	\$ 1,480.3	\$ 199.4	\$ -	\$ -	\$ 199.4	13.5%
Group Life and AD&D	845.7	135.7	-	-	135.7	16.1%
Supplemental and Voluntary	<u>1,541.6</u>	<u>201.9</u>	<u>-</u>	<u>-</u>	<u>201.9</u>	13.1%
Total Unum US	3,867.6	537.0	-	-	537.0	13.9%
Unum UK	750.6	152.5	-	-	152.5	20.3%
Colonial Life	<u>991.3</u>	<u>175.5</u>	<u>-</u>	<u>-</u>	<u>175.5</u>	17.7%
Total Core Operations	5,609.5	865.0	-	-	865.0	15.4%
Closed Block	2,165.1	90.0	(619.6)	-	(529.6)	4.2%
Corporate	<u>(347.6)</u>	<u>(49.6)</u>	<u>-</u>	<u>22.7</u>	<u>(26.9)</u>	
Total	<u>\$ 7,427.0</u>	<u>\$ 905.4</u>	<u>\$ (619.6)</u>	<u>\$ 22.7</u>	<u>\$ 308.5</u>	12.2%

Reconciliation of Non-GAAP Financial Measures

	Six Months Ended	Year Ended	
	June 30	December 31	
	2012	2011	
	(in millions)		
After-tax Operating Income	\$ 438.5	\$	905.4
Net Realized Investment Gain (Loss), Net of Tax	6.9		(3.6)
Non-operating Retirement-related Loss, Net of Tax	(15.1)		(20.7)
Deferred Acquisition Costs and Reserve Charges for Closed Block, Net of Tax	-		(619.6)
Special Tax Items	-		22.7
Net Income	<u>\$ 430.3</u>	<u>\$</u>	<u>284.2</u>
	June 30	December 31	
	2012	2011	2010
	(in millions)		
Total Stockholders' Equity, As Reported	\$ 8,385.9	\$ 8,169.7	\$ 8,484.9
Net Unrealized Gain on Securities	728.1	614.8	416.1
Net Gain on Cash Flow Hedges	410.6	408.7	361.0
Total Stockholders' Equity, As Adjusted	<u>\$ 7,247.2</u>	<u>\$ 7,146.2</u>	<u>\$ 7,707.8</u>
Average Equity, As Adjusted	\$ 7,196.7	\$	7,427.0