



First Quarter 2007 Statistical Supplement

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Unum Group
Statistical Supplement First Quarter 2007

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(dollars in millions, except share data)
Interim Results are Unaudited

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Throughout this supplement, segment operating results exclude income taxes and realized investment gains and losses.

See "Notes to Statistical Supplement" on page 16 for a discussion of non-GAAP financial measures.

N.M. = not a meaningful percentage

Unum Group Financial Highlights

| | Three Months Ended | | Year Ended | | |
|--|--------------------|-------------------|--------------------|--------------------|--------------------|
| | 3/31/2007 | 3/31/2006 | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Financial Results | | | | | |
| Premium Income | \$ 1,944.0 | \$ 1,970.0 | \$ 7,948.2 | \$ 7,815.6 | \$ 7,839.6 |
| Segment Operating Revenue | \$ 2,604.3 | \$ 2,597.6 | \$ 10,533.1 | \$ 10,266.0 | \$ 10,258.6 |
| Net Realized Investment Gain (Loss) | (3.7) | 2.5 | 2.2 | (6.7) | 29.2 |
| Revenue | <u>\$ 2,600.6</u> | <u>\$ 2,600.1</u> | <u>\$ 10,535.3</u> | <u>\$ 10,259.3</u> | <u>\$ 10,287.8</u> |
| Income (Loss) from Continuing Operations | \$ 171.4 | \$ 71.4 | \$ 403.6 | \$ 504.0 | \$ (201.4) |
| Income (Loss) from Discontinued Operations, net of tax | 6.9 | 2.0 | 7.4 | 9.6 | (51.6) |
| Net Income (Loss) | <u>\$ 178.3</u> | <u>\$ 73.4</u> | <u>\$ 411.0</u> | <u>\$ 513.6</u> | <u>\$ (253.0)</u> |
| Assets | \$ 52,324.8 | \$ 50,471.3 | \$ 52,823.3 | \$ 51,866.8 | \$ 50,832.3 |
| Stockholders' Equity | \$ 7,376.6 | \$ 6,568.0 | \$ 7,718.8 | \$ 7,363.9 | \$ 7,224.1 |

2006

- First quarter results include a claim reassessment charge of \$86.0 million before tax, or \$55.9 million after tax, and full year 2006 results include claim reassessment charges of \$411.4 million before tax, or \$267.4 million after tax.
- First quarter 2006 results include costs related to early retirement of debt of \$5.3 million before tax, or \$3.4 million after tax, and full year 2006 results include \$25.8 million before tax, or \$16.9 million after tax.
- Full year 2006 results include broker compensation settlement expenses of \$18.5 million before tax, or \$12.7 million after tax.
- Full year 2006 results include income of \$2.6 million before tax, or \$3.9 million after tax, attributable to the receipt of interest and tax refunds on prior year tax items in excess of what was previously provided.
- Full year 2006 results include an income tax benefit of approximately \$91.9 million primarily as the result of group relief benefits obtained from the use of net operating losses in a foreign jurisdiction in which our businesses operate.

2005

- Full year 2005 results include a charge of \$75.0 million before tax, or \$51.6 million after tax, related to the settlement agreement with the California Department of Insurance and related matters.
- Full year 2005 results include a gain on the sale of the U.K. Netherlands branch of \$5.7 million before tax, or \$4.0 million after tax.
- Full year 2005 results include an income tax benefit of \$42.8 million related to the reduction of income tax liabilities.

2004

- Full year 2004 results include a charge of \$127.0 million before tax, or \$87.8 million after tax, related to the settlement of the multistate market conduct examination.
- Full year 2004 results include a charge of \$967.0 million before tax, or \$701.0 million after tax, related to the restructuring of the individual income protection - closed block business.

See "Notes to Statistical Supplement" on page 16 for additional information.

Unum Group Financial Highlights

| | Three Months Ended | | Year Ended | | |
|---|--------------------|------------------|-------------------|-------------------|-------------------|
| | <u>3/31/2007</u> | <u>3/31/2006</u> | <u>12/31/2006</u> | <u>12/31/2005</u> | <u>12/31/2004</u> |
| Per Common Share Information | | | | | |
| Assuming Dilution: | | | | | |
| Income (Loss) from Continuing Operations | \$ 0.49 | \$ 0.22 | \$ 1.21 | \$ 1.61 | \$ (0.68) |
| Income (Loss) from Discontinued Operations, net of tax | <u>0.02</u> | <u>0.01</u> | <u>0.02</u> | <u>0.03</u> | <u>(0.18)</u> |
| Net Income (Loss) | <u>\$ 0.51</u> | <u>\$ 0.23</u> | <u>\$ 1.23</u> | <u>\$ 1.64</u> | <u>\$ (0.86)</u> |
| Basic: | | | | | |
| Income (Loss) from Continuing Operations | \$ 0.50 | \$ 0.24 | \$ 1.25 | \$ 1.71 | \$ (0.68) |
| Income (Loss) from Discontinued Operations, net of tax | <u>0.02</u> | <u>0.01</u> | <u>0.02</u> | <u>0.03</u> | <u>(0.18)</u> |
| Net Income (Loss) | <u>\$ 0.52</u> | <u>\$ 0.25</u> | <u>\$ 1.27</u> | <u>\$ 1.74</u> | <u>\$ (0.86)</u> |
| Dividends Paid | \$ 0.075 | \$ 0.075 | \$ 0.300 | \$ 0.300 | \$ 0.300 |
| Book Value | \$ 21.52 | \$ 21.94 | \$ 22.53 | \$ 24.66 | \$ 24.36 |
| Price (UNM closing price on last trading day of period) | \$ 23.03 | \$ 20.48 | \$ 20.78 | \$ 22.75 | \$ 17.94 |

Unum Group Consolidated Statements of Operations

| | Three Months Ended | | Year Ended | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 3/31/2007 | 3/31/2006 | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Revenue | | | | | |
| Premium Income | \$ 1,944.0 | \$ 1,970.0 | \$ 7,948.2 | \$ 7,815.6 | \$ 7,839.6 |
| Net Investment Income | 589.5 | 563.8 | 2,320.6 | 2,188.3 | 2,158.7 |
| Net Realized Investment Gain (Loss) | (3.7) | 2.5 | 2.2 | (6.7) | 29.2 |
| Other Income | 70.8 | 63.8 | 264.3 | 262.1 | 260.3 |
| Total Revenue | <u>2,600.6</u> | <u>2,600.1</u> | <u>10,535.3</u> | <u>10,259.3</u> | <u>10,287.8</u> |
| Benefits and Expenses | | | | | |
| Benefits and Change in Reserves for Future Benefits | 1,729.3 | 1,867.5 | 7,577.2 | 7,083.2 | 7,248.4 |
| Commissions | 213.0 | 210.9 | 819.0 | 804.7 | 842.3 |
| Interest and Debt Expense - Non-recourse Debt | 2.0 | - | 1.3 | - | - |
| Interest and Debt Expense - All Other Debt | 43.9 | 53.1 | 190.5 | 208.0 | 207.1 |
| Cost Related to Early Retirement of Debt | 2.4 | 5.3 | 25.8 | - | - |
| Deferral of Acquisition Costs | (138.1) | (135.9) | (528.2) | (519.4) | (557.3) |
| Amortization of Deferred Acquisition Costs | 116.6 | 119.8 | 478.6 | 463.7 | 436.7 |
| Impairment of Intangible Assets | - | - | - | - | 856.4 |
| Other Expenses | 371.6 | 371.8 | 1,505.7 | 1,525.2 | 1,529.9 |
| Total Benefits and Expenses | <u>2,340.7</u> | <u>2,492.5</u> | <u>10,069.9</u> | <u>9,565.4</u> | <u>10,563.5</u> |
| Income (Loss) from Continuing Operations Before Income Taxes | 259.9 | 107.6 | 465.4 | 693.9 | (275.7) |
| Income Taxes (Benefit) | 88.5 | 36.2 | 61.8 | 189.9 | (74.3) |
| Income (Loss) from Continuing Operations | 171.4 | 71.4 | 403.6 | 504.0 | (201.4) |
| Income (Loss) from Discontinued Operations, net of tax | 6.9 | 2.0 | 7.4 | 9.6 | (51.6) |
| Net Income (Loss) | <u>\$ 178.3</u> | <u>\$ 73.4</u> | <u>\$ 411.0</u> | <u>\$ 513.6</u> | <u>\$ (253.0)</u> |
| Average Number of Shares Outstanding | | | | | |
| Basic | 341,207,999 | 296,560,376 | 324,654,923 | 295,776,405 | 295,224,305 |
| Dilutive Securities: | | | | | |
| Purchase Contracts | 3,787,038 | 20,349,227 | 8,153,001 | 14,297,834 | - |
| Options and Other Dilutive Securities | 1,385,222 | 2,727,230 | 1,553,820 | 2,438,404 | - |
| Assuming Dilution | <u>346,380,259</u> | <u>319,636,833</u> | <u>334,361,744</u> | <u>312,512,643</u> | <u>295,224,305</u> |
| Actual Number of Shares Outstanding | 342,802,960 | 299,417,651 | 342,627,521 | 298,557,764 | 296,545,913 |

Unum Group Sales Data

| | Three Months Ended | | | Year Ended | | |
|--|--------------------|-----------------|---------------|-------------------|-------------------|-------------------|
| | 3/31/2007 | 3/31/2006 | % Change | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Unum US Segment | | | | | | |
| Fully Insured Products | | | | | | |
| Group Long-term Income Protection | \$ 25.5 | \$ 43.1 | (40.8) % | \$ 208.5 | \$ 180.4 | \$ 180.4 |
| Group Short-term Income Protection | 15.2 | 12.0 | 26.7 | 74.1 | 74.8 | 79.5 |
| Group Life | 20.1 | 33.2 | (39.5) | 149.8 | 157.8 | 166.5 |
| Accidental Death & Dismemberment | 2.0 | 2.8 | (28.6) | 13.7 | 14.7 | 12.8 |
| Individual Income Protection - Recently Issued | 14.5 | 12.3 | 17.9 | 55.4 | 53.8 | 61.6 |
| Group Long-term Care | 6.1 | 3.9 | 56.4 | 25.1 | 21.1 | 18.7 |
| Individual Long-term Care | 2.1 | 2.7 | (22.2) | 11.0 | 13.0 | 19.5 |
| Voluntary Workplace Benefits | 49.4 | 54.7 | (9.7) | 134.2 | 130.2 | 114.1 |
| Total Fully Insured Products | 134.9 | 164.7 | (18.1) | 671.8 | 645.8 | 653.1 |
| Administrative Services Only (ASO) Products | | | | | | |
| Group Long-term Income Protection | - | - | - | 3.7 | 1.8 | 1.1 |
| Group Short-term Income Protection | 0.7 | 1.3 | (46.2) | 10.0 | 5.8 | 7.3 |
| Total ASO Products | 0.7 | 1.3 | (46.2) | 13.7 | 7.6 | 8.4 |
| Unum US Segment | 135.6 | 166.0 | (18.3) | 685.5 | 653.4 | 661.5 |
| Unum UK Segment | | | | | | |
| Group Long-term Income Protection | 16.3 | 7.2 | 126.4 | 79.1 | 91.2 | 103.3 |
| Group Life | 2.8 | 3.1 | (9.7) | 16.5 | 33.0 | 68.1 |
| Individual Income Protection | 1.7 | 1.4 | 21.4 | 5.5 | 8.1 | 11.1 |
| Unum UK Segment | 20.8 | 11.7 | 77.8 | 101.1 | 132.3 | 182.5 |
| Colonial Segment | | | | | | |
| Income Protection | 42.8 | 42.0 | 1.9 | 194.4 | 176.8 | 172.5 |
| Life | 14.3 | 14.3 | - | 66.6 | 60.6 | 58.6 |
| Cancer and Critical Illness | 10.5 | 10.9 | (3.7) | 54.1 | 49.0 | 47.4 |
| Colonial Segment | 67.6 | 67.2 | 0.6 | 315.1 | 286.4 | 278.5 |
| Individual Income Protection - Closed Block Segment | 0.9 | 1.4 | (35.7) | 4.4 | 6.5 | 7.8 |
| Total Sales from Continuing Operations | 224.9 | 246.3 | (8.7) | 1,106.1 | 1,078.6 | 1,130.3 |
| Sales from Discontinued Operations | - | - | - | - | - | 10.1 |
| Total Sales | \$ 224.9 | \$ 246.3 | (8.7) | \$ 1,106.1 | \$ 1,078.6 | \$ 1,140.4 |

