

Barclays Select Series 2014: Insurance Forum

March 13, 2014

Safe Harbor Statement and Non-GAAP Financial Measures

Certain information in this presentation may be considered "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. Forward-looking statements speak only as of the date made. We undertake no obligation to update these statements, even if made available on our website or otherwise. These forward-looking statements are subject to numerous assumptions, risks, and uncertainties, many of which are beyond our control. We caution readers that 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) sustained periods of low interest rates; (3) fluctuation in insurance reserve liabilities and claim payments due to 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; (4) legislative, regulatory, or tax changes, both domestic and foreign, including the effect of potential legislation and increased regulation in the current political environment; (5) investment results, including, but not limited to, changes in interest rates, defaults, changes in credit spreads, impairments, and the lack of appropriate investments in the market which can be acquired to match our liabilities; (6) effects of business disruption or economic contraction due to disasters such as terrorist attacks, cyber attacks, other hostilities, or natural catastrophes, including any related impact on the value of our investment portfolio, our disaster recovery systems, cyber or other information security systems, and business continuity planning; (7) ineffectiveness of our derivatives hedging programs due to changes in the economic environment, counterparty risk, ratings downgrades, capital market volatility, changes in interest rates, and/or regulation; (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) damage to our reputation due to, among other factors, regulatory investigations, legal proceedings, external events, and/or inadequate or failed internal controls and procedures; (11) actual experience that deviates from our assumptions used in pricing, underwriting, and reserving; (12) actual persistency and/or sales growth that is higher or lower than projected; (13) changes in demand for our products due to, among other factors, changes in societal attitudes, the rate of unemployment, consumer confidence, and/or legislative and regulatory changes, including healthcare reform; (14) effectiveness of our risk management program; (15) the level and results of litigation; (16) changes in accounting standards, practices, or policies; (17) fluctuation in foreign currency exchange rates; (18) ability to generate sufficient internal liquidity and/or obtain external financing; (19) availability of reinsurance in the market and the ability of our reinsurers to meet their obligations to us; and (20) recoverability and/or realization of the carrying value of our intangible assets, long-lived assets, and deferred tax assets. For further discussion of 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, 2012. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by these cautionary statements.

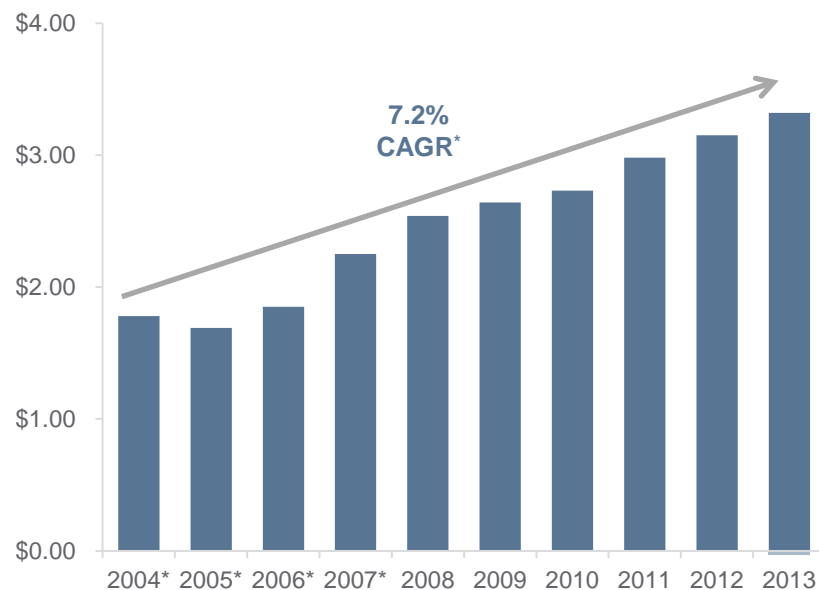
In analyzing performance, Unum sometimes uses non-GAAP financial measures that differ from what is reported under GAAP. This presentation contains non-GAAP financial measures, including operating earnings per share, operating return on equity, book value per share (excluding accumulated other comprehensive income, or AOCI), and before tax operating earnings (BTOE). Please refer to the Appendix for a reconciliation of the non-GAAP financial measures used in this presentation to the most directly comparable GAAP measures.

