UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2011

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission file number 1-11294

Unum Group

(Exact name of registrant as specified in its charter)

Delaware	**62-1598430**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1 Fountain Square
Chattanooga, Tennessee 37402
(Address of principal executive offices)

423.294.1011
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
(Check one): Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

307,798,184 shares of the registrant's common stock were outstanding as of April 28, 2011.

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Cautionary Statement Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" to encourage companies to provide prospective information, as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. Certain information contained in this Quarterly Report on Form 10-Q (including certain statements in the consolidated financial statements and related notes and Management's Discussion and Analysis), or in any other written or oral statements made by us in communications with the financial community or contained in documents filed with the Securities and Exchange Commission (SEC), may be considered forward-looking. Forward-looking statements are those not based on historical information, but rather relate to future operations, strategies, financial results, or other developments and speak only as of the date made. We undertake no obligation to update these statements, even if made available on our website or otherwise. These statements may be made directly in this document or may be made part of this document by reference to other documents filed by us with the SEC, a practice which is known as "incorporation by reference." You can find many of these statements by looking for words such as "will," "may," "should," "could," "believes," "expects," "anticipates," "estimates," "intends," "projects," "goals," "objectives," or similar expressions in this document or in documents incorporated herein.

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:

- Unfavorable economic or business conditions, both domestic and foreign.
- Legislative, regulatory, or tax changes, both domestic and foreign, including the effect of potential legislation and increased regulation in the current political environment.
- Sustained periods of low interest rates.
- Changes in claim incidence and recovery rates due to, among other factors, the rate of unemployment and consumer confidence, the emergence of new diseases, epidemics, or pandemics, new trends and developments in medical treatments, and the effectiveness of claims management operations.
- Fluctuation in insurance reserve liabilities.
- Investment results, including but not limited to, realized investment losses resulting from defaults, contractual terms of derivative contracts, and impairments that differ from our assumptions and historical experience.
- The lack of appropriate investments in the market which can be acquired to match our liability cash flows and duration.
- Changes in interest rates, credit spreads, and securities prices.
- Increased competition from other insurers and financial services companies due to industry consolidation or other factors.
- Changes in demand for our products due to, among other factors, changes in societal attitudes, the rate of unemployment, and consumer confidence.
- Changes in accounting standards, practices, or policies.
- Changes in our financial strength and credit ratings.
- Rating agency actions, state insurance department market conduct examinations and other inquiries, other governmental investigations and actions, and negative media attention.
- Effectiveness in managing our operating risks and the implementation of operational improvements and strategic growth initiatives.
- Actual experience in pricing, underwriting, and reserving that deviates from our assumptions.
- Actual persistency and/or sales growth that is higher or lower than projected.
- Effectiveness of our risk management program.
- The level and results of litigation.
- Currency exchange rates.
- Ability of our subsidiaries to pay dividends as a result of regulatory restrictions.
- Ability and willingness of reinsurers to meet their obligations.

- Changes in assumptions related to intangible assets such as deferred acquisition costs, value of business acquired, and goodwill.
- Events or consequences relating to political instability, terrorism, or acts of war, both domestic and foreign.
- Ability to recover our systems and information in the event of a disaster or unanticipated event.

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, 2010.

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 the cautionary statements contained or referred to in this section.

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PART I

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

Unum Group and Subsidiaries

	March 31 2011	December 31 2010
	(in millions of dollars)	
	(Unaudited)	
Assets		
Investments		
Fixed Maturity Securities - at fair value		
(amortized cost: $36,969.1; $36,546.6)	$ 40,315.1	$ 40,035.6
Mortgage Loans	1,556.7	1,516.8
Policy Loans	2,977.6	2,996.1
Other Long-term Investments	540.1	529.3
Short-term Investments	600.9	1,163.1
Total Investments	45,990.4	46,240.9
Other Assets		
Cash and Bank Deposits	56.6	53.6
Accounts and Premiums Receivable	1,673.8	1,665.8
Reinsurance Recoverable	4,787.6	4,827.9
Accrued Investment Income	730.7	669.8
Deferred Acquisition Costs	2,542.9	2,521.1
Goodwill	201.5	201.2
Property and Equipment	482.7	476.8
Other Assets	650.6	650.6
Total Assets	$57,116.8	$57,307.7

See notes to consolidated financial statements.

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CONSOLIDATED BALANCE SHEETS - Continued

Unum Group and Subsidiaries

	March 31 2011	December 31 2010
	(in millions of dollars)	
	(Unaudited)	
Liabilities and Stockholders' Equity		
Liabilities		
Policy and Contract Benefits	$ 1,528.7	$ 1,565.0
Reserves for Future Policy and Contract Benefits	39,685.2	39,715.0
Unearned Premiums	474.4	436.7
Other Policyholders' Funds	1,674.6	1,669.7
Income Tax Payable	181.4	135.7
Deferred Income Tax	471.2	417.2
Short-term Debt	0.0	225.1
Long-term Debt	2,605.0	2,631.3
Other Liabilities	1,512.5	1,567.6
Total Liabilities	48,133.0	48,363.3
Commitments and Contingent Liabilities - Note 9		
Stockholders' Equity		
Common Stock, $0.10 par		
Authorized: 725,000,000 shares		
Issued: 358,135,704 and 364,842,919 shares	35.8	36.5
Additional Paid-in Capital	2,572.4	2,615.4
Accumulated Other Comprehensive Income (Loss)		
Net Unrealized Gain on Securities Not Other-Than-Temporarily Impaired	443.6	408.3
Net Unrealized Gain on Securities Other-Than-Temporarily Impaired	0.0	2.1
Net Gain on Cash Flow Hedges	351.1	361.0
Foreign Currency Translation Adjustment	(84.1)	(110.9)
Unrecognized Pension and Postretirement Benefit Costs	(313.5)	(318.6)
Retained Earnings	7,112.3	7,060.8
Treasury Stock - at cost: 49,169,467 shares and 48,269,467 shares	(1,133.8)	(1,110.2)
Total Stockholders' Equity	8,983.8	8,944.4
Total Liabilities and Stockholders' Equity	$57,116.8	$ 57,307.7

See notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Unum Group and Subsidiaries

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars, except share data)	
Revenue		
Premium Income	$1,869.5	$1,863.2
Net Investment Income	618.7	613.0
Realized Investment Gain (Loss)		
Total Other-Than-Temporary Impairment		
Loss on Fixed Maturity Securities	(2.3)	(0.2)
Other Net Realized Investment Gain	17.5	25.8
Net Realized Investment Gain	15.2	25.6
Other Income	59.7	59.8
Total Revenue	2,563.1	2,561.6
Benefits and Expenses		
Benefits and Change in Reserves for Future Benefits	1,593.0	1,568.9
Commissions	224.3	218.3
Interest and Debt Expense	37.9	33.4
Deferral of Acquisition Costs	(158.3)	(154.9)
Amortization of Deferred Acquisition Costs	138.3	141.2
Compensation Expense	201.9	197.3
Other Expenses	195.8	196.2
Total Benefits and Expenses	2,232.9	2,200.4
Income Before Income Tax	330.2	361.2
Income Tax		
Current	65.3	74.9
Deferred	39.5	56.5
Total Income Tax	104.8	131.4
Net Income	$ 225.4	$ 229.8
Net Income Per Common Share		
Basic	$ 0.72	$ 0.69
Assuming Dilution	$ 0.72	$ 0.69

See notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

Unum Group and Subsidiaries

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars)	
Common Stock		
Balance at Beginning of Year	$ 36.5	$ 36.4
Common Stock Activity	0.1	0.1
Retirement of Repurchased Common Shares	(0.8)	0.0
Balance at End of Period	35.8	36.5
Additional Paid-in Capital		
Balance at Beginning of Year	2,615.4	2,587.4
Common Stock Activity	12.2	16.0
Retirement of Repurchased Common Shares	(55.2)	0.0
Balance at End of Period	2,572.4	2,603.4
Accumulated Other Comprehensive Income		
Balance at Beginning of Year	341.9	341.0
Change During Period	55.2	61.9
Balance at End of Period	397.1	402.9
Retained Earnings		
Balance at Beginning of Year	7,060.8	6,289.5
Net Income	225.4	229.8
Dividends to Stockholders (per common share: $0.0925; $0.0825)	(29.9)	(27.7)
Retirement of Repurchased Common Shares	(144.0)	0.0
Balance at End of Period	7,112.3	6,491.6
Treasury Stock		
Balance at Beginning of Year	(1,110.2)	(754.2)
Purchases of Treasury Stock	(23.6)	0.0
Balance at End of Period	(1,133.8)	(754.2)
Total Stockholders' Equity at End of Period	$ 8,983.8	$ 8,780.2

See notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Unum Group and Subsidiaries

	Three Months Ended March 31	
	2011	**2010**
	(in millions of dollars)	
Cash Flows from Operating Activities		
Net Income	$ 225.4	$ 229.8
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Change in Receivables	33.8	19.1
Change in Deferred Acquisition Costs	(20.0)	(13.7)
Change in Insurance Reserves and Liabilities	112.6	155.0
Change in Income Taxes	83.0	173.6
Change in Other Accrued Liabilities	(32.1)	(149.6)
Non-cash Adjustments to Net Investment Income	(112.6)	(126.1)
Net Realized Investment Gain	(15.2)	(25.6)
Depreciation	19.3	18.2
Other, Net	6.8	0.9
Net Cash Provided by Operating Activities	301.0	281.6
Cash Flows from Investing Activities		
Proceeds from Sales of Available-for-Sale Securities	243.7	463.0
Proceeds from Maturities of Available-for-Sale Securities	400.5	343.0
Proceeds from Sales and Maturities of Other Investments	35.5	36.5
Purchase of Available-for-Sale Securities	(898.6)	(1,255.6)
Purchase of Other Investments	(92.9)	(21.8)
Net Sales of Short-term Investments	524.4	208.2
Other, Net	(24.6)	(23.2)
Net Cash Provided (Used) by Investing Activities	188.0	(249.9)
Cash Flows from Financing Activities		
Short-term Debt Repayments	(225.1)	0.0
Long-term Debt Repayments	(24.2)	(33.3)
Issuance of Common Stock	5.5	7.0
Repurchase of Common Stock	(215.7)	0.0
Dividends Paid to Stockholders	(29.9)	(27.7)
Other, Net	3.4	2.4
Net Cash Used by Financing Activities	(486.0)	(51.6)
Net Increase (Decrease) in Cash and Bank Deposits	3.0	(19.9)
Cash and Bank Deposits at Beginning of Year	53.6	71.6
Cash and Bank Deposits at End of Period	$ 56.6	$ 51.7

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Unum Group and Subsidiaries

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars)	
Net Income	$225.4	$ 229.8
Other Comprehensive Income (Loss)		
Change in Net Unrealized Gains and Losses on Securities Before Reclassification Adjustment:		
Change in Net Unrealized Gains and Losses on Securities Not Other-Than-Temporarily Impaired (net of tax expense (benefit) of $(40.7); $157.2)	(77.3)	306.0
Change in Net Unrealized Gains and Losses on Securities Other-Than-Temporarily Impaired (net of tax benefit of $1.1; $0.0)	(2.1)	0.0
Total Change in Net Unrealized Gains and Losses on Securities Before Reclassification Adjustment (net of tax expense (benefit) of $(41.8); $157.2)	(79.4)	306.0
Reclassification Adjustment for Net Realized Investment Gain (net of tax expense of $0.5; $1.3)	(0.6)	(2.2)
Change in Net Gain on Cash Flow Hedges (net of tax benefit of $5.4; $7.2)	(9.9)	(14.0)
Change in Adjustment to Reserves for Future Policy and Contract Benefits, Net of Reinsurance and Other (net of tax expense (benefit) of $59.8; $(89.6))	113.2	(184.2)
Change in Foreign Currency Translation Adjustment	26.8	(62.3)
Change in Unrecognized Pension and Postretirement Benefit Costs (net of tax expense (benefit) of $1.6; $(8.5))	5.1	18.6
Total Other Comprehensive Income	55.2	61.9
Comprehensive Income	$280.6	$ 291.7

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Unum Group and Subsidiaries

March 31, 2011

Note 1 - Basis of Presentation

The accompanying consolidated financial statements of Unum Group and its subsidiaries (the Company) have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. For further information, refer to the consolidated financial statements and footnotes included in our annual report on Form 10-K for the year ended December 31, 2010.

In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Interim results are not necessarily indicative of full year performance.

In connection with our preparation of the consolidated financial statements, we evaluated events that occurred subsequent to March 31, 2011 for recognition or disclosure in our financial statements and notes to our financial statements.

Note 2 - Accounting Developments

Accounting Updates Adopted during the First Three Months of 2010:

Accounting Standards Codification (ASC) 810 "Consolidation"

In June 2009, the Financial Accounting Standards Board (FASB) issued an update to require a qualitative rather than a quantitative analysis to determine the primary beneficiary of a variable interest entity and require enhanced disclosures about an enterprise's involvement with a variable interest entity. We adopted this update effective January 1, 2010. The adoption of this update had no effect on our financial position or results of operations.

ASC 820 "Fair Value Measurements and Disclosures"

In January 2010, the FASB issued an update to require a number of additional disclosures regarding fair value measurements. Specifically, the update requires a reporting entity to disclose the amounts of significant transfers between Level 1 and Level 2 of the three tier fair value hierarchy and the reasons for these transfers, as well as the reasons for any transfers in or out of Level 3, effective for annual and interim periods beginning after December 15, 2009. The update also requires information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances, and settlements on a gross basis, effective for annual and interim periods beginning after December 15, 2010. We adopted this update in its entirety, including early adoption of the additional Level 3 information, effective January 1, 2010. The adoption of this update expanded our disclosures but had no effect on our financial position or results of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 2 - Accounting Developments - Continued

ASC 860 "Transfers and Servicing"

In June 2009, the FASB issued an update to eliminate the exceptions for qualifying special-purpose entities from the consolidation guidance and eliminate the exception that permitted sale accounting for certain mortgage securitizations when a transferor has not surrendered control over the transferred financial assets. In addition, this update clarifies certain requirements for financial assets that are eligible for sale accounting and requires enhanced disclosures about the risks that a transferor continues to be exposed to because of its continuing involvement in transferred financial assets. We adopted this update effective January 1, 2010. The adoption of this update had no effect on our financial position or results of operations.

Accounting Updates Outstanding:

ASC 310 "Receivables"

In January and April 2011, the FASB deferred the effective date of disclosures about troubled debt restructurings and issued updates providing additional clarification to help creditors in determining whether a creditor has granted a concession as well as whether a debtor is experiencing financial difficulties for purposes of determining whether a restructuring constitutes a troubled debt restructuring. These updates will be effective for interim and annual reporting periods beginning on or after June 15, 2011. The adoption of these updates may require additional disclosures but will have no effect on our financial position or results of operations.

ASC 944 "Financial Services - Insurance"

In October 2010, the FASB issued an update which is intended to address diversity in practice regarding the interpretation of which costs relating to the acquisition of new or renewal insurance contracts qualify as deferred acquisition costs. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011, and permit retrospective application. The guidance in this update will result in a decrease in the opening balance of our retained earnings if we choose retrospective application on adoption and will result in a decrease in the level of costs we defer subsequent to adoption. Given that application guidance is still evolving, we have not yet finalized the expected impact on our financial position or results of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments

Presented as follows are the carrying amounts and fair values of financial instruments. The carrying values of financial instruments such as short-term investments, cash and bank deposits, accounts and premiums receivable, and accrued investment income approximate fair value due to the short-term nature of the instruments. As such, these financial instruments are not included in the following chart.

	March 31, 2011		December 31, 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in millions of dollars)			
Assets				
Fixed Maturity Securities	$40,315.1	$40,315.1	$40,035.6	$40,035.6
Mortgage Loans	1,556.7	1,678.3	1,516.8	1,685.4
Policy Loans	2,977.6	3,019.0	2,996.1	3,044.4
Other Long-term Investments				
Derivatives	81.1	81.1	99.1	99.1
Equity Securities	11.4	11.4	10.4	10.4
Miscellaneous Long-term Investments	447.6	447.6	419.8	419.8
Liabilities				
Policyholders' Funds				
Deferred Annuity Products	$ 648.1	$ 648.1	$ 656.3	$ 656.3
Supplementary Contracts without Life Contingencies	511.5	511.5	508.5	508.5
Short-term Debt	0.0	0.0	225.1	226.8
Long-term Debt	2,605.0	2,567.5	2,631.3	2,483.8
Other Liabilities				
Derivatives	206.8	206.8	199.6	199.6
Embedded Derivative in Modified Coinsurance Arrangement	82.2	82.2	96.3	96.3
Unfunded Commitments to Investment Partnerships	168.1	168.1	169.9	169.9

The methods and assumptions used to estimate fair values of financial instruments are discussed as follows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments - Continued

Fair Value Measurements for Financial Instruments Not Carried at Fair Value

Mortgage Loans: Fair values are estimated using discounted cash flow analyses and interest rates currently being offered for similar loans to borrowers with similar credit ratings and maturities. Loans with similar characteristics are aggregated for purposes of the calculations.

Policy Loans: Fair values for policy loans, net of reinsurance ceded, are estimated using discounted cash flow analyses and interest rates currently being offered to policyholders with similar policies. The carrying amounts of ceded policy loans of $2,771.1 million and $2,790.5 million as of March 31, 2011 and December 31, 2010, respectively, are reported on a gross basis in our consolidated balance sheets and approximate fair value.

Miscellaneous Long-term Investments: Carrying amounts approximate fair value.

Policyholders' Funds: Policyholders' funds are comprised primarily of deferred annuity products and supplementary contracts without life contingencies. The carrying amounts approximate fair value.

Fair values for insurance contracts other than investment contracts are not required to be disclosed. However, the fair values of liabilities under all insurance contracts are taken into consideration in our overall management of interest rate risk, which minimizes exposure to changing interest rates through the matching of investment maturities with amounts due under insurance contracts.

Short-term and Long-term Debt: Fair values are obtained from independent pricing services or discounted cash flow analyses based on current incremental borrowing rates for similar types of borrowing arrangements.

Unfunded Commitments to Investment Partnerships: Unfunded equity commitments represent legally binding amounts that we have committed to certain investment partnerships, subject to the partnerships meeting specified conditions. When these conditions are met, we are obligated to invest these amounts in the partnerships. Carrying amounts approximate fair value.

Fair Value Measurements for Financial Instruments Carried at Fair Value

We report fixed maturity securities, derivative financial instruments, and equity securities at fair value in our consolidated balance sheets. The degree of judgment utilized in measuring the fair value of financial instruments generally correlates to the level of pricing observability. Financial instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices in active markets generally have more pricing observability and less judgment utilized in measuring fair value. An active market for a financial instrument is a market in which transactions for an asset or a similar asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and should be used to measure fair value whenever available. Conversely, financial instruments rarely traded or not quoted have less observability and are measured at fair value using valuation techniques that require more judgment. Pricing observability is generally impacted by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, and overall market conditions.

Valuation techniques used for assets and liabilities accounted for at fair value are generally categorized into three types. The market approach uses prices and other relevant information from market transactions involving identical or comparable assets or liabilities. The income approach converts future amounts, such as cash flows or earnings, to

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments - Continued

a single present amount, or a discounted amount. The cost approach is based upon the amount that currently would be required to replace the service capacity of an asset, or the current replacement cost.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available that can be obtained without undue cost and effort. In some cases, a single valuation technique will be appropriate (for example, when valuing an asset or liability using quoted prices in an active market for identical assets or liabilities). In other cases, multiple valuation techniques will be appropriate. If we use multiple valuation techniques to measure fair value, we evaluate and weigh the results, as appropriate, considering the reasonableness of the range indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

The selection of the valuation method(s) to apply considers the definition of an exit price and depends on the nature of the asset or liability being valued. For assets and liabilities accounted for at fair value, we generally use valuation techniques consistent with the market approach, and to a lesser extent, the income approach. We believe the market approach valuation technique provides more observable data than the income approach, considering the type of investments we hold. Our fair value measurements could differ significantly based on the valuation technique and available inputs. When markets are less active, brokers may rely more on models with inputs based on the information available only to the broker. In weighing a broker quote as an input to fair value, we place less reliance on quotes that do not reflect the result of market transactions. We also consider the nature of the quote, particularly whether the quote is a binding offer. If prices in an inactive market do not reflect current prices for the same or similar assets, adjustments may be necessary to arrive at fair value. When relevant market data is unavailable, which may be the case during periods of market uncertainty, the income approach can, in suitable circumstances, provide a more appropriate fair value. During 2011, we have applied valuation techniques on a consistent basis to similar assets and liabilities and consistent with those techniques used at year end 2010.

We use observable and unobservable inputs in measuring the fair value of our financial instruments. Inputs that may be used include the following:

- Broker market maker prices and price levels
- Trade Reporting and Compliance Engine (TRACE) pricing
- Prices obtained from external pricing services
- Benchmark yields (Treasury and interest rate swap curves)
- Transactional data for new issuance and secondary trades
- Security cash flows and structures
- Recent issuance/supply
- Sector and issuer level spreads
- Security credit ratings/maturity/capital structure/optionality
- Corporate actions
- Underlying collateral
- Prepayment speeds/loan performance/delinquencies/weighted average life/seasoning
- Public covenants
- Comparative bond analysis
- Derivative spreads
- Relevant reports issued by analysts and rating agencies
- Audited financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments - Continued

We review all prices obtained to ensure they are consistent with a variety of observable market inputs and to verify the validity of a security's price. The overall valuation process for determining fair values may include adjustments to valuations obtained from our pricing sources when they do not represent a valid exit price. These adjustments may be made when, in our judgment and considering our knowledge of the financial conditions and industry in which the issuer operates, certain features of the financial instrument require that an adjustment be made to the value originally obtained from our pricing sources. These features may include the complexity of the financial instrument, the market in which the financial instrument is traded, counterparty credit risk, credit structure, concentration, or liquidity. Additionally, an adjustment to the price derived from a model typically reflects our judgment of the inputs that other participants in the market for the financial instrument being measured at fair value would consider in pricing that same financial instrument.

The parameters and inputs used to validate a price on a security may be adjusted for assumptions about risk and current market conditions on a quarter to quarter basis, as certain features may be more significant drivers of valuation at the time of pricing. Changes to inputs in valuations are not changes to valuation methodologies; rather, the inputs are modified to reflect direct or indirect impacts on asset classes from changes in market conditions.

Fair values for derivatives other than embedded derivatives in modified coinsurance arrangements are based on market quotes or pricing models and represent the net amount of cash we would have paid or received if the contracts had been settled or closed as of the last day of the period. We analyze credit default swap spreads relative to the average credit spread embedded within the London Interbank Offered Rate (LIBOR) setting syndicate in determining the effect of credit risk on our derivatives' fair values. If counterparty credit risk for a derivative asset is determined to be material and is not adequately reflected in the LIBOR-based fair value obtained from our pricing sources, we adjust the valuations obtained from our pricing sources. In regard to our own credit risk component, we adjust the valuation of derivative liabilities wherein the counterparty is exposed to our credit risk when the LIBOR-based valuation of our derivatives obtained from pricing sources does not effectively include an adequate credit component for our own credit risk.

Fair values for our embedded derivative in a modified coinsurance arrangement are estimated using internal pricing models and represent the hypothetical value of the duration mismatch of assets and liabilities, interest rate risk, and third party credit risk embedded in the modified coinsurance arrangement.