Unum Group Consolidated Balance Sheets

| | March 31, 2007 | December 31, | |
|---|---------------------------|---------------------------|---------------------------|
| | | 2006 | 2005 |
| Assets | | | |
| Investments | | | |
| Fixed Maturity Securities | \$ 35,251.8 | \$ 35,001.5 | \$ 34,856.8 |
| Mortgage Loans | 1,006.2 | 944.0 | 739.4 |
| Real Estate | 17.9 | 17.9 | 18.2 |
| Policy Loans | 3,431.5 | 3,429.5 | 3,201.4 |
| Other Long-term Investments | 106.0 | 122.0 | 122.8 |
| Short-term Investments | 620.7 | 648.4 | 417.9 |
| Total Investments | <u>40,434.1</u> | <u>40,163.3</u> | <u>39,356.5</u> |
| Cash and Bank Deposits | 135.5 | 121.3 | 67.1 |
| Accounts and Premiums Receivable | 1,991.9 | 2,057.1 | 1,951.6 |
| Reinsurance Receivable | 5,558.1 | 5,512.2 | 5,609.2 |
| Accrued Investment Income | 660.0 | 646.8 | 618.7 |
| Deferred Acquisition Costs | 2,326.8 | 2,983.1 | 2,913.3 |
| Goodwill | 204.2 | 204.1 | 202.4 |
| Other Assets | 993.3 | 994.6 | 1,011.1 |
| Other Assets - Discontinued Operations | - | 112.3 | 107.3 |
| Separate Account Assets | 20.9 | 28.5 | 29.6 |
| Total Assets | <u><u>\$ 52,324.8</u></u> | <u><u>\$ 52,823.3</u></u> | <u><u>\$ 51,866.8</u></u> |
| Liabilities | | | |
| Policy and Contract Benefits | \$ 2,083.3 | \$ 2,220.4 | \$ 2,063.4 |
| Reserves for Future Policy and Contract Benefits | 36,040.3 | 35,689.4 | 34,041.5 |
| Unearned Premiums | 529.7 | 520.1 | 481.8 |
| Other Policyholders' Funds | 2,004.4 | 2,019.1 | 2,235.5 |
| Income Tax | 377.9 | 611.7 | 1,002.3 |
| Long-term Debt - Non-recourse | 120.0 | 130.0 | - |
| Long-term Debt - All Other | 2,379.7 | 2,529.6 | 3,261.6 |
| Other Liabilities | 1,392.0 | 1,326.7 | 1,360.3 |
| Other Liabilities - Discontinued Operations | - | 29.0 | 26.9 |
| Separate Account Liabilities | 20.9 | 28.5 | 29.6 |
| Total Liabilities | <u>44,948.2</u> | <u>45,104.5</u> | <u>44,502.9</u> |
| Stockholders' Equity | | | |
| Common Stock | 34.5 | 34.4 | 30.1 |
| Additional Paid-in Capital | 2,196.6 | 2,200.0 | 1,627.9 |
| Accumulated Other Comprehensive Income | 543.7 | 612.8 | 1,163.5 |
| Retained Earnings | 4,656.0 | 4,925.8 | 4,610.4 |
| Treasury Stock | (54.2) | (54.2) | (54.2) |
| Deferred Compensation | - | - | (13.8) |
| Total Stockholders' Equity | <u>7,376.6</u> | <u>7,718.8</u> | <u>7,363.9</u> |
| Total Liabilities and Stockholders' Equity | <u><u>\$ 52,324.8</u></u> | <u><u>\$ 52,823.3</u></u> | <u><u>\$ 51,866.8</u></u> |

Unum Group Deferred Acquisition Costs by Segment

| | <u>Unum US</u> | <u>Unum UK</u> | <u>Colonial</u> | <u>Other</u> | <u>Consolidated</u> |
|--------------------------------------|--------------------------|-----------------------|------------------------|--------------------|--------------------------|
| Balances at December 31, 2004 | \$ 2,196.2 | \$ 154.9 | \$ 530.9 | \$ 0.5 | \$ 2,882.5 |
| Capitalized | 311.9 | 34.1 | 173.4 | - | 519.4 |
| Amortized | (306.9) | (21.6) | (134.7) | (0.5) | (463.7) |
| Foreign Currency and Other | - | (24.9) | - | - | (24.9) |
| Balances at December 31, 2005 | <u>2,201.2</u> | <u>142.5</u> | <u>569.6</u> | <u>-</u> | <u>2,913.3</u> |
| Capitalized | 306.2 | 34.4 | 187.6 | - | 528.2 |
| Amortized | (302.2) | (32.0) | (144.4) | - | (478.6) |
| Foreign Currency and Other | - | 20.2 | - | - | 20.2 |
| Balances at December 31, 2006 | <u>2,205.2</u> | <u>165.1</u> | <u>612.8</u> | <u>-</u> | <u>2,983.1</u> |
| Capitalized | 76.5 | 9.3 | 52.3 | - | 138.1 |
| Amortized | (66.4) | (11.9) | (38.3) | - | (116.6) |
| Cumulative Effect of SOP 05-1 | (589.8) | (88.3) | - | - | (678.1) |
| Foreign Currency and Other | - | 0.3 | - | - | 0.3 |
| Balances at March 31, 2007 | <u><u>\$ 1,625.5</u></u> | <u><u>\$ 74.5</u></u> | <u><u>\$ 626.8</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,326.8</u></u> |

Unum Group Balance Sheets by Segment - March 31, 2007

| | Unum US | | | | Unum UK | Colonial | Individual Income Protection - Closed Block | Corporate and Other | Consolidated |
|---|-------------------------------|--|----------------------------------|--------------------|-------------------|-------------------|--|------------------------|--------------------|
| | Group Income Protection | Group Life and Accidental Death & Dismemberment | Supplemental and Voluntary | Total Unum US | | | | | |
| Assets | | | | | | | | | |
| Investments | \$ 10,009.5 | \$ 2,223.1 | \$ 5,266.8 | \$ 17,499.4 | \$ 3,270.4 | \$ 1,585.2 | \$ 12,071.8 | \$ 6,007.3 | \$ 40,434.1 |
| Deferred Acquisition Costs | 150.4 | 103.5 | 1,371.6 | 1,625.5 | 74.5 | 626.8 | - | - | 2,326.8 |
| Goodwill | 2.5 | - | 187.5 | 190.0 | 14.2 | - | - | - | 204.2 |
| All Other | 525.9 | 154.9 | 406.9 | 1,087.7 | 512.0 | 204.0 | 3,553.0 | 4,003.0 | 9,359.7 |
| Total Assets | \$ 10,688.3 | \$ 2,481.5 | \$ 7,232.8 | \$ 20,402.6 | \$ 3,871.1 | \$ 2,416.0 | \$ 15,624.8 | \$ 10,010.3 | \$ 52,324.8 |
| Liabilities | | | | | | | | | |
| Reserves and Policyholder Benefits | \$ 8,709.2 | \$ 1,547.5 | \$ 4,687.2 | \$ 14,943.9 | \$ 2,764.9 | \$ 1,403.9 | \$ 12,763.8 | \$ 8,781.2 | \$ 40,657.7 |
| Debt | - | - | - | - | - | - | - | 2,499.7 | 2,499.7 |
| All Other | 240.8 | 26.5 | 400.4 | 667.7 | 148.7 | 166.5 | 26.3 | 781.6 | 1,790.8 |
| Total Liabilities | 8,950.0 | 1,574.0 | 5,087.6 | 15,611.6 | 2,913.6 | 1,570.4 | 12,790.1 | 12,062.5 | 44,948.2 |
| Other Allocated Stockholders' Equity | 1,688.3 | 875.5 | 1,843.1 | 4,406.9 | 890.8 | 811.9 | 2,654.4 | (2,058.2) | 6,705.8 |
| Unrealized Gain on Securities | 50.0 | 32.0 | 302.1 | 384.1 | 66.7 | 33.7 | 180.3 | 6.0 | 670.8 |
| Total Allocated Stockholders' Equity | 1,738.3 | 907.5 | 2,145.2 | 4,791.0 | 957.5 | 845.6 | 2,834.7 | (2,052.2) | 7,376.6 |
| Total Liabilities and Allocated Stockholders' Equity | \$ 10,688.3 | \$ 2,481.5 | \$ 7,232.8 | \$ 20,402.6 | \$ 3,871.1 | \$ 2,416.0 | \$ 15,624.8 | \$ 10,010.3 | \$ 52,324.8 |

Allocated stockholders' equity is determined on the basis of an internal allocation formula that reflects the volume and risk components of the business and aligns with the Company's target capital levels for regulatory and rating agency purposes. This formula is modified periodically to recognize changes in the views of capital requirements.

Unum Group Balance Sheets by Segment - December 31, 2006

| | Unum US | | | | Unum UK | Colonial | Individual Income Protection - Closed Block | Corporate, Other, and Discontinued Operations | Consolidated |
|---|--|--|---|--------------------------|-------------------|-------------------|--|--|---------------------|
| | Group Income Protection | Group Life and Accidental Death & Dismemberment | Supplemental and Voluntary | Total Unum US | | | | | |
| Assets | | | | | | | | | |
| Investments | \$ 9,618.2 | \$ 2,272.1 | \$ 5,093.6 | \$ 16,983.9 | \$ 3,216.9 | \$ 1,524.8 | \$ 12,244.8 | \$ 6,192.9 | \$ 40,163.3 |
| Deferred Acquisition Costs | 571.9 | 273.1 | 1,360.2 | 2,205.2 | 165.1 | 612.8 | - | - | 2,983.1 |
| Goodwill | 2.5 | - | 187.5 | 190.0 | 14.1 | - | - | - | 204.1 |
| All Other | 968.4 | 104.6 | 448.7 | 1,521.7 | 508.1 | 217.4 | 3,364.7 | 3,860.9 | 9,472.8 |
| Total Assets | \$ 11,161.0 | \$ 2,649.8 | \$ 7,090.0 | \$ 20,900.8 | \$ 3,904.2 | \$ 2,355.0 | \$ 15,609.5 | \$ 10,053.8 | \$ 52,823.3 |
| Liabilities | | | | | | | | | |
| Reserves and Policyholder Benefits | \$ 8,756.5 | \$ 1,564.8 | \$ 4,548.5 | \$ 14,869.8 | \$ 2,750.9 | \$ 1,382.5 | \$ 12,684.3 | \$ 8,761.5 | \$ 40,449.0 |
| Debt | - | - | - | - | - | - | - | 2,659.6 | 2,659.6 |
| All Other | 365.3 | 82.3 | 398.4 | 846.0 | 179.5 | 147.5 | 26.2 | 796.7 | 1,995.9 |
| Total Liabilities | 9,121.8 | 1,647.1 | 4,946.9 | 15,715.8 | 2,930.4 | 1,530.0 | 12,710.5 | 12,217.8 | 45,104.5 |
| Other Allocated Stockholders' Equity | 2,012.3 | 973.6 | 1,834.5 | 4,820.4 | 899.6 | 791.5 | 2,640.0 | (2,161.7) | 6,989.8 |
| Unrealized Gain on Securities | 26.9 | 29.1 | 308.6 | 364.6 | 74.2 | 33.5 | 259.0 | (2.3) | 729.0 |
| Total Allocated Stockholders' Equity | 2,039.2 | 1,002.7 | 2,143.1 | 5,185.0 | 973.8 | 825.0 | 2,899.0 | (2,164.0) | 7,718.8 |
| Total Liabilities and Allocated Stockholders' Equity | \$ 11,161.0 | \$ 2,649.8 | \$ 7,090.0 | \$ 20,900.8 | \$ 3,904.2 | \$ 2,355.0 | \$ 15,609.5 | \$ 10,053.8 | \$ 52,823.3 |

Unum Group Financial Results by Segment

| | Three Months Ended | | | Year Ended | | |
|---|--------------------|----------------|----------|-----------------|-----------------|----------|
| | 3/31/2007 | 3/31/2006 | % Change | 12/31/2006 | 12/31/2005 | % Change |
| Premium Income | | | | | | |
| Unum US | \$ 1,244.9 | \$ 1,303.8 | (4.5) % | \$ 5,196.0 | \$ 5,229.0 | (0.6) % |
| Unum UK | 222.3 | 191.4 | 16.1 | 842.8 | 785.3 | 7.3 |
| Colonial | 223.4 | 202.6 | 10.3 | 842.1 | 787.0 | 7.0 |
| Individual Income Protection - Closed Block | 252.3 | 271.0 | (6.9) | 1,062.8 | 1,011.7 | 5.1 |
| Other | 1.1 | 1.2 | (8.3) | 4.5 | 2.6 | 73.1 |
| | <u>1,944.0</u> | <u>1,970.0</u> | (1.3) | <u>7,948.2</u> | <u>7,815.6</u> | 1.7 |
| Net Investment Income | | | | | | |
| Unum US | 276.9 | 257.7 | 7.5 | 1,063.1 | 998.2 | 6.5 |
| Unum UK | 45.8 | 38.0 | 20.5 | 174.6 | 154.2 | 13.2 |
| Colonial | 24.4 | 22.6 | 8.0 | 93.6 | 96.0 | (2.5) |
| Individual Income Protection - Closed Block | 204.6 | 202.2 | 1.2 | 828.7 | 770.0 | 7.6 |
| Other | 28.1 | 28.7 | (2.1) | 113.2 | 120.5 | (6.1) |
| Corporate | 9.7 | 14.6 | (33.6) | 47.4 | 49.4 | (4.0) |
| | <u>589.5</u> | <u>563.8</u> | 4.6 | <u>2,320.6</u> | <u>2,188.3</u> | 6.0 |
| Other Income | | | | | | |
| Unum US | 34.7 | 25.4 | 36.6 | 108.5 | 108.6 | (0.1) |
| Unum UK | 1.7 | 0.1 | N.M. | 0.1 | 6.1 | (98.4) |
| Colonial | 0.3 | 0.3 | - | 1.1 | 4.4 | (75.0) |
| Individual Income Protection - Closed Block | 25.3 | 26.3 | (3.8) | 105.1 | 95.2 | 10.4 |
| Other | 8.2 | 8.3 | (1.2) | 33.8 | 36.0 | (6.1) |
| Corporate | 0.6 | 3.4 | (82.4) | 15.7 | 11.8 | 33.1 |
| | <u>70.8</u> | <u>63.8</u> | 11.0 | <u>264.3</u> | <u>262.1</u> | 0.8 |
| Total Operating Revenue | | | | | | |
| Unum US | 1,556.5 | 1,586.9 | (1.9) | 6,367.6 | 6,335.8 | 0.5 |
| Unum UK | 269.8 | 229.5 | 17.6 | 1,017.5 | 945.6 | 7.6 |
| Colonial | 248.1 | 225.5 | 10.0 | 936.8 | 887.4 | 5.6 |
| Individual Income Protection - Closed Block | 482.2 | 499.5 | (3.5) | 1,996.6 | 1,876.9 | 6.4 |
| Other | 37.4 | 38.2 | (2.1) | 151.5 | 159.1 | (4.8) |
| Corporate | 10.3 | 18.0 | (42.8) | 63.1 | 61.2 | 3.1 |
| | <u>2,604.3</u> | <u>2,597.6</u> | 0.3 | <u>10,533.1</u> | <u>10,266.0</u> | 2.6 |