- Fortune 250 Company
- Leading market positions in US and UK
- Over 25 million individual customers
- Market value of approximately \$8 billion

Recent Results

CONSISTENT GROWTH IN EPS AND BVPS

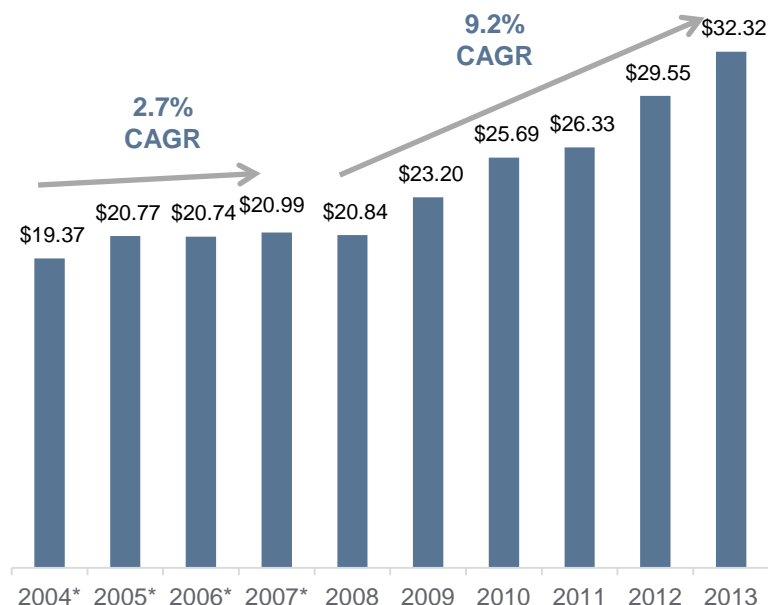
Operating EPS



* Does not reflect impact of ASU 2010-26 and special items.