Certain of our investments do not have readily determinable market prices and/or observable inputs or may at times be affected by the lack of market liquidity. For these securities, we use internally prepared valuations combining matrix pricing with vendor purchased software programs, including valuations based on estimates of future profitability, to estimate the fair value. Additionally, we may obtain prices from independent third-party brokers to aid in establishing valuations for certain of these securities. Key assumptions used by us to determine fair value for these securities include risk free interest rates, risk premiums, performance of underlying collateral (if any), and other factors involving significant assumptions which may or may not reflect those of an active market.

At March 31, 2011, approximately 18.3 percent of our fixed maturity securities were valued using active trades from TRACE pricing or broker market maker prices for which there was current market activity in that specific security (comparable to receiving one binding quote). The prices obtained were not adjusted, and the assets were classified as Level 1, the highest category of the three-level fair value hierarchy classification wherein inputs are unadjusted and represent quoted prices in active markets for identical assets or liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments - Continued

The remaining 81.7 percent of our fixed maturity securities were valued based on non-binding quotes or other observable or unobservable inputs, as discussed below.

- Approximately 66.4 percent of our fixed maturity securities were valued based on prices from pricing services that generally use observable inputs such as prices for securities or comparable securities in active markets in their valuation techniques. These assets were classified as Level 2. Level 2 assets or liabilities are those valued using inputs (other than prices included in Level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.
- Approximately 4.2 percent of our fixed maturity securities were valued based on one or more non-binding broker price levels, if validated by observable market data, or on TRACE prices for identical or similar assets absent current market activity. When only one price is available, it is used if observable inputs and analysis confirms that it is appropriate. These assets, for which we were able to validate the price using other observable market data, were classified as Level 2.
- Approximately 11.1 percent of our fixed maturity securities were valued based on prices of comparable securities, matrix pricing, market models, and/or internal models or were valued based on non-binding quotes with no other observable market data. These assets were classified as either Level 2 or Level 3, with the categorization dependent on whether there was other observable market data. Level 3 is the lowest category of the fair value hierarchy and reflects the judgment of management regarding what market participants would use in pricing assets or liabilities at the measurement date. Financial assets and liabilities categorized as Level 3 are generally those that are valued using unobservable inputs to extrapolate an estimated fair value.

We consider transactions in inactive or disorderly markets to be less representative of fair value. We use all available observable inputs when measuring fair value, but when significant other unobservable inputs and adjustments are necessary, we classify these assets or liabilities as Level 3.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments - Continued

The categorization of fair value measurements by input level is as follows:

	March 31, 2011 (in millions of dollars)			
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Fixed Maturity Securities				
United States Government and Government Agencies and Authorities	$ 119.5	$ 983.5	$ 0.0	$ 1,103.0
States, Municipalities, and Political Subdivisions	54.7	1,212.9	0.0	1,267.6
Foreign Governments	0.0	1,439.0	0.0	1,439.0
Public Utilities	1,281.4	8,131.4	324.7	9,737.5
Mortgage/Asset-Backed Securities	0.0	3,316.6	32.2	3,348.8
All Other Corporate Bonds	5,881.2	16,847.3	633.8	23,362.3
Redeemable Preferred Stocks	21.7	35.1	0.1	56.9
Total Fixed Maturity Securities	7,358.5	31,965.8	990.8	40,315.1
Other Long-term Investments				
Derivatives				
Interest Rate Swaps	0.0	80.6	0.0	80.6
Foreign Exchange Contracts	0.0	0.5	0.0	0.5
Total Derivatives	0.0	81.1	0.0	81.1
Equity Securities	0.0	9.9	1.5	11.4
Liabilities				
Other Liabilities				
Derivatives				
Interest Rate Swaps	$ 0.0	$ 38.7	$ 0.0	$ 38.7
Foreign Exchange Contracts	0.0	168.1	0.0	168.1
Embedded Derivative in Modified Coinsurance Arrangement	0.0	0.0	82.2	82.2
Total Derivatives	0.0	206.8	82.2	289.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments - Continued

	December 31, 2010 (in millions of dollars)			
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Fixed Maturity Securities				
United States Government and Government Agencies and Authorities	$ 102.8	$ 998.9	$ 0.0	$ 1,101.7
States, Municipalities, and Political Subdivisions	301.9	943.3	0.0	1,245.2
Foreign Governments	0.7	1,408.6	0.0	1,409.3
Public Utilities	840.1	8,670.5	173.6	9,684.2
Mortgage/Asset-Backed Securities	0.0	3,384.8	0.7	3,385.5
All Other Corporate Bonds	4,170.7	18,154.3	829.7	23,154.7
Redeemable Preferred Stocks	0.0	33.3	21.7	55.0
Total Fixed Maturity Securities	5,416.2	33,593.7	1,025.7	40,035.6
Other Long-term Investments				
Derivatives				
Interest Rate Swaps	0.0	98.4	0.0	98.4
Foreign Exchange Contracts	0.0	0.7	0.0	0.7
Total Derivatives	0.0	99.1	0.0	99.1
Equity Securities	0.0	8.9	1.5	10.4
Liabilities				
Other Liabilities				
Derivatives				
Interest Rate Swaps	$ 0.0	$ 39.1	$ 0.0	$ 39.1
Foreign Exchange Contracts	0.0	160.5	0.0	160.5
Embedded Derivative in Modified Coinsurance Arrangement	0.0	0.0	96.3	96.3
Total Derivatives	0.0	199.6	96.3	295.9

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments - Continued

Transfers of assets between Level 1 and Level 2 are as follows:

	Three Months Ended March 31			
	2011		2010	
	(in millions of dollars) Transfers into			
	Level 1 from Level 2	Level 2 from Level 1	Level 1 from Level 2	Level 2 from Level 1
Fixed Maturity Securities				
United States Government and Government Agencies and Authorities	$ 16.1	$ 0.0	$ 216.5	$ 0.0
States, Municipalities, and Political Subdivisions	25.4	274.9	0.0	49.8
Foreign Governments	0.0	0.7	0.0	0.0
Public Utilities	885.5	481.1	769.6	657.2
All Other Corporate Bonds	3,064.3	1,540.8	2,465.4	1,189.8
Total Fixed Maturity Securities	$3,991.3	$2,297.5	$3,451.5	$1,896.8

Transfers between Level 1 and Level 2 occurred due to the change in availability of either a TRACE or broker market maker price. Depending on current market conditions, the availability of these Level 1 prices can vary from period to period. For fair value measurements of financial instruments that were transferred either into or out of Level 1 or 2, we reflect the transfers using the fair value at the beginning of the period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments - Continued

Changes in assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows:

Three Months Ended March 31, 2011 (in millions of dollars)

		Total Realized and Unrealized Investment Gains (Losses) Included in				Level 3 Transfers		
	Beginning of Year	Earnings	Other Comprehensive Income or Loss	Purchases	Sales	Into	Out of	End of Period
Fixed Maturity Securities								
Public Utilities	$ 173.6	$ 0.0	$ (0.7)	$ 7.0	$ (0.3)	$ 249.7	$ (104.6)	$ 324.7
Mortgage/Asset-Backed Securities	0.7	0.0	(1.6)	0.0	(2.2)	35.3	0.0	32.2
All Other Corporate Bonds	829.7	(0.2)	0.5	16.7	(3.3)	153.1	(362.7)	633.8
Redeemable Preferred Stocks	21.7	0.0	0.0	0.0	0.0	0.0	(21.6)	0.1
Total Fixed Maturity Securities	1,025.7	(0.2)	(1.8)	23.7	(5.8)	438.1	(488.9)	990.8
Equity Securities	1.5	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Embedded Derivative in Modified Coinsurance Arrangement	(96.3)	14.1	0.0	0.0	0.0	0.0	0.0	(82.2)

Three Months Ended March 31, 2010 (in millions of dollars)

		Total Realized and Unrealized Investment Gains (Losses) Included in				Level 3 Transfers		
	Beginning of Year	Earnings	Other Comprehensive Income or Loss	Purchases	Sales	Into	Out of	End of Period
Fixed Maturity Securities								
Foreign Governments	$ 0.0	$ 0.0	$ 0.6	$ 0.0	$ 0.0	$ 39.1	$ 0.0	$ 39.7
Public Utilities	264.3	(1.0)	14.4	15.0	(5.7)	128.4	(196.7)	218.7
Mortgage/Asset-Backed Securities	4.7	0.0	0.2	0.0	(2.9)	0.0	0.0	2.0
All Other Corporate Bonds	580.0	(1.8)	15.7	19.6	(15.3)	169.3	(209.8)	557.7
Redeemable Preferred Stocks	20.4	0.0	0.0	0.0	0.0	0.0	(20.3)	0.1
Total Fixed Maturity Securities	869.4	(2.8)	30.9	34.6	(23.9)	336.8	(426.8)	818.2
Equity Securities	1.5	0.0	0.1	0.0	(0.1)	0.0	0.0	1.5
Embedded Derivative in Modified Coinsurance Arrangement	(117.4)	18.3	0.0	0.0	0.0	0.0	0.0	(99.1)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 3 - Fair Values of Financial Instruments - Continued

Realized and unrealized investment gains and losses presented in the preceding tables represent gains and losses only for the time during which the applicable financial instruments were classified as Level 3. The transfers between levels resulted primarily from a change in observability of three inputs used to determine fair values of the securities transferred: (1) transactional data for new issuance and secondary trades, (2) broker/dealer quotes and pricing, primarily related to changes in the level of activity in the market and whether the market was considered orderly, and (3) comparable bond metrics from which to perform an analysis. For fair value measurements of financial instruments that were transferred either into or out of Level 3, we reflect the transfers using the fair value at the beginning of the period. Gains for the three months ended March 31, 2011 and 2010 which are included in earnings and are attributable to the change in unrealized gains or losses relating to assets or liabilities valued using significant unobservable inputs and still held at March 31 were $14.1 million and $18.3 million, respectively. These amounts relate entirely to the changes in fair value of an embedded derivative in a modified coinsurance arrangement which are reported as realized investment gains and losses.

Note 4 - Investments

Fixed Maturity Securities

At March 31, 2011 and December 31, 2010, all fixed maturity securities were classified as available-for-sale. The amortized cost and fair values of securities by security type are shown as follows.

	March 31, 2011 (in millions of dollars)			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
United States Government and Government Agencies and Authorities	$ 987.9	$ 127.7	$ 12.6	$ 1,103.0
States, Municipalities, and Political Subdivisions	1,293.3	22.4	48.1	1,267.6
Foreign Governments	1,287.4	151.6	0.0	1,439.0
Public Utilities	8,991.7	792.4	46.6	9,737.5
Mortgage/Asset-Backed Securities	3,038.3	311.4	0.9	3,348.8
All Other Corporate Bonds	21,314.7	2,156.7	109.1	23,362.3
Redeemable Preferred Stocks	55.8	1.9	0.8	56.9
Total Fixed Maturity Securities	$36,969.1	$ 3,564.1	$ 218.1	$40,315.1

There were no other-than-temporary impairments recognized in accumulated other comprehensive income as of March 31, 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 4 - Investments - Continued

	December 31, 2010 (in millions of dollars)				
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value	Other-Than-Temporary Impairments in AOCI (1)
United States Government and Government Agencies and Authorities	$ 981.7	$ 128.6	$ 8.6	$ 1,101.7	$ 0.0
States, Municipalities, and Political Subdivisions	1,271.0	21.5	47.3	1,245.2	0.0
Foreign Governments	1,248.6	160.7	0.0	1,409.3	0.0
Public Utilities	8,874.2	854.3	44.3	9,684.2	0.0
Mortgage/Asset-Backed Securities	3,047.8	338.3	0.6	3,385.5	0.0
All Other Corporate Bonds	21,067.5	2,221.3	134.1	23,154.7	3.9
Redeemable Preferred Stocks	55.8	1.7	2.5	55.0	0.0
Total Fixed Maturity Securities	$36,546.6	$3,726.4	$ 237.4	$ 40,035.6	$ 3.9

(1) Accumulated Other Comprehensive Income (Loss)

The following charts indicate the length of time our fixed maturity securities had been in a gross unrealized loss position.

	March 31, 2011 (in millions of dollars)			
	Less Than 12 Months		12 Months or Greater	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
United States Government and Government Agencies and Authorities	$ 63.8	$ 6.6	$ 10.5	$ 6.0
States, Municipalities, and Political Subdivisions	634.8	31.6	102.7	16.5
Public Utilities	1,144.2	43.8	34.2	2.8
Mortgage/Asset-Backed Securities	1.0	0.0	26.3	0.9
All Other Corporate Bonds	1,635.5	43.4	986.6	65.7
Redeemable Preferred Stocks	7.7	0.3	22.3	0.5
Total Fixed Maturity Securities	$ 3,487.0	$125.7	$1,182.6	$ 92.4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 4 - Investments - Continued

	December 31, 2010 (in millions of dollars)			
	Less Than 12 Months		12 Months or Greater	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
United States Government and Government Agencies and Authorities	$ 23.9	$ 3.1	$ 10.9	$ 5.5
States, Municipalities, and Political Subdivisions	660.6	28.4	100.3	18.9
Public Utilities	1,073.8	41.0	41.0	3.3
Mortgage/Asset-Backed Securities	34.5	0.1	45.5	0.5
All Other Corporate Bonds	1,667.2	48.3	1,071.7	85.8
Redeemable Preferred Stocks	7.6	0.4	20.7	2.1
Total Fixed Maturity Securities	$ 3,467.6	$ 121.3	$1,290.1	$116.1

The following is a distribution of the maturity dates for fixed maturity securities. The maturity dates have not been adjusted for possible calls or prepayments.

	March 31, 2011 (in millions of dollars)				
		Unrealized Gain Position		Unrealized Loss Position	
	Total Amortized Cost	Gross Gain	Fair Value	Gross Loss	Fair Value
1 year or less	$ 849.6	$ 18.1	$ 683.5	$ 0.3	$ 183.9
Over 1 year through 5 years	4,780.9	400.0	4,973.1	3.1	204.7
Over 5 years through 10 years	9,744.2	943.5	9,743.9	21.5	922.3
Over 10 years	18,556.1	1,891.1	16,923.5	192.3	3,331.4
	33,930.8	3,252.7	32,324.0	217.2	4,642.3
Mortgage/Asset-Backed Securities	3,038.3	311.4	3,321.5	0.9	27.3
Total Fixed Maturity Securities	$36,969.1	$ 3,564.1	$35,645.5	$ 218.1	$4,669.6

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 4 - Investments - Continued

	December 31, 2010 (in millions of dollars)				
	Total Amortized Cost	Unrealized Gain Position		Unrealized Loss Position	
		Gross Gain	Fair Value	Gross Loss	Fair Value
1 year or less	$ 685.7	$ 10.9	$ 532.6	$ 0.4	$ 163.6
Over 1 year through 5 years	4,740.6	394.1	4,886.3	5.5	242.9
Over 5 years through 10 years	9,501.6	931.6	9,415.0	37.1	981.1
Over 10 years	18,570.9	2,051.5	17,138.5	193.8	3,290.1
	33,498.8	3,388.1	31,972.4	236.8	4,677.7
Mortgage/Asset-Backed Securities	3,047.8	338.3	3,305.5	0.6	80.0
Total Fixed Maturity Securities	$36,546.6	$ 3,726.4	$35,277.9	$ 237.4	$4,757.7

At March 31, 2011, the fair value of investment-grade fixed maturity securities was $37,440.6 million, with a gross unrealized gain of $3,398.7 million and a gross unrealized loss of $176.9 million. The gross unrealized loss on investment-grade fixed maturity securities was 81.1 percent of the total gross unrealized loss on fixed maturity securities. Unrealized losses on investment-grade fixed maturity securities principally relate to changes in interest rates or changes in market or sector credit spreads which occurred subsequent to the acquisition of the securities.

At March 31, 2011, the fair value of below-investment-grade fixed maturity securities was $2,874.5 million, with a gross unrealized gain of $165.4 million and a gross unrealized loss of $41.2 million. The gross unrealized loss on below-investment-grade fixed maturity securities was 18.9 percent of the total gross unrealized loss on fixed maturity securities. Generally, below-investment-grade fixed maturity securities are more likely to develop credit concerns than investment-grade securities. At March 31, 2011, the unrealized losses in our below-investment-grade fixed maturity securities were generally due to credit spreads in certain industries or sectors and, to a lesser extent, credit concerns related to specific securities. For each specific security in an unrealized loss position, we believe that there are positive factors which mitigate credit concerns and that the securities for which we have not recorded an other-than-temporary impairment will recover in value.

As of March 31, 2011, we held 227 individual investment-grade fixed maturity securities and 39 individual below-investment-grade fixed maturity securities that were in an unrealized loss position, of which 51 investment-grade fixed maturity securities and 28 below-investment-grade fixed maturity securities had been in an unrealized loss position continuously for over one year.

In determining when a decline in fair value below amortized cost of a fixed maturity security is other than temporary, we evaluate the following factors:

- Whether we expect to recover the entire amortized cost basis of the security.
- Whether we intend to sell the security or will be required to sell the security before the recovery of its amortized cost basis.
- Whether the security is current as to principal and interest payments.
- The significance of the decline in value.
- The time period during which there has been a significant decline in value.
- Current and future business prospects and trends of earnings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 4 - Investments - Continued

- The valuation of the security's underlying collateral.
- Relevant industry conditions and trends relative to their historical cycles.
- Market conditions.
- Rating agency and governmental actions.
- Bid and offering prices and the level of trading activity.
- Adverse changes in estimated cash flows for securitized investments.
- Changes in fair value subsequent to the balance sheet date.
- Any other key measures for the related security.

We evaluate available information, including the factors noted above, both positive and negative, in reaching our conclusions. In particular, we also consider the strength of the issuer's balance sheet, its debt obligations and near term funding requirements, cash flow and liquidity, the profitability of its core businesses, the availability of marketable assets which could be sold to increase liquidity, its industry fundamentals and regulatory environment, and its access to capital markets. Although all available and applicable factors are considered in our analysis, our expectation of recovering the entire amortized cost basis of the security, whether we intend to sell the security, whether it is more likely than not we will be required to sell the security before recovery of its amortized cost, and whether the security is current on principal and interest payments are the most critical factors in determining whether impairments are other than temporary. The significance of the decline in value and the length of time during which there has been a significant decline are also important factors, but we generally do not record an impairment loss based solely on these two factors, since often other more relevant factors will impact our evaluation of a security.

While determining other-than-temporary impairments is a judgmental area, we utilize a formal, well-defined, and disciplined process to monitor and evaluate our fixed income investment portfolio, supported by issuer specific research and documentation as of the end of each period. The process results in a thorough evaluation of problem investments and the recording of losses on a timely basis for investments determined to have an other-than-temporary impairment.

If we determine that the decline in value of an investment is other than temporary, the investment is written down to fair value, and an impairment loss is recognized in the current period, either in earnings or in both earnings and other comprehensive income, as applicable. For those fixed maturity securities with an unrealized loss for which we have not recognized an other-than-temporary impairment, we believe we will recover the entire amortized cost, we do not intend to sell the security, and we do not believe it is more likely than not we will be required to sell the security before recovery of its amortized cost. There have been no defaults in the repayment obligations of any securities for which we have not recorded an other-than-temporary impairment.

Other-than-temporary impairment losses on fixed maturity securities which we intend to sell or more likely than not will be required to sell before recovery in value are recognized in earnings and equal the entire difference between the security's amortized cost basis and its fair value. For securities which we do not intend to sell and it is not more likely than not that we will be required to sell before recovery in value, other-than-temporary impairment losses recognized in earnings generally represent the difference between the amortized cost of the security and the present value of our best estimate of cash flows expected to be collected, discounted using the effective interest rate implicit in the security at the date of acquisition. The determination of cash flows is inherently subjective, and methodologies may vary depending on the circumstances specific to the security. The timing and amount of our cash flow estimates are developed using historical and forecast financial information from the issuer, including its current and projected liquidity position. We also consider industry analyst reports and forecasts, sector credit

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 4 - Investments - Continued

ratings, future business prospects and earnings trends, issuer refinancing capabilities, actual and/or potential asset sales by the issuer, and other data relevant to the collectibility of the contractual cash flows of the security. We take into account the probability of default, expected recoveries, third party guarantees, quality of collateral, and where our debt security ranks in terms of subordination. We may use the estimated fair value of collateral as a proxy for the present value of cash flows if we believe the security is dependent on the liquidation of collateral for recovery of our investment. For fixed maturity securities for which we have recognized an other-than-temporary impairment loss through earnings, if through subsequent evaluation there is a significant increase in expected cash flows, the difference between the new amortized cost basis and the cash flows expected to be collected is accreted as net investment income.

The following table presents the before-tax credit-related portion of other-than-temporary impairments on fixed maturity securities still held as of the dates shown for which a portion of the other-than-temporary impairment was recognized in other comprehensive income.

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars)	
Balance at Beginning of Year	$ 8.5	$ 18.3
Sales or Maturities of Securities in the Period	(8.5)	0.0
Balance at End of Period	$ 0.0	$ 18.3

At March 31, 2011, we had non-binding commitments of $129.5 million to fund certain private placement fixed maturity securities.

Variable Interest Entities

We invest in variable interests issued by variable interest entities. These investments include tax credit partnerships, private equity partnerships, and special purpose entities. For those variable interests that are not consolidated in our financial statements, we are not the primary beneficiary because we have neither the power to direct the activities that are most significant to economic performance nor the responsibility to absorb a majority of the expected losses. The determination of whether we are the primary beneficiary is performed at the time of our initial investment and at the date of each subsequent reporting period.

As of March 31, 2011, the carrying amount of our variable interest entity investments that are not consolidated under the provisions of GAAP was $385.4 million, comprised of $287.6 million of tax credit partnerships and $97.8 million of private equity partnerships. These variable interest entity investments are reported as other long-term investments in our consolidated balance sheets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 4 - Investments - Continued

Additionally, we recognize a liability for all legally binding unfunded commitments to these partnerships, with a corresponding recognition of an invested asset. Our liability for legally binding unfunded commitments to the tax credit partnerships was $168.1 million at March 31, 2011. Contractually, we are a limited partner in these investments, and our maximum exposure to loss is limited to the carrying value of our investment. We also had non-binding commitments of $65.8 million to fund certain of the private equity partnerships at March 31, 2011.

We are the sole beneficiary of a special purpose entity which is consolidated under the provisions of GAAP. This entity is a securitized asset trust containing a highly rated bond for principal protection, nonredeemable preferred stock, and several partnership equity investments. We contributed the bond and partnership investments into the trust at the time it was established. The trust supports our investment objectives and allows us to maintain our investment in the partnerships while at the same time protecting the principal of the investment. There are no restrictions on the assets held in this trust, and the trust is free to dispose of the assets at any time. Because the assets in the trust are not liquid investments, we periodically provide funding to the underlying partnerships in the trust upon satisfaction of contractual notice from the partnerships. The fair values of the bond, nonredeemable preferred stock, and partnerships were $109.1 million, $0.1 million, and $11.9 million, respectively, as of March 31, 2011. The bonds are reported as fixed maturity securities, and the nonredeemable preferred stock and partnerships are reported as other long-term investments in our consolidated balance sheets. At March 31, 2011, we had non-binding commitments to fund approximately $1.9 million to the underlying partnerships. The amount of funding provided to the partnerships during the three months ended March 31, 2011 and 2010 was de minimis.