Unum Group Financial Results by Segment

| | Three Months Ended | | | Year Ended | | |
|---|--------------------|----------------|----------|-----------------|-----------------|----------|
| | 3/31/2007 | 3/31/2006 | % Change | 12/31/2006 | 12/31/2005 | % Change |
| Benefits and Expenses | | | | | | |
| Unum US | \$ 1,414.1 | \$ 1,558.4 | (9.3) % | \$ 6,271.9 | \$ 5,948.1 | 5.4 % |
| Unum UK | 194.7 | 175.1 | 11.2 | 759.7 | 757.9 | 0.2 |
| Colonial | 188.5 | 179.3 | 5.1 | 738.1 | 719.3 | 2.6 |
| Individual Income Protection - Closed Block | 459.7 | 484.8 | (5.2) | 1,925.3 | 1,797.0 | 7.1 |
| Other | 33.8 | 33.4 | 1.2 | 127.1 | 129.1 | (1.5) |
| Corporate | 49.9 | 61.5 | (18.9) | 247.8 | 214.0 | 15.8 |
| | <u>2,340.7</u> | <u>2,492.5</u> | (6.1) | <u>10,069.9</u> | <u>9,565.4</u> | 5.3 |
| Income (Loss) from Continuing Operations Before Income Taxes and Net Realized Investment Gain (Loss) | | | | | | |
| Unum US | 142.4 | 28.5 | N.M. | 95.7 | 387.7 | (75.3) |
| Unum UK | 75.1 | 54.4 | 38.1 | 257.8 | 187.7 | 37.3 |
| Colonial | 59.6 | 46.2 | 29.0 | 198.7 | 168.1 | 18.2 |
| Individual Income Protection - Closed Block | 22.5 | 14.7 | 53.1 | 71.3 | 79.9 | (10.8) |
| Other | 3.6 | 4.8 | (25.0) | 24.4 | 30.0 | (18.7) |
| Corporate | (39.6) | (43.5) | 9.0 | (184.7) | (152.8) | (20.9) |
| | <u>263.6</u> | <u>105.1</u> | 150.8 | <u>463.2</u> | <u>700.6</u> | (33.9) |
| Income Taxes | <u>89.0</u> | <u>35.2</u> | 152.8 | <u>61.1</u> | <u>192.3</u> | (68.2) |
| Income from Continuing Operations Before Net Realized Investment Gain (Loss) | 174.6 | 69.9 | 149.8 | 402.1 | 508.3 | (20.9) |
| Net Realized Investment Gain (Loss) | (3.7) | 2.5 | (248.0) | 2.2 | (6.7) | 132.8 |
| Tax Expense (Benefit) on Net Realized Investment Gain (Loss) | (0.5) | 1.0 | (150.0) | 0.7 | (2.4) | 129.2 |
| Income from Discontinued Operations, net of tax | <u>6.9</u> | <u>2.0</u> | 245.0 | <u>7.4</u> | <u>9.6</u> | (22.9) |
| Net Income | <u>\$ 178.3</u> | <u>\$ 73.4</u> | 142.9 | <u>\$ 411.0</u> | <u>\$ 513.6</u> | (20.0) |

Note: See "Notes to Statistical Supplement" on page 16 for additional information.

Unum Group Quarterly Historical Financial Results by Segment

| | <u>3/31/07</u> | <u>12/31/06</u> | <u>9/30/06</u> | <u>6/30/06</u> | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
|---|----------------|-----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| Premium Income | | | | | | | | | |
| Unum US | \$ 1,244.9 | \$ 1,302.0 | \$ 1,278.6 | \$ 1,311.6 | \$ 1,303.8 | \$ 1,309.0 | \$ 1,293.5 | \$ 1,317.3 | \$ 1,309.2 |
| Unum UK | 222.3 | 231.0 | 219.7 | 200.7 | 191.4 | 198.2 | 204.0 | 193.1 | 190.0 |
| Colonial | 223.4 | 217.2 | 212.8 | 209.5 | 202.6 | 200.5 | 197.4 | 195.6 | 193.5 |
| Individual Income Protection - Closed Block | 252.3 | 269.8 | 257.8 | 264.2 | 271.0 | 279.3 | 257.6 | 232.8 | 242.0 |
| Other | 1.1 | 2.0 | 0.1 | 1.2 | 1.2 | 1.4 | (0.3) | 1.2 | 0.3 |
| | <u>1,944.0</u> | <u>2,022.0</u> | <u>1,969.0</u> | <u>1,987.2</u> | <u>1,970.0</u> | <u>1,988.4</u> | <u>1,952.2</u> | <u>1,940.0</u> | <u>1,935.0</u> |
| Net Investment Income | | | | | | | | | |
| Unum US | 276.9 | 284.6 | 261.9 | 258.9 | 257.7 | 255.4 | 248.4 | 250.4 | 244.0 |
| Unum UK | 45.8 | 50.9 | 45.8 | 39.9 | 38.0 | 37.7 | 39.2 | 39.6 | 37.7 |
| Colonial | 24.4 | 24.0 | 23.6 | 23.4 | 22.6 | 24.3 | 23.4 | 23.3 | 25.0 |
| Individual Income Protection - Closed Block | 204.6 | 205.5 | 207.0 | 214.0 | 202.2 | 207.5 | 192.9 | 189.7 | 179.9 |
| Other | 28.1 | 28.1 | 28.0 | 28.4 | 28.7 | 29.1 | 29.5 | 32.8 | 29.1 |
| Corporate | 9.7 | 8.3 | 12.5 | 12.0 | 14.6 | 10.9 | 13.8 | 12.4 | 12.3 |
| | <u>589.5</u> | <u>601.4</u> | <u>578.8</u> | <u>576.6</u> | <u>563.8</u> | <u>564.9</u> | <u>547.2</u> | <u>548.2</u> | <u>528.0</u> |
| Other Income | | | | | | | | | |
| Unum US | 34.7 | 27.7 | 27.3 | 28.1 | 25.4 | 28.6 | 27.8 | 25.2 | 27.0 |
| Unum UK | 1.7 | 0.1 | - | (0.1) | 0.1 | - | 5.7 | (0.1) | 0.5 |
| Colonial | 0.3 | 0.2 | 0.2 | 0.4 | 0.3 | 0.9 | 1.3 | 1.0 | 1.2 |
| Individual Income Protection - Closed Block | 25.3 | 29.4 | 25.5 | 23.9 | 26.3 | 25.0 | 25.7 | 19.8 | 24.7 |
| Other | 8.2 | 8.8 | 8.3 | 8.4 | 8.3 | 10.6 | 8.1 | 8.0 | 9.3 |
| Corporate | 0.6 | 5.8 | 3.5 | 3.0 | 3.4 | (0.6) | 3.1 | 4.2 | 5.1 |
| | <u>70.8</u> | <u>72.0</u> | <u>64.8</u> | <u>63.7</u> | <u>63.8</u> | <u>64.5</u> | <u>71.7</u> | <u>58.1</u> | <u>67.8</u> |
| Total Operating Revenue | | | | | | | | | |
| Unum US | 1,556.5 | 1,614.3 | 1,567.8 | 1,598.6 | 1,586.9 | 1,593.0 | 1,569.7 | 1,592.9 | 1,580.2 |
| Unum UK | 269.8 | 282.0 | 265.5 | 240.5 | 229.5 | 235.9 | 248.9 | 232.6 | 228.2 |
| Colonial | 248.1 | 241.4 | 236.6 | 233.3 | 225.5 | 225.7 | 222.1 | 219.9 | 219.7 |
| Individual Income Protection - Closed Block | 482.2 | 504.7 | 490.3 | 502.1 | 499.5 | 511.8 | 476.2 | 442.3 | 446.6 |
| Other | 37.4 | 38.9 | 36.4 | 38.0 | 38.2 | 41.1 | 37.3 | 42.0 | 38.7 |
| Corporate | 10.3 | 14.1 | 16.0 | 15.0 | 18.0 | 10.3 | 16.9 | 16.6 | 17.4 |
| | <u>2,604.3</u> | <u>2,695.4</u> | <u>2,612.6</u> | <u>2,627.5</u> | <u>2,597.6</u> | <u>2,617.8</u> | <u>2,571.1</u> | <u>2,546.3</u> | <u>2,530.8</u> |

Unum Group Quarterly Historical Financial Results by Segment

| | <u>3/31/07</u> | <u>12/31/06</u> | <u>9/30/06</u> | <u>6/30/06</u> | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> | <u>6/30/05</u> | <u>3/31/05</u> |
|---|-----------------|-----------------|------------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|
| Benefits and Expenses | | | | | | | | | |
| Unum US | \$ 1,414.1 | \$ 1,478.4 | \$ 1,741.0 | \$ 1,494.1 | \$ 1,558.4 | \$ 1,489.1 | \$ 1,497.8 | \$ 1,481.5 | \$ 1,479.7 |
| Unum UK | 194.7 | 200.2 | 200.0 | 184.4 | 175.1 | 186.6 | 199.1 | 191.3 | 180.9 |
| Colonial | 188.5 | 190.9 | 184.5 | 183.4 | 179.3 | 187.0 | 180.1 | 176.3 | 175.9 |
| Individual Income Protection - Closed Block | 459.7 | 476.0 | 495.6 | 468.9 | 484.8 | 478.1 | 480.8 | 414.6 | 423.5 |
| Other | 33.8 | 32.5 | 28.6 | 32.6 | 33.4 | 36.4 | 28.6 | 31.5 | 32.6 |
| Corporate | 49.9 | 52.5 | 65.1 | 68.7 | 61.5 | 53.3 | 49.9 | 54.2 | 56.6 |
| | <u>2,340.7</u> | <u>2,430.5</u> | <u>2,714.8</u> | <u>2,432.1</u> | <u>2,492.5</u> | <u>2,430.5</u> | <u>2,436.3</u> | <u>2,349.4</u> | <u>2,349.2</u> |
| Income (Loss) from Continuing Operations Before Income Taxes and Net Realized Investment Gain (Loss) | | | | | | | | | |
| Unum US | 142.4 | 135.9 | (173.2) | 104.5 | 28.5 | 103.9 | 71.9 | 111.4 | 100.5 |
| Unum UK | 75.1 | 81.8 | 65.5 | 56.1 | 54.4 | 49.3 | 49.8 | 41.3 | 47.3 |
| Colonial | 59.6 | 50.5 | 52.1 | 49.9 | 46.2 | 38.7 | 42.0 | 43.6 | 43.8 |
| Individual Income Protection - Closed Block | 22.5 | 28.7 | (5.3) | 33.2 | 14.7 | 33.7 | (4.6) | 27.7 | 23.1 |
| Other | 3.6 | 6.4 | 7.8 | 5.4 | 4.8 | 4.7 | 8.7 | 10.5 | 6.1 |
| Corporate | (39.6) | (38.4) | (49.1) | (53.7) | (43.5) | (43.0) | (33.0) | (37.6) | (39.2) |
| | <u>263.6</u> | <u>264.9</u> | <u>(102.2)</u> | <u>195.4</u> | <u>105.1</u> | <u>187.3</u> | <u>134.8</u> | <u>196.9</u> | <u>181.6</u> |
| Income Taxes (Benefit) | <u>89.0</u> | <u>(8.8)</u> | <u>(33.8)</u> | <u>68.5</u> | <u>35.2</u> | <u>54.0</u> | <u>38.8</u> | <u>70.2</u> | <u>29.3</u> |
| Income (Loss) from Continuing Operations Before Net Realized Investment Gain (Loss) | 174.6 | 273.7 | (68.4) | 126.9 | 69.9 | 133.3 | 96.0 | 126.7 | 152.3 |
| Net Realized Investment Gain (Loss) | (3.7) | 0.7 | 4.8 | (5.8) | 2.5 | 2.4 | (71.4) | 65.5 | (3.2) |
| Tax Expense (Benefit) on Net Realized Investment Gain (Loss) | (0.5) | 0.2 | 1.7 | (2.2) | 1.0 | 0.9 | (25.1) | 22.9 | (1.1) |
| Income from Discontinued Operations, net of tax | <u>6.9</u> | <u>1.9</u> | <u>1.6</u> | <u>1.9</u> | <u>2.0</u> | <u>2.7</u> | <u>2.9</u> | <u>2.0</u> | <u>2.0</u> |
| Net Income (Loss) | <u>\$ 178.3</u> | <u>\$ 276.1</u> | <u>\$ (63.7)</u> | <u>\$ 125.2</u> | <u>\$ 73.4</u> | <u>\$ 137.5</u> | <u>\$ 52.6</u> | <u>\$ 171.3</u> | <u>\$ 152.2</u> |
| Per Common Share - Assuming Dilution | | | | | | | | | |
| Income (Loss) from Continuing Operations | \$ 0.49 | \$ 0.79 | \$ (0.19) | \$ 0.37 | \$ 0.22 | \$ 0.42 | \$ 0.16 | \$ 0.55 | \$ 0.49 |
| Income from Discontinued Operations, net of tax | <u>0.02</u> | <u>0.01</u> | <u>-</u> | <u>0.01</u> | <u>0.01</u> | <u>0.01</u> | <u>0.01</u> | <u>-</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ 0.51</u> | <u>\$ 0.80</u> | <u>\$ (0.19)</u> | <u>\$ 0.38</u> | <u>\$ 0.23</u> | <u>\$ 0.43</u> | <u>\$ 0.17</u> | <u>\$ 0.55</u> | <u>\$ 0.49</u> |

Note: See "Notes to Statistical Supplement" on page 16 for additional information.