Book Value Per Share

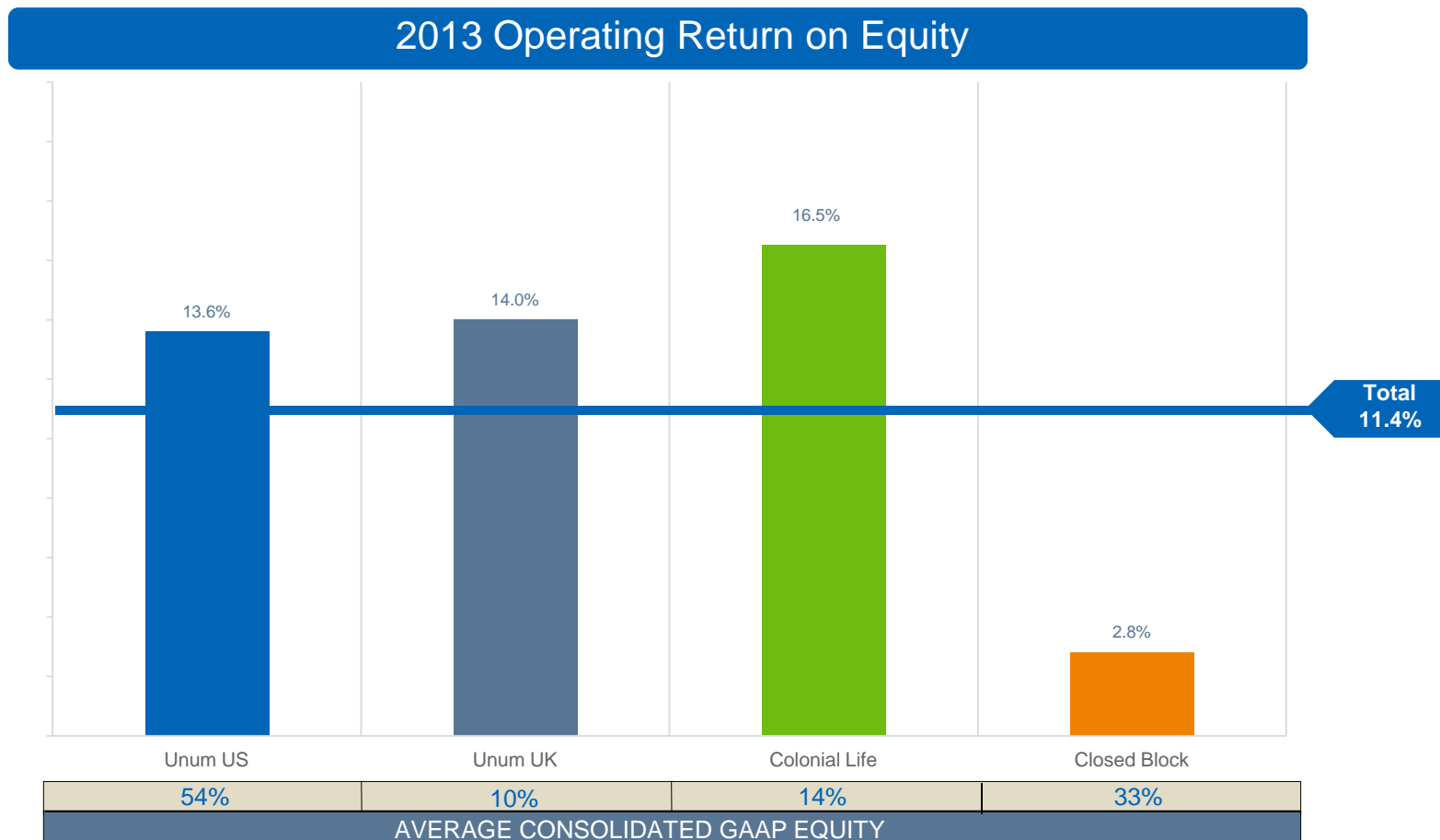
(ex AOCI)



* Does not reflect impact of ASU 2010-26.