Mortgage Loans

Our mortgage loan portfolio is well diversified by both geographic region and property type to reduce risk of concentration. All of our mortgage loans are collateralized by commercial real estate. When issuing a new loan, our general policy is not to exceed a loan-to-value ratio, or the ratio of the loan balance to the estimated fair value of the underlying collateral, of 75 percent. We update the loan-to-value ratios at least every three years for each loan, and properties undergo a general inspection at least every two years. Our general policy for newly issued loans is to have a debt service coverage ratio greater than 1.25 times on a normalized 25 year amortization period. We update our debt service coverage ratios annually.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 4 - Investments - Continued

Mortgage loans by property type and geographic region are as follows:

	March 31, 2011		December 31, 2010	
	Carrying Amount	Percent of Total	Carrying Amount	Percent of Total
	(in millions of dollars)			
Property Type				
Apartment	$ 33.5	2.2%	$ 33.7	2.2%
Industrial	471.7	30.3	458.2	30.2
Mixed	95.2	6.1	95.8	6.3
Office	650.8	41.8	634.7	41.9
Retail	298.1	19.1	286.9	18.9
Other	7.4	0.5	7.5	0.5
Total	$1,556.7	100.0%	$1,516.8	100.0%
Region				
New England	$ 139.6	9.0%	$ 146.8	9.7%
Mid-Atlantic	183.5	11.8	184.8	12.2
East North Central	203.3	13.1	171.7	11.3
West North Central	146.8	9.4	134.6	8.9
South Atlantic	379.5	24.3	372.0	24.5
East South Central	26.7	1.7	26.9	1.8
West South Central	160.5	10.3	171.8	11.3
Mountain	60.2	3.9	60.7	4.0
Pacific	256.6	16.5	247.5	16.3
Total	$1,556.7	100.0%	$1,516.8	100.0%

We evaluate each of our mortgage loans individually for impairment and assign an internal credit quality rating based on a comprehensive rating system used to evaluate the credit risk of the loan. The factors we use to derive our internal credit ratings may include the following:

- Loan-to-value ratio
- Debt service coverage ratio based on current operating income
- Property location, including regional economics, trends and demographics
- Age, condition, and construction quality of property
- Current and historical occupancy of property
- Lease terms relative to market
- Tenant size and financial strength
- Borrower’s financial strength
- Borrower’s equity in transaction
- Additional collateral, if any

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 4 - Investments - Continued

Although all available and applicable factors are considered in our analysis, loan-to-value and debt service coverage ratios are the most critical factors in determining whether we will initially issue the loan and also in assigning values and determining impairment. We assign an overall rating to each loan using an internal rating scale of Aa (highest quality) to B (lowest quality). We review and adjust, as needed, our internal credit quality ratings on an annual basis. This review process is performed more frequently for mortgage loans deemed to have a higher risk of delinquency.

Mortgage loans, sorted by the applicable credit quality indicators, are as follows:

	March 31 2011	December 31 2010
	(in millions of dollars)	
Internal Rating		
Aa	$ 18.6	$ 19.0
A	741.6	744.4
Baa	766.0	732.9
Ba	17.4	20.5
B	13.1	0.0
Total	$1,556.7	$1,516.8
Loan-to-Value Ratio		
<= 65%	$ 472.4	$ 425.3
> 65% <= 75%	861.0	869.2
> 75% <= 85%	166.9	161.9
> 85% <= 100%	56.4	60.4
Total	$1,556.7	$1,516.8

Based on an analysis of the above risk factors, as well as other current information, if we determine that it is probable we will be unable to collect all amounts due under the contractual terms of the mortgage loan, we establish an allowance for credit loss. If we expect to foreclose on the property, the amount of the allowance typically equals the excess carrying value of the mortgage loan over the fair value of the underlying collateral. If we expect to retain the mortgage loan until payoff, the allowance equals the excess carrying value of the mortgage loan over the expected future cash flows of the loan. The projection of future cash flows or a determination that the borrower can make the contractual payments is inherently subjective, and methodologies may vary depending on the circumstances specific to the loan. Additions and reductions to our allowance for credit losses on mortgage loans are reported as a component of net realized investment gains and losses. There have been no changes to our accounting policies or methodology from the prior period regarding estimating the allowance for credit losses on our mortgage loans.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 4 - Investments - Continued

The activity in the allowance for credit losses is as follows:

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars)	
Balance at Beginning of Year	$ 1.5	$ 3.2
Provision	0.0	0.5
Charge-offs, Net of Recoveries	0.0	(3.2)
Balance at End of Period	$ 1.5	$ 0.5

Impaired mortgage loans are as follows:

	March 31, 2011 (in millions of dollars)			
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
With an Allowance Recorded	$ 13.1	$ 14.6	$ 1.5	$ 13.1

	December 31, 2010 (in millions of dollars)			
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
With No Related Allowance Recorded	$ 9.8	$ 9.8	$ 0.0	$ 9.8
With an Allowance Recorded	13.1	14.6	1.5	13.1
Total	$ 22.9	$ 24.4	$ 1.5	$ 22.9

During the three months ended March 31, 2011, $0.3 million of interest income was recognized on mortgage loans subsequent to impairment.

During the three months ended March 31, 2011, we foreclosed on a previously impaired mortgage loan with a book value of $9.8 million and transferred it into other long-term investments in our consolidated balance sheets. No realized loss was recognized on the foreclosure.

As of March 31, 2011 and December 31, 2010, none of our commercial mortgage loans were past due regarding principal and interest payments and none were on nonaccrual status.

At March 31, 2011, we had no commitments to fund mortgage loans.

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Note 4 - Investments - Continued

Transfers of Financial Assets

To manage our cash position more efficiently, we enter into repurchase agreements with unaffiliated financial institutions. We generally use repurchase agreements as a means to finance the purchase of invested assets or for short-term general business purposes until projected cash flows become available from our operations or existing investments. Our repurchase agreements are typically outstanding for less than 30 days. We post collateral through our repurchase agreement transactions whereby the counterparty commits to purchase securities with the agreement to resell them to us at a later, specified date. The fair value of collateral posted is generally 102 percent of the cash received.

Our investment policy also permits us to lend fixed maturity securities to unaffiliated financial institutions in short-term securities lending transactions. These transactions increase our investment income with minimal risk. Our securities lending policy requires that a minimum of 102 percent of the fair value of the securities loaned be maintained as collateral. Generally, cash is received as collateral under these agreements. In the event that securities are received as collateral, we are not permitted to sell or re-post them.

We account for all of our securities lending transactions and repurchase agreements as collateralized financings. We had no securities lending transactions or repurchase agreements outstanding at March 31, 2011.

Realized Investment Gain and Loss

Realized investment gains and losses reported in our consolidated statements of income are as follows:

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars)	
Fixed Maturity Securities		
Gross Gains on Sales	$ 9.5	$ 18.0
Gross Losses on Sales	(6.9)	(14.5)
Other-Than-Temporary Impairment Loss	(2.3)	(0.2)
Mortgage Loans and Other Invested Assets		
Gross Gains on Sales	1.2	5.0
Gross Losses on Sales	(0.4)	(0.5)
Impairment Loss	0.0	(0.5)
Embedded Derivative in Modified Coinsurance Arrangement	14.1	18.3
Net Realized Investment Gain	$15.2	$ 25.6

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 5 - Derivative Financial Instruments

Purpose of Derivatives

We are exposed to certain risks relating to our ongoing business operations. The primary risks managed by using derivative instruments are interest rate risk, risk related to matching duration for our assets and liabilities, and foreign currency risk. Historically, we have utilized current and forward interest rate swaps and options on forward interest rate swaps, current and forward currency swaps, forward treasury locks, currency forward contracts, and forward contracts on specific fixed income securities. Hedging transactions are primarily associated with our individual and group long-term care and individual and group disability products. All other product portfolios are periodically reviewed to determine if hedging strategies would be appropriate for risk management purposes.

Our cash flow hedging programs are as follows:

- *Interest rate swaps* are used to hedge interest rate risks and to improve the matching of assets and liabilities. An interest rate swap is an agreement in which we agree with other parties to exchange, at specified intervals, the difference between fixed rate and variable rate interest amounts. The purpose of these swaps is to hedge the anticipated purchase of fixed maturity securities thereby protecting us from the potential adverse impact of declining interest rates on the associated policy reserves. We also use interest rate swaps to hedge the potential adverse impact of rising interest rates in anticipation of issuing fixed rate long-term debt.
- *Foreign currency interest rate swaps* have historically been used to hedge the currency risk of certain foreign currency-denominated fixed maturity securities owned for portfolio diversification and to hedge the currency risk associated with certain of the interest payments and debt repayments of the U.S. dollar-denominated debt issued by one of our U.K. subsidiaries. For hedges of fixed maturity securities, we agree to pay, at specified intervals, fixed rate foreign currency-denominated principal and interest payments in exchange for fixed rate payments in the functional currency of the operating segment. For hedges of debt issued, we agree to pay, at specified intervals, fixed rate foreign currency-denominated principal and interest payments to the counterparty in exchange for fixed rate U.S. dollar-denominated interest payments.
- *Options on forward interest rate swaps* are used to hedge the interest rate risk on certain insurance liabilities with minimum interest rate guarantees. By purchasing options on interest rate swaps, we are able to lock in the minimum investment yields needed to meet the required interest rate guarantee on the insurance liabilities.
- *Forward treasury locks* are used to minimize interest rate risk associated with the anticipated purchase or disposal of fixed maturity securities. A forward treasury lock is a derivative contract without an initial investment where we and the counterparty agree to purchase or sell a specific U.S. Treasury bond at a future date at a pre-determined price.
- *Foreign currency forward contracts* are used to minimize foreign currency risks. A foreign currency forward is a derivative without an initial investment where we and the counterparty agree to exchange a specific amount of currencies, at a specific exchange rate, on a specific date. We use these forward contracts to hedge the foreign currency risk associated with certain of the debt repayments of the U.S. dollar-denominated debt issued by one of our U.K. subsidiaries and to hedge the currency risk of certain foreign currency-denominated fixed maturity securities owned for diversification purposes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 5 - Derivative Financial Instruments - Continued

Our fair value hedging programs are as follows:

- *Interest rate swaps* are used to effectively convert certain of our fixed rate securities into floating rate securities which are used to fund our floating rate long-term debt. Under these swap agreements, we receive a variable rate of interest and pay a fixed rate of interest. Additionally, we use interest rate swaps to effectively convert certain fixed rate long-term debt into floating rate long-term debt. Under these swap agreements, we receive a fixed rate of interest and pay a variable rate of interest.

Derivative Risks

The basic types of risks associated with derivatives are market risk (that the value of the derivative will be adversely impacted by changes in the market, primarily the change in interest and exchange rates) and credit risk (that the counterparty will not perform according to the terms of the contract). The market risk of the derivatives should generally offset the market risk associated with the hedged financial instrument or liability.

To help limit the credit exposure of the derivatives, we enter into master netting agreements with our counterparties whereby contracts in a gain position can be offset against contracts in a loss position. We also typically enter into bilateral, cross-collateralization agreements with our counterparties to help limit the credit exposure of the derivatives. These agreements require the counterparty in a loss position to submit acceptable collateral with the other counterparty in the event the net loss position meets or exceeds an agreed upon amount. Our current credit exposure on derivatives, which is limited to the value of those contracts in a net gain position less collateral held, was $2.5 million at March 31, 2011. We held no cash collateral from our counterparties as of March 31, 2011. We held cash collateral of $39.1 million from our counterparties as of December 31, 2010. This unrestricted cash collateral is included in short-term investments and the associated obligation to return the collateral to our counterparties is included in other liabilities in our consolidated balance sheets. We post either fixed maturity securities or cash as collateral to our counterparties. The carrying value of fixed maturity securities posted as collateral to our counterparties was $164.8 million and $158.8 million at March 31, 2011 and December 31, 2010, respectively. No cash was posted as collateral to our counterparties as of March 31, 2011 and December 31, 2010.

The majority of our derivative instruments contain provisions that require us to maintain specified issuer credit ratings and financial strength ratings. Should our ratings fall below these specified levels, we would be in violation of the provisions, and our derivatives counterparties could terminate our contracts and request immediate payment. The aggregate fair value of all derivative instruments with credit risk-related contingent features that were in a liability position was $206.8 million and $199.6 million at March 31, 2011 and December 31, 2010, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 5 - Derivative Financial Instruments - Continued

Hedging Activity

The table below summarizes by notional amounts the activity for each category of derivatives.

	Swaps				
	Receive Variable/Pay Fixed	Receive Fixed/Pay Fixed	Receive Fixed/Pay Variable	Forwards	Total
			(in millions of dollars)		
Balance at December 31, 2010	$ 174.0	$617.9	$890.0	$ 0.0	$1,681.9
Additions	0.0	0.0	0.0	19.9	19.9
Terminations	0.0	11.0	55.0	19.9	85.9
Balance at March 31, 2011	$ 174.0	$606.9	$835.0	$ 0.0	$1,615.9

The following table summarizes the timing of anticipated settlements of interest rate swaps outstanding under our cash flow hedging programs at March 31, 2011, whereby we receive a fixed rate and pay a variable rate. The weighted average variable interest rates assume current market conditions.

	2011	2012	2013	Total
		(in millions of dollars)		
Notional Value	$150.0	$185.0	$150.0	$485.0
Weighted Average Receive Rate	5.61%	6.49%	6.34%	6.17%
Weighted Average Pay Rate	0.30%	0.30%	0.30%	0.30%

Cash Flow Hedges

As of March 31, 2011 and December 31, 2010, we had $485.0 million and $540.0 million, respectively, notional amount of forward starting interest rate swaps to hedge the anticipated purchase of fixed maturity securities.

As of March, 31 2011 and December 31, 2010, we had $606.9 million and $617.9 million, respectively, notional amount of open current and forward foreign currency swaps to hedge fixed income foreign dollar-denominated securities.

During the first three months ended March 31, 2011, we entered into $19.9 million notional amount of forward treasury locks used to minimize interest rate risk associated with the anticipated disposal of certain fixed maturity securities. The treasury locks were terminated at the time the securities were called and/or sold, and we recognized a gain of $0.1 million on the termination of these hedges during the three months ended March 31, 2011. The gain was recognized in other comprehensive income and amortized into net investment income.

For the three months ended March 31, 2011 and 2010, there was no material ineffectiveness related to our cash flow hedges, and no component of the derivative instruments' gain or loss was excluded from the assessment of hedge effectiveness.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 5 - Derivative Financial Instruments - Continued

As of March 31, 2011, we expect to amortize approximately $31.1 million of net deferred gains on derivative instruments during the next twelve months. This amount will be reclassified from accumulated other comprehensive income into earnings and reported on the same income statement line item as the hedged item. The income statement line items that will be affected by this amortization are net investment income and interest and debt expense. The estimated amortization includes the impact of certain derivative contracts that have not yet been terminated as of March 31, 2011. Fluctuations in fair values of these derivatives between March 31, 2011 and the date of termination will vary our projected amortization. Amounts that will be reclassified from accumulated other comprehensive income into earnings to offset the earnings impact of foreign currency translation of hedged items are not estimable.

As of March 31, 2011, we are hedging the variability of future cash flows associated with forecasted transactions through the year 2038.

Fair Value Hedges

As of March 31, 2011 and December 31, 2010, we had $174.0 million notional amount of receive variable, pay fixed interest rate swaps to hedge the changes in fair value of certain fixed rate securities held. These swaps effectively convert the associated fixed rate securities into floating rate securities, which are used to fund our floating rate long-term debt. Changes in the fair value of the derivative and changes in the fair value of the hedged item attributable to the risk being hedged are recognized in current earnings as a component of net realized investment gain or loss during the period of change in fair value. For the three months ended March 31, 2011 and 2010, the change in fair value of the hedged fixed maturity securities attributable to the hedged benchmark interest rate resulted in a loss of $2.6 million and $2.3 million, respectively, with offsetting gains on the related interest rate swaps.

As of March 31, 2011 and December 31, 2010, we had a $350.0 million notional amount receive fixed, pay variable interest rate swap to hedge the changes in the fair value of certain fixed rate long-term debt. This swap effectively converts the associated fixed rate long-term debt into floating rate debt and provides for a better matching of interest rates with our short-term investments, which have frequent interest rate resets similar to a floating rate security. For the three months ended March 31, 2011, the change in fair value of the hedged fixed debt attributable to the hedged benchmark interest rate resulted in a gain of $2.1 million, with an offsetting loss on the related interest rate swaps.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 5 - Derivative Financial Instruments - Continued

For the three months ended March 31, 2011 and 2010, there was no material ineffectiveness related to our fair value hedges, and no component of the derivative instruments' gain or loss was excluded from the assessment of hedge effectiveness. There were no instances wherein we discontinued fair value hedge accounting due to a hedged firm commitment no longer qualifying as a fair value hedge.

Derivatives Not Designated as Hedging Instruments

We have an embedded derivative in a modified coinsurance arrangement for which we include in our realized investment gains and losses a calculation intended to estimate the value of the option of our reinsurance counterparty to cancel the reinsurance contract with us. However, neither party can unilaterally terminate the reinsurance agreement except in extreme circumstances resulting from regulatory supervision, delinquency proceedings, or other direct regulatory action. Cash settlements or collateral related to this embedded derivative are not required at any time during the reinsurance contract or at termination of the reinsurance contract. There are no credit-related counterparty triggers, and any accumulated embedded derivative gain or loss reduces to zero over time as the reinsured business winds down.

Locations and Amounts of Derivative Financial Instruments

The following tables summarize the location and fair values of derivative financial instruments, as reported in our consolidated balance sheets.

	March 31, 2011 (in millions of dollars)			
	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Designated as Hedging Instruments				
Interest Rate Swaps	Other L-T Investments	$80.6	Other Liabilities	$ 38.7
Foreign Exchange Contracts	Other L-T Investments	0.5	Other Liabilities	168.1
Total		$81.1		$206.8
Not Designated as Hedging Instruments				
Embedded Derivative in Modified Coinsurance Arrangement			Other Liabilities	$ 82.2

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 5 - Derivative Financial Instruments - Continued

	December 31, 2010 (in millions of dollars)			
	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Designated as Hedging Instruments				
Interest Rate Swaps	Other L-T Investments	$ 98.4	Other Liabilities	$ 39.1
Foreign Exchange Contracts	Other L-T Investments	0.7	Other Liabilities	160.5
Total		$99.1		$199.6
Not Designated as Hedging Instruments				
Embedded Derivative in Modified				
Coinsurance Arrangement			Other Liabilities	$ 96.3

The following tables summarize the location of and gains and losses on derivative financial instruments designated as cash flow hedging instruments, as reported in our consolidated statements of income and consolidated statements of comprehensive income.

	Three Months Ended March 31, 2011		
	Gain (Loss) Recognized in OCI on Derivatives (Effective Portion)	Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion)
		(in millions of dollars)	
Interest Rate Swaps and Forwards	$ 14.6	$ 8.4(1)	$ 0.0
Interest Rate Swaps	0.0	1.2(2)	0.0
Interest Rate Swaps	0.0	(0.4)(3)	0.0
Foreign Exchange Contracts	0.0	(0.3)(1)	0.0
Foreign Exchange Contracts	(7.9)	(18.5)(2)	0.0
Total	$ 6.7	$ (9.6)	$ 0.0

(1) Gain (loss) recognized in net investment income
(2) Gain (loss) recognized in net realized investment gain
(3) Loss recognized in interest and debt expense

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 5 - Derivative Financial Instruments - Continued

	Three Months Ended March 31, 2010		
	Gain (Loss) Recognized in OCI on Derivatives (Effective Portion)	Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion)
		(in millions of dollars)	
Interest Rate Swaps	$ 12.8	$ 7.9(1)	$ 0.0
Interest Rate Swaps	0.0	1.8(2)	0.0
Foreign Exchange Contracts	0.0	(0.6)(1)	0.0
Foreign Exchange Contracts	(25.2)	(18.2)(2)	0.0
Foreign Exchange Contracts	0.0	0.6(3)	0.0
Total	$ (12.4)	$ (8.5)	$ 0.0

(1) Gain (loss) recognized in net investment income
(2) Gain (loss) recognized in net realized investment gain
(3) Gain recognized in interest and debt expense

The following table summarizes the location of and gain on our embedded derivative in a modified coinsurance arrangement, as reported in our consolidated statements of income.

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars)	
Gain Recognized in Net Realized Investment Gain	$ 14.1	$ 18.3

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 6 - Segment Information

Our reporting segments are comprised of the following: Unum US, Unum UK, Colonial Life, Individual Disability - Closed Block, and Corporate and Other.

Premium income by major line of business within each of our segments is presented as follows. Certain prior year amounts within Unum UK have been reclassified to conform to current year presentation.

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars)	
Unum US		
Group Disability		
Group Long-term Disability	$ 397.0	$ 415.6
Group Short-term Disability	111.0	106.2
Group Life and Accidental Death & Dismemberment		
Group Life	273.4	270.1
Accidental Death & Dismemberment	27.1	26.0
Supplemental and Voluntary		
Individual Disability - Recently Issued	115.1	118.4
Long-term Care	150.6	149.2
Voluntary Benefits	145.2	130.6
	1,219.4	1,216.1
Unum UK		
Group Long-term Disability	103.4	109.3
Group Life	47.6	42.8
Supplemental and Voluntary	16.1	13.7
	167.1	165.8
Colonial Life		
Accident, Sickness, and Disability	172.3	162.8
Life	46.2	43.5
Cancer and Critical Illness	61.9	58.8
	280.4	265.1
Individual Disability - Closed Block	202.3	214.0
Corporate and Other	0.3	2.2
Total	$ 1,869.5	$ 1,863.2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 6 - Segment Information - Continued

Selected operating statement data by segment is presented as follows:

	Unum US	Unum UK	Colonial Life	Individual Disability - Closed Block	Corporate and Other	Total
			(in millions of dollars)			
Three Months Ended March 31, 2011						
Premium Income	$ 1,219.4	$ 167.1	$ 280.4	$ 202.3	$ 0.3	$1,869.5
Net Investment Income	321.6	44.9	31.3	182.0	38.9	618.7
Other Income	31.0	0.1	0.1	22.6	5.9	59.7
Operating Revenue	$ 1,572.0	$ 212.1	$ 311.8	$ 406.9	$ 45.1	$ 2,547.9
Operating Income (Loss)	$ 209.1	$ 48.7	$ 69.0	$ 9.9	$ (21.7)	$ 315.0
Three Months Ended March 31, 2010						
Premium Income	$ 1,216.1	$ 165.8	$ 265.1	$ 214.0	$ 2.2	$ 1,863.2
Net Investment Income	304.6	39.8	29.9	190.7	48.0	613.0
Other Income	30.5	0.5	0.2	21.5	7.1	59.8
Operating Revenue	$1,551.2	$ 206.1	$295.2	$ 426.2	$ 57.3	$ 2,536.0
Operating Income (Loss)	$ 199.2	$ 60.6	$ 73.0	$ 11.7	$ (8.9)	$ 335.6

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 6 - Segment Information - Continued

A reconciliation of total operating revenue and operating income by segment to revenue and net income as reported in our consolidated statements of income follows:

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars)	
Operating Revenue by Segment	$ 2,547.9	$ 2,536.0
Net Realized Investment Gain	15.2	25.6
Revenue	$ 2,563.1	$ 2,561.6
Operating Income by Segment	$ 315.0	$ 335.6
Net Realized Investment Gain	15.2	25.6
Income Tax	104.8	131.4
Net Income	$ 225.4	$ 229.8

Assets by segment are as follows:

	March 31 2011	December 31 2010
	(in millions of dollars)	
Unum US	$ 25,014.5	$ 24,876.9
Unum UK	3,482.2	3,386.3
Colonial Life	3,122.9	3,047.3
Individual Disability - Closed Block	15,412.9	15,509.1
Corporate and Other	10,084.3	10,488.1
Total	$57,116.8	$ 57,307.7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 7 - Pensions and Other Postretirement Benefits

The components of net periodic benefit cost related to the Company sponsored defined benefit pension and other postretirement benefit plans (OPEB) for our employees are as follows:

	Three Months Ended March 31					
	2011	2010	2011	2010	2011	2010
	(in millions of dollars)					
	Pension Benefits					
	U.S. Plans		Non U.S. Plans		OPEB	
Service Cost	$ 10.6	$ 9.1	$ 1.2	$ 1.3	$ 0.5	$ 0.6
Interest Cost	19.4	17.8	2.2	2.4	2.5	2.7
Expected Return on Plan Assets	(21.9)	(17.6)	(3.1)	(2.7)	(0.2)	(0.2)
Amortization of:						
Net Actuarial Loss	8.0	7.4	0.0	0.6	0.0	0.0
Prior Service Credit	(0.1)	(0.1)	0.0	0.0	(0.6)	(0.6)
Net Periodic Benefit Cost	$ 16.0	$ 16.6	$ 0.3	$ 1.6	$ 2.2	$ 2.5

We have no regulatory contribution requirements for our U.S. qualified defined benefit plan in 2011. For our U.K. operation, which maintains a separate defined benefit plan, we made required contributions totaling $1.3 million, or approximately £0.8 million, during the three months ended March 31, 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 8 - Stockholders' Equity and Earnings Per Common Share

Net income per common share is determined as follows:

	Three Months Ended March 31	
	2011	2010
	(in millions of dollars, except share data)	
Numerator		
Net Income	$ 225.4	$ 229.8
Denominator (000s)		
Weighted Average Common Shares - Basic	312,742.3	332,270.2
Dilution for Assumed Exercises of Stock Options and Nonvested Stock Awards	1,590.0	1,254.5
Weighted Average Common Shares - Assuming Dilution	314,332.3	333,524.7
Net Income Per Common Share		
Basic	$ 0.72	$ 0.69
Assuming Dilution	$ 0.72	$ 0.69

We use the treasury stock method to account for the effect of outstanding stock options, nonvested stock awards, and performance restricted stock units on the computation of dilutive earnings per share. Under this method, these potential common shares will each have a dilutive effect, as individually measured, when the average market price of Unum Group common stock during the period exceeds the exercise price of the stock options, the grant price of the nonvested stock awards, and/or the threshold stock price of performance restricted stock units.