Unum Group Financial Results for Unum US Segment

| | Three Months Ended | | Year Ended | | |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|
| | 3/31/2007 | 3/31/2006 | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Operating Revenue | | | | | |
| Premium Income | \$ 1,244.9 | \$ 1,303.8 | \$ 5,196.0 | \$ 5,229.0 | \$ 5,421.6 |
| Net Investment Income | 276.9 | 257.7 | 1,063.1 | 998.2 | 965.8 |
| Other Income | 34.7 | 25.4 | 108.5 | 108.6 | 89.8 |
| Total Operating Revenue | <u>1,556.5</u> | <u>1,586.9</u> | <u>6,367.6</u> | <u>6,335.8</u> | <u>6,477.2</u> |
| Benefits and Expenses | | | | | |
| Benefits and Change in Reserves for Future Benefits | 1,046.0 | 1,171.1 | 4,752.1 | 4,419.3 | 4,614.4 |
| Commissions | 129.5 | 134.4 | 505.2 | 501.6 | 538.3 |
| Deferral of Acquisition Costs | (76.5) | (81.6) | (306.2) | (311.9) | (346.0) |
| Amortization of Deferred Acquisition Costs | 66.4 | 79.0 | 302.2 | 306.9 | 286.3 |
| Other Expenses | 248.7 | 255.5 | 1,018.6 | 1,032.2 | 1,048.7 |
| Total Benefits and Expenses | <u>1,414.1</u> | <u>1,558.4</u> | <u>6,271.9</u> | <u>5,948.1</u> | <u>6,141.7</u> |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses | <u>\$ 142.4</u> | <u>\$ 28.5</u> | <u>\$ 95.7</u> | <u>\$ 387.7</u> | <u>\$ 335.5</u> |
| Operating Ratios | | | | | |
| Benefit Ratio | 84.0 % | 89.8 % | 91.5 % | 84.5 % | 85.1 % |
| Other Expense Ratio | 20.0 % | 19.6 % | 19.6 % | 19.7 % | 19.3 % |
| Before-tax Profit Margin | 11.4 % | 2.2 % | 1.8 % | 7.4 % | 6.2 % |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Reported | \$ 142.4 | \$ 28.5 | \$ 95.7 | \$ 387.7 | \$ 335.5 |
| Settlement Agreements Claim Reassessment - Reserve Charge | - | (72.8) | (349.2) | (29.6) | (80.8) |
| Settlement Agreements Claim Reassessment - Other Expense Charge | - | - | (15.0) | (11.1) | (37.6) |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted | <u>\$ 142.4</u> | <u>\$ 101.3</u> | <u>\$ 459.9</u> | <u>\$ 428.4</u> | <u>\$ 453.9</u> |
| Operating Ratios, as Adjusted | | | | | |
| Benefit Ratio | 84.0 % | 84.2 % | 84.7 % | 83.9 % | 83.6 % |
| Other Expense Ratio | 20.0 % | 19.6 % | 19.3 % | 19.5 % | 18.6 % |
| Before-tax Profit Margin | 11.4 % | 7.8 % | 8.9 % | 8.2 % | 8.4 % |

See "Notes to Statistical Supplement" on page 16 for additional information.

Unum Group Financial Results for Unum US Group Income Protection

| | Three Months Ended | | Year Ended | | |
|---|--------------------|------------------|-------------------|-------------------|-------------------|
| | <u>3/31/2007</u> | <u>3/31/2006</u> | <u>12/31/2006</u> | <u>12/31/2005</u> | <u>12/31/2004</u> |
| Operating Revenue | | | | | |
| Premium Income | | | | | |
| Group Long-term Income Protection | \$ 471.4 | \$ 485.3 | \$ 1,953.3 | \$ 1,961.6 | \$ 2,028.6 |
| Group Short-term Income Protection | 118.7 | 134.5 | 530.2 | 566.3 | 616.1 |
| Total Premium Income | <u>590.1</u> | <u>619.8</u> | <u>2,483.5</u> | <u>2,527.9</u> | <u>2,644.7</u> |
| Net Investment Income | 155.3 | 153.3 | 621.9 | 605.7 | 595.8 |
| Other Income | <u>24.7</u> | <u>19.5</u> | <u>82.3</u> | <u>80.3</u> | <u>69.6</u> |
| Total Operating Revenue | <u>770.1</u> | <u>792.6</u> | <u>3,187.7</u> | <u>3,213.9</u> | <u>3,310.1</u> |
| Benefits and Expenses | | | | | |
| Benefits and Change in Reserves for Future Benefits | 551.1 | 664.4 | 2,702.5 | 2,397.7 | 2,533.1 |
| Commissions | 45.4 | 46.6 | 175.8 | 175.1 | 199.0 |
| Deferral of Acquisition Costs | (15.5) | (17.8) | (64.5) | (64.6) | (77.1) |
| Amortization of Deferred Acquisition Costs | 16.6 | 22.0 | 86.4 | 92.2 | 93.5 |
| Other Expenses | <u>143.8</u> | <u>149.0</u> | <u>588.6</u> | <u>582.5</u> | <u>619.6</u> |
| Total Benefits and Expenses | <u>741.4</u> | <u>864.2</u> | <u>3,488.8</u> | <u>3,182.9</u> | <u>3,368.1</u> |
| Operating Income (Loss) Before Income Taxes and Net Realized Investment Gains and Losses | <u>\$ 28.7</u> | <u>\$ (71.6)</u> | <u>\$ (301.1)</u> | <u>\$ 31.0</u> | <u>\$ (58.0)</u> |
| Operating Ratios | | | | | |
| Benefit Ratio | 93.4 % | 107.2 % | 108.8 % | 94.8 % | 95.8 % |
| Other Expense Ratio | 24.4 % | 24.0 % | 23.7 % | 23.0 % | 23.4 % |
| Before-tax Profit (Loss) Margin | 4.9 % | (11.6)% | (12.1)% | 1.2 % | (2.2)% |
| Premium Persistency: | | | | | |
| Group Long-term Income Protection | 84.6 % | 86.6 % | 87.8 % | 84.8 % | 84.8 % |
| Group Short-term Income Protection | 75.1 % | 81.9 % | 85.6 % | 79.6 % | 80.6 % |
| Case Persistency: | | | | | |
| Group Long-term Income Protection | 87.6 % | 87.5 % | 87.4 % | 87.2 % | 86.3 % |
| Group Short-term Income Protection | 85.8 % | 85.7 % | 86.2 % | 85.6 % | 84.3 % |

Unum Group Financial Results for Unum US Group Income Protection - Continued

| | Three Months Ended | | Year Ended | | |
|--|--------------------|------------------|-------------------|-------------------|-------------------|
| | <u>3/31/2007</u> | <u>3/31/2006</u> | <u>12/31/2006</u> | <u>12/31/2005</u> | <u>12/31/2004</u> |
| Operating Income (Loss) Before Income Taxes and Net Realized Investment Gains and Losses, as Reported | \$ 28.7 | \$ (71.6) | \$ (301.1) | \$ 31.0 | \$ (58.0) |
| Settlement Agreements Claim Reassessment - Reserve Charge | - | (72.8) | (349.2) | (27.3) | (80.2) |
| Settlement Agreements Claim Reassessment - Other Expense Charge | - | - | (15.0) | (10.1) | (36.5) |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted | <u>\$ 28.7</u> | <u>\$ 1.2</u> | <u>\$ 63.1</u> | <u>\$ 68.4</u> | <u>\$ 58.7</u> |
| Operating Ratios, as Adjusted | | | | | |
| Benefit Ratio | 93.4 % | 95.5 % | 94.8 % | 93.8 % | 92.7 % |
| Other Expense Ratio | 24.4 % | 24.0 % | 23.1 % | 22.6 % | 22.0 % |
| Before-tax Profit Margin | 4.9 % | 0.2 % | 2.5 % | 2.7 % | 2.2 % |

See "Notes to Statistical Supplement" on page 16 for additional information.

Unum Group Financial Results for Unum US Group Life and Accidental Death and Dismemberment

| | Three Months Ended | | Year Ended | | |
|--|--------------------|----------------|-----------------|-----------------|-----------------|
| | 3/31/2007 | 3/31/2006 | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Operating Revenue | | | | | |
| Premium Income | | | | | |
| Group Life | \$ 280.8 | \$ 320.1 | \$ 1,248.1 | \$ 1,306.8 | \$ 1,441.0 |
| Accidental Death & Dismemberment | 32.4 | 38.7 | 151.6 | 156.4 | 182.4 |
| Total Premium Income | 313.2 | 358.8 | 1,399.7 | 1,463.2 | 1,623.4 |
| Net Investment Income | 34.4 | 35.1 | 141.3 | 151.9 | 147.9 |
| Other Income (Loss) | 0.6 | - | - | 2.0 | (0.6) |
| Total Operating Revenue | 348.2 | 393.9 | 1,541.0 | 1,617.1 | 1,770.7 |
| Benefits and Expenses | | | | | |
| Benefits and Change in Reserves for Future Benefits | 235.4 | 274.8 | 1,067.3 | 1,111.9 | 1,244.3 |
| Commissions | 22.6 | 23.0 | 90.1 | 97.8 | 106.2 |
| Deferral of Acquisition Costs | (9.1) | (9.8) | (37.7) | (42.7) | (47.0) |
| Amortization of Deferred Acquisition Costs | 9.3 | 16.4 | 65.0 | 73.0 | 67.0 |
| Other Expenses | 40.6 | 45.6 | 178.3 | 188.3 | 186.8 |
| Total Benefits and Expenses | 298.8 | 350.0 | 1,363.0 | 1,428.3 | 1,557.3 |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses | \$ 49.4 | \$ 43.9 | \$ 178.0 | \$ 188.8 | \$ 213.4 |
| Operating Ratios | | | | | |
| Benefit Ratio | 75.2 % | 76.6 % | 76.3 % | 76.0 % | 76.6 % |
| Other Expense Ratio | 13.0 % | 12.7 % | 12.7 % | 12.9 % | 11.5 % |
| Before-tax Profit Margin | 15.8 % | 12.2 % | 12.7 % | 12.9 % | 13.1 % |
| Premium Persistency: | | | | | |
| Group Life | 78.1 % | 79.1 % | 81.2 % | 78.3 % | 84.0 % |
| Accidental Death & Dismemberment | 78.7 % | 80.3 % | 82.8 % | 76.9 % | 80.3 % |
| Case Persistency: | | | | | |
| Group Life | 85.7 % | 86.4 % | 86.9 % | 86.3 % | 84.7 % |
| Accidental Death & Dismemberment | 86.5 % | 86.8 % | 87.0 % | 86.4 % | 84.8 % |