Recent Results

... CONSISTENTLY STRONG RETURNS



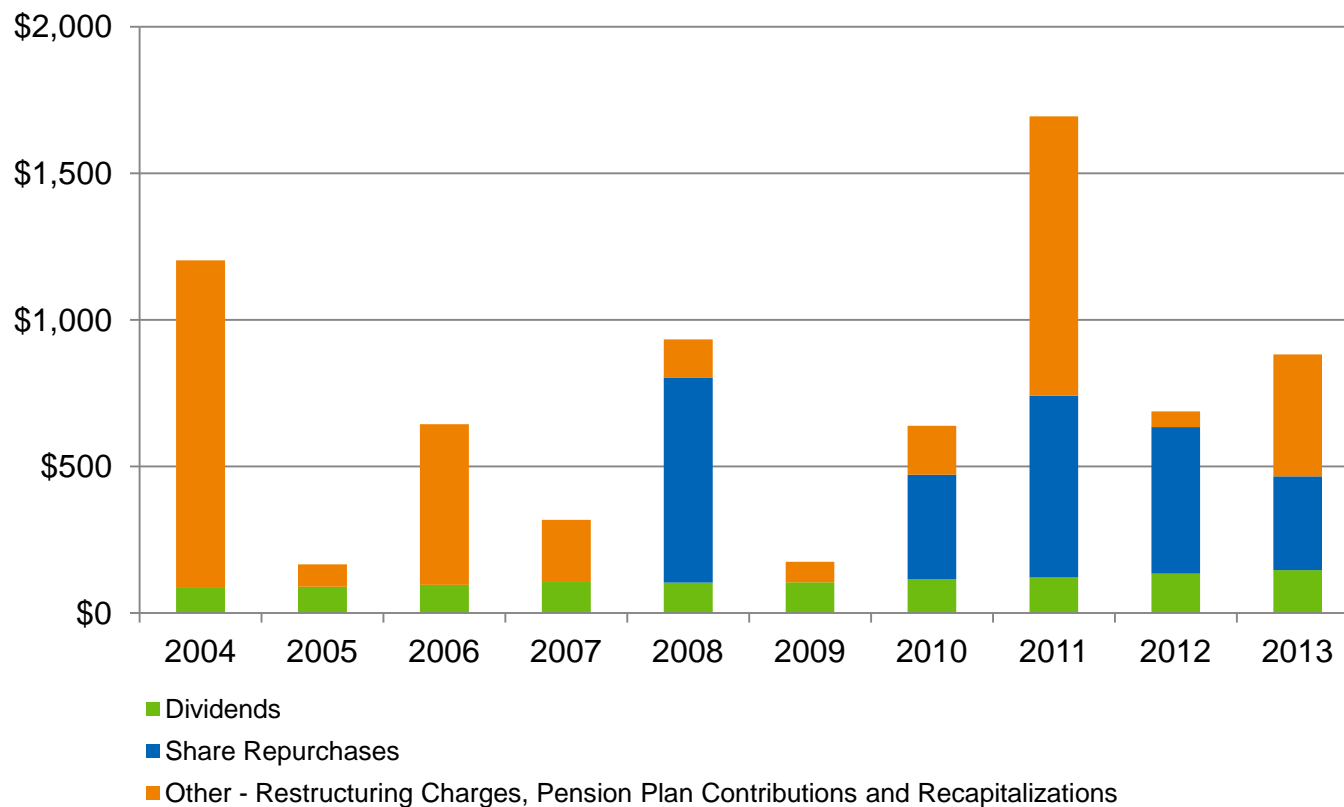
Average equity excludes negative allocation of corporate deficit and will therefore not add to 100%

Recent Results

... AND SHAREHOLDER "FRIENDLY" CAPITAL DEPLOYMENT

Active Capital Deployment

\$ Millions

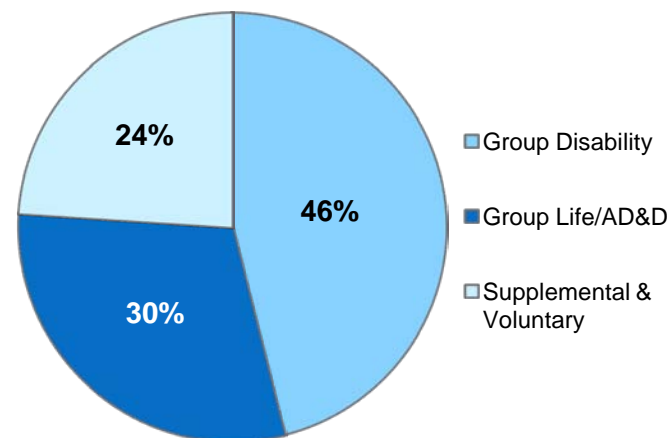


Business Overview

UNUM US

- Products – Financial protection products, including:
 - Long-term and Short-term Disability
 - Group Life and AD&D
 - Individual Disability and Voluntary Products
- Distribution – Broker-driven distribution backed by a network of field offices and extensive home office support
- Market Position
 - Top 3 market share position across all major product lines

Premium Distribution*



Unum US*

Earned Premium	\$4.5 billion
Before Tax Operating Income	\$859 million
Operating Return on Equity	13.6%