The outstanding stock options have exercise prices ranging from $11.37 to $32.08, the nonvested stock awards have grant prices ranging from $10.59 to $26.29, and the performance restricted stock units have a threshold stock price of $26.00.

In computing earnings per share assuming dilution, only potential common shares that are dilutive (those that reduce earnings per share) are included. Potential common shares not included in the computation of dilutive earnings per share because their impact would be antidilutive, based on current market prices, approximated 1.9 million and 3.7 million shares of common stock for the three month periods ended March 31, 2011 and 2010, respectively.

In May 2010, our board of directors authorized the repurchase of up to $500.0 million of Unum Group's common stock. During 2010, we repurchased 16.4 million shares, at a cost of $356.0 million, including commissions of $0.3 million, under this share repurchase program.

On February 2, 2011, our board of directors authorized the repurchase of up to $1.0 billion of Unum Group's common stock, in addition to the amount remaining to be repurchased under the $500.0 authorization. The $1.0 billion share repurchase program has an expiration date of August 2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 8 - Stockholders' Equity and Earnings Per Common Share - Continued

On February 4, 2011, we repurchased 7.1 million shares, at a cost of $200.0 million, using an accelerated repurchase agreement with a financial counterparty. As part of this transaction, we simultaneously entered into a forward contract indexed to the price of Unum Group common stock, which subjected the transaction to a future price adjustment. Under the terms of the repurchase agreement, we were to receive, or be required to pay, a price adjustment based on the volume weighted average price of Unum Group common stock during the term of the agreement, less a discount. Any price adjustment payable to us was to be settled in shares of Unum Group common stock. Any price adjustment we would have been required to pay would have been settled in either cash or common stock. The final price adjustment settlement occurred on March 18, 2011 resulting in the delivery to us of 0.6 million additional shares. In total, we repurchased 7.7 million shares pursuant to the accelerated repurchase agreement, which completed the $500.0 million repurchase authorization and initiated the $1.0 billion repurchase program.

In addition to these repurchases, we repurchased an additional 0.9 million shares on the open market at a cost of $23.6 million, for a total repurchase of 8.6 million shares at a cost of $223.6 million during the three months ended March 31, 2011. The dollar value of shares remaining under the $1.0 billion repurchase program at March 31, 2011 is $920.7 million.

Pursuant to these repurchase programs, we retired 7.7 million shares during the first three months of 2011. All other repurchased shares have been classified as treasury stock and accounted for using the cost method.

Unum Group has 25,000,000 shares of preferred stock authorized with a par value of $0.10 per share. No preferred stock has been issued to date.

Note 9 - Commitments and Contingent Liabilities

Contingent Liabilities

We are a defendant in a number of litigation matters. In some of these matters, no specified amount is sought. In others, very large or indeterminate amounts, including punitive and treble damages, are asserted. There is a wide variation of pleading practice permitted in the United States courts with respect to requests for monetary damages, including some courts in which no specified amount is required and others which allow the plaintiff to state only that the amount sought is sufficient to invoke the jurisdiction of that court. Further, some jurisdictions permit plaintiffs to allege damages well in excess of reasonably possible verdicts. Based on our extensive experience and that of others in the industry with respect to litigating or resolving claims through settlement over an extended period of time, we believe that the monetary damages asserted in a lawsuit or claim bear little relation to the merits of the case, or the likely disposition value. Therefore, the specific monetary relief sought is not stated.

Unless indicated otherwise in the descriptions below, reserves have not been established for litigation and contingencies. An estimated loss is accrued when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

In the disclosures that follow about litigation, we refer to the name of the company specified in the original complaint, following the practice in the courts. Therefore, references to UnumProvident Corporation should be understood as references to Unum Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 9 - Commitments and Contingent Liabilities - Continued

Claims Handling Matters

We and our insurance subsidiaries, as part of our normal operations in managing disability claims, are engaged in claim litigation where disputes arise as a result of a denial or termination of benefits. Most typically these lawsuits are filed on behalf of a single claimant or policyholder, and in some of these individual actions punitive damages are sought, such as claims alleging bad faith in the handling of insurance claims. For our general claim litigation, we maintain reserves based on experience to satisfy judgments and settlements in the normal course. We expect that the ultimate liability, if any, with respect to general claim litigation, after consideration of the reserves maintained, will not be material to our consolidated financial condition. Nevertheless, given the inherent unpredictability of litigation, it is possible that an adverse outcome in certain claim litigation involving punitive damages could, from time to time, have a material adverse effect on our consolidated results of operations in a period, depending on the results of operations for the particular period.

From time to time class action allegations are pursued where the claimant or policyholder purports to represent a larger number of individuals who are similarly situated. Since each insurance claim is evaluated based on its own merits, there is rarely a single act or series of actions, which can properly be addressed by a class action. Nevertheless, we monitor these cases closely and defend ourselves appropriately where these allegations are made.

Broker Compensation, Quoting Process, and Other Matters

Examinations and Investigations

In November 2009, we were contacted by Florida state insurance regulators to discuss a resolution of their investigation of our compliance with state and federal laws with respect to producer compensation, solicitation activities, policies sold to state or municipal entities, and information regarding compensation arrangements with brokers. This investigation commenced in 2005, and, until the November 2009 contact, we had received no communications from the regulators regarding this matter since December 2007.

Broker-Related Litigation

We and certain of our subsidiaries, along with many other insurance brokers and insurers, were named as defendants in a series of putative class actions that were transferred to the U.S. District Court for the District of New Jersey for coordinated or consolidated pretrial proceedings as part of multidistrict litigation (MDL) No. 1663, In re Insurance Brokerage Antitrust Litigation. The plaintiffs in MDL No. 1663 were ordered to file a consolidated amended complaint which alleged, among other things, that the defendants violated federal and state antitrust laws, the Racketeer Influenced Corrupt Organizations Act (RICO), Employee Retirement Income Security Act (ERISA), and various state common law requirements by engaging in alleged bid rigging and customer allocation and by paying undisclosed compensation to insurance brokers to steer business to defendant insurers. After several amendments to the complaint, all claims against us were dismissed, and the dismissal was affirmed on appeal by the United States Court of Appeals for the Third Circuit.

The only remaining proceeding against us that is part of MDL No. 1663 is Palm Tree Computers Systems, Inc. v. ACE USA, et al., which was filed in the Florida state Circuit Court on February 16, 2005. The complaint contains allegations similar to those referred to above. The case was removed to federal court and, on October 20, 2005, the case was transferred to MDL No. 1663. Plaintiffs renewed a motion to remand the case to the state court in Florida, and that motion was most recently denied without prejudice on October 16, 2009. There have been no further proceedings in Palm Tree Computers Systems, Inc. v. ACE USA, et al. subsequent to that date, while the Court considers motions to dismiss filed by other defendants in MDL No. 1663.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 9 - Commitments and Contingent Liabilities - Continued

Miscellaneous Matters

In September 2003, United States of America ex. rel. Patrick J. Loughren v. UnumProvident Corporation and GENEX Services, Inc . (GENEX) was filed in the United States District Court for the District of Massachusetts. This is a qui tam action to recover damages and civil penalties on behalf of the United States of America alleging violations of the False Claims Act by us and our former GENEX subsidiary. In accordance with the False Claims Act, the action was originally filed under seal to provide the government the opportunity to investigate the allegations and prosecute the action if they believed that the case had merit and warranted their attention. The government declined to prosecute the case, and the case became a matter of public record on December 23, 2004. The complaint alleged that we defrauded the government by inducing and or assisting disability claimants to apply for disability benefits from the Social Security Administration (SSA) when we allegedly knew that the claimants were not disabled under SSA criteria. Relator identified 95 individual claims that he alleged to be false and sought present expert testimony from a statistician who would say that each of those claims found to be false could be extrapolated to support a finding of a much larger number of false claims. We filed a motion for summary judgment which was denied on September 15, 2008. The case proceeded to trial at which seven out of the 95 claims were adjudicated. We prevailed on four of the claims, the Relator prevailed on two of the claims, and the jury could not reach a verdict on one of the claims. The jury awarded the Relator $850 in damages which was trebled. The court also assessed a penalty of $11,000 for each of the two claims. On February 24, 2009, the court also ruled that the testimony of the Relator's expert in support of extrapolation would be excluded. We filed an appeal with the First Circuit Court of Appeals on the two claims which Relator prevailed. On July 29, 2010, the Court of Appeals vacated the jury verdict on the two claims and remanded the case to the trial court. On August 12, 2010, we filed a petition with the First Circuit Court of Appeals seeking clarification and/or rehearing en banc of the court's July 29, 2010 opinion. On October 7, 2010, this petition was denied without comment and the case was remanded back to the trial court. An estimate of the liability to resolve this matter was established in the fourth quarter of 2010. This accrual was not material to our operating results.

In September 2008, we received service of a complaint, in an adversary proceeding in connection with the bankruptcy case In re Quebecor World (USA) Inc., et al. entitled Official Committee of Unsecured Creditors of Quebecor World (USA) Inc., et al., v. American United Life Insurance Company, et al ., filed in the United States Bankruptcy Court for the Southern District of New York. The complaint alleges that we received preference payments relating to notes held by certain of our insurance subsidiaries and seeks to avoid and recover such payments plus interest and cost of the action. We deny the allegations in the complaint and will vigorously contest them.

In July 2010, we received a subpoena from the Office of the New York Attorney General requesting documents and information relating to certain group life insurance policies wherein we paid life insurance proceeds by establishing interest-bearing retained asset accounts. We are cooperating with the investigation.

In October 2010, Denise Merrimon, Bobby S. Mowery, and all others similarly situated vs. Unum Life Insurance Company of America , was filed in the United States District Court for the District of Maine. This is a putative class action alleging that we breached fiduciary duties owed to certain beneficiaries under certain group life insurance policies when we paid life insurance proceeds by establishing interest-bearing retained asset accounts rather than by mailing checks. Plaintiffs seek to represent a class of beneficiaries under group life insurance contracts that were employee welfare benefit plans under ERISA and under which we paid death benefits pursuant to a retained asset account. Plaintiffs seek to recover on behalf of the class the difference between the interest paid to them and amounts alleged to have been realized by us through our investment of the retained assets. We intend to vigorously defend the action.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 9 - Commitments and Contingent Liabilities - Continued

Summary

Various lawsuits against us, in addition to those discussed above, have arisen in the normal course of business. Further, state insurance regulatory authorities and other federal and state authorities regularly make inquiries and conduct investigations concerning our compliance with applicable insurance and other laws and regulations.

Given the complexity and scope of our litigation and regulatory matters, it is not possible to predict the ultimate outcome of all pending investigations or legal proceedings or provide reasonable estimates of potential losses, except where noted in connection with specific matters. It is possible that our results of operations or cash flows in a particular period could be materially affected by an ultimate unfavorable outcome of pending litigation or regulatory matters depending, in part, on our results of operations or cash flows for the particular period. We believe, however, that the ultimate outcome of all pending litigation and regulatory matters, after consideration of applicable reserves and rights to indemnification, should not have a material adverse effect on our financial position.

Note 10 - Other

Debt

During the three months ended March 31, 2011, the remaining $225.1 million of our 7.625% senior notes due March 2011 matured. We also made principal payments of $21.7 million and $2.5 million on our senior secured non-recourse floating rate notes issued by Northwind Holdings, LLC and Tailwind Holdings, LLC, respectively during the three months ended March 31, 2011.

Income Tax

At March 31, 2011, we had a liability of $137.1 million for unrecognized tax benefits, $121.9 million of which is associated with deferred tax assets. The total unrecognized tax benefit that would impact the effective tax rate, if recognized, is $15.2 million. The interest expense and penalties related to unrecognized tax expense in our consolidated statements of income were $1.2 million for each of the three months ended March 31, 2011 and 2010.

During 2009, we had a conference with the Internal Revenue Service (IRS) with respect to our appeal of IRS audit adjustments for the years 1999 to 2004. Although we have not yet reached a final settlement with the IRS for these years, it is reasonably possible that this appeal will be resolved in whole or in part within 12 months and that statutes of limitations may expire in multiple jurisdictions within the same period. As a result, it is reasonably possible that our liability for unrecognized tax benefits could decrease within 12 months by $0 to $40.0 million. We believe sufficient provision has been made for all uncertain tax positions and that any adjustments by tax authorities with respect to such positions would not have a material adverse effect on our financial position, liquidity, or results of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

March 31, 2011

Note 10 - Other - Continued

In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 were signed into law. Among other things, the new legislation reduces the tax benefits available to an employer that receives a postretirement prescription drug coverage subsidy from the federal government under the Medicare Prescription Drug, Improvement and Modernization Act of 2003. Under the new legislation, to the extent our future postretirement prescription drug coverage expenses are reimbursed under the subsidy program, the expenses covered by the subsidy will no longer be tax deductible after 2012. Employers that receive the subsidy must recognize the deferred tax effects relating to the future postretirement prescription drug coverage in the period the legislation was enacted. Our income tax expense for the three months ended March 31, 2010 includes a non-cash tax charge of $10.2 million to reflect the impact of the tax law change.

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Unum Group and Subsidiaries

We have reviewed the consolidated balance sheet of Unum Group and subsidiaries as of March 31, 2011, and the related consolidated statements of income, stockholders' equity, cash flows, and comprehensive income for the three-month periods ended March 31, 2011 and 2010. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Unum Group and subsidiaries as of December 31, 2010, and the related consolidated statements of income, stockholders' equity, cash flows and comprehensive income (loss) for the year then ended not presented herein and in our report dated February 25, 2011, we expressed an unqualified opinion on those consolidated financial statements.

/s/ ERNST & YOUNG LLP

Chattanooga, Tennessee
May 4, 2011

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

Unum Group, a Delaware general business corporation, and its insurance and non-insurance subsidiaries, which collectively with Unum Group we refer to as the Company, operate in the United States, the United Kingdom, and, to a limited extent, in certain other countries around the world. The principal operating subsidiaries in the United States are Unum Life Insurance Company of America (Unum America), Provident Life and Accident Insurance Company (Provident), The Paul Revere Life Insurance Company (Paul Revere Life), and Colonial Life & Accident Insurance Company, and in the United Kingdom, Unum Limited. We are the largest provider of disability insurance products in the United States and the United Kingdom. We also provide a complementary portfolio of other insurance products, including employer- and employee-paid group benefits, life insurance, long-term care insurance, and other related services.

We have three major business segments: Unum US, Unum UK, and Colonial Life. Our other segments are the Individual Disability – Closed Block segment and the Corporate and Other segment. These segments are discussed more fully under "Segments Results" contained in this Item 2.

As one of the leading providers of employee benefits in the U.S. and the U.K., we offer a broad portfolio of products and services to meet the diverse and rapidly changing needs of employers and their employees. Specifically, we offer group, individual, and voluntary benefits – either as stand-alone products or combined with other coverages – that create comprehensive benefits solutions for employers of all sizes by helping them attract and retain a stronger workforce while protecting the incomes and lifestyles of their employees. We believe employer-sponsored benefits represent the single most effective way to provide workers with access to the information and options they need to protect their lifestyle and provide financial security. Working people and their families, particularly those at middle and lower incomes, are perhaps the most vulnerable in today's economy yet are often overlooked by many providers of financial services and products. For many of these people, employer-sponsored benefits are the primary defense against the potentially catastrophic fallout of death, illness, or injury.

We have established a corporate culture consistent with the social values our products provide. We are committed to not only meeting the needs of our customers who depend on us, but also to operating with integrity and being accountable for our actions. Our sound and consistent business practices, strong internal compliance program, and comprehensive risk management strategy enable us to operate efficiently as well as to identify and address potential areas of risk in our business. We have also applied these same values to our social responsibility efforts. Because we see important links between the obligations we have to all of our stakeholders, we place a strong emphasis on contributing to positive change in our communities.

We are an industry leader, and we believe we are well positioned in our sector with solid long-term growth prospects. Given the nature of our business, however, we are sensitive to economic and financial market movements, including consumer confidence, employment levels, and interest rates. Our business outlook, which recognizes both the challenges of the current economic environment as well as the mitigating impact of risk-reducing actions we have taken in recent years, is consistent with our risk appetite. Although the occurrence of one or more of the risk factors discussed in our 2010 annual report on Form 10-K may cause our results to differ materially from our outlook, our business plan has been tested against a variety of economic scenarios, and we believe we can continue to meet the challenges presented by the current economic environment. We remain cautious of the near-term outlook for employment levels and wages, both of which limit opportunities for premium growth, but we believe we are poised to profitably grow as employment trends improve.

This discussion and analysis should be read in conjunction with the consolidated financial statements and notes thereto in Part I, Item 1 contained in this Form 10-Q and with the "Cautionary Statement Regarding Forward-Looking Statements" included below the Table of Contents, as well as the discussion, analysis, and consolidated financial statements and notes thereto in Part I, Items 1 and 1A, and Part II, Items 6, 7, 7A, and 8 of our annual report on Form 10-K for the year ended December 31, 2010.

Executive Summary

During 2011, our focus will remain on disciplined top-line growth and capital management. Objectives for the year include:

- Continue to consistently execute against our operating plans, which emphasize disciplined, profitable growth;
- Further enhance our financial flexibility through solid operating and investment performance and a sustainable capital deployment strategy;
- Leverage our capabilities, products, relationships, and reputation to deliver on our commitments as well as our bottom-line targets;
- Continue to invest in our businesses and leverage global capabilities to capitalize on current and future growth opportunities.

A discussion of our operating performance and capital management follows.

Operating Performance and Capital Management

For the first quarter of 2011, we reported net income of $225.4 million, or $0.72 per diluted common share, compared to $229.8 million, or $0.69 per diluted common share for the first quarter of 2010. After-tax operating income for the first quarter of 2011 was $215.7 million, or $0.69 per diluted common share, compared to $223.5 million, or $0.67 per diluted common share, in the first quarter of 2010. Our income tax rate was lower than the first quarter of 2010 due primarily to our increased level of investments in low-income housing tax credit partnerships. In addition, the increase in after-tax operating income per share relative to last year's first quarter was aided by the repurchase of our common stock during 2010 and the first quarter of 2011. Our operating income by segment decreased 6.1 percent relative to the first quarter of 2010, with solid performance in Unum US but lower earnings in our other segments. Our operating revenue by segment increased less than one percent relative to the first quarter of 2010, with the current economic environment continuing to negatively impact our premium growth. See "Reconciliation of Non-GAAP Financial Measures" contained herein in Item 2.

Our Unum US segment reported an increase in segment operating income of 5.0 percent in the first quarter of 2011 compared to the first quarter of 2010, with the overall risk experience across our product lines remaining generally stable. The benefit ratio for the Unum US segment for the first quarter of 2011 was 78.8 percent compared to 78.3 percent in the prior year first quarter, with year over year improvement in benefit ratios for group disability and voluntary benefits offset by higher benefit ratios in the group life and accidental death and dismemberment, individual disability – recently issued, and long-term care product lines. Although Unum US premium income increased slightly in the first quarter of 2011 compared to the first quarter of 2010, the ongoing high levels of unemployment and the competitive environment continue to pressure our premium income growth. In particular, premium growth from existing customers continues to be unfavorably impacted by lower salary growth and lower growth in the number of employees covered under existing policies. Unum US sales increased 10.4 percent in the first quarter of 2011 compared to the first quarter of 2010, led by sales increases in our group large case market segment and our supplemental and voluntary business lines, where voluntary benefits sales grew 9.6 percent compared to the first quarter of 2010. Our group core market segment, which we define for Unum US as employee groups with fewer than 2,000 lives, reported a sales decline of 1.3 percent in the first quarter of 2011 relative to last year's first quarter. Persistency, though below the level of the first quarter of 2010 for some of our Unum US product lines, remains high relative to historical levels.

Our Unum UK segment reported a decrease in segment operating income of 21.9 percent in the first quarter of 2011, as measured in Unum UK's local currency, relative to last year's first quarter. The decrease was driven by a slight decline in premium income as well as less favorable risk results and higher expenditures related to Unum UK's growth plans. The decline in premium income resulted from lower premium growth from existing customers and pricing actions due to the competitive U.K. market. The benefit ratio for Unum UK was 69.3 percent in the first quarter of 2011 compared to 63.1 percent in the first quarter of 2010, driven primarily by the unfavorable impact quarter over quarter of higher inflation on claim reserves associated with policies containing an inflation-linked benefit increase feature as well as less favorable claim experience in group long-term disability. Unum UK sales, which were also negatively impacted by the economy and the competitive pricing environment, declined 28.6

percent relative to last year's first quarter, as measured in Unum UK's local currency. Persistency was below the level of the first quarter of 2010 but remains strong.

Our Colonial Life segment reported a 5.5 percent decrease in segment operating income in the first quarter of 2011 relative to the first quarter of 2010. Although premium income grew 5.8 percent relative to last year's first quarter, risk results were less favorable than last year, with a benefit ratio of 51.4 percent in the first quarter of 2011 compared to 47.1 percent in the first quarter of 2010, driven primarily by less favorable risk in the accident, sickness, and disability product line. Colonial Life's sales decreased 3.7 percent relative to last year's first quarter. The number of new agent contracts increased relative to the first quarter of 2010, while the number of new accounts declined. Persistency overall is generally consistent with the level of the first quarter of 2010.