Unum Group Financial Results for Unum US Supplemental and Voluntary

| | Three Months Ended | | Year Ended | | |
|--|--------------------|----------------|-----------------|-----------------|-----------------|
| | 3/31/2007 | 3/31/2006 | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Operating Revenue | | | | | |
| Premium Income | | | | | |
| Individual Income Protection - Recently Issued | \$ 113.7 | \$ 110.2 | \$ 438.5 | \$ 425.1 | \$ 415.6 |
| Long-term Care | 128.7 | 120.6 | 492.4 | 473.2 | 444.5 |
| Voluntary Workplace Benefits | 99.2 | 94.4 | 381.9 | 339.6 | 293.4 |
| Total Premium Income | <u>341.6</u> | <u>325.2</u> | <u>1,312.8</u> | <u>1,237.9</u> | <u>1,153.5</u> |
| Net Investment Income | 87.2 | 69.3 | 299.9 | 240.6 | 222.1 |
| Other Income | 9.4 | 5.9 | 26.2 | 26.3 | 20.8 |
| Total Operating Revenue | <u>438.2</u> | <u>400.4</u> | <u>1,638.9</u> | <u>1,504.8</u> | <u>1,396.4</u> |
| Benefits and Expenses | | | | | |
| Benefits and Change in Reserves for Future Benefits | 259.5 | 231.9 | 982.3 | 909.7 | 837.0 |
| Commissions | 61.5 | 64.8 | 239.3 | 228.7 | 233.1 |
| Deferral of Acquisition Costs | (51.9) | (54.0) | (204.0) | (204.6) | (221.9) |
| Amortization of Deferred Acquisition Costs | 40.5 | 40.6 | 150.8 | 141.7 | 125.8 |
| Other Expenses | 64.3 | 60.9 | 251.7 | 261.4 | 242.3 |
| Total Benefits and Expenses | <u>373.9</u> | <u>344.2</u> | <u>1,420.1</u> | <u>1,336.9</u> | <u>1,216.3</u> |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses | <u>\$ 64.3</u> | <u>\$ 56.2</u> | <u>\$ 218.8</u> | <u>\$ 167.9</u> | <u>\$ 180.1</u> |
| Operating Ratios | | | | | |
| Benefit Ratios | | | | | |
| Individual Income Protection - Recently Issued | 57.2 % | 55.6 % | 58.0 % | 57.5 % | 57.7 % |
| Long-term Care | 104.7 % | 93.0 % | 99.2 % | 93.0 % | 88.8 % |
| Voluntary Workplace Benefits | 60.3 % | 61.9 % | 62.7 % | 66.3 % | 69.0 % |
| Other Expense Ratio | 18.8 % | 18.7 % | 19.2 % | 21.1 % | 21.0 % |
| Before-tax Profit Margin | 18.8 % | 17.3 % | 16.7 % | 13.6 % | 15.6 % |
| Interest Adjusted Loss Ratios | | | | | |
| Individual Income Protection - Recently Issued | 42.1 % | 41.8 % | 43.5 % | 44.4 % | 46.1 % |
| Long-term Care | 76.6 % | 68.6 % | 73.1 % | 70.9 % | 70.8 % |

Unum Group Financial Results for Unum US Supplemental and Voluntary - Continued

| | Three Months Ended | | Year Ended | | |
|---|-----------------------|-----------------------|------------------------|------------------------|------------------------|
| | <u>3/31/2007</u> | <u>3/31/2006</u> | <u>12/31/2006</u> | <u>12/31/2005</u> | <u>12/31/2004</u> |
| Premium Persistency: | | | | | |
| Individual Income Protection - Recently Issued | 90.8 % | 89.0 % | 90.5 % | 89.6 % | 90.7 % |
| Long-term Care | 95.0 % | 95.5 % | 95.3 % | 95.8 % | 95.5 % |
| Voluntary Workplace Benefits | 78.9 % | 81.4 % | 80.9 % | 81.1 % | 81.0 % |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Reported | \$ 64.3 | \$ 56.2 | \$ 218.8 | \$ 167.9 | \$ 180.1 |
| Settlement Agreements Claim Reassessment - Reserve Charge | - | - | - | (2.3) | (0.6) |
| Settlement Agreements Claim Reassessment - Other Expense Charge | - | - | - | (1.0) | (1.1) |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted | <u>\$ 64.3</u> | <u>\$ 56.2</u> | <u>\$ 218.8</u> | <u>\$ 171.2</u> | <u>\$ 181.8</u> |
| Operating Ratios, as Adjusted | | | | | |
| Benefit Ratios | | | | | |
| Individual Income Protection - Recently Issued | 57.2 % | 55.6 % | 58.0 % | 57.0 % | 57.6 % |
| Long-term Care | 104.7 % | 93.0 % | 99.2 % | 93.0 % | 88.8 % |
| Voluntary Workplace Benefits | 60.3 % | 61.9 % | 62.7 % | 66.3 % | 69.0 % |
| Other Expense Ratio | 18.8 % | 18.7 % | 19.2 % | 21.0 % | 20.9 % |
| Before-tax Profit Margin | 18.8 % | 17.3 % | 16.7 % | 13.8 % | 15.8 % |
| Interest Adjusted Loss Ratios, as Adjusted | | | | | |
| Individual Income Protection - Recently Issued | 42.1 % | 41.8 % | 43.5 % | 43.8 % | 46.0 % |
| Long-term Care | 76.6 % | 68.6 % | 73.1 % | 70.9 % | 70.8 % |

See "Notes to Statistical Supplement" on page 16 for additional information.

Unum Group Financial Results for Unum UK Segment

| | Three Months Ended | | Year Ended | | |
|---|--------------------|----------------|-----------------|-----------------|-----------------|
| | 3/31/2007 | 3/31/2006 | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Operating Revenue | | | | | |
| Premium Income | | | | | |
| Group Long-term Income Protection | \$ 174.6 | \$ 147.3 | \$ 638.9 | \$ 582.9 | \$ 501.8 |
| Group Life | 38.7 | 36.7 | 171.0 | 164.1 | 117.9 |
| Individual Income Protection | 9.0 | 7.4 | 32.9 | 38.3 | 39.4 |
| Total Premium Income | 222.3 | 191.4 | 842.8 | 785.3 | 659.1 |
| Net Investment Income | 45.8 | 38.0 | 174.6 | 154.2 | 139.6 |
| Other Income | 1.7 | 0.1 | 0.1 | 6.1 | 3.1 |
| Total Operating Revenue | <u>269.8</u> | <u>229.5</u> | <u>1,017.5</u> | <u>945.6</u> | <u>801.8</u> |
| Benefits and Expenses | | | | | |
| Benefits and Change in Reserves for Future Benefits | 135.8 | 129.1 | 553.5 | 545.8 | 464.5 |
| Commissions | 15.4 | 11.9 | 49.7 | 56.4 | 48.9 |
| Deferral of Acquisition Costs | (9.3) | (8.2) | (34.4) | (34.1) | (37.7) |
| Amortization of Deferred Acquisition Costs | 11.9 | 5.3 | 32.0 | 21.6 | 19.2 |
| Other Expenses | 40.9 | 37.0 | 158.9 | 168.2 | 155.6 |
| Total Benefits and Expenses | <u>194.7</u> | <u>175.1</u> | <u>759.7</u> | <u>757.9</u> | <u>650.5</u> |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses | <u>\$ 75.1</u> | <u>\$ 54.4</u> | <u>\$ 257.8</u> | <u>\$ 187.7</u> | <u>\$ 151.3</u> |
| Operating Ratios | | | | | |
| Benefit Ratio | 61.1 % | 67.5 % | 65.7 % | 69.5 % | 70.5 % |
| Other Expense Ratio | 18.4 % | 19.3 % | 18.9 % | 21.4 % | 23.6 % |
| Before-tax Profit Margin | 33.8 % | 28.4 % | 30.6 % | 23.9 % | 23.0 % |
| Premium Persistency: | | | | | |
| Group Long-term Income Protection | 89.6 % | 91.2 % | 90.4 % | 94.2 % | 92.1 % |
| Group Life | 72.6 % | 82.0 % | 69.1 % | 86.3 % | 83.0 % |
| Individual Income Protection | 90.1 % | 86.6 % | 88.2 % | 88.4 % | 86.7 % |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Reported | <u>\$ 75.1</u> | <u>\$ 54.4</u> | <u>\$ 257.8</u> | <u>\$ 187.7</u> | <u>\$ 151.3</u> |
| Gain on Sale of Netherlands Branch | - | - | - | 5.7 | - |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted | <u>\$ 75.1</u> | <u>\$ 54.4</u> | <u>\$ 257.8</u> | <u>\$ 182.0</u> | <u>\$ 151.3</u> |
| Operating Ratio, as Adjusted | | | | | |
| Before-tax Profit Margin | 33.8 % | 28.4 % | 30.6 % | 23.2 % | 23.0 % |

See "Notes to Statistical Supplement" on page 16 for additional information.

Unum Group Financial Results for Colonial Segment

| | Three Months Ended | | Year Ended | | |
|--|--------------------|------------------|-------------------|-------------------|-------------------|
| | <u>3/31/2007</u> | <u>3/31/2006</u> | <u>12/31/2006</u> | <u>12/31/2005</u> | <u>12/31/2004</u> |
| Operating Revenue | | | | | |
| Premium Income | | | | | |
| Income Protection | \$ 139.7 | \$ 129.8 | \$ 533.3 | \$ 508.9 | \$ 486.2 |
| Life | 35.6 | 30.0 | 130.5 | 114.0 | 106.9 |
| Cancer and Critical Illness | 48.1 | 42.8 | 178.3 | 164.1 | 147.9 |
| Total Premium Income | <u>223.4</u> | <u>202.6</u> | <u>842.1</u> | <u>787.0</u> | <u>741.0</u> |
| Net Investment Income | 24.4 | 22.6 | 93.6 | 96.0 | 94.5 |
| Other Income | 0.3 | 0.3 | 1.1 | 4.4 | 2.3 |
| Total Operating Revenue | <u>248.1</u> | <u>225.5</u> | <u>936.8</u> | <u>887.4</u> | <u>837.8</u> |
| Benefits and Expenses | | | | | |
| Benefits and Change in Reserves for Future Benefits | 110.0 | 105.5 | 441.4 | 433.2 | 408.3 |
| Commissions | 49.4 | 43.7 | 184.9 | 170.7 | 173.9 |
| Deferral of Acquisition Costs | (52.3) | (46.1) | (187.6) | (173.4) | (173.7) |
| Amortization of Deferred Acquisition Costs | 38.3 | 35.5 | 144.4 | 134.7 | 131.2 |
| Other Expenses | <u>43.1</u> | <u>40.7</u> | <u>155.0</u> | <u>154.1</u> | <u>142.5</u> |
| Total Benefits and Expenses | <u>188.5</u> | <u>179.3</u> | <u>738.1</u> | <u>719.3</u> | <u>682.2</u> |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses | | | | | |
| | <u>\$ 59.6</u> | <u>\$ 46.2</u> | <u>\$ 198.7</u> | <u>\$ 168.1</u> | <u>\$ 155.6</u> |
| Operating Ratios | | | | | |
| Benefit Ratio | 49.2 % | 52.1 % | 52.4 % | 55.0 % | 55.1 % |
| Other Expense Ratio | 19.3 % | 20.1 % | 18.4 % | 19.6 % | 19.2 % |
| Before-tax Profit Margin | 26.7 % | 22.8 % | 23.6 % | 21.4 % | 21.0 % |
| Premium Persistency: | | | | | |
| Income Protection | 75.6 % | 74.4 % | 74.9 % | 75.3 % | 75.6 % |
| Life | 83.2 % | 84.2 % | 84.2 % | 84.1 % | 84.1 % |
| Cancer and Critical Illness | 83.6 % | 82.0 % | 82.3 % | 83.2 % | 82.6 % |

Unum Group Financial Results for Individual Income Protection - Closed Block Segment

| | Three Months Ended | | Year Ended | | |
|--|--------------------|----------------|-----------------|-----------------|-------------------|
| | 3/31/2007 | 3/31/2006 | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Operating Revenue | | | | | |
| Premium Income | \$ 252.3 | \$ 271.0 | \$ 1,062.8 | \$ 1,011.7 | \$ 986.6 |
| Net Investment Income | 204.6 | 202.2 | 828.7 | 770.0 | 799.1 |
| Other Income | 25.3 | 26.3 | 105.1 | 95.2 | 100.3 |
| Total Operating Revenue | <u>482.2</u> | <u>499.5</u> | <u>1,996.6</u> | <u>1,876.9</u> | <u>1,886.0</u> |
| Benefits and Expenses | | | | | |
| Benefits and Change in Reserves for Future Benefits | 405.9 | 430.4 | 1,709.7 | 1,562.7 | 1,618.9 |
| Commissions | 18.0 | 20.5 | 76.2 | 74.9 | 76.3 |
| Impairment of Intangible Assets | - | - | - | - | 856.4 |
| Other Expenses | 35.8 | 33.9 | 139.4 | 159.4 | 157.2 |
| Total Benefits and Expenses | <u>459.7</u> | <u>484.8</u> | <u>1,925.3</u> | <u>1,797.0</u> | <u>2,708.8</u> |
| Operating Income (Loss) Before Income Taxes and Net Realized Investment Gains and Losses | <u>\$ 22.5</u> | <u>\$ 14.7</u> | <u>\$ 71.3</u> | <u>\$ 79.9</u> | <u>\$ (822.8)</u> |
| Operating Ratios | | | | | |
| Interest Adjusted Loss Ratio | 93.9 % | 96.5 % | 97.3 % | 89.3 % | 93.4 % |
| Premium Persistency | 94.5 % | 94.3 % | 94.4 % | 94.5 % | 94.5 % |
| Operating Income (Loss) Before Income Taxes and Net Realized Investment Gains and Losses, as Reported | \$ 22.5 | \$ 14.7 | \$ 71.3 | \$ 79.9 | \$ (822.8) |
| Settlement Agreements Claim Reassessment - Reserve Charge | - | (13.2) | (47.2) | (23.1) | (3.7) |
| Settlement Agreements Claim Reassessment - Other Expense Charge | - | - | - | (11.2) | (4.9) |
| Individual Income Protection - Closed Block Restructuring - Reserve Charge | - | - | - | - | (110.6) |
| Individual Income Protection - Closed Block Restructuring - Intangible Asset Impairment Charge | - | - | - | - | (856.4) |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted | <u>\$ 22.5</u> | <u>\$ 27.9</u> | <u>\$ 118.5</u> | <u>\$ 114.2</u> | <u>\$ 152.8</u> |
| Interest Adjusted Loss Ratio, as Adjusted | 93.9 % | 91.6 % | 92.9 % | 87.3 % | 87.5 % |

See "Notes to Statistical Supplement" on page 16 for additional information.