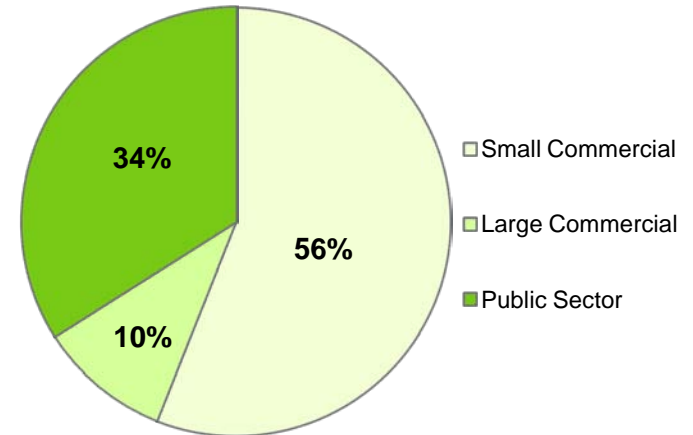
* Year ended 12/31/2013

Business Overview

COLONIAL LIFE

- Products – Exclusive focus on voluntary benefits market, including:
 - Accident, Sickness, & Disability
 - Life
 - Cancer & Critical Illness
- Distribution – Agency-driven distribution that is national in scope and backed by extensive home office support
- Market Position
 - A leading Voluntary Benefits provider
 - Serving more than 80,000 businesses and over 3 million policies in force

Premium Distribution*



	Colonial*
Earned Premium	\$1.2 billion
Before Tax Operating Income	\$285 million
Operating Return on Equity	16.5%

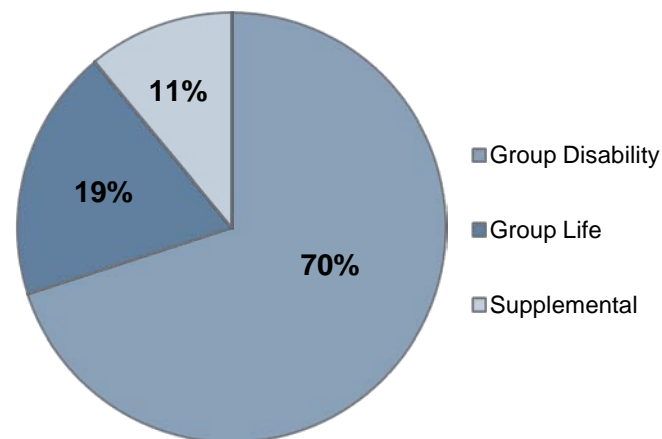
* Year ended 12/31/2013

Business Overview

UNUM UK

- Products – Specializing in employer-paid protection products, including:
 - Group Income Protection (GIP)
 - Group Life and Critical Illness
 - Sick Pay Insurance
- Distribution – Broker-driven distribution backed by extensive home office support
- Market Position
 - Market leader in Group Income Protection
 - A leading provider of Group Life

Premium Distribution*



Unum UK*

Earned Premium \$557 million

Before Tax Operating Income \$132 million

Operating Return on Equity 14.0%

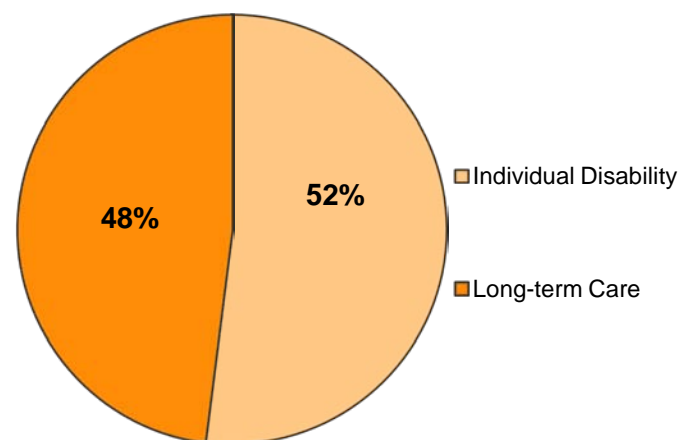
* Year ended 12/31/2013

Business Overview

CLOSED BLOCK

- Products – Legacy block of discontinued products, split primarily between:
 - Individual Disability
 - Long-term Care
- History
 - IDI sales discontinued in the mid-90s
 - ILTC sales discontinued in 2009
 - GLTC sales discontinued in 2011