Our investment portfolio continued to perform well, with an increase in net investment income of 0.9 percent over the first quarter of 2010. The net unrealized gain on our fixed maturity securities was $3.3 billion at the end of the first quarter of 2011, compared to $3.5 billion at year end 2010 and $2.5 billion at the end of the first quarter of 2010.

We believe our capital and financial positions are strong. At the end of the first quarter of 2011, the risk-based capital (RBC) ratio for our traditional U.S. insurance subsidiaries, calculated on a weighted average basis using the NAIC Company Action Level formula, was approximately 395 percent, compared to 398 percent at the end of 2010. Our leverage ratio, when calculated using consolidated debt to total consolidated capital, was 24.1 percent at March 31, 2011 compared to 25.9 percent at December 31, 2010, reflecting the scheduled maturity of $225.1 million of senior notes during March 2011. Our leverage ratio, when calculated excluding the non-recourse debt and associated capital of Tailwind Holdings, LLC (Tailwind Holdings) and Northwind Holdings, LLC (Northwind Holdings), was 20.9 percent at March 31, 2011 compared to 22.8 percent at the end of 2010. The cash and marketable securities at our holding companies equaled approximately $816 million at the end the first quarter of 2011, compared to $1.2 billion at the end of 2010. During the first quarter of 2011, we repurchased 8.6 million shares of Unum Group's common stock at a cost of $223.6 million. We have now completed the $500.0 million share repurchase program authorized in 2010 and purchased $80 million under our $1.0 billion share repurchase program authorized in February 2011.

Despite the difficult economic environment, we continue to make steady and disciplined progress, executing on our business plans and maintaining our strong financial position. We remain cautious of the near-term outlook for employment levels and wages, both of which limit opportunities for premium growth, but we believe we are poised to profitably grow as employment trends improve.

Further discussion is included in "Segment Results," "Investments," and "Liquidity and Capital Resources" contained in this Item 2.

Critical Accounting Estimates

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect amounts reported in our financial statements and accompanying notes. Estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed in our financial statements.

The accounting estimates deemed to be most critical to our financial position and results of operations are those related to reserves for policy and contract benefits, deferred acquisition costs, valuation of investments, pension and postretirement benefit plans, income taxes, and contingent liabilities. There have been no significant changes in our critical accounting estimates during the first three months of 2011.

For additional information concerning our accounting policies and critical accounting estimates, see Note 1 of the "Notes to Consolidated Financial Statements" in Part II, Item 8 and "Critical Accounting Estimates" in Part II, Item 7 of our annual report on Form 10-K for the year ended December 31, 2010.

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Accounting Developments

For information on new accounting standards and the impact, if any, on our financial position or results of operations, see Note 2 of the "Notes to Consolidated Financial Statements" contained herein in Item 1.

Consolidated Operating Results

(in millions of dollars)

	Three Months Ended March 31		
	2011	% Change	2010
Revenue			
Premium Income	$1,869.5	0.3%	$ 1,863.2
Net Investment Income	618.7	0.9	613.0
Net Realized Investment Gain	15.2	(40.6)	25.6
Other Income	59.7	(0.2)	59.8
Total Revenue	**2,563.1**	**0.1**	**2,561.6**
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	1,593.0	1.5	1,568.9
Commissions	224.3	2.7	218.3
Interest and Debt Expense	37.9	13.5	33.4
Deferral of Acquisition Costs	(158.3)	2.2	(154.9)
Amortization of Deferred Acquisition Costs	138.3	(2.1)	141.2
Compensation Expense	201.9	2.3	197.3
Other Expenses	195.8	(0.2)	196.2
Total Benefits and Expenses	**2,232.9**	**1.5**	**2,200.4**
Income Before Income Tax	**330.2**	**(8.6)**	**361.2**
Income Tax	104.8	(20.2)	131.4
Net Income	**$ 225.4**	**(1.9)**	**$ 229.8**

The comparability of our financial results between years is affected by the fluctuation in the British pound sterling to dollar exchange rate. The functional currency of our U.K. operations is the British pound sterling. In periods when the pound weakens, translating pounds into dollars decreases current period results relative to the prior period. In periods when the pound strengthens, translating pounds into dollars increases current period results in relation to the prior period. Our weighted average pound/dollar exchange rate was 1.607 and 1.562 for the first quarter of 2011 and 2010, respectively. If the 2010 results for our U.K. operations had been translated at the higher exchange rate of the first quarter of 2011, our operating revenue would have been higher by approximately $6.0 million in the first quarter of 2010, and operating income by segment would have been higher by approximately $1.8 million. However, it is important to distinguish between translating and converting foreign currency. Except for a limited number of transactions, we do not actually convert pounds into dollars. As a result, we view foreign currency translation as a financial reporting item and not a reflection of operations or profitability in the U.K.

Consolidated premium income for the first quarter of 2011 includes premium growth, relative to the first quarter of 2010, for our Unum US group life and accidental death and dismemberment, long-term care, and voluntary benefits lines of business as well as for Colonial Life. Our Unum US group disability line of business experienced a decline in premium income during the first quarter of 2011 relative to prior year due primarily to the ongoing high levels of unemployment and the competitive environment which impact sales growth and premium growth from existing customers. In particular, premium growth from existing customers continues to be unfavorably impacted by lower salary growth and lower growth in the number of employees covered under an existing policy. Premium income for Unum US individual disability – recently issued declined primarily due to lower sales during 2010. Unum UK premium income, in local currency, decreased in the first quarter of 2011 relative to the first quarter of 2010 due primarily to lower premium growth from existing customers, similar to Unum US, and pricing actions due to the competitive U.K. market. Premium income in the Individual Disability – Closed Block segment, which is a closed block of business, continued its expected decline.

Net investment income was higher in the first quarter of 2011 relative to the first quarter of 2010 due primarily to continued growth in the level of invested assets, partially offset by lower bond call premiums and consent fees, lower earnings from private equity partnerships, and an increase in the amortization of the principal amount invested in our tax credit partnerships.

We recognized in earnings a net realized investment gain of $15.2 million in the first quarter of 2011 compared to a gain of $25.6 million in the first quarter of 2010. Included in these amounts were other-than-temporary impairment losses on fixed maturity securities of $2.3 million in the first quarter of 2011 and $0.2 million in the first quarter of 2010, all of which were recognized in earnings.

Also recognized in earnings through realized investment gains and losses was the change in the fair value of an embedded derivative in a modified coinsurance arrangement. During the first quarter of 2011 and 2010, changes in the fair value of this embedded derivative resulted in realized gains of $14.1 million and $18.3 million, respectively. Gains and losses on this embedded derivative result primarily from a change in credit spreads in the overall investment market.

The benefit ratio was 85.2 percent in the first quarter of 2011 compared to 84.2 percent in the first quarter of 2010, with generally consistent overall risk results in Unum US but elevated benefit ratios in Unum UK and Colonial Life. Further discussion of our line of business risk results and claims management performance for each of our segments is included in "Segment Results" as follows.

Interest and debt expense for the first quarter of 2011 was higher than in the first quarter of 2010 due to higher levels of outstanding debt. See "Debt" contained in this Item 2 for additional information.

The deferral of acquisition costs increased in the first quarter of 2011 relative to the first quarter of 2010, with continued growth in certain of our product lines and the associated increase in deferrable expenses more than offsetting the lower level of deferrable costs in product lines with lower growth. The amortization of acquisition costs in the first quarter of 2011 was slightly lower than the prior year first quarter, with a lower level of accelerated amortization related to persistency more than offsetting the increase in amortization resulting from a higher level of deferred acquisition costs. Compensation and other expenses increased slightly in the first quarter of 2011 compared to last year's first quarter, with additional expenses related to growth initiatives mostly offset by continued expense management.

As previously noted, our income tax rate for the first quarter of 2011 was lower relative to last year's first quarter due to tax benefits recognized as a result of our increased level of investments in low-income housing tax credit partnerships.

In March 2010, legislation related to healthcare reform was signed into law. Among other things, the new legislation reduced the tax benefits available to an employer that receives a postretirement prescription drug coverage subsidy from the federal government under the Medicare Prescription Drug, Improvement and Modernization Act of 2003. Under the new legislation, to the extent our future postretirement prescription drug coverage expenses are reimbursed under the subsidy program, the expenses covered by the subsidy will no longer be tax deductible after 2012. Employers that receive the subsidy must recognize the deferred tax effects relating to the future postretirement prescription drug coverage in the period the legislation was enacted. Our income tax expense for first quarter of 2010 includes a non-cash tax charge of $10.2 million to reflect the impact of the tax law change.

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The income tax rate in the U.K. is expected to be reduced annually, at least one percent per year, beginning in April 2011, with the ultimate goal of reducing the rate from 28 percent to 23 percent. In accordance with GAAP, we are required to adjust deferred tax assets and liabilities through income on the date of enactment of a rate change, the first of which occurred during the third quarter of 2010. At that time we recorded a reduction of $2.7 million to our income tax expense to reflect the impact of the rate change on our net deferred tax liability related to our U.K. operations. The next enactment is not expected to occur before the third quarter of 2011. The impact of the next rate change will be reflected in our income tax expense during the quarter in which the enactment occurs.

Consolidated Sales Results

(in millions of dollars)

	Three Months Ended March 31		
	2011	% Change	2010
Unum US			
Fully Insured Products	$ 180.0	10.0%	$163.7
Administrative Services Only (ASO) Products	1.4	133.3	0.6
Total Unum US	181.4	10.4	164.3
Unum UK	17.6	(27.3)	24.2
Colonial Life	70.6	(3.7)	73.3
Individual Disability - Closed Block	0.1	(50.0)	0.2
Consolidated	$269.7	2.9	$262.0

Sales results shown in the preceding chart generally represent the annualized premium or annualized fee income on new sales which we expect to receive and report as premium income or fee income during the next 12 months following or beginning in the initial quarter in which the sale is reported, depending on the effective date of the new sale. Sales do not correspond to premium income or fee income reported as revenue in accordance with GAAP. This is because new annualized sales premiums reflect current sales performance and what we expect to recognize as premium or fee income over a 12 month period, while premium income and fee income reported in our financial statements are reported on an "as earned" basis rather than an annualized basis and also include renewals and persistency of in-force policies written in prior years as well as current new sales.

Premiums for fully insured products are reported as premium income. Fees for administrative services only (ASO) products are included in other income. Sales, persistency of the existing block of business, and the effectiveness of a renewal program are indicators of growth in premium and fee income. Trends in new sales, as well as existing market share, also indicate the potential for growth in our respective markets and the level of market acceptance of price changes and new product offerings. Sales results may fluctuate significantly due to case size and timing of sales submissions.

Although consolidated sales increased 2.9 percent in the first quarter of 2011 relative to the first quarter of 2010, we continued to experience lower sales growth in some of our product lines, particularly in the expansion of sales to existing accounts. We believe this is mostly attributable to the current economic environment and expect this unfavorable pattern may continue in the near term if current economic conditions persist.

See "Segment Results" as follows for additional discussion of sales by segment.

Reconciliation of Non-GAAP Financial Measures

We analyze our performance using non-GAAP financial measures. A non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. We believe operating income or loss which excludes realized investment gains and losses and certain tax items, including the 2010 tax charge to reflect the impact of the tax law change, is a better performance measure and a better indicator of the profitability and underlying trends in our business. Our investment focus is on investment income to support our insurance liabilities as opposed to the generation of realized investment gains and losses, and a long-term focus is necessary to maintain profitability over the life of the business. Realized investment gains and losses depend on market conditions and do not necessarily relate to decisions regarding the underlying business of our segments. However, income or loss excluding realized investment gains and losses and certain tax items does not replace net income or net loss as a measure of overall profitability. We may experience realized investment losses, which will affect future earnings levels since our underlying business is long-term in nature and we need to earn the assumed interest rates in our liabilities.

The non-GAAP financial measures of "operating revenue," "operating income" or "operating loss," and "after-tax operating income" differ from revenue, income (loss) before income tax, and net income as presented in our consolidated operating results and in income statements prepared in accordance with GAAP due to the exclusion of before-tax realized investment gains and losses and certain tax items.

A reconciliation of operating revenue by segment to revenue, operating income by segment to net income, and after-tax operating income to net income is as follows:

(in millions of dollars)

	Three Months Ended March 31	
	2011	2010
Operating Revenue by Segment	$2,547.9	$ 2,536.0
Net Realized Investment Gain	15.2	25.6
Revenue	$2,563.1	$2,561.6
Operating Income by Segment	$ 315.0	$ 335.6
Net Realized Investment Gain	15.2	25.6
Income Tax	104.8	131.4
Net Income	$ 225.4	$ 229.8

	Three Months Ended March 31			
	2011		2010	
	(in millions)	per share *	(in millions)	per share *
After-tax Operating Income	$ 215.7	$ 0.69	$ 223.5	$ 0.67
Net Realized Investment Gain	15.2	0.05	25.6	0.08
Income Tax on Net Realized Investment Gain	5.5	0.02	9.1	0.03
Tax Charge	—	—	(10.2)	(0.03)
Net Income	$ 225.4	$ 0.72	$ 229.8	$ 0.69

* Assuming Dilution

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Segment Results

Our reporting segments are comprised of the following: Unum US, Unum UK, Colonial Life, Individual Disability – Closed Block, and Corporate and Other. Financial information for each of the reporting segments is as follows.

Unum US Segment

The Unum US segment includes group long-term and short-term disability insurance, group life and accidental death and dismemberment products, and supplemental and voluntary lines of business. The supplemental and voluntary lines of business are comprised of recently issued disability insurance, group and individual long-term care insurance, and voluntary benefits products.

Unum US Operating Results

Shown below are financial results for the Unum US segment. In the sections following, financial results and key ratios are also presented for the major lines of business within the segment.

(in millions of dollars, except ratios)

	Three Months Ended March 31		
	2011	% Change	2010
Operating Revenue			
Premium Income	$ 1,219.4	0.3%	$ 1,216.1
Net Investment Income	321.6	5.6	304.6
Other Income	31.0	1.6	30.5
Total	1,572.0	1.3	1,551.2
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	960.7	0.9	952.6
Commissions	139.3	2.3	136.2
Interest and Debt Expense	0.3	—	0.3
Deferral of Acquisition Costs	(88.1)	0.2	(87.9)
Amortization of Deferred Acquisition Costs	83.3	(3.8)	86.6
Other Expenses	267.4	1.2	264.2
Total	1,362.9	0.8	1,352.0
Operating Income Before Income Tax and Net Realized Investment Gains and Losses	$ 209.1	5.0	$ 199.2
Operating Ratios (% of Premium Income):			
Benefit Ratio	78.8%		78.3%
Other Expense Ratio	21.9%		21.7%
Before-tax Operating Income Ratio	17.1%		16.4%

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Unum US Sales

(in millions of dollars)

	Three Months Ended March 31		
	2011	% Change	2010
Sales by Product			
Fully Insured Products			
Group Disability, Group Life, and AD&D			
Group Long-term Disability	$ 29.5	6.9 %	$ 27.6
Group Short-term Disability	14.0	(2.1)	14.3
Group Life	30.8	8.1	28.5
AD&D	2.5	(28.6)	3.5
Subtotal	76.8	3.9	73.9
Supplemental and Voluntary			
Individual Disability - Recently Issued	14.2	47.9	9.6
Long-term Care	7.0	29.6	5.4
Voluntary Benefits	82.0	9.6	74.8
Subtotal	103.2	14.9	89.8
Total Fully Insured Products	180.0	10.0	163.7
ASO Products	1.4	133.3	0.6
Total Sales	$ 181.4	10.4	$ 164.3
Sales by Market Sector			
Group Disability, Group Life, and AD&D			
Core Market (< 2,000 lives)	$ 52.4	(1.3)%	$ 53.1
Large Case Market	24.4	17.3	20.8
Subtotal	76.8	3.9	73.9
Supplemental and Voluntary	103.2	14.9	89.8
Total Fully Insured Products	180.0	10.0	163.7
ASO Products	1.4	133.3	0.6
Total Sales	$ 181.4	10.4	$ 164.3

Unum US sales were 10.4 percent higher in the first quarter of 2011 compared to the first quarter of 2010, with growth in each of the market sectors other than the group core market segment. Sales in our group core market segment, which we define for Unum US as employee groups with fewer than 2,000 lives, were 1.3 percent lower in the first quarter of 2011 compared to the same period of 2010, with lower group long-term disability and group life and accidental death and dismemberment sales partially offset by higher group short-term disability sales. The number of new accounts added in our group core market segment during the first quarter of 2011 was 13.1 percent higher than the number of new accounts added during the same period of 2010. Sales in our group large case market segment were 17.3 percent higher in the first quarter of 2011 compared to the same period of 2010, due to higher group long-term disability and group life sales, partially offset by lower group short-term disability and accidental death and dismemberment sales. Our sales mix in the first quarter of 2011 was approximately 68 percent core market and 32 percent large case market, slightly above our targeted market distribution mix of 60 percent core market and 40 percent large case market.

Sales of voluntary benefits were 9.6 percent higher in the first quarter of 2011 compared to the first quarter of 2010, and the number of new accounts added was 21.0 percent higher. Sales in our individual disability line of business, which are primarily concentrated in the multi-life market, were 47.9 percent higher in the first quarter of 2011 compared to a weak first quarter of 2010. Sales of group long-term care were 29.6 percent higher in the first quarter of 2011 compared to the same period of 2010.

We continue to believe that the group core market and voluntary benefits market, which combined together are approximately 74 percent of our Unum US first quarter sales and grew 5.1 percent relative to last year's first quarter, represent significant growth opportunities. We will also seek disciplined and opportunistic growth, generally at the market growth rate, in the group large case, group long-term care, and individual disability markets. While in the short-term we expect economic trends to continue to pressure sales growth, we believe we are well positioned for economic recovery.

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Unum US Group Disability Operating Results

Shown below are financial results and key performance indicators for Unum US group disability.

(in millions of dollars, except ratios)

	Three Months Ended March 31		
	2011	% Change	2010
Operating Revenue			
Premium Income			
Group Long-term Disability	$ 397.0	(4.5)%	$415.6
Group Short-term Disability	111.0	4.5	106.2
Total Premium Income	508.0	(2.6)	521.8
Net Investment Income	147.7	(2.4)	151.3
Other Income	22.2	2.3	21.7
Total	677.9	(2.4)	694.8
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	426.3	(3.0)	439.3
Commissions	40.8	(0.7)	41.1
Interest and Debt Expense	0.3	—	0.3
Deferral of Acquisition Costs	(15.2)	(5.0)	(16.0)
Amortization of Deferred Acquisition Costs	15.1	(7.9)	16.4
Other Expenses	137.1	(0.6)	137.9
Total	604.4	(2.4)	619.0
Operating Income Before Income Tax and Net Realized Investment Gains and Losses	$ 73.5	(3.0)	$ 75.8
Operating Ratios (% of Premium Income):			
Benefit Ratio	83.9%		84.2%
Other Expense Ratio	27.0%		26.4%
Before-tax Operating Income Ratio	14.5%		14.5%
Premium Persistency:			
Group Long-term Disability	89.7%		90.0%
Group Short-term Disability	90.7%		89.4%
Case Persistency:			
Group Long-term Disability	89.2%		88.6%
Group Short-term Disability	87.7%		87.6%

Group disability premium income decreased in the first quarter of 2011 compared to the same period of 2010, as the ongoing high levels of unemployment and the competitive environment continue to pressure our premium income growth. In particular, premium growth from existing customers continues to be unfavorably impacted by lower salary growth and lower growth in the number of employees covered under an existing policy. Partially offsetting the unfavorable growth trend from existing customers was higher case persistency for both group long-term and short-term disability, as well as higher premium persistency for group short-term disability. Premium persistency for group long-term disability declined slightly compared to the first quarter of 2010, but it is still above historical levels.

Net investment income was lower in the first quarter of 2011 compared to the same period of 2010 due primarily to a decrease in the level of assets supporting this line of business and a decline in the level of prepayment income on mortgage-backed securities, partially offset by an increase in bond call premiums. Other income includes ASO fees of $14.5 million and $14.3 million in the first quarters of 2011 and 2010, respectively.

The benefit ratio was lower in the first quarter of 2011 compared to the same period of 2010 due primarily to a higher rate of claim recoveries for group long-term disability, offset partially by a slight increase in claim incidence rates for group long-term disability relative to the first quarter of 2010.

The deferral of acquisition costs in the first quarter of 2011 was lower than the same period of 2010 due to a decline in the level of group disability acquisition costs. The amortization of acquisition costs in the first quarter of 2011 declined relative to the first quarter of 2010 due to a decrease in amortization related to internal replacement transactions and a declining balance in the deferred acquisition cost asset. The other expense ratio was higher in the first quarter of 2011 relative to the same period of 2010 due to lower premium income.

Unum US Group Life and Accidental Death and Dismemberment Operating Results

Shown below are financial results and key performance indicators for Unum US group life and accidental death and dismemberment.

(in millions of dollars, except ratios)

	Three Months Ended March 31		
	2011	% Change	2010
Operating Revenue			
Premium Income			
Group Life	$ 273.4	1.2%	$ 270.1
Accidental Death & Dismemberment	27.1	4.2	26.0
Total Premium Income	300.5	1.5	296.1
Net Investment Income	34.2	7.5	31.8
Other Income	0.5	(16.7)	0.6
Total	335.2	2.0	328.5
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	210.2	1.8	206.5
Commissions	23.5	5.4	22.3
Deferral of Acquisition Costs	(13.1)	2.3	(12.8)
Amortization of Deferred Acquisition Costs	10.8	(10.0)	12.0
Other Expenses	51.0	3.4	49.3
Total	282.4	1.8	277.3
Operating Income Before Income Tax and Net Realized Investment Gains and Losses	$ 52.8	3.1	$ 51.2
Operating Ratios (% of Premium Income):			
Benefit Ratio	70.0%		69.7%
Other Expense Ratio	17.0%		16.6%
Before-tax Operating Income Ratio	17.6%		17.3%
Premium Persistency:			
Group Life	86.4%		92.3%
Accidental Death & Dismemberment	86.1%		90.9%
Case Persistency:			
Group Life	88.3%		88.3%
Accidental Death & Dismemberment	88.5%		88.6%

Premium income for group life and accidental death and dismemberment increased in the first quarter of 2011 compared to the same period of 2010 due primarily to higher sales, partially offset by lower premium persistency in the large case group life segment. Case persistency in the first quarter of 2011 was relatively consistent with the same period of 2010. Net investment income was higher in the first quarter of 2011 compared to the same period of 2010 due primarily to an increase in the level of assets supporting this line of business.

The first quarter of 2011 benefit ratio was generally consistent with the benefit ratio of the first quarter of 2010. Commissions and the deferral of acquisition costs were higher in the first quarter of 2011 compared to the prior year first quarter due primarily to higher group life sales. The amortization of acquisition costs in the first quarter of 2011 was lower than the same period of 2010 due primarily to a decrease in amortization related to internal replacement transactions. The other expense ratio was higher in the first quarter of 2011 compared to the first quarter of 2010 due to higher acquisition costs associated with higher sales.

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Unum US Supplemental and Voluntary Operating Results

Shown below are financial results and key performance indicators for Unum US supplemental and voluntary product lines.