Unum Group Financial Results for Other Segment

| | Three Months Ended | | Year Ended | | |
|--|--------------------|---------------|----------------|----------------|----------------|
| | 3/31/2007 | 3/31/2006 | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Operating Revenue | | | | | |
| Premium Income | \$ 1.1 | \$ 1.2 | \$ 4.5 | \$ 2.6 | \$ 31.3 |
| Net Investment Income | 28.1 | 28.7 | 113.2 | 120.5 | 127.3 |
| Other Income | 8.2 | 8.3 | 33.8 | 36.0 | 31.2 |
| Total Operating Revenue | <u>37.4</u> | <u>38.2</u> | <u>151.5</u> | <u>159.1</u> | <u>189.8</u> |
| Benefits and Expenses | | | | | |
| Benefits and Change in Reserves for Future Benefits | 31.6 | 31.4 | 120.5 | 122.2 | 142.3 |
| Commissions | 0.7 | 0.4 | 3.0 | 1.1 | 4.9 |
| Deferral of Acquisition Costs | - | - | - | - | 0.1 |
| Amortization of Deferred Acquisition Costs | - | - | - | 0.5 | - |
| Other Expenses | 1.5 | 1.6 | 3.6 | 5.3 | 13.3 |
| Total Benefits and Expenses | <u>33.8</u> | <u>33.4</u> | <u>127.1</u> | <u>129.1</u> | <u>160.6</u> |
| Operating Income Before Income Taxes and Net Realized Investment Gains and Losses | <u>\$ 3.6</u> | <u>\$ 4.8</u> | <u>\$ 24.4</u> | <u>\$ 30.0</u> | <u>\$ 29.2</u> |

Unum Group Financial Results for Corporate Segment

| | Three Months Ended | | Year Ended | | |
|---|--------------------|------------------|-------------------|-------------------|-------------------|
| | 3/31/2007 | 3/31/2006 | 12/31/2006 | 12/31/2005 | 12/31/2004 |
| Operating Revenue | | | | | |
| Net Investment Income | \$ 9.7 | \$ 14.6 | \$ 47.4 | \$ 49.4 | \$ 32.4 |
| Other Income | 0.6 | 3.4 | 15.7 | 11.8 | 33.6 |
| Total Operating Revenue | <u>10.3</u> | <u>18.0</u> | <u>63.1</u> | <u>61.2</u> | <u>66.0</u> |
| Benefits and Expenses | | | | | |
| Interest and Debt Expense - Non-recourse Debt | 2.0 | - | 1.3 | - | - |
| Interest and Debt Expense - All Other Debt | 43.9 | 53.1 | 190.5 | 208.0 | 207.1 |
| Cost Related to Early Retirement of Debt | 2.4 | 5.3 | 25.8 | - | - |
| Unallocated Expenses | 1.6 | 3.1 | 30.2 | 6.0 | 12.6 |
| Total Benefits and Expenses | <u>49.9</u> | <u>61.5</u> | <u>247.8</u> | <u>214.0</u> | <u>219.7</u> |
| Operating Loss Before Income Taxes and Net Realized Investment Gains and Losses | <u>\$ (39.6)</u> | <u>\$ (43.5)</u> | <u>\$ (184.7)</u> | <u>\$ (152.8)</u> | <u>\$ (153.7)</u> |
| Operating Loss Before Income Taxes and Net Realized Investment Gains and Losses, as Reported | \$ (39.6) | \$ (43.5) | \$ (184.7) | \$ (152.8) | \$ (153.7) |
| Broker Compensation Settlement | - | - | (18.5) | - | - |
| Interest on Federal Income Tax Refund | - | - | 2.6 | - | - |
| Cost Related to Early Retirement of Debt | - | (5.3) | (25.8) | - | - |
| Operating Loss Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted | <u>\$ (39.6)</u> | <u>\$ (38.2)</u> | <u>\$ (143.0)</u> | <u>\$ (152.8)</u> | <u>\$ (153.7)</u> |

See "Notes to Statistical Supplement" on page 16 for additional information.

Unum Group Reserves

March 31, 2007

| | Policy Reserves | | Gross Claim Reserves | | | Total | Total Reinsurance Ceded | Total Net |
|--|--------------------|----------------|----------------------|-------------------|----------------|--------------------|-------------------------|--------------------|
| | | % | Incurring | IBNR | % | | | |
| | | | | | | | | |
| Group Income Protection | \$ - | - % | \$ 7,615.4 | \$ 706.5 | 34.2 % | \$ 8,321.9 | \$ 100.2 | \$ 8,221.7 |
| Group Life and Accidental Death & Dismemberment | 62.8 | 0.5 | 736.3 | 194.0 | 3.8 | 993.1 | 3.1 | 990.0 |
| Individual Income Protection - Recently Issued | 439.4 | 3.4 | 746.1 | 70.9 | 3.4 | 1,256.4 | 77.3 | 1,179.1 |
| Long-term Care | 2,168.3 | 16.9 | 203.8 | 31.7 | 1.0 | 2,403.8 | 54.8 | 2,349.0 |
| Voluntary Workplace Benefits | 802.9 | 6.3 | 18.8 | 38.2 | 0.2 | 859.9 | 13.9 | 846.0 |
| Unum US Segment | <u>3,473.4</u> | <u>27.1</u> | <u>9,320.4</u> | <u>1,041.3</u> | <u>42.6</u> | <u>13,835.1</u> | <u>249.3</u> | <u>13,585.8</u> |
| Unum UK Segment | 30.4 | 0.2 | 2,276.2 | 287.8 | 10.5 | 2,594.4 | 135.2 | 2,459.2 |
| Colonial Segment | 1,038.1 | 8.1 | 234.4 | 103.3 | 1.4 | 1,375.8 | 35.4 | 1,340.4 |
| Individual Income Protection - Closed Block Segment | 1,754.8 | 13.7 | 9,820.9 | 433.1 | 42.1 | 12,008.8 | 1,517.9 | 10,490.9 |
| Other Segment | <u>6,524.5</u> | <u>50.9</u> | <u>544.6</u> | <u>284.0</u> | <u>3.4</u> | <u>7,353.1</u> | <u>5,756.2</u> | <u>1,596.9</u> |
| Subtotal, Excluding Unrealized Adjustment | <u>\$ 12,821.2</u> | <u>100.0 %</u> | <u>\$ 22,196.5</u> | <u>\$ 2,149.5</u> | <u>100.0 %</u> | <u>\$ 37,167.2</u> | <u>\$ 7,694.0</u> | <u>29,473.2</u> |
| Unrealized Adjustment to Reserves for Unrealized Investment Gains | | | | | | | | <u>956.4</u> |
| Consolidated | | | | | | | | <u>\$ 30,429.6</u> |

The decrease in the Unum US segment and Individual Income Protection - Closed Block segment IBNR from December 31, 2006 is due to the release of reserves to cover costs for the multistate market conduct examination settlement agreements and the California settlement agreement and related matters and a slight decline in insured lives in the group income protection, group life, and accidental death and dismemberment lines of business.

The increase in Unum US Policy and Claim Reserves Incurred from December 31, 2006 is due to growth in the disabled life reserves in the Unum US group income protection line of business and growth in the active life reserves for the Unum US long-term care and individual income protection - recently issued lines of business.

Unum Group Reserves

December 31, 2006

| | Policy Reserves | | Gross Claim Reserves | | | Total | Total Reinsurance Ceded | Total Net |
|--|--------------------|----------------|----------------------|-------------------|----------------|--------------------|-------------------------|--------------------|
| | | % | Incurred | IBNR | % | | | |
| | | | | | | | | |
| Group Income Protection | \$ - | - % | \$ 7,563.0 | \$ 790.3 | 34.3 % | \$ 8,353.3 | \$ 101.5 | \$ 8,251.8 |
| Group Life and Accidental Death & Dismemberment | 63.1 | 0.5 | 736.5 | 202.2 | 3.9 | 1,001.8 | 2.7 | 999.1 |
| Individual Income Protection - Recently Issued | 431.8 | 3.4 | 718.9 | 71.5 | 3.3 | 1,222.2 | 76.7 | 1,145.5 |
| Long-term Care | 2,067.2 | 16.4 | 195.0 | 31.6 | 0.9 | 2,293.8 | 57.1 | 2,236.7 |
| Voluntary Workplace Benefits | 787.9 | 6.2 | 22.3 | 36.3 | 0.2 | 846.5 | 13.3 | 833.2 |
| Unum US Segment | <u>3,350.0</u> | <u>26.5</u> | <u>9,235.7</u> | <u>1,131.9</u> | <u>42.6</u> | <u>13,717.6</u> | <u>251.3</u> | <u>13,466.3</u> |
| Unum UK Segment | 28.9 | 0.2 | 2,252.8 | 286.4 | 10.4 | 2,568.1 | 142.4 | 2,425.7 |
| Colonial Segment | 1,021.3 | 8.1 | 234.5 | 100.8 | 1.4 | 1,356.6 | 36.7 | 1,319.9 |
| Individual Income Protection - Closed Block Segment | 1,777.8 | 14.1 | 9,794.9 | 443.9 | 42.1 | 12,016.6 | 1,498.7 | 10,517.9 |
| Other Segment | <u>6,444.3</u> | <u>51.1</u> | <u>561.4</u> | <u>282.1</u> | <u>3.5</u> | <u>7,287.8</u> | <u>5,686.4</u> | <u>1,601.4</u> |
| Subtotal, Excluding Unrealized Adjustment | <u>\$ 12,622.3</u> | <u>100.0 %</u> | <u>\$ 22,079.3</u> | <u>\$ 2,245.1</u> | <u>100.0 %</u> | <u>\$ 36,946.7</u> | <u>\$ 7,615.5</u> | 29,331.2 |
| Unrealized Adjustment to Reserves for Unrealized Investment Gains | | | | | | | | <u>963.1</u> |
| Consolidated | | | | | | | | <u>\$ 30,294.3</u> |

Unum Group Investment Fact Sheet at March 31, 2007

| Bonds (Fair Value) | 3/31/2007 | | Selected Statistics | 3/31/07 | 12/31/06 |
|----------------------------|------------------|---------|----------------------------|----------------|-----------------|
| Public | \$ 21,336.7 | 61.3 % | Portfolio Yield (2) | 6.72 % | 6.73 % |
| Mortgage-backed Securities | 4,253.1 | 12.2 | Average Duration | 8.74 | 8.83 |
| Private Placements | 3,894.1 | 11.2 | Average Credit Quality | A | A |
| High Yield | 2,103.1 | 6.0 | | | |
| Government Securities | 3,272.9 | 9.4 | | | |
| Municipal Securities | 46.3 | 0.1 | | | |
| Derivatives Hedging | | | | | |
| Available-for-Sale | (66.3) | (0.2) | | | |
| Total (1) | \$ 34,839.9 | 100.0 % | | | |

| Quality Ratings of Bonds | Book Value | Fair Value | Schedule BA and Non-Current | | |
|---------------------------------|-------------------|-------------------|------------------------------------|----------|----------|
| Aaa | 23.7 % | 23.4 % | Total Non-Current Investments | \$ 14.9 | \$ 12.5 |
| Aa | 8.0 | 7.8 | Total Schedule BA Assets | \$ 103.9 | \$ 108.4 |
| A | 25.2 | 25.4 | | | |
| Baa | 36.9 | 37.4 | | | |
| Below Baa | 6.2 | 6.0 | | | |
| Total | 100.0 % | 100.0 % | | | |

(1) Excludes DIG Issue B36 embedded derivatives, which at March 31, 2007 had a fair value of \$(14.9) million.

(2) Bond equivalent yield is a book value and duration weighted average of the yield on the fixed income securities in the portfolio.