Premium Distribution*



Closed Block*

Earned Premium	\$1.3 billion
Before Tax Operating Income	\$109 million
Operating Return on Equity	2.8%

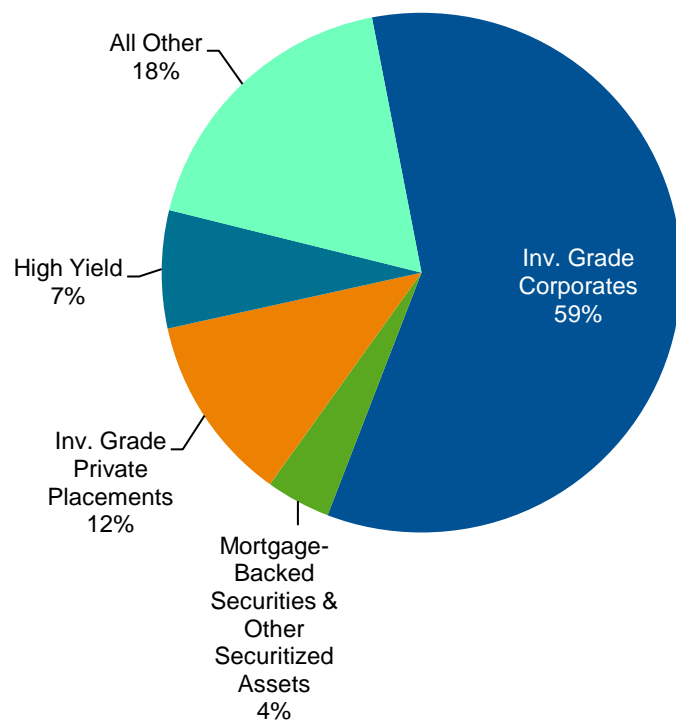
* Year ended 12/31/2013

Business Overview

INVESTMENTS AND INTEREST RATE MANAGEMENT

Invested Asset Distribution

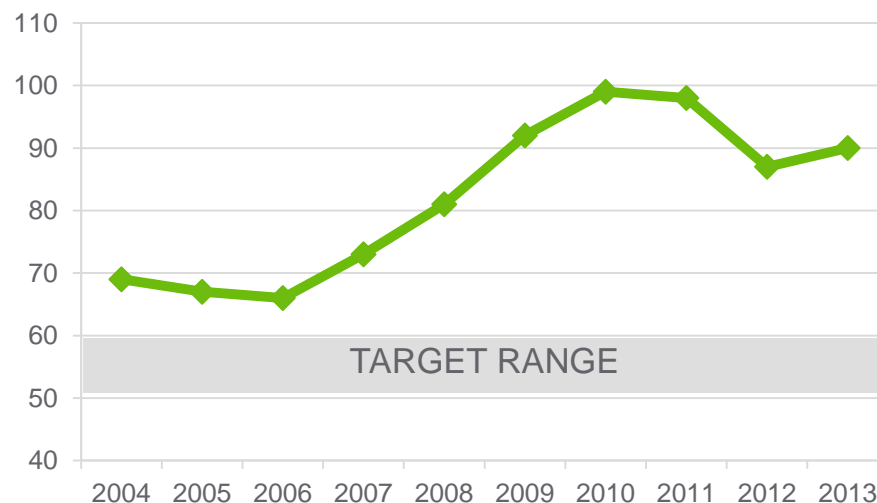
(Book Value - \$41.8B)



Investment grade corporate bonds remain our core holding.