(in millions of dollars, except ratios)

	Three Months Ended March 31		
	2011	% Change	2010
Operating Revenue			
Premium Income			
Individual Disability - Recently Issued	$ 115.1	(2.8)%	$ 118.4
Long-term Care	150.6	0.9	149.2
Voluntary Benefits	145.2	11.2	130.6
Total Premium Income	410.9	3.2	398.2
Net Investment Income	139.7	15.0	121.5
Other Income	8.3	1.2	8.2
Total	558.9	5.9	527.9
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	324.2	5.7	306.8
Commissions	75.0	3.0	72.8
Deferral of Acquisition Costs	(59.8)	1.2	(59.1)
Amortization of Deferred Acquisition Costs	57.4	(1.4)	58.2
Other Expenses	79.3	3.0	77.0
Total	476.1	4.5	455.7
Operating Income Before Income Tax and Net Realized Investment Gains and Losses	$ 82.8	14.7	$ 72.2
Operating Ratios (% of Premium Income):			
Benefit Ratios			
Individual Disability - Recently Issued	52.2%		50.5%
Long-term Care	126.4%		116.8%
Voluntary Benefits	50.8%		55.7%
Other Expense Ratio	19.3%		19.3%
Before-tax Operating Income Ratio	20.2%		18.1%
Interest Adjusted Loss Ratios:			
Individual Disability - Recently Issued	30.9%		30.7%
Long-term Care	83.0%		78.5%
Premium Persistency:			
Individual Disability - Recently Issued	89.8%		89.8%
Long-term Care	95.6%		95.4%
Voluntary Benefits	79.5%		80.0%

Premium income in total for these product lines was higher in the first quarter of 2011 compared to last year’s first quarter due primarily to growth in our voluntary benefits product line. We also experienced generally consistent premium persistency for the product lines. Premium income was lower for individual disability – recently issued in the first quarter of 2011 compared to the same period of 2010 due to lower prior period sales. Net investment income was higher in the first quarter of 2011 compared to the first quarter of 2010 due to growth in the level of assets supporting these lines of business as well as higher bond call premiums.

The interest adjusted loss ratio for the individual disability – recently issued line of business in the first quarter of 2011 was generally consistent with last year's first quarter. The interest adjusted loss ratio for long-term care was higher in the first quarter of 2011 compared to the same period of 2010 due primarily to higher claim incidence rates. The benefit ratio for voluntary benefits was lower in the first quarter of 2011 compared to the same period of 2010 due primarily to a lower average paid claim size for voluntary life and lower liability acceptance rates for voluntary disability.

The deferral of acquisition costs was slightly higher in the first quarter of 2011 than the same period of 2010 due to higher sales. The amortization of deferred acquisition costs was lower in the first quarter of 2011 compared to the first quarter of 2010 due to better than expected premium persistency for certain issue years which results in less amortization. The other expense ratio in the first quarter of 2011 was consistent with the same period of 2010.

In late 2010, we began a process of filing requests with various state insurance departments for a rate increase on certain of our individual long-term care policies. The rate increase reflects current interest rates, higher expected future claims, persistency, experience, and other factors related to pricing individual long-term care coverage. In states for which a rate increase is submitted and approved, customers are also given options for coverage changes or other approaches that might fit their current financial and insurance needs. Higher premium income associated with the rate increase is expected to begin to emerge during 2012. Through the end of the first quarter of 2011, 21 states had accepted our request for a rate increase.

Segment Outlook

Although we experienced premium and sales growth during the first quarter of 2011, we believe that premium and sales growth, particularly growth in existing customer accounts, will continue to be pressured by ongoing high levels of unemployment and the competitive environment. Opportunities for premium and sales growth are expected to re-emerge as the economy improves and employment growth resumes. We expect some volatility in net investment income to continue during the remainder of 2011 as a result of fluctuations in bond calls and other types of miscellaneous net investment income. We intend to continue to manage our expense levels relative to premium levels through operating effectiveness and performance management.

Periods of economic downturns have historically affected disability claim incidence rates and, to a lesser extent, disability claim recovery rates in certain sectors of the market. Certain risks and uncertainties are inherent in disability business. Components of claims experience, such as incidence and recovery rates, may be worse than we expect. Disability claim incidence and claim recovery rates may be influenced by, among other factors, the rate of unemployment and consumer confidence. Within the group disability market, pricing and renewal actions can be taken to react to higher claim rates, but these actions take time to implement, and there is a risk that the market will not sustain increased prices. In addition, changes in economic and external conditions may not manifest themselves in claims experience for an extended period of time. The current economic conditions may lead to a higher rate of claim incidence or lower levels of claim recoveries. We have previously taken steps to improve our risk profile, including reducing our exposure to volatile business segments through diversification by market size, product segment, and industry segment. We believe our claims management organization is positioned for stable and sustainable performance levels. The level of disability claims incidence in the first quarter of 2011 was higher than the level of claims incidence in the first half of 2010 but lower than the second half of 2010. We are uncertain as to whether the higher claim incidence experienced in the second half of last year was due to the normal volatility that occurs in our group disability business or was related to the economy. We continuously monitor key indicators to assess our risks and attempt to adjust our business plans accordingly.

We believe our Unum US growth strategy is sound and that we will be able to leverage the capabilities, products, and relationships and reputation we have built to deliver growth as the benefits market stabilizes. We continue to see future growth opportunity based on employee choice, defined employer funding, simple administration, and effective communication. We intend to maintain our discipline and will continue (i) directing the majority of our investments to capture opportunities emerging in our core group and voluntary markets to grow them at above-market rates, (ii) focusing on margins in large case group insurance, while leveraging core market, voluntary, and other shorter-term investments to grow at market rates, and (iii) seeking opportunities to improve margins and return in our supplemental lines of business.

We believe we are well positioned strategically in our markets and that opportunities for continued disciplined growth exist in our group core market segment and in the voluntary markets. While the current economic conditions have impacted our ability to grow premium income and will continue to do so until we return to a more normal economic environment, we expect to achieve marginal year over year growth in our premium income during 2011. We anticipate that the 2011 benefit ratio in our group disability product line will be generally consistent with the level of 2010. We think future profit margin improvement is achievable, driven primarily by our continued product mix shift and expense efficiencies as our claims performance gradually flattens.

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Unum UK Segment

The Unum UK segment includes insurance for group long-term disability, group life, and supplemental and voluntary lines of business. The supplemental and voluntary lines of business are comprised of individual disability, critical illness, and voluntary benefits products. Unum UK's products are sold primarily in the United Kingdom through field sales personnel and independent brokers and consultants.

Operating Results

Shown below are financial results and key performance indicators for the Unum UK segment. Certain reclassifications have been made to prior year amounts in order to conform to the current year presentation.

(in millions of dollars, except ratios)

	Three Months Ended March 31		
	2011	% Change	2010
Operating Revenue			
Premium Income			
Group Long-term Disability	$ 103.4	(5.4)%	$ 109.3
Group Life	47.6	11.2	42.8
Supplemental and Voluntary	16.1	17.5	13.7
Total Premium Income	167.1	0.8	165.8
Net Investment Income	44.9	12.8	39.8
Other Income	0.1	(80.0)	0.5
Total	212.1	2.9	206.1
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	115.8	10.7	104.6
Commissions	10.9	5.8	10.3
Deferral of Acquisition Costs	(6.7)	1.5	(6.6)
Amortization of Deferred Acquisition Costs	7.2	5.9	6.8
Other Expenses	36.2	19.1	30.4
Total	163.4	12.3	145.5
Operating Income Before Income Tax and Net Realized Investment Gains and Losses	$ 48.7	(19.6)	$ 60.6
Operating Ratios (% of Premium Income):			
Benefit Ratio	69.3%		63.1%
Other Expense Ratio	21.7%		18.3%
Before-tax Operating Income Ratio	29.1%		36.6%
Persistency:			
Group Long-term Disability	83.5%		90.5%
Group Life	85.7%		94.7%
Supplemental and Voluntary	89.3%		90.1%

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Foreign Currency Translation

The functional currency of Unum UK is the British pound sterling. Unum UK's premiums, net investment income, claims, and expenses are received or paid in pounds, and we hold pound-denominated assets to support Unum UK's pound-denominated policy reserves and liabilities. We translate Unum UK's pound-denominated financial statement items into dollars for our consolidated financial reporting. We translate income statement items using an average exchange rate for the reporting period, and we translate balance sheet items using the exchange rate at the end of the period. We report unrealized foreign currency translation gains and losses in accumulated other comprehensive income in our consolidated balance sheets.

Fluctuations in the pound to dollar exchange rate have an effect on Unum UK's reported financial results and our consolidated financial results. In periods when the pound strengthens relative to the preceding period, as occurred in the first quarter of 2011 compared to the same period of 2010, translating pounds into dollars increases current period results relative to the prior period. In periods when the pound weakens relative to the preceding period, translating into dollars decreases current period results relative to the prior period.

(in millions of pounds, except ratios)

	Three Months Ended March 31		
	2011	**% Change**	**2010**
Operating Revenue			
Premium Income			
Group Long-term Disability	£ 64.5	(7.9)%	£ 70.0
Group Life	29.7	8.4	27.4
Supplemental and Voluntary	10.0	14.9	8.7
Total Premium Income	104.2	(1.8)	106.1
Net Investment Income	28.0	10.2	25.4
Other Income	0.1	(75.0)	0.4
Total	132.3	0.3	131.9
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	72.3	8.1	66.9
Commissions	6.8	3.0	6.6
Deferral of Acquisition Costs	(4.2)	—	(4.2)
Amortization of Deferred Acquisition Costs	4.5	4.7	4.3
Other Expenses	22.6	15.9	19.5
Total	102.0	9.6	93.1
Operating Income Before Income Tax and Net Realized Investment Gains and Losses	£ 30.3	(21.9)	£ 38.8
Weighted Average Pound/Dollar Exchange Rate	1.607		1.562

Premium income was lower in the first quarter of 2011 compared to the same period of 2010 due primarily to lower premium growth from existing customers and pricing actions due to the competitive U.K. market. Persistency, although below the level of 2010, remains strong. Net investment income was higher in the first quarter of 2011 compared to the same period of 2010 due primarily to an increase in the level of assets supporting this business segment and higher bond call premiums.

The benefit ratio was higher in the first quarter of 2011 compared to the same period of 2010 due primarily to the impact of higher inflation on claim reserves associated with disability policies containing an inflation-linked benefit increase feature, a lower level of claim resolutions in group long-term disability, and lower premium income, partially offset by favorable group long-term disability claim incidence relative to the level of the first quarter of 2010.

We invest in index-linked bonds to match the claim reserves associated with group policies that provide for inflation-linked increases in benefits. Although over the intermediate-term the investment return from index-linked bonds generally matches the index-linked claim payments and reserves, the effect on investment income from the inflation index-linked bonds may not be completely offset by a similar change in claim payments and reserves in each quarterly period.

The deferral and amortization of acquisition costs was generally consistent year over year. The other expense ratio was higher in the first quarter of 2011 compared to the same period of 2010 due to higher development and marketing expenditures related to Unum UK's growth plans.

Sales

Shown below are sales results in dollars and in pounds for the Unum UK segment.

(in millions)

	Three Months Ended March 31		
	2011	% Change	2010
Group Long-term Disability	$ 8.2	(29.9)%	$11.7
Group Life	6.8	(37.6)	10.9
Supplemental and Voluntary	2.6	62.5	1.6
Total Sales	$17.6	(27.3)	$24.2
Group Long-term Disability	£ 5.1	(32.0)%	£ 7.5
Group Life	4.3	(37.7)	6.9
Supplemental and Voluntary	1.6	60.0	1.0
Total Sales	£ 11.0	(28.6)	£15.4

Sales in Unum UK's group long-term disability and group life product lines were lower in the first quarter of 2011 compared to the same period of 2010 due to a decline in sales in both the core market, which we define for Unum UK as employee groups with fewer than 500 lives, and in the large case market. These declines were partially offset by higher sales to existing customers. Sales in the supplemental and voluntary line of business increased due to higher sales in the group critical illness product line.

Segment Outlook

The challenging economic and competitive pricing environment in the UK continue to negatively impact Unum UK's premium growth, and we expect this may continue in the near term if current economic and competitive conditions in the U.K. persist. Our sales growth may also be impacted by a prolonged competitive pricing environment in the U.K. The level of disability claim incidence in the first quarter of 2011 is favorable relative to the same period of 2010, but our claim resolution rate is unfavorable relative to the first quarter of 2010 due in part to the impact of the economic environment on our ability to resolve claims. We continuously monitor key indicators to assess our risks and attempt to adjust our business plans accordingly. Continued fluctuations in the U.S. dollar relative to the British pound sterling impact our reported operating results.

Our current growth strategy focuses on generating organic growth and expanding our role as the leading provider of group disability insurance in the U.K. Our strategy for future growth combines optimizing the performance of our existing business while developing new market opportunities. We intend to optimize performance of the existing business by (i) increasing underwriting and pricing discipline, (ii) improving our claims management processes, and (iii) expanding our broker market capabilities and sales effectiveness. We intend to develop new market opportunities by raising awareness of the need for income protection, including increasing coverage of currently insured groups to include a greater percentage of the workforce, and by offering a suite of employee paid workplace solutions using integrated products with simpler, defined choices and flexible funding options through a streamlined and efficient platform with online capabilities matched to broker and employer needs.

In the current competitive pricing market and economic environment, we continue to have a cautious outlook for premium growth for 2011 and anticipate continued negative earnings growth relative to 2010. We anticipate returning to more normalized levels of premium growth through stable persistency and price increases, as well as increased sales to existing and new customers which we expect to occur commensurate with the timing of the U.K. economic recovery. We expect our overall 2011 benefit ratio to be generally consistent with that of 2010. We expect our 2011 profit margins to continue at a favorable level, although slightly below the level of 2010.

Colonial Life Segment

The Colonial Life segment includes insurance for accident, sickness, and disability products, life products, and cancer and critical illness products issued primarily by Colonial Life & Accident Insurance Company and marketed to employees at the workplace through an agency sales force and brokers.

Operating Results

Shown below are financial results and key performance indicators for the Colonial Life segment.

(in millions of dollars, except ratios)

	Three Months Ended March 31		
	2011	% Change	2010
Operating Revenue			
Premium Income			
Accident, Sickness, and Disability	$172.3	5.8%	$162.8
Life	46.2	6.2	43.5
Cancer and Critical Illness	61.9	5.3	58.8
Total Premium Income	280.4	5.8	265.1
Net Investment Income	31.3	4.7	29.9
Other Income	0.1	(50.0)	0.2
Total	311.8	5.6	295.2
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	144.1	15.5	124.8
Commissions	61.2	6.1	57.7
Deferral of Acquisition Costs	(63.5)	5.1	(60.4)
Amortization of Deferred Acquisition Costs	47.8	—	47.8
Other Expenses	53.2	1.7	52.3
Total	242.8	9.3	222.2
Operating Income Before Income Tax and Net Realized Investment Gains and Losses	$ 69.0	(5.5)	$ 73.0
Operating Ratios (% of Premium Income):			
Benefit Ratio	51.4%		47.1%
Other Expense Ratio	19.0%		19.7%
Before-tax Operating Income Ratio	24.6%		27.5%
Persistency:			
Accident, Sickness, and Disability	75.0%		76.2%
Life	86.0%		85.0%
Cancer and Critical Illness	84.6%		84.6%

Premium income was higher in the first quarter of 2011 compared to the same period of 2010 due primarily to prior period sales growth and stable persistency for the life and cancer and critical illness lines of business, partially offset by lower persistency for the accident, sickness, and disability line of business. Although we experienced premium growth of 5.8 percent for the first quarter of 2011, the growth rate continues to be negatively impacted by economic conditions. Net investment income was higher in the first quarter of 2011 compared to the same period of 2010 due primarily to growth in the level of assets.

The overall benefit ratio was higher in the first quarter of 2011 compared to the same period of 2010 due to less favorable risk results in the accident, sickness, and disability product line and in the life product line. Accident, sickness, and disability results were less favorable due to a higher level of incurred claims. Risk results for the life line of business were less favorable due to a larger than expected increase in open claims. Cancer and critical illness results were in line with first quarter of 2010 primarily due to similar levels of incurrals and large claims on the older block of cancer products.

Commissions and the deferral of acquisition costs were both higher in the first quarter of 2011 compared to the same period of 2010 due primarily to an increase in costs related to new business. The other expense ratio was lower in the first quarter of 2011 compared to the same period of 2010 due primarily to higher premium income and a continued focus on expense management.

Sales

(in millions of dollars)

	Three Months Ended March 31		
	2011	% Change	2010
Accident, Sickness, and Disability	$ 47.2	(3.1)%	$48.7
Life	13.3	(7.0)	14.3
Cancer and Critical Illness	10.1	(1.9)	10.3
Total Sales	$70.6	(3.7)	$ 73.3

Colonial Life's sales in the first quarter of 2011 were 3.7 percent lower than the first quarter of 2010. New account sales were 10.2 percent lower, but existing account sales were slightly higher than the first quarter of 2010. Commercial market sales were 3.2 percent lower in the first quarter of 2011 compared to the same period of 2010, driven primarily by a sales decline of 33.0 percent in the large case commercial market segment, partially offset by a 2.0 percent increase in our core commercial market segment, which we define as accounts with fewer than 1,000 lives. In the public sector market, sales were 6.0 percent lower in the first quarter of 2011 compared to the same period of 2010. The number of new accounts added in the first quarter of 2011 was 3.6 percent lower than the first quarter of 2010, and the average new case size was 6.8 percent lower.

Segment Outlook

Our premium growth in the first quarter of 2011 improved from the level of growth in the same period of 2010, but it is still below our long-term growth expectations. We believe slower sales and premium growth levels may continue in the near term if the current economic conditions persist and continue to affect employment growth, the buying patterns of employees, and the deferral by employers of the introduction of new employee benefit plans. Periods of economic downturns have historically had minimal impact on the risk results of Colonial Life, due primarily to a diversified product portfolio that is designed with short duration, indemnity benefits. We continuously monitor key indicators to assess our risks and attempt to adjust our business plans accordingly.

We believe we have a stable business model, with service levels and customer retention that allow us to focus on and deliver premium growth despite the recent marketplace changes and uncertainties. We believe we are well positioned for growth and that significant opportunities exist to accelerate growth during the next several years by (i) focusing on target market segments, (ii) driving new sales in the public sector market, (iii) growing the reach and effectiveness of our distribution, and (iv) revisiting existing accounts to avoid lapses and to generate ongoing sales.

During the remainder of 2011, we expect premium growth to be modest relative to our long-term outlook. We believe that strong profit margins will continue, although we expect our overall benefit ratio to be somewhat higher than 2010. We believe premium growth will reaccelerate as the economy improves and employment growth resumes.

Individual Disability – Closed Block Segment

The Individual Disability – Closed Block segment generally consists of those individual disability policies in-force before the substantial changes in product offerings, pricing, distribution, and underwriting, which generally occurred during the period 1994 through 1998. A small amount of new business continued to be sold after these changes, but we stopped selling new policies in this segment at the beginning of 2004 other than update features contractually allowable on existing policies.

Operating Results

Shown below are financial results and key performance indicators for the Individual Disability – Closed Block segment.

(in millions of dollars, except ratios)

	Three Months Ended March 31		
	2011	**% Change**	**2010**
Operating Revenue			
Premium Income	$ 202.3	(5.5)%	$ 214.0
Net Investment Income	182.0	(4.6)	190.7
Other Income	22.6	5.1	21.5
Total	406.9	(4.5)	426.2
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	352.3	(3.4)	364.6
Commissions	12.6	(8.0)	13.7
Interest and Debt Expense	2.7	(3.6)	2.8
Other Expenses	29.4	(12.0)	33.4
Total	397.0	(4.2)	414.5
Operating Income Before Income Tax and Net Realized Investment Gains and Losses	$ 9.9	(15.4)	$ 11.7
Interest Adjusted Loss Ratio	84.7%		84.5%
Operating Ratios (% of Premium Income):			
Other Expense Ratio	14.5%		15.6%
Before-tax Operating Income Ratio	4.9%		5.5%
Premium Persistency	92.8%		93.3%

The decrease in premium income in the first quarter of 2011 compared to the same period of 2010 is due to the expected run-off of this block of closed business driven by expected policy terminations and maturities. Net investment income in the first quarter of 2011 was lower compared to the same period of 2010 due to a decrease in bond call premiums and a decrease in the level of assets.

Other income, which includes the underlying results of certain blocks of reinsured business and the net investment income of portfolios held by those ceding companies to support the block we have reinsured, increased in the first quarter of 2011 compared to the first quarter of 2010 due to favorable investment results from the portfolios held by the ceding companies.

The interest adjusted loss ratio for the first quarter of 2011 was slightly higher than the same period of 2010 due primarily to lower premium income. Interest and debt expense in the first quarter of 2011 was slightly lower than last year's first quarter due to a decrease in the amount of outstanding debt resulting from principal repayments. The other expense ratio was lower in the first quarter of 2011 compared to the same period of 2010 due primarily to lower claims management and claim litigation costs relative to the declining level of premium income.

Segment Outlook

We expect that this segment may experience volatility in net investment income due to the variability in interest rates on floating rate assets and also due to volatility of bond call premiums relative to historical levels. A portion of the volatility in interest income will be offset by commensurate changes in the interest expense on our floating rate debt.

We expect that operating revenue and income will continue to decline over time as this closed block of business winds down. We believe that the interest adjusted loss ratio for this block of business will be relatively flat over the long term, but the segment may experience quarterly volatility. Claim resolution rates, which measure the resolution of claims from recovery, deaths, settlements, and benefit expirations, are very sensitive to operational and environmental changes and can be volatile. Our claim resolution rate assumption used in determining reserves is our expectation of the resolution rate we will experience over the life of the block of business and will vary from actual experience in any one period. It is possible that variability in our reserve assumptions could result in a material impact on our reserve levels.

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Corporate and Other Segment

The Corporate and Other segment includes investment income on corporate assets not specifically allocated to a line of business, interest expense on corporate debt other than non-recourse debt, and certain other corporate income and expense not allocated to a line of business. Corporate and Other also includes results from certain Unum US insurance products not actively marketed, including individual life and corporate-owned life insurance, reinsurance pools and management operations, group pension, health insurance, and individual annuities. We expect operating revenue and income resulting from these insurance products to decline over time as these business lines wind down.

Operating Results

(in millions of dollars)

	Three Months Ended March 31		
	2011	% Change	2010
Operating Revenue			
Premium Income	$ 0.3	(86.4)%	$ 2.2
Net Investment Income	38.9	(19.0)	48.0
Other Income	5.9	(16.9)	7.1
Total	45.1	(21.3)	57.3
Benefits and Expenses			
Benefits and Change in Reserves for Future Benefits	20.1	(9.9)	22.3
Commissions	0.3	(25.0)	0.4
Interest and Debt Expense	34.9	15.2	30.3
Other Expenses	11.5	(12.9)	13.2
Total	66.8	0.9	66.2
Operating Loss Before Income Tax and Net Realized Investment Gains and Losses	$(21.7)	(143.8)	$ (8.9)

Non-Insurance Product Results

Operating revenue was $15.5 million in the first quarter of 2011 compared to $23.7 million in the same period of 2010. Operating losses were $29.8 million in the first quarter of 2011 compared to $17.1 million in the same period of 2010.