Unum Group Investment Fact Sheet at March 31, 2007

Fixed Maturity Bonds - By Industry Classification - Unrealized Gain/Loss

| Classification | Fair Value (1) | Net Unrealized Gain (Loss) | Fair Value of Bonds with Gross Unrealized Loss | Gross Unrealized Loss | Fair Value of Bonds with Gross Unrealized Gain | Gross Unrealized Gain |
|--|---------------------------|---|---|--------------------------------------|---|--------------------------------------|
| Basic Industry | \$ 2,335.0 | \$ 92.8 | \$ 792.3 | \$ 26.6 | \$ 1,542.7 | \$ 119.4 |
| Canadian | 268.1 | 55.7 | - | - | 268.1 | 55.7 |
| Capital Goods | 2,636.1 | 164.5 | 749.2 | 27.4 | 1,886.9 | 191.9 |
| Communications | 2,500.1 | 142.2 | 841.6 | 43.0 | 1,658.5 | 185.2 |
| Consumer Cyclical | 1,456.5 | 37.4 | 562.6 | 29.6 | 893.9 | 67.0 |
| Consumer Non-Cyclical | 4,082.6 | 114.8 | 1,691.7 | 71.6 | 2,390.9 | 186.4 |
| Derivatives Hedging Available- for-Sale | (66.3) | (68.3) | (165.6) | 165.6 | 99.3 | 97.3 |
| Energy (Oil & Gas) | 2,267.1 | 226.1 | 328.4 | 13.1 | 1,938.7 | 239.2 |
| Financial Institutions | 3,642.9 | (0.6) | 2,454.6 | 84.0 | 1,188.3 | 83.4 |
| Mortgage/Asset-Backed | 4,253.1 | 223.9 | 754.1 | 9.9 | 3,499.0 | 233.8 |
| Sovereigns | 885.0 | 29.3 | 614.8 | 19.7 | 270.2 | 49.0 |
| Technology | 510.0 | 20.6 | 164.0 | 6.8 | 346.0 | 27.4 |
| Transportation | 970.9 | 80.6 | 201.5 | 5.4 | 769.4 | 86.0 |
| U.S. Government Agencies and Municipalities | 2,476.0 | 42.8 | 1,374.4 | 73.8 | 1,101.6 | 116.6 |
| Utilities | 6,622.8 | 312.8 | 2,383.0 | 87.2 | 4,239.8 | 400.0 |
| Total | \$ 34,839.9 | \$ 1,474.6 | \$ 12,746.6 | \$ 663.7 | \$ 22,093.3 | \$ 2,138.3 |

Gross Unrealized Loss on Fixed Maturity Bonds By Length of Time in Unrealized Loss Position

| Category | Investment-Grade | | Below-Investment-Grade | |
|----------------------|-------------------------|--------------------------------------|-------------------------------|--------------------------------------|
| | Fair Value | Gross Unrealized Loss | Fair Value | Gross Unrealized Loss |
| Less than 91 days | \$ 1,311.0 | \$ 10.1 | \$ 81.8 | \$ 1.7 |
| 91 through 180 days | 1,398.7 | 21.8 | 37.8 | 1.1 |
| 181 through 270 days | 267.8 | 4.9 | - | - |
| 271 days to 1 year | 565.1 | 12.4 | 44.9 | 1.0 |
| Greater than 1 year | 8,555.3 | 566.3 | 484.2 | 44.4 |
| Total | \$ 12,097.9 | \$ 615.5 | \$ 648.7 | \$ 48.2 |

(1) Excludes DIG Issue B36 embedded derivatives, which at March 31, 2007 had a fair value of \$(14.9) million.

Unum Group Statutory Capital and Surplus

| | As of March 31, 2007 | | | As of December 31, 2006 |
|-----------------------------|------------------------|---------|------------------------------|------------------------------|
| | Capital and Surplus | AVR | Capital and Surplus + AVR | Capital and Surplus + AVR |
| Provident Life and Accident | \$ 1,112.1 | \$ 70.6 | \$ 1,182.7 | \$ 1,189.8 |
| Unum Life of America | 1,608.1 | 109.3 | 1,717.4 | 1,682.4 |
| Paul Revere Life (1) | 1,044.4 | 39.2 | 1,083.6 | 1,070.5 |
| Colonial Life & Accident | 370.8 | 13.3 | 384.1 | 382.8 |
| Provident Life and Casualty | 103.8 | 2.1 | 105.9 | 102.2 |
| First Unum Life | 185.8 | 6.6 | 192.4 | 188.8 |
| Paul Revere Variable (1) | 110.7 | 1.0 | 111.7 | 110.4 |

(1) Capital and Surplus of Paul Revere Variable is included in Paul Revere Life

Unum Group Statutory Operating Results

| | Three Months Ended March 31 | | | | | | | | | | | |
|-----------------------------|------------------------------------|------------------------------------|---------------------------|----------------|---|-----------------|----------------|------------------------------------|---------------------------|----------------|--|--|
| | Net Gain from Operations After Tax | | | | Net Realized Investment Gains (Losses) After Tax and Transfers to IMR | | | Net Income (Loss) | | | | |
| | 2007 | | 2006 | | | | 2007 | | 2006 | | | |
| | Total | Before Infrequent or Unusual Items | Claim Reassessment Charge | Total | 2007 | 2006 | Total | Before Infrequent or Unusual Items | Claim Reassessment Charge | Total | | |
| Provident Life and Accident | \$ 28.8 | \$ 22.5 | \$ (2.1) | \$ 20.4 | \$ (3.2) | \$ (1.2) | \$ 25.6 | \$ 21.3 | \$ (2.1) | \$ 19.2 | | |
| Unum Life of America | 57.3 | 65.2 | (60.3) | 4.9 | (48.8) | (5.2) | 8.5 | 60.0 | (60.3) | (0.3) | | |
| Paul Revere Life | 25.8 | 25.0 | (3.2) | 21.8 | 2.5 | 4.5 | 28.3 | 29.5 | (3.2) | 26.3 | | |
| Colonial Life & Accident | 20.4 | 17.6 | - | 17.6 | (0.1) | 0.7 | 20.3 | 18.3 | - | 18.3 | | |
| Provident Life and Casualty | 4.0 | 3.1 | - | 3.1 | - | (1.1) | 4.0 | 2.0 | - | 2.0 | | |
| First Unum Life | 5.3 | 4.8 | (2.1) | 2.7 | (0.2) | (0.4) | 5.1 | 4.4 | (2.1) | 2.3 | | |
| Paul Revere Variable | 1.8 | 2.0 | - | 2.0 | - | - | 1.8 | 2.0 | - | 2.0 | | |
| Total | <u>\$ 143.4</u> | <u>\$ 140.2</u> | <u>\$ (67.7)</u> | <u>\$ 72.5</u> | <u>\$ (49.8)</u> | <u>\$ (2.7)</u> | <u>\$ 93.6</u> | <u>\$ 137.5</u> | <u>\$ (67.7)</u> | <u>\$ 69.8</u> | | |

Note: Statutory results are reported in conformity with statutory accounting principles as prescribed by the National Association of Insurance Commissioners and adopted by the applicable state laws.

Unum Life Insurance Company of America - Statutory Basis
Group Accident and Health Statutory Claim Reserves and Liabilities, Net of Ceded
On Claims Incurred Prior to January 1

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|------------------|------------------|------------------|------------------|
| Reserve Balance from Prior Year End | \$6,686.6 | \$5,192.8 | \$5,146.1 | \$4,983.5 |
| Reserves Ceded Each January 1 for Prior Year Incurrals | - | - | (453.4) | (429.0) |
| Reinsurance Recapture | - | 891.4 | - | - |
| Other Adjustments to Beginning Balance (see Schedule H) | 20.3 | 15.9 | (5.7) | 17.6 |
| Reserve Balance January 1 (a) | <u>6,706.9</u> | <u>6,100.1</u> | <u>4,687.0</u> | <u>4,572.1</u> |
| Paid on Prior Year Claims | (437.4) | (395.9) | (356.0) | (362.4) |
| Interest Earned on Reserves | 108.3 | 102.1 | 78.7 | 77.7 |
| Incurred on Prior Year Claims | 8.7 | 45.6 | 49.8 | (16.2) |
| Reserve Charges Incurred for Settlement Agreements | - | 68.4 | - | - |
| Reserve Balance March 31 | <u>\$6,386.5</u> | <u>\$5,920.3</u> | <u>\$4,459.5</u> | <u>\$4,271.2</u> |
| Reserve Balance March 31 | | \$5,920.3 | \$4,459.5 | \$4,271.2 |
| Paid on Prior Year Claims | | (348.3) | (298.7) | (291.5) |
| Interest Earned on Reserves | | 99.3 | 74.6 | 73.3 |
| Incurred on Prior Year Claims | | 51.4 | 1.0 | (24.0) |
| Reserve Balance June 30 | | <u>\$5,722.7</u> | <u>\$4,236.4</u> | <u>\$4,029.0</u> |
| Reserve Balance June 30 | | \$5,722.7 | \$4,236.4 | \$4,029.0 |
| Paid on Prior Year Claims | | (350.6) | (261.5) | (260.7) |
| Interest Earned on Reserves | | 97.6 | 71.5 | 69.4 |
| Incurred on Prior Year Claims | | (11.9) | (17.1) | (32.7) |
| Reserve Charges Incurred for Settlement Agreements | | 246.0 | 13.7 | - |
| Reserve Balance September 30 | | <u>\$5,703.8</u> | <u>\$4,043.0</u> | <u>\$3,805.0</u> |
| Reserve Balance September 30 | | \$5,703.8 | \$4,043.0 | \$3,805.0 |
| Paid on Prior Year Claims | | (314.5) | (229.8) | (223.2) |
| Interest Earned on Reserves | | 94.5 | 68.9 | 68.9 |
| Incurred on Prior Year Claims | | 2.7 | 0.3 | (31.3) |
| Reserve Charges Incurred for Settlement Agreements | | - | - | 71.1 |
| Reserve Balance December 31 on Prior Year Claims | | <u>5,486.5</u> | <u>3,882.4</u> | <u>3,690.5</u> |
| Reserve Balance December 31 on Current Year Claims | | <u>1,200.1</u> | <u>1,310.4</u> | <u>1,455.6</u> |
| Reserve Balance December 31 on Total Claims Incurred (b) | | <u>\$6,686.6</u> | <u>\$5,192.8</u> | <u>\$5,146.1</u> |

(a) balances to Schedule H Part 3 Line 3.2 Column 2

(b) balances to Schedule H Part 2 Line C.1 Column 2

**Reconciliation to Unum Life Insurance Company of America - Statutory Basis
Schedule H Part 3 for Group Accident and Health**

| | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|--|-----------------|-----------------|-----------------|
| Paid on Prior Year Existing Claims - Full Year <i>(balances to Schedule H Part 3 Line 1.1 Column 2)</i> | \$1,409.2 | \$1,146.0 | \$1,137.8 |
| Incurred on Prior Year Claims - Full Year | \$ 402.1 | \$ 47.7 | \$ (33.1) |
| Interest Earned on Reserves - Full Year | <u>393.5</u> | <u>293.7</u> | <u>289.3</u> |
| Incurred on Prior Year Claims - Full Year, Excluding Interest Earned <i>(balances to Schedule H Part 3 Line 3.3 Column 2)</i> | <u>\$ 795.6</u> | <u>\$ 341.4</u> | <u>\$ 256.2</u> |

Note: Group A&H for Unum Life Insurance Company of America includes group long- and short-term income protection, group accidental death & dismemberment, and group voluntary income protection, cancer, and critical illness products reported in our Unum US segment as well as the reinsurance pools reported in our Other segment.

Notes to Statistical Supplement

Non-GAAP Financial Measures

We analyze our Company's performance using non-GAAP financial measures which exclude certain items and the related tax thereon from net income (loss). We believe operating income or loss excluding realized investment gains and losses, which are recurring, is a better performance measure and a better indicator of the profitability and underlying trends in our business. Realized investment gains and losses are dependent on market conditions and general economic events and are not necessarily related to decisions regarding our Company's underlying business. We also believe that the exclusion of certain other items specified and presented in the reconciliations on the segment financial results pages throughout this supplement enhances the understanding and comparability of our Company's performance and the underlying fundamentals in our operations, but this exclusion is not an indication that similar items may not recur.

2007 Significant Transactions and Events

Disposition

During the first quarter of 2007, we closed the sale of our wholly-owned subsidiary GENEX Services, Inc. (GENEX). Financial results for GENEX are reported as discontinued operations. The after-tax gain recognized on the sale was \$6.2 million.

Financing

The scheduled remarketing of the senior note element of the adjustable conversion-rate equity security units (units) issued in May 2004 occurred in February 2007, as stipulated by the terms of the original offering, and we issued \$300.0 million of 5.859% senior notes due May 15, 2009. We participated in the remarketing of the units and purchased \$150.0 million of the senior notes which were subsequently retired. The associated write-off of deferred debt costs decreased first quarter 2007 income by \$2.4 million before tax, or \$1.6 million after tax.

Accounting Principle Changes

Effective January 1, 2007, we adopted Statement of Position 05-1 (SOP 05-1), *Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications or Exchanges of Insurance Contracts*. SOP 05-1 provides guidance on accounting by insurance enterprises for deferred acquisition costs on internal replacements of insurance and investment contracts other than those specifically described in Statement of Financial Accounting Standards No. 97, *Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses from the Sale of Investments*. The cumulative effect of applying the provisions of SOP 05-1 decreased our 2007 opening balance of retained earnings \$445.2 million.

Effective January 1, 2007, we adopted FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, an interpretation of Statement of Financial Accounting Standards No. 109 (SFAS 109). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS 109. Additionally, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The cumulative effect of applying the provisions of FIN 48 increased our 2007 opening balance of retained earnings \$22.7 million.

2006 Significant Transactions and Events

Revised Claim Reassessment Reserve Estimate

Each quarter we review our emerging experience to ensure that the reserves we established for our claim reassessment process are appropriate. This claim reassessment process was implemented as a result of the settlement agreements we entered into with state insurance regulators in the fourth quarter of 2004 and the settlement agreement we entered into with the California Department of Insurance (DOI) in the third quarter of 2005. The fourth quarter of 2004 agreements were entered into on conclusion of a multistate market conduct examination led by Maine, Massachusetts, and Tennessee relating to our disability claims handling practices. The settlement agreement we entered into with the California DOI concluded a market conduct examination and investigation of our disability claims handling practices.