Unum US LTD Interest Margin

(Basis Points)



* Interest margin is the spread between the portfolio yield and the aggregate discount rate

Outlook

FURTHER OPPORTUNITIES FOR GROWTH

INDIVIDUALS AND FAMILIES AT RISK

40%

LIVE PAYCHECK TO
PAYCHECK, WITH
ONE-THIRD CHANCE OF
BEING OUT OF WORK

LOW LEVELS OF INSURANCE PROTECTION

70%

LACK DISABILITY
PROTECTION

30%

LACK LIFE
INSURANCE

WORKPLACE ATTRACTIVE DISTRIBUTION CHANNEL

70%

OF EMPLOYERS SAY THEY
HAVE RESPONSIBILITY TO
HELP PROTECT EMPLOYEE
WELL-BEING

GOVERNMENT PRESSURES MOUNT

SUSTAINABILITY OF PUBLIC ASSISTANCE
PRESSURES GROWING – PRIVATE SECTOR
PART OF SOLUTION

Outlook

2014 BUSINESS SEGMENT OUTLOOK

	Sales Growth	Premium Growth	Operating Earnings Growth	Operating ROE
Unum US	7 – 10%	0 – 2%	1 – 3%	12 – 14%
Unum UK (£)	4 – 7%	0 – 2%	5 – 8%	16 – 18%
Colonial Life	4 – 7%	2 – 4%	1 – 3%	15 – 17%
Core Operations	5 – 9%	1 – 3%	2 – 4%	13 – 15%
Closed Block		(4 – 6%)	6 – 9%	2 – 4%
Total Operations*			3 – 6%	10 – 12%
Capital Management			3 – 5%	0 – 1%
Total			5 – 10%	11 – 12%

* Consolidated After-Tax Operating Earnings including Corporate Segment

Outlook

2014 CAPITAL OUTLOOK

Capital Management Criteria	2012 Actual	2013 Actual	2014 Projection
Risk-Based Capital Ratio for Traditional U.S. Insurance Companies	396%	405%	375% - 400%
Holding Companies' Cash and Marketable Securities (\$ millions)	\$805	\$514	>\$500

Closing Comments

- Good operating businesses with positive long-term trends
 - ...and a commitment to disciplined growth
- An intense focus on the management of our closed block
 - ...consistent with our history with these types of issues
- Solid financial foundation and predictable cash flow remain an asset
 - ...leading to significant financial flexibility
- We are confident we are taking the actions needed to continue to build value

Reconciliation of Non-GAAP Financial Measures

Reconciliation of Non-GAAP Financial Measures

	Year Ended December 31									
	2013	2012	2011	2010	2009	2008	2007*	2006*	2005*	2004*
	(per diluted common share)									
After-tax Operating Income	\$ 3.32	\$ 3.15	\$ 2.98	\$ 2.73	\$ 2.64	\$ 2.54	\$ 2.25	\$ 1.85	\$ 1.69	\$ 1.78
Net Realized Investment Gain (Loss), Net of Tax	0.02	0.13	(0.01)	0.05	-	(0.89)	(0.12)	0.01	(0.02)	0.06
Non-operating Retirement-related Loss, Net of Tax	(0.08)	(0.11)	(0.07)	(0.06)	(0.09)	(0.03)	(0.04)	(0.05)	(0.05)	(0.04)
Unclaimed Death Benefits Reserve Increase, Net of Tax	(0.24)	-	-	-	-	-	-	-	-	-
Group Life Waiver of Premium Benefit Reserve Reduction, Net of Tax	0.21	-	-	-	-	-	-	-	-	-
Deferred Acquisition Costs and Reserve Charges for Closed Block, Net of Tax	-	-	(2.04)	-	-	-	-	-	-	(2.37)
Regulatory Reassessment Charges, Net of Tax	-	-	-	-	-	-	(0.10)	(0.79)	(0.16)	(0.29)
Special Tax Items and Debt Extinguishment Costs	-	-	0.08	(0.03)	-	-	(0.10)	0.23	0.14	0.17
Other, Net of Tax	-	-	-	-	-	-	-	(0.04)	0.01	0.01
Income (Loss) from Continuing Operations	3.23	3.17	0.94	2.69	2.55	1.62	1.89	1.21	1.61	(0.68)
Income (Loss) from Discontinued Operations	-	-	-	-	-	-	0.02	0.02	0.03	(0.18)
Net Income (Loss)	\$ 3.23	\$ 3.17	\$ 0.94	\$ 2.69	\$ 2.55	\$ 1.62	\$ 1.91	\$ 1.23	\$ 1.64	\$ (0.86)

* Does not reflect the impact of ASU 2010-26.