The decrease in operating revenue in the first quarter of 2011 compared to the same period of 2010 is due to lower net investment income from private equity partnerships and our investments in low-income housing tax credit partnerships. The negative impact on net investment income and operating income by segment from our increased level of investment in low-income housing tax credit partnerships is offset by a lower income tax rate due to the tax benefits recognized as a result of these investments.

The increased operating loss was due primarily to the lower level of net investment income and higher interest and debt expense. Interest and debt expense increased in the first quarter of 2011 relative to the prior year first quarter due to the September 2010 issuance of $400.0 million of 5.625% senior notes. During the first quarter of 2011, the remaining $225.1 million of our 7.625% senior notes due March 2011 matured, which will result in lower interest expense for the remainder of 2011. We also had lower interest in the first quarter of 2011 compared to the first quarter of 2010 on our $350.0 million 7.125% unsecured senior notes which we effectively converted into floating rate debt through the use of an interest rate swap entered into during the fourth quarter of 2010.

Insurance Product Results

Operating revenue for our insurance products was $29.6 million in the first quarter of 2011 compared to $33.6 million in the same period of 2010, with higher premium income in the first quarter of 2010 due to a refund of premium from the reinsurance pools. These closed lines of business had operating income of $8.1 million in the first quarter of 2011 compared to $8.2 million in the same period of 2010, with lower expenses offsetting the decline in premium income.

Segment Outlook

Our investment portfolio quality remains very strong, with low default experience during the first quarter of 2011. We are currently holding capital at our insurance subsidiaries and holding companies at levels that exceed our long-term requirements. We expect to continue to generate excess capital on an annual basis through strong statutory earnings. While we intend to maintain our disciplined approach to risk management throughout 2011, we believe we are well positioned wherein we have substantial flexibility to preserve our capital strength and at the same time explore opportunities to deploy the excess capital that is generated each period.

Interest and debt expense for 2011 is expected to remain generally consistent with the level of 2010 due to the $225.1 million of debt which matured during the first quarter of 2011 and no expected issuances of new debt in 2011. We do not expect 2011 litigation costs to remain at the elevated level of 2010, and pension expenses are expected to remain generally consistent in 2011 with the level of 2010.

Investments

Overview

Investment activities are an integral part of our business, and profitability is significantly affected by investment results. We segment our invested assets into portfolios that support our various product lines. Generally, our investment strategy for our portfolios is to match the effective asset cash flows and durations with related expected liability cash flows and durations to consistently meet the liability funding requirements of our businesses. We seek to earn investment income while assuming credit risk in a prudent and selective manner, subject to constraints of quality, liquidity, diversification, and regulatory considerations. Our overall investment philosophy is to invest in a portfolio of high quality assets that provide investment returns consistent with that assumed in the pricing of our insurance products. Assets are invested predominately in fixed maturity securities. Changes in interest rates may affect the amount and timing of cash flows.

We actively manage our asset and liability cash flow match and our asset and liability duration match to limit interest rate risk. We may redistribute investments between our different lines of business, when necessary, to adjust the cash flow and/or duration of the asset portfolios to better match the cash flow and duration of the liability portfolios. Asset and liability portfolio modeling is updated on a quarterly basis and is used as part of the overall interest rate risk management strategy. Cash flows from the in-force asset and liability portfolios are projected at current interest rate levels and also at levels reflecting an increase and a decrease in interest rates to obtain a range of projected cash flows under the different interest rate scenarios. These results enable us to assess the impact of projected changes in cash flows and duration resulting from potential changes in interest rates. Testing the asset and liability portfolios under various interest rate scenarios enables us to choose the most appropriate investment strategy as well as to limit the risk of disadvantageous outcomes. We use this analysis in determining hedging strategies and utilizing derivative financial instruments for managing interest rate risk and the risk related to matching duration for our assets and liabilities. We do not use derivative financial instruments for speculative purposes.

Our investment portfolio is well diversified by type of investment and industry sector. We have established an investment strategy that we believe will provide for adequate cash flows from operations and allow us to hold our securities through periods where significant decreases in fair value occur. We believe our emphasis on risk management in our investment portfolio, including credit and interest rate management, has positioned us well and generally reduced the volatility in our results.

We have no exposure to subprime mortgages, “Alt-A” loans, or collateralized debt obligations in our asset-backed, mortgage-backed securities, or public bond portfolios. At March 31, 2011, we had minimal exposure to investments for which the payment of interest and principal is guaranteed under a financial guaranty insurance policy, and all such securities are rated investment-grade absent the guaranty insurance policy. We held $393.0 million fair value ($377.2 million amortized cost) of perpetual debentures, or “hybrid” securities, that generally have no fixed maturity date. Interest on these securities due on any payment date may be deferred by the issuer. The interest payments are generally deferrable only to the extent that the issuer has suspended dividends or other distributions or payments to any of its shareholders or any other perpetual debt instrument.

For information on our valuation of investments and our formal investment policy, including our overall quality and diversification objectives, see “Critical Accounting Estimates” and “Investments” in Part II, Item 7 of our annual report on Form 10-K for the year ended December 31, 2010.

Investment Results

Net investment income was $618.7 million in the first quarter of 2011, an increase of 0.9 percent relative to the same period of 2010. Net investment income was slightly higher due to continued growth in the level of invested assets, partially offset by lower bond call premiums, lower earnings from private equity partnerships, and an increase in the amortization of the principal amount invested in our tax credit partnerships.

The duration weighted book yield on the fixed income securities in our investment portfolio was 6.69 percent as of March 31, 2011, and the weighted average credit rating was A3. This compares to a yield of 6.71 percent as of December 31, 2010, and a weighted average credit rating of A3. We actively manage our asset and liability cash flow match and our asset and liability duration match to limit interest rate risk. Duration is a measure of the percentage change in the fair values of assets and liabilities for a given change in interest rates. Cash flows from the in-force asset and liability portfolios are projected at current interest rate levels and also at levels reflecting an increase and a decrease in interest rates to obtain a range of projected cash flows under the different interest rate scenarios. These results enable us to assess the impact of projected changes in cash flows and duration resulting from potential changes in interest rates.

To assess the impact of a duration mismatch, we measure the potential changes in estimated fair value based on a hypothetical change in interest rates to quantify a dollar value change. Although we test the asset and liability portfolios under various interest rate scenarios as part of our modeling, the majority of our liabilities related to insurance contracts are not interest rate sensitive, and we therefore have minimal exposure to policy withdrawal risk. Our determination of investment strategy relies more on long-term measures such as reserve adequacy analysis and the relationship between the portfolio yields supporting our various product lines and the aggregate discount rates embedded in the reserves **.**

Realized investment gains and losses, before tax, are as follows:

(in millions of dollars)

	Three Months Ended March 31	
	2011	2010
Fixed Maturity Securities		
Gross Gains on Sales	$ 9.5	$ 18.0
Gross Losses on Sales	(6.9)	(14.5)
Other-Than-Temporary Impairment Loss	(2.3)	(0.2)
Mortgage Loans and Other Invested Assets		
Gross Gains on Sales	1.2	5.0
Gross Losses on Sales	(0.4)	(0.5)
Impairment Loss	0.0	(0.5)
Embedded Derivative in Modified Coinsurance Arrangement	14.1	18.3
Net Realized Investment Gain	$ 15.2	$ 25.6

We had no individual realized investment losses of $10.0 million or greater from other-than-temporary-impairments or from the sale of fixed maturity securities during the first quarter of 2011 or 2010.

We report changes in the fair value of an embedded derivative in a modified coinsurance arrangement as realized investment gains and losses, as required under the provisions of GAAP. GAAP requires us to include in our realized investment gains and losses a calculation intended to estimate the value of the option of our reinsurance counterparty to cancel the reinsurance contract with us. However, neither party can unilaterally terminate the reinsurance agreement except in extreme circumstances resulting from regulatory supervision, delinquency proceedings, or other direct regulatory action. Cash settlements or collateral related to this embedded derivative are not required at any time during the reinsurance contract or at termination of the reinsurance contract, and any accumulated embedded derivative gain or loss reduces to zero over time as the reinsured business winds down. We therefore view the effect of realized gains and losses recognized for this embedded derivative as a reporting requirement that will not result in a permanent change in assets or stockholders' equity.

The change in fair value of this embedded derivative recognized as a realized gain during the first quarters of 2011 and 2010 resulted primarily from a change in credit spreads in the overall investment market. The fair value of this embedded derivative was $(82.2) million at March 31, 2011, compared to $(96.3) million at December 31, 2010, and is reported in other liabilities in our consolidated balance sheets.

Fixed Maturity Securities

The fair value and associated unrealized gains and losses of our fixed maturity securities portfolio, by industry classification are as follows:

Fixed Maturity Securities – By Industry Classification
As of March 31, 2011

(in millions of dollars)

Classification	Fair Value	Net Unrealized Gain	Fair Value of Fixed Maturity Securities with Gross Unrealized Loss	Gross Unrealized Loss	Fair Value of Fixed Maturity Securities with Gross Unrealized Gain	Gross Unrealized Gain
Basic Industry	$ 2,175.3	$ 152.7	$ 281.4	$ 11.1	$ 1,893.9	$ 163.8
Capital Goods	3,491.9	328.1	336.9	11.1	3,155.0	339.2
Communications	2,728.0	291.8	294.1	10.3	2,433.9	302.1
Consumer Cyclical	1,298.2	72.5	298.2	22.3	1,000.0	94.8
Consumer Non-Cyclical	5,063.8	466.6	323.8	19.2	4,740.0	485.8
Energy (Oil & Gas)	3,303.3	396.9	129.9	1.7	3,173.4	398.6
Financial Institutions	3,473.6	126.4	870.1	31.0	2,603.5	157.4
Mortgage/Asset-Backed	3,348.8	310.5	27.3	0.9	3,321.5	311.4
Sovereigns	1,439.0	151.6	0.0	0.0	1,439.0	151.6
Technology	788.1	92.7	28.5	0.2	759.6	92.9
Transportation	1,040.1	119.9	59.2	2.2	980.9	122.1
U.S. Government Agencies and Municipalities	2,370.6	89.4	811.8	60.7	1,558.8	150.1
Utilities	9,737.5	745.8	1,178.4	46.6	8,559.1	792.4
Redeemable Preferred Stocks	56.9	1.1	30.0	0.8	26.9	1.9
Total	$40,315.1	$3,346.0	$4,669.6	$218.1	$35,645.5	$3,564.1

The following two tables show the length of time our investment-grade and below-investment-grade fixed maturity securities had been in a gross unrealized loss position as of March 31, 2011 and at the end of the prior four quarters. The relationships of the current fair value to amortized cost are not necessarily indicative of the fair value to amortized cost relationships for the securities throughout the entire time that the securities have been in an unrealized loss position nor are they necessarily indicative of the relationships after March 31, 2011.

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Unrealized Loss on Investment-Grade Fixed Maturity Securities
Length of Time in Unrealized Loss Position

(in millions of dollars)

	2011	2010			
	March 31	December 31	September 30	June 30	March 31
Fair Value < 100% >= 70% of Amortized Cost					
<= 90 days	$ 14.8	$ 93.2	$ 5.9	$ 31.8	$ 22.3
> 90 <= 180 days	82.4	16.9	7.2	1.2	42.0
> 180 <= 270 days	14.5	1.9	0.9	9.0	1.4
> 270 days <= 1 year	1.6	0.0	0.3	0.0	2.1
> 1 year <= 2 years	1.5	2.0	2.4	4.2	45.8
> 2 years <= 3 years	9.6	24.4	17.5	27.9	43.3
> 3 years	37.2	43.3	37.9	92.1	128.2
Sub-total	161.6	181.7	72.1	166.2	285.1
Fair Value < 70% >= 40% of Amortized Cost					
> 1 year <= 2 years	0.0	0.0	2.4	2.6	6.3
> 2 years <= 3 years	3.4	3.2	0.0	0.0	11.1
> 3 years	11.9	0.0	0.0	0.0	0.5
Sub-total	15.3	3.2	2.4	2.6	17.9
Total	$176.9	$ 184.9	$ 74.5	$ 168.8	$ 303.0

Unreadable Loss on Below-Investment-Grade Fixed Maturity Securities
Length of Time in Unrealized Loss Position

(in millions of dollars)

	2011	2010			
	March 31	December 31	September 30	June 30	March 31
Fair Value < 100% >= 70% of Amortized Cost					
<= 90 days	$ 5.2	$ 5.1	$ 0.5	$ 8.8	$ 3.8
> 90 <= 180 days	4.0	0.1	1.9	1.4	0.0
> 180 <= 270 days	0.1	4.1	0.0	0.0	0.0
> 270 days <= 1 year	3.1	0.0	0.0	0.0	0.0
> 1 year <= 2 years	0.0	0.0	1.5	12.3	13.8
> 2 years <= 3 years	5.1	14.0	28.9	41.5	48.8
> 3 years	23.3	28.8	28.5	38.7	23.0
Sub-total	40.8	52.1	61.3	102.7	89.4
Fair Value < 70% >= 40% of Amortized Cost					
> 1 year <= 2 years	0.0	0.0	0.0	0.0	9.9
> 2 years <= 3 years	0.0	0.0	0.0	4.2	1.4
> 3 years	0.4	0.4	1.7	2.2	12.2
Sub-total	0.4	0.4	1.7	6.4	23.5
Total	$ 41.2	$ 52.5	$ 63.0	$109.1	$112.9

The following table shows our fixed maturity securities with a gross unrealized loss of $10.0 million or greater, by industry type.

Gross Unrealized Losses $10 Million or Greater on Fixed Maturity Securities
As of March 31, 2011

(in millions of dollars)

Classification	Fair Value	Gross Unrealized Loss	Number of Issuers
Investment-Grade			
Consumer Cyclical	$ 23.2	$ 11.9	1
U.S. Government Agencies and Municipalities	32.5	10.3	1
Total	$ 55.7	$ 22.2	2

At March 31, 2011, our mortgage/asset-backed securities had an average life of 4.62 years, effective duration of 3.94 years, and a weighted average credit rating of AAA. The mortgage/asset-backed securities are valued on a monthly basis using valuations supplied by the brokerage firms that are dealers in these securities as well as independent pricing services. One of the risks involved in investing in mortgage/asset-backed securities is the uncertainty of the timing of cash flows from the underlying loans due to prepayment of principal with the possibility of reinvesting the funds in a lower interest rate environment. We use models which incorporate economic variables and possible future interest rate scenarios to predict future prepayment rates. The timing of prepayment cash flows may also cause volatility in our recognition of investment income. We recognize investment income on these securities using a constant effective yield based on projected prepayments of the underlying loans and the estimated economic life of the securities. Actual prepayment experience is reviewed periodically, and effective yields are recalculated when differences arise between prepayments originally projected and the actual prepayments received and currently projected. The effective yield is recalculated on a retrospective basis, and the adjustment is reflected in net investment income.

We have not invested in mortgage-backed derivatives, such as interest-only, principal-only, or residuals, where market values can be highly volatile relative to changes in interest rates. All of our mortgage-backed securities have fixed rate coupons. The credit quality of our mortgage-backed securities portfolio has not been negatively impacted by the issues in the market concerning subprime mortgage loans. The change in value of our mortgage-backed securities portfolio has moved in line with that of prime agency-backed mortgage-backed securities.

As of March 31, 2011, the amortized cost and fair value of our below-investment-grade fixed maturity securities was $2,750.4 million and $2,874.5 million, respectively. Below-investment-grade securities are inherently more risky than investment-grade securities since the risk of default by the issuer, by definition and as exhibited by bond rating, is higher. Also, the secondary market for certain below-investment-grade issues can be highly illiquid. Additional downgrades may occur, but we do not anticipate any liquidity problems resulting from our investments in below-investment-grade securities, nor do we expect these investments to adversely affect our ability to hold our other investments to maturity.

Mortgage Loans

Our mortgage loan portfolio was $1,556.7 million and $1,516.8 million on an amortized cost basis at March 31, 2011 and December 31, 2010, respectively. Our mortgage loan portfolio is comprised entirely of commercial mortgage loans. We believe our mortgage loan portfolio is well diversified geographically and among property types. The incidence of problem mortgage loans and foreclosure activity continues to be low. Due to conservative underwriting, we expect the level of problem loans to remain low relative to the industry. At March 31, 2011, we held one mortgage loan which was considered impaired. The mortgage loan was carried at the estimated net realizable value of $13.1 million, net of a valuation allowance of $1.5 million. At December 31, 2010, we held two mortgage loans which were considered impaired. The mortgage loans were carried at the estimated net realizable value of $22.9 million, net of a valuation allowance of $1.5 million. During the first quarter of 2011, we foreclosed on one of these mortgage loans and transferred it into other long-term investments in our consolidated balance sheets. No realized loss was recognized on the foreclosure.

Derivative Financial Instruments

We use derivative financial instruments primarily to manage reinvestment risk, duration, and currency risk. Historically, we have utilized current and forward interest rate swaps and options on forward interest rate swaps, current and forward currency swaps, forward treasury locks, currency forward contracts, and forward contracts on specific fixed income securities. Our current credit exposure on derivatives, which is limited to the value of those contracts in a net gain position less collateral held, was $2.5 million at March 31, 2011. The carrying value of fixed maturity securities posted as collateral to our counterparties was $164.8 million at March 31, 2011. We believe that our credit risk is mitigated by our use of multiple counterparties, all of which are rated A or better by both Moody’s and S&P, and by our use of cross-collateralization agreements.

Other

Our exposure to non-current investments, defined as foreclosed real estate and invested assets which are delinquent as to interest and/or principal payments, totaled $59.9 million and $56.2 million on a fair value basis at March 31, 2011 and December 31, 2010, respectively.

See Notes 4 and 5 of the “Notes to Consolidated Financial Statements” contained herein in Item 1 for further discussion of our investments and our derivative financial instruments.

Liquidity and Capital Resources

Our liquidity requirements are met primarily by cash flows provided from operations, principally in our insurance subsidiaries. Premium and investment income, as well as maturities and sales of invested assets, provide the primary sources of cash. Debt and/or securities offerings provide an additional source of liquidity. Cash is applied to the payment of policy benefits, costs of acquiring new business (principally commissions), operating expenses, and taxes, as well as purchases of new investments.

We have established an investment strategy that we believe will provide for adequate cash flows from operations. We attempt to match our asset cash flows and durations with expected liability cash flows and durations to meet the funding requirements of our business. However, deterioration in the credit market may delay our ability to sell our positions in certain of our fixed maturity securities in a timely manner, which may negatively impact our cash flows. Furthermore, if we experience defaults on securities held in the investment portfolios of our insurance subsidiaries, this will negatively impact statutory capital, which could reduce our insurance subsidiaries’ capacity to pay dividends to our holding companies. A reduction in dividends to our holding companies could force us to seek external financing to avoid impairing our ability to pay our stockholder dividends or meet our debt and other payment obligations.

Our policy benefits are primarily in the form of claim payments, and we have minimal exposure to the policy withdrawal risk associated with deposit products such as individual life policies or annuities. A decrease in demand for our insurance products or an increase in the incidence of new claims or the duration of existing claims could negatively impact our cash flows from operations. However, our historical pattern of benefits paid to revenues is consistent, even during cycles of economic downturns, which serves to minimize liquidity risk.

We have met all minimum pension funding requirements set forth by ERISA. A fourth quarter of 2010 contribution of $100.0 million was made in lieu of our planned 2011 contribution, and we do not anticipate making any additional contributions during 2011. We have estimated our future funding requirements under the Pension Protection Act of 2006 and do not believe that the funding requirements will cause a material adverse effect on our liquidity.

We also contribute to our U.K. pension plan sufficient to meet the minimum funding requirement under U.K. legislation. We anticipate that we will make contributions during 2011 of approximately £3.2 million, £0.8 of which was contributed during the first quarter of 2011.

In May 2010, our board of directors authorized the repurchase of up to $500.0 million of Unum Group's common stock, with the pace of repurchase activity to depend upon various factors such as the level of available cash, alternative uses for cash, and our stock price. During 2010, we repurchased 16.4 million shares, at a cost of $356.0 million, under this share repurchase program. The $500.0 million share repurchase program had an expiration date of May 2011. In February 2011, our board of directors authorized the repurchase of up to $1.0 billion of Unum Group's common stock, in addition to the amount remaining to be repurchased under the $500.0 million authorization. The $1.0 billion share repurchase program has an expiration date of August 2012.

During the first quarter of 2011, we repurchased 7.1 million shares, at a cost of $200.0 million, using an accelerated repurchase agreement with a financial counterparty. Under the terms of the repurchase agreement, we received a price adjustment based on the volume weighted-average price of our common stock during the term of the agreement. The price adjustment resulted in the delivery to us of approximately 0.6 million additional shares. In total, we repurchased 7.7 million shares of our common stock under this agreement. The shares repurchased pursuant to the accelerated repurchase agreement completed the $500.0 million repurchase authorization and initiated the $1.0 billion repurchase program. In addition to these repurchases, we repurchased an additional 0.9 million shares on the open market at a cost of $23.6 million, for a total repurchase of 8.6 million shares during the first quarter of 2011.

Cash equivalents and marketable securities held at Unum Group and our other intermediate holding companies are a significant source of liquidity for us and were approximately $816 million and $1.2 billion at March 31, 2011 and December 31, 2010, respectively. The decrease reflects the purchase and retirement of $225.1 million of our 7.625% senior notes, as well as the first quarter of 2011 share repurchases. The March 31, 2011 balance was made up primarily of commercial paper, fixed maturity securities with a current average maturity of 2.45 years, and various money-market funds. No significant restrictions exist on our ability to use or access these funds. We believe we hold sufficient resources to meet our liquidity requirements for the next 12 months and that our current level of holding company cash and marketable securities can be utilized to mitigate potential losses from defaults.

During 2011, we intend to retain a level of capital in our traditional U.S. insurance subsidiaries such that we maintain a weighted average RBC level well above capital adequacy requirements. We also expect Unum Limited to operate above the Financial Services Authority (FSA) capital adequacy requirements and minimum solvency margins.

Consolidated Cash Flows

Operating Cash Flows

Net cash provided by operating activities was $301.0 million for the first quarter of 2011, compared to $281.6 million for the comparable period of 2010. Operating cash flows are primarily attributable to the receipt of premium and investment income, offset by payments of claims, commissions, expenses, and income taxes. Premium income growth is dependent not only on new sales, but on renewals of existing business, renewal price increases, and persistency. Investment income growth is dependent on the growth in the underlying assets supporting our insurance reserves and on the earned yield. The level of commissions and operating expenses is attributable to the level of sales and the first year acquisition expenses associated with new business as well as the maintenance of existing business. The level of paid claims is affected partially by the growth and aging of the block of business and also by the general economy, as previously discussed in the operating results by segment. Operating cash flows for the first quarter of 2010 include pension contributions of approximately $67.0 million.

Investing Cash Flows

Investing cash inflows consist primarily of the proceeds from the sales and maturities of investments. Investing cash outflows consist primarily of payments for purchases of investments. Net cash provided by investing activities was $188.0 million for the first quarter of 2011, compared to net cash used of $249.9 million for the comparable period of 2010.

Our sales of available-for-sale securities declined in the first quarter of 2011 compared to the same period of 2010. During the three months ended March 31, 2010, sales of securities were higher than normal in order to provide funding for new purchases designed to reposition the portfolio and improve our asset and liability duration match as well as to take advantage of relative value opportunities. Proceeds from maturities of available-for-sale securities were higher in the first quarter of 2011 compared to the same period of 2010 primarily due to a significant increase in scheduled maturities.