Our quarterly review of our claim reassessment reserve adequacy includes an analysis of our assumptions related to (1) the number of claimants who will ultimately choose to participate in the process, (2) the number of claimants for whom payments will be made and then closed because the claimant is no longer disabled, (3) the number of claimants for whom payments will continue because the claimant remains eligible for disability payments, and (4) the average incurred cost per claimant.

When we performed our analysis at the end of the first quarter of 2006, our analysis was based on data available as of the end of that time period. At that time we believed that the actual results were credible enough to enable us to update our estimate of the ultimate cost related to the reassessment process and the reserves established at the time of the settlement agreements. At the end of the first quarter, we concluded that a change in our initial assumptions was warranted. The change in assumptions was primarily related to the number of claimants for whom payments will continue because the claimant remains eligible for disability payments. We therefore recorded a charge, in the first quarter of 2006, of \$86.0 million before tax, or \$55.9 million after tax, to reflect our then current best estimate of the ultimate cost of benefits for claims reopened in the reassessment process. The first quarter charge decreased before-tax operating results for our Unum US segment group income protection line of business \$72.8 million and our Individual Income Protection – Closed Block segment \$13.2 million.

During our third quarter of 2006 review, we concluded that some of our assumptions needed to be modified to reflect emerging experience and that a charge should be recorded. By the end of the third quarter we had either completed the reassessment or had analyzed the pending inventory for approximately 55 percent of the total number of claims expected to be reassessed during the reassessment process. The most recent months' experience indicated that the assumption used to estimate the number of claimants for whom payments will be made needed to be revised, as did the assumption for the average cost. That is, significantly more claims were qualifying for benefit payment, and the average cost per claimant was slightly higher than previously assumed.

Our third quarter review also indicated that we needed to adjust the amount previously recorded for the incremental direct operating expenses to conduct the reassessment process because of the additional time now estimated to complete the process. Our review indicated that no adjustment was needed for the amount previously recorded for the additional benefit costs and reserves for claims that were already incurred and in inventory that were anticipated to increase as a result of the claim process changes being implemented.

Based on our analysis, in the third quarter of 2006 we recorded an additional charge of \$325.4 million before tax, or \$211.5 million after tax. The charge was comprised of \$310.4 million to reflect our revised estimate of future obligations for benefit costs for claims reopened in the reassessment and \$15.0 million for additional incremental direct operating expenses to conduct the reassessment process. The third quarter charge decreased before-tax operating results for our Unum US segment group income protection line of business \$291.4 million and our Individual Income Protection – Closed Block segment \$34.0 million.

Broker Compensation Settlement

On October 31, 2006, we reached a settlement agreement on broker compensation with the Office of the New York Attorney General (NYAG) that directly resolves all issues raised by the NYAG in its review of our broker compensation practices. The review was part of a larger investigation of broker compensation practices in the insurance industry. We also resolved litigation filed by the California Insurance Commissioner against our Company and other insurers regarding disclosure practices in broker compensation. We have agreed to eliminate all contingent compensation programs for our group product lines. Additionally, we are expanding our disclosure of broker compensation programs. We had previously taken a number of steps to enhance transparency by establishing, in March 2005, disclosure policies that provided customers with a means of obtaining information about the compensation paid to their brokers. As part of the settlement, we agreed to a fine of \$1.9 million, the establishment of a fund of \$15.5 million to provide restitution for any customer determined to be harmed by past practices, and certain other expenses approximating \$1.1 million.

Income Tax

In the fourth quarter of 2006, we recorded income of \$2.6 million before tax and approximately \$3.9 million after tax attributable to the receipt of interest and tax refunds on prior year tax items in excess of what was previously provided.

Additionally, in the fourth quarter of 2006 we recognized an income tax benefit of approximately \$91.9 million primarily as the result of group relief benefits obtained from the use of net operating losses in a foreign jurisdiction in which our businesses operate.

Financing

In the second quarter of 2006, pursuant to a cash tender offer, we purchased \$50.0 million of our outstanding 7.405% junior subordinated debt securities due 2038 and \$250.0 million aggregate principal amount of our outstanding 7.625% notes due 2011. The cost of the cash tender offer decreased second quarter 2006 income by \$17.8 million before tax, or \$11.6 million after tax. In the fourth quarter of 2006, we purchased \$32.0 million of our outstanding 6.850% notes due 2015 on the open market. The cost of the debt purchase decreased fourth quarter 2006 income by \$2.7 million before tax, or \$1.9 million after tax.

The scheduled remarketing of the senior note element of the adjustable conversion-rate equity security units (units) occurred in February 2006, as stipulated by the terms of the original offering, and we reset the interest rate on \$575.0 million of senior notes due May 15, 2008 to 5.997%. We purchased \$400.0 million of the senior notes in the remarketing which were subsequently retired. The associated write-off of deferred debt costs decreased first quarter 2006 income by \$5.3 million before tax, or \$3.4 million after tax. In May 2006, we settled the purchase contract element of the units by issuing 43.3 million shares of common stock. We received proceeds of approximately \$575.0 million from the transaction.

In November 2006, Tailwind Holdings, LLC, a wholly-owned subsidiary of Unum Group, issued \$130.0 million of senior, secured notes in a private placement. Interest on the notes is variable based upon a London Interbank Offered Rate (LIBOR) plus a margin. None of Unum Group or any other affiliate of Tailwind Holdings is an obligor or guarantor on the notes.

Accounting Principle Changes

Effective January 1, 2006, we adopted Statement of Financial Accounting Standards No. 123 (revised 2004) (SFAS 123(R)), *Share-Based Payment*. SFAS 123(R) focuses primarily on accounting for transactions in which an entity obtains employee service in exchange for share-based payments. The adoption of SFAS 123(R) did not have a material effect on our financial position or results of operations.

Effective December 31, 2006, we adopted the provisions of Statement of Financial Accounting Standards No. 158 (SFAS 158), *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. SFAS 158 requires an employer to recognize the overfunded or underfunded status of a defined benefit pension and other postretirement plans as an asset or liability in its balance sheet and to recognize changes in that funded status through comprehensive income. Also, under SFAS 158, defined benefit pension and other postretirement plan assets and obligations are to be measured as of the date of the employer's fiscal year-end. The adoption of SFAS 158, which resulted in an \$84.1 million decrease in accumulated other comprehensive income in stockholders' equity, had no effect on our results of operations.

2005 Significant Transactions and Events

California Settlement Agreement and Amendment of the Multistate Market Conduct Examination Settlement Agreements

In the third quarter of 2005, certain of our U.S. insurance subsidiaries entered into a settlement agreement with the California DOI, concluding a market conduct examination and investigation of the subsidiaries' disability claims handling practices. The California DOI had chosen not to join the 2004 multistate settlement agreements. As part of the settlement with the California DOI, we paid a civil penalty of \$8.0 million and agreed to change certain practices and policy provisions related to our California business. The settlement also incorporates claims handling practices previously covered by the multistate settlement agreements and includes certain additional claim handling changes.

Based on the settlement agreement and related matters, in the third quarter of 2005 we recorded a charge of \$75.0 million before tax, or \$51.6 million after tax, comprised of four elements: \$14.3 million of incremental direct operating expenses to conduct the reassessment process; \$37.3 million for benefit costs and reserves from claims reopened from the reassessment; \$15.4 million for additional benefit costs and reserves for claims already incurred and currently in inventory that are anticipated as a result of the claim process changes being implemented; and the \$8.0 million civil penalty. The charge decreased before-tax operating results for the Unum US segment group income protection line of business and supplemental and voluntary lines of business \$37.4 million and \$3.3 million, respectively, and the Individual Income Protection – Closed Block segment \$34.3 million.

Income Tax

In the third quarter of 2005, we recognized an income tax benefit of approximately \$10.8 million related to the finalization of income tax reviews of our U.K. subsidiaries.

During the first quarter of 2005, the Internal Revenue Service completed its examination of tax years 1999 through 2001 and issued its revenue agent's report (RAR) in April 2005. Income tax liabilities of approximately \$32.0 million that related primarily to interest on the timing of expense deductions were released in the first quarter of 2005, all of which was reflected as a reduction to income tax expense.

Disposition

During the third quarter of 2005, our wholly-owned subsidiary, Unum Limited, completed the sale of its Netherlands branch. The gain on the sale was approximately \$5.7 million before tax and \$4.0 million after tax.

Financing

During 2005, we repaid \$227.0 million of maturing debt. In November 2005, we completed a long-term debt offering, issuing \$400.0 million of 6.85% senior notes due November 15, 2015.

Closed Block Reinsurance Recapture

During the third quarter of 2005, we recaptured a closed block of individual income protection business originally ceded to Centre Life Reinsurance Ltd. in 1996. The recaptured business included approximately \$1.6 billion in invested assets and \$185.0 million of annual premium. The effective date of the recapture was August 8, 2005. The underlying operating results of the reinsurance contract, prior to recapture, were reflected in other income. The recapture therefore did not have a material impact on operating income for our Individual Income Protection – Closed Block segment.

2004 Significant Transactions and Events

Settlement of Multistate Market Conduct Examination

During 2004, certain of our U.S. insurance subsidiaries entered into settlement agreements with state insurance regulators upon conclusion of a multistate market conduct examination led by Maine, Massachusetts, and Tennessee relating to our disability claims handling practices. A total of 48 states and the District of Columbia are parties to the settlement agreements. In addition, the U.S. Department of Labor, which had been conducting an inquiry relating to certain ERISA plans, is a party to the settlement agreements, and the NYAG, which had engaged in its own investigation of our claims handling practices, notified us that it was in support of the settlement and was, therefore, closing its investigation on this issue. The examination report did not make any findings of violations of law or market conduct regulations. However, the examination report did identify areas of concern. These became the focus of specific changes and enhancements to our disability claims handling operations which are designed to assure each claim decision is made in a consistently high quality manner.

The primary components of the settlement agreements include enhancements to our claims handling procedures; a reassessment process for claimants of certain previously denied or closed claims who elect to participate; additional corporate and board governance to support the oversight of the reassessment process and general claims handling practices; and payment of a fine in the amount of \$15.0 million that was allocated among the states and jurisdictions that joined the agreements and a potential fine of \$145.0 million in the future if certain standards are not met in examinations at the end of approximately two years.

In the fourth quarter of 2004, we recorded a charge of \$127.0 million before tax, or \$87.8 million after tax, comprised of four elements: \$27.5 million of incremental direct operating expenses to conduct the two-year reassessment process; \$44.0 million for benefit costs and reserves from claims reopened from the reassessment; \$40.5 million for additional benefit costs and reserves for claims already incurred and currently in inventory that are anticipated as a result of the claim process changes being implemented; and the \$15.0 million fine. The charge decreased before-tax operating results for the Unum US segment group income protection and individual income protection – recently issued lines of business \$116.7 million and \$1.7 million, respectively, and the Individual Income Protection – Closed Block segment \$8.6 million.

Disposition

During the second quarter of 2004, we closed the sale of our Canadian operations. Financial results for the Canadian branch are reported as discontinued operations. The loss recognized during 2004 was \$60.8 million after tax.

Restructuring of Individual Income Protection – Closed Block Business

In the first quarter of 2004, we restructured our individual income protection – closed block business and entered into reinsurance agreements which effectively provide approximately 60 percent reinsurance coverage for our overall consolidated risk above a specified retention limit. We have not yet reached the retention limit and do not currently anticipate that once reached, our losses would exceed the maximum risk limit for the reinsurer and revert back to us. The reinsurance recoverable for this contract, as reported in our consolidated balance sheets, was approximately \$607.3 million at March 31, 2007.

In conjunction with the restructuring of the individual income protection – closed block business, effective January 1, 2004, we modified our reporting segments to include a separate segment for this business. The reporting, monitoring, and management of the closed block of individual income protection business as a discrete segment is consistent with our financial restructuring and separation of this business from the lines of business which actively market new products. In the past, this business had been reported in combination with the individual income protection – recently issued line of business. Prior to 2004, detailed separate financial metrics and models were unavailable to appropriately manage this block of business separately from the recently issued individual income protection block of business.

The separation of the closed block business into a separate reporting segment required us to perform, separately for the individual income protection – closed block business and individual income protection – recently issued business, impairment testing for goodwill and loss recognition testing for the recoverability of deferred acquisition costs and value of business acquired. As required under GAAP, prior to the change in reporting segments, these tests were performed for the individual income protection line of business on a combined basis. The testing indicated impairment of the individual income protection – closed block deferred acquisition costs, value of business acquired, and goodwill balances of \$282.2 million, \$367.1 million, and \$207.1 million, respectively. These impairment charges, \$856.4 million before tax and \$629.1 million after tax, were recorded in the first quarter of 2004.

Also as part of the restructuring, we analyzed our reserve assumptions related to our individual income protection – closed block reserves as a stand-alone segment. Previously these reserves were analyzed for the individual income protection line of business on a combined basis. Included in the analysis was a review of morbidity assumptions, primarily claim resolution rates, and claim reserve discount rate assumptions. Based upon this analysis, we lowered the claim reserve discount rate to reflect the segmentation of the investment portfolio between the individual income protection – recently issued business and the individual income protection – closed block business, the duration of the assets and the related policy liabilities. Based on this analysis, in the first quarter of 2004 we increased our individual income protection – closed block claim reserves by \$110.6 million before tax, or \$71.9 million after tax, to reflect our current estimate of future benefit obligations.