	December 31									
	2013	2012	2011	2010	2009	2008	2007*	2006*	2005*	2004*
	(per share)									
Total Stockholders' Equity (Book Value)	\$ 33.30	\$ 31.87	\$ 27.91	\$ 26.80	\$ 24.25	\$ 17.94	\$ 22.28	\$ 22.53	\$ 24.66	\$ 24.36
Net Unrealized Gain (Loss) on Securities	0.52	3.23	2.11	1.31	1.16	(2.53)	0.99	1.56	3.49	4.41
Net Gain on Cash Flow Hedges	1.52	1.48	1.39	1.14	1.12	1.38	0.50	0.57	0.91	0.80
Subtotal	31.26	27.16	24.41	24.35	21.97	19.09	20.79	20.40	20.26	19.15
Foreign Currency Translation Adjustment	(0.18)	(0.26)	(0.41)	(0.34)	(0.23)	(0.52)	0.35	0.34	0.07	0.33
Subtotal	31.44	27.42	24.82	24.69	22.20	19.61	20.44	20.06	20.19	18.82
Unrecognized Pension and Postretirement Benefit Costs	(0.88)	(2.13)	(1.51)	(1.00)	(1.00)	(1.23)	(0.55)	(0.68)	(0.58)	(0.55)
Total Stockholders' Equity, Excluding Accumulated Other Comprehensive Income	\$ 32.32	\$ 29.55	\$ 26.33	\$ 25.69	\$ 23.20	\$ 20.84	\$ 20.99	\$ 20.74	\$ 20.77	\$ 19.37

* Does not reflect impact of ASU 2010-26.

Reconciliation of Non-GAAP Financial Measures

	After-tax Operating Income (Loss)	Average Allocated Equity	Operating Return on Equity
	(in millions)		
Year Ended December 31, 2013			
Unum US	\$ 563.1	\$ 4,141.8	13.6%
Unum UK	104.5	744.3	14.0%
Colonial Life	185.2	1,122.6	16.5%
Closed Block	71.3	2,580.4	2.8%
Corporate	(41.6)	(856.8)	
Total	<u>\$ 882.5</u>	<u>\$ 7,732.3</u>	11.4%

	Year Ended December 31 2013 (in millions)
After-tax Operating Income	\$ 882.5
Net Realized Investment Gain, Net of Tax	3.9
Non-operating Retirement-related Loss, Net of Tax	(21.4)
Unclaimed Death Benefits Reserve Increase, Net of Tax	(62.1)
Group Life Waiver of Premium Benefit Reserve Reduction, Net of Tax	55.2
Net Income	<u>\$ 858.1</u>

Reconciliation of Non-GAAP Financial Measures

	December 31	
	2013	2012
	(in millions)	
Total Stockholders' Equity, As Reported	\$ 8,659.1	\$ 8,612.6
Net Unrealized Gain on Securities	135.7	873.5
Net Gain on Cash Flow Hedges	396.3	401.6
Total Stockholders' Equity, As Adjusted	<u>\$ 8,127.1</u>	<u>\$ 7,337.5</u>
Average Equity, As Adjusted	\$ 7,732.3	
	Year Ended	
	December 31	
	2013	
	(in millions)	
Before-tax Operating Income (Loss)		
Unum US	\$ 859.0	
Unum UK	132.0	
Colonial Life	284.9	
Closed Block	109.4	
Corporate	(143.5)	
Total	<u>1,241.8</u>	
Net Realized Investment Gain	6.8	
Non-operating Retirement-related Loss	(32.9)	
Unclaimed Death Benefits Reserve Increase	(95.5)	
Group Life Waiver of Premium Benefit Reserve Reduction	85.0	
Income Tax	(347.1)	
Net Income	<u>\$ 858.1</u>	