Proceeds from sales and maturities of other investments decreased in the first quarter of 2011 compared to the same period of 2010 primarily due to a decrease in scheduled maturities of mortgage loans, offset by a slight increase in proceeds from terminations of derivative contracts within our cash flow hedging programs.

Purchases of available-for-sale securities were lower in the first quarter of 2011 compared to the same period of 2010 due primarily to the portfolio repositioning program we enacted during the first three months of 2010, as discussed above.

Purchases of other investments increased in the first quarter of 2011 compared to the same period of 2010 as a result of an increase in funding of tax credit partnerships and mortgage loans.

Net sales of short-term investments increased in the first quarter of 2011 compared to the same period of 2010 to provide funding for payment for our debt maturing in March 2011 and to also fund the first quarter repurchases of Unum Group common stock. Additionally, we sold part of our short-term investment portfolio and repositioned into U.S. agency mortgage-backed securities during the first quarter of 2011 in order to take advantage of higher yields.

Financing Cash Flows

Financing cash flows consist primarily of borrowings and repayments of debt, issuances or repurchases of common stock, and dividends paid to stockholders. Net cash used by financing activities was $486.0 million for the first quarter of 2011, compared to $51.6 million for the comparable period of 2010.

During the first quarter of 2011, we made short-term debt repayments of $225.1 million at the maturity date of our remaining 7.625% senior notes due March 2011. During the first quarter of 2010, we purchased and retired $10.0 million of our 7.08% medium-term notes due 2024.

During each of the first quarters of 2011 and 2010, Tailwind Holdings made principal payments of $2.5 million on its floating rate, senior secured non-recourse notes due 2036. During the first quarters of 2011 and 2010, Northwind Holdings made principal payments of $21.7 million and $20.8 million, respectively, on its floating rate, senior secured non-recourse notes due 2037.

During the first quarter of 2011, we repurchased 8.6 million shares of Unum Group's common stock at a cost of $223.6 million. Approximately $7.9 million of the amount repurchased was settled in April 2011.

See "Debt" contained in this Item 2 for further information.

Cash Available from Subsidiaries

Unum Group and certain of its intermediate holding company subsidiaries depend on payments from subsidiaries to pay dividends to stockholders, to pay debt obligations, and/or to pay expenses. These payments by our insurance and non-insurance subsidiaries may take the form of dividends, operating and investment management fees, and/or interest payments on loans from the parent to a subsidiary.

Restrictions under applicable state insurance laws limit the amount of dividends that can be paid to a parent company from its insurance subsidiaries in any 12-month period without prior approval by regulatory authorities. For life insurance companies domiciled in the United States, that limitation generally equals, depending on the state of domicile, either ten percent of an insurer's statutory surplus with respect to policyholders as of the preceding year end or the statutory net gain from operations, excluding realized investment gains and losses, of the preceding year. The payment of dividends to a parent company from its insurance subsidiaries is generally further limited to the amount of unassigned statutory surplus.

Unum Group and/or certain of its intermediate holding company subsidiaries may also receive dividends from its United Kingdom-based affiliate, Unum Limited, subject to applicable insurance company regulations and capital guidance in the United Kingdom.

Northwind Holdings' and Tailwind Holdings' ability to meet their debt payment obligations is dependent upon the receipt of dividends from Northwind Reinsurance Company (Northwind Re) and Tailwind Reinsurance Company (Tailwind Re), respectively. The ability of Northwind Re and Tailwind Re to pay dividends to their respective parent companies will depend on their satisfaction of applicable regulatory requirements and on the performance of the business reinsured by Northwind Re and Tailwind Re.

The payment of dividends to the parent company from our subsidiaries also requires the approval of the individual subsidiary's board of directors.

The ability of Unum Group and certain of its intermediate holding company subsidiaries to continue to receive dividends from their insurance subsidiaries generally depends on the level of earnings of those insurance subsidiaries and additional factors such as RBC ratios and FSA capital adequacy requirements, funding growth objectives at an affiliate level, and maintaining appropriate capital adequacy ratios to support desired ratings. Insurance regulatory restrictions do not limit the amount of dividends available for distribution from non-insurance subsidiaries except where the non-insurance subsidiaries are held directly or indirectly by an insurance subsidiary and only indirectly by Unum Group. We intend to retain a level of capital in our traditional U.S. insurance subsidiaries such that we maintain a weighted average RBC level above capital adequacy requirements. We also expect Unum Limited to operate above FSA capital adequacy requirements and minimum solvency margins.

Debt

At March 31, 2011, we had long-term debt, including senior secured notes and junior subordinated debt securities, totaling $2,605.0 million. Our leverage ratio, when calculated using consolidated debt to total consolidated capital, was 24.1 percent at March 31, 2011, compared to 25.9 percent at December 31, 2010. Our leverage ratio, when calculated excluding the non-recourse debt and associated capital of Tailwind Holdings and Northwind Holdings, was 20.9 percent at March 31, 2011 compared to 22.8 percent at December 31, 2010. The decrease in our leverage ratio is due primarily to the first quarter maturity of $225.1 million of senior notes and principal payments on the debt of Northwind Holdings and Tailwind Holdings. Leverage is measured as total debt to total capital, which we define as total long-term and short-term debt plus stockholders' equity, excluding the net unrealized gain or loss on securities and the net gain or loss on cash flow hedges. We believe that a leverage ratio which excludes the net unrealized gains and losses on securities and the net gain or loss on cash flow hedges, both of which tend to fluctuate depending on market conditions and general economic trends, and which also excludes the non-recourse debt and associated capital of Tailwind Holdings and Northwind Holdings is a better indicator of our ability to meet our financial obligations.

We monitor our compliance with our debt covenants. There are no significant financial covenants associated with any of our outstanding debt obligations. We remain in compliance with all debt covenants and have not observed any current trends that would cause a breach of any debt covenants.

See "Debt" in Part II, Item 7 of our annual report on Form 10-K for the year ended December 31, 2010, for further discussion.

Commitments

At March 31, 2011, we had non-binding commitments of approximately $65.8 million to fund certain of our private equity partnerships and $1.9 million to fund underlying partnerships in our investment in a special purpose entity. The funds are due upon satisfaction of contractual notice from the issuer and may or may not be funded during the term of the securities. In addition, we have legally binding unfunded commitments of $168.1 million and $12.4 million, which are recognized as liabilities in our consolidated balance sheets, to fund tax credit partnership investments and transferrable state tax credits, respectively, with a corresponding recognition of other long-term investments and other assets, respectively.

We also had non-binding commitments of $129.5 million to fund certain of our investments in private placement fixed maturity securities. The funds will be due upon satisfaction of contractual notice from the issuer of the private placement securities. The amounts may or may not be funded.

With respect to our commitments and off-balance sheet arrangements, see the discussion under "Commitments" in Part II, Item 7 of our annual report on Form 10-K for the year ended December 31, 2010. During the first quarter of 2011, there were no substantive changes in our commitments, contractual obligations, or other off-balance sheet arrangements other than the changes in outstanding long-term and short-term debt as noted above.

Transfers of Financial Assets

To manage our cash position more efficiently, we enter into repurchase agreements with unaffiliated financial institutions. We generally use repurchase agreements as a means to finance the purchase of invested assets or for short-term general business purposes until projected cash flows become available from our operations or existing investments. Our repurchase agreements are typically outstanding for less than 30 days. We post collateral through our repurchase agreement transactions whereby the counterparty commits to purchase securities with the agreement to resell them to us at a later, specified date. The fair value of collateral posted is generally 102 percent of the cash received.

Our investment policy also permits us to lend fixed maturity securities to unaffiliated financial institutions in short-term securities lending transactions, which increase our investment income with minimal risk. We had no securities lending transactions during the first quarter of 2011.

We account for all of our securities lending transactions and repurchase agreements as collateralized financings. We had no repurchase agreements outstanding at March 31, 2011, nor did we utilize any repurchase agreements during the first quarter of 2011. Our use of repurchase agreements can fluctuate during any given period, depending on our liquidity position, the availability of long-term investments that meet our purchasing criteria, and our general business needs.

Ratings

AM Best, Fitch, Moody's, and S&P are among the third parties that assign issuer credit ratings to Unum Group and financial strength ratings to our insurance subsidiaries. Issuer credit ratings reflect an agency's opinion of the overall financial capacity of a company to meet its senior debt obligations. Financial strength ratings are specific to each individual insurance subsidiary and reflect each rating agency's view of the overall financial strength (capital levels, earnings, growth, investments, business mix, operating performance, and market position) of the insuring entity and its ability to meet its obligations to policyholders. Both the issuer credit ratings and financial strength ratings incorporate quantitative and qualitative analyses by rating agencies and are routinely reviewed and updated on an ongoing basis.

We compete based in part on the financial strength ratings provided by rating agencies. A downgrade of our financial strength ratings can be expected to adversely affect us and could potentially, among other things, adversely affect our relationships with distributors of our products and services and retention of our sales force, negatively impact persistency and new sales, particularly large case group sales and individual sales, and generally adversely affect our ability to compete. A downgrade in the issuer credit rating assigned to Unum Group can be expected to adversely affect our cost of capital or our ability to raise additional capital.

The table below reflects the issuer credit ratings for Unum Group and the financial strength ratings for each of our traditional insurance subsidiaries as of the date of this filing.

	AM Best	Fitch	Moody's	S&P
Issuer Credit Ratings	bbb (Good)	BBB (Good)	Baa3 (Moderate)	BBB-(Good)
Financial Strength Ratings				
Provident Life & Accident	A (Excellent)	A (Strong)	A3 (Good)	A- (Strong)
Provident Life & Casualty	A (Excellent)	A (Strong)	Not Rated	Not Rated
Unum Life of America	A (Excellent)	A (Strong)	A3 (Good)	A- (Strong)
First Unum Life	A (Excellent)	A (Strong)	A3 (Good)	A- (Strong)
Colonial Life & Accident	A (Excellent)	A (Strong)	A3 (Good)	A- (Strong)
Paul Revere Life	A (Excellent)	A (Strong)	A3 (Good)	A- (Strong)
Paul Revere Variable	B++(Good)	A (Strong)	A3 (Good)	Not Rated
Unum Limited	Not Rated	Not Rated	Not Rated	A- (Strong)

We maintain an ongoing dialogue with the four rating agencies that evaluate us in order to inform them of progress we are making regarding our strategic objectives and financial plans, as well as other pertinent issues. A significant component of our communications involves our annual review meeting with each of the four agencies. We hold other meetings throughout the year regarding our business, including, but not limited to, quarterly updates.

On January 26, 2011, AM Best upgraded its ratings of Unum Group and its operating subsidiaries to bbb and A, respectively, with the exception of Paul Revere Variable which retained its B++ rating, and revised the outlook for the Company and its subsidiaries to "stable."

There have been no other changes in any of the rating agencies' outlook statements or ratings during the first quarter of 2011 or prior to the date of this filing.

Agency ratings are not directed toward the holders of our securities and are not recommendations to buy, sell, or hold our securities. Each rating is subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be regarded as an independent assessment, not conditional on any other rating. Given the dynamic nature of the ratings process, changes by these or other rating agencies may or may not occur in the near-term. Based on our ongoing dialogue with the rating agencies concerning our improved insurance risk profile, our financial flexibility, our operating performance, and the quality of our investment portfolio, we do not expect any negative actions from any of the four rating agencies related to either Unum Group's current issuer credit ratings or the financial strength ratings of its insurance subsidiaries. However, in the event that we are unable to meet the rating agency specific guideline values to maintain our current ratings, including but not limited to maintenance of our capital management metrics at the threshold values stated and maintenance of our financial flexibility and operational consistency, we could be placed on a negative credit watch, with a potential for a downgrade to both our issuer credit ratings and our financial strength ratings.

See our annual report on Form 10-K for the year ended December 31, 2010 for further information regarding our debt and financial strength ratings and the risks associated with rating changes.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to various market risk exposures including interest rate risk and foreign exchange rate risk. With respect to our exposure to market risk, see the discussion under "Investments" in Item 2 of this Form 10-Q and in Part II, Item 7A of our annual report on Form 10-K for the year ended December 31, 2010. During the first three months of 2011, there was no substantive change to our market risk or the management of this risk.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this quarterly report. Based on that evaluation, these officers concluded that our disclosure controls and procedures were effective as of March 31, 2011.

There have been no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended, during the quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

Refer to Part I, Item 1, Note 9 of the "Notes to Consolidated Financial Statements" for information on legal proceedings.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in our annual report on Form 10-K for the year ended December 31, 2010.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information about our share repurchase activity for the first quarter of 2011:

	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share (1)	(c) Total Number of Shares Purchased as Part of Publicly Announced Program (2) (3) (4)	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (2) (3) (4)
January 1 - January 31, 2011	—	$ —	—	$ 144,308,452
February 1 - February 28, 2011	7,134,364	25.98	7,134,364	944,308,452
March 1 - March 31, 2011	1,463,954	26.11	1,463,954	920,734,642
Total	8,598,318		8,598,318	

(1) The average price paid per share excludes the cost of commissions.

(2) On May 19, 2010, our board of directors authorized the repurchase of up to $500.0 million of Unum Group's common stock through May 18, 2011.

(3) On February 2, 2011, our board of directors authorized the repurchase of up to $1.0 billion of Unum Group's common stock, in addition to the amount remaining to be repurchased under the previous authorization discussed above. The $1.0 billion share repurchase program has an expiration date of August 2012.

(4) On February 4, 2011, we repurchased 7,134,364 shares, at a cost of $200.0 million, using an accelerated repurchase agreement. As part of this transaction, we simultaneously entered into a forward contract indexed to the price of Unum Group common stock, which subjected the transaction to a future price adjustment. Under the terms of the repurchase agreement, we were to receive, or be required to pay, a price adjustment based on the volume weighted average price of Unum Group common stock during the term of the agreement, less a discount. Any price adjustment payable to us was to be settled in shares of Unum Group common stock. Any price adjustment we would have been required to pay would have been settled in either cash or common stock. The final price adjustment settlement occurred on March 18, 2011 resulting in the delivery to us of 563,954 additional shares. In total, we repurchased 7,698,318 shares pursuant to the accelerated repurchase agreement, which completed the $500.0 million repurchase authorization and initiated the $1.0 billion repurchase program.

ITEM 6. EXHIBITS

Index to Exhibits

Exhibit 10.1	Management Incentive Compensation Plan, as amended.
Exhibit 10.2	Form of Restricted Stock Unit Agreement with Employee, as amended.
Exhibit 10.3	Form of Cash Settled Restricted Stock Unit Agreement with Employee, as amended.
Exhibit 15	Letter Re: Unaudited Interim Financial Information.
Exhibit 31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101	The following financial statements from Unum Group's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, filed on May 4, 2011, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Comprehensive Income, (vi) the Notes to Consolidated Financial Statements.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Unum Group
(Registrant)

Date: May 4, 2011	/s/ Thomas R. Watjen Thomas R. Watjen President and Chief Executive Officer
Date: May 4, 2011	/s/ Richard P. McKenney Richard P. McKenney Executive Vice President and Chief Financial Officer

EXHIBIT 10.1

MANAGEMENT INCENTIVE COMPENSATION PLAN, AS AMENDED

ARTICLE 1
Background, Purpose and Design

1.1. Background. Unum Group hereby establishes, effective as of January 1, 2008, an annual incentive bonus plan for its officers and employees known as the Management Incentive Compensation Plan of 2008. The Plan was adopted by the Board of Directors on February 21, 2008, subject to the approval of Company's stockholders at the 2008 annual meeting.

1.2. Purpose. The purpose of the Plan is to motivate the Participants to perform in a way that will enable Unum Group to reach or exceed its goals.

1.3. Subparts of the Plan. The Plan consists of two subparts: (i) the Executive Officer Incentive Plan, under which Incentive Awards to designated executive officers are based upon the achievement of objectively determinable corporate performance goals measured over a period of up to twelve months; and (ii) the Employee Incentive Plan, under which Incentive Awards to employees or officers who are not participants in the Executive Officer Incentive Plan are based upon the achievement of corporate and/or individual performance goals measured over a period of up to twelve months.

ARTICLE 2
Definitions

2.1. Definitions. Certain terms of the Plan have defined meanings set forth in this Article 2 and which shall govern unless the context in which they are used clearly indicates that some other meaning is intended.

Beneficiary. Any person or persons designated by a Participant, in accordance with procedures established under Article 8.1 of the Plan, to receive benefits hereunder in the event of the Participant's death.

Board. The Board of Directors of the Company.

Cause. The term "Cause" with respect to a Participant shall have the meaning assigned such term in any separate employment, change of control or severance agreement between the Participant and the Company or and Subsidiary as then in effect. In the absence of such other agreement or definition, the term "Cause" as used herein and for the purposes of this Plan shall mean the occurrence of one or more of the following with respect to a Participant:

(1) The continued failure of the Participant to perform substantially his or her duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Participant by the CEO which specifically identifies the manner in which the CEO believes that the Participant has not substantially performed the Participant's duties, or

(2) The willful engaging by the Participant in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company, or

(3) Conviction of a felony or a guilty or nolo contendere plea by the Participant with respect thereto. For purposes of this Cause definition, no act or failure to act, on the part of a Participant, shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given

pursuant to a resolution duly adopted by the Board or (with respect to Participants other than the CEO) upon the instructions of the CEO, or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company. The cessation of employment of a Participant shall not be deemed to be for Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than two-thirds of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Participant and the Participant is given an opportunity, together with counsel, to be heard before the Board) finding that, in the good faith opinion of the Board, the Participant is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

Change in Control. The occurrence of one or more of the following events:

(1) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director and whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Act) ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (as such term is defined in Section 3(a)(9) of the Act and as used in Sections 13(d)(3) and 14(d)(2) of the Act) other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election or Contest or Proxy Contest, shall be deemed an Incumbent Director;

(2) Any person is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 20% (30% with respect to deferred compensation subject to Internal Revenue Code Section 409A) or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board (the "Company Voting Securities"); provided, however, that the event described in this paragraph (2) shall not be deemed to be a Change in Control of the Company by virtue of any of the following acquisitions: (A) by the Company or any Subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, (C) by an underwriter temporarily holding securities pursuant to an offering of such securities, (D) pursuant to a Non-Qualifying Transaction (as defined in paragraph (3), or (E) a transaction (other than one described in paragraph (3) below) in which Company Voting Securities are acquired from the Company, if a majority of the Incumbent Directors approve a resolution providing expressly that the acquisition pursuant to this clause (E) does not constitute a Change in Control of the Company under this paragraph (2);

(3) The consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or any of its Subsidiaries that requires the approval of the stockholders, whether for such transaction or the issuance of securities in the transaction (a "Reorganization"), or sale or other disposition of all or substantially all of the Company's assets to an entity that is not an affiliate of the Company (a "Sale"), unless immediately following such Reorganization or Sale: (A) more than 50% of the total voting power of (x) the corporation resulting from such Reorganization or the corporation which has acquired all or substantially all of the assets of the Company (in either case, the "Surviving Corporation"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation (the "Parent Corporation"), is represented by the Company Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if

applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Reorganization or Sale, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes the beneficial owner, directly or indirectly, of 20% (30% with respect to deferred compensation subject to Internal Revenue Code Section 409A) or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) and (C) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization or Sale (any Reorganization or Sale which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction"); or

(4) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change in Control of the Company shall not be deemed to occur solely because any person acquires beneficial ownership of more than 20% (30% with respect to deferred compensation subject to Internal Revenue Code Section 409A) of the Company Voting Securities as a result of the acquisition of Company Voting Securities by the Company which reduces the number of Company Voting Securities outstanding; provided, that if after such acquisition by the Company such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control of the Company shall then occur.

CEO. The chief executive officer of the Company.

Code. The Internal Revenue Code of 1986, as amended from time to time.

Committee. The Committee of the Board or, to the extent that the Committee shall have delegated authority to the CEO or the Chair as permitted in Article 3, the term "Committee" shall mean the CEO or the Chair, as the case may be.

Company. Unum Group, a Delaware corporation, and its corporate successors.

Disability. Disability of a Participant means the Participant is (1) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (2) by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of the Participant's condition.

Employee Incentive Plan. The portion of the Plan, set forth in Article 6, pursuant to which employees or officers who are not participants in the Executive Officer Incentive Plan for a given Plan Year may earn Incentive Awards based on the achievement of goals measured over a period of up to twelve months.

Executive Compensation. The Executive Compensation division of the Human Resources Department of the Company.

Executive Officer Incentive Plan. The portion of the Plan, set forth in Article 5, pursuant to which the CEO and other designated executive officers may earn Incentive Awards based on the achievement of corporate performance goals measured over a period of up to twelve months.

Incentive Award. An award granted pursuant to Article 5 or 6 of the Plan.

Job Requalification. The termination of employment due to the fact that it may be necessary from time to time for Unum to require incumbent employees to attain greater skill levels to retain their positions, and for business reasons, there is not sufficient time or ability for the employee to develop these skills. If an employee is unsuccessful, his/her employment may be terminated. Job Requalification can also occur when a position changes or evolves such that the incumbent employee is no longer qualified to perform the job functions.

Participant. An employee of the Company or its Subsidiaries participating in the Plan.

Plan. The Unum Group Management Incentive Compensation Plan of 2008 as set forth in this document, together with any subsequent amendments hereto.

Plan Year. January 1 to December 31 of each year.

Retirement. Retirement of a Participant shall mean voluntary termination of employment after having attained age 55 and 5 years of service with the Company or a Subsidiary.

Subsidiary. Any corporation, limited liability company, partnership or other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

ARTICLE 3
Administration of the Plan

3.1. General. The Plan shall be administered by the Committee.

3.2. Actions and Interpretations by the Committee. For purposes of administering the Plan, the Committee may from time to time adopt rules, regulations, guidelines and procedures for carrying out the provisions and purposes of the Plan and make such other determinations, not inconsistent with the Plan, as the Committee may deem appropriate. The Committee's interpretation of the Plan, any awards granted under the Plan, and all decisions and determinations by the Committee with respect to the Plan are and shall be final, binding, and conclusive on all parties. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company, the Company's independent certified public accountants, Company counsel or any executive compensation consultant or other professional retained by the Company or the Committee to assist in the administration of the Plan. No member of the Committee, the Board of Directors, or any delegate as the case may be, shall be liable for any act under the Plan done in good faith.

3.3. Authority of the Committee. Except as provided below in this Section 3.3, the Committee has the exclusive power, authority and discretion to:

(a) Designate Participants;

(b) Establish the goals and target awards under the Executive Officer and Employee Incentive Plans for each Plan Year and determine whether or to what extent performance goals were achieved in a given Plan Year;

(c) Determine the amount of actual awards under the Executive Officer Incentive Plan for each Plan Year, or determine amount of actual awards or the methodology for determination and the aggregate amount of awards under the Employee Incentive Plan, subject to the terms of the Plan;

(d) Increase, reduce or eliminate any Incentive Award payable under the Employee Incentive Plan, regardless of the achievement of performance goals;

(e) Reduce or eliminate any Incentive Award payable under the Executive Officer Incentive Plan, regardless of the achievement of performance goals;

(f) Decide all other matters that must be determined in connection with an Incentive Award;

(g) Establish, adopt or revise any rules, regulations, guidelines or procedures as it may deem necessary or advisable to administer the Plan;

(h) Make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan;

(i) Amend, modify or terminate the Plan as provided herein; and

(j) Adopt such modifications, procedures, and subplans as may be necessary or desirable (i) to effectuate the compensation incentive objectives of the Company or (ii) to comply with provisions of the laws of non-U.S. jurisdictions in which the Company or any affiliate may operate, in order to assure the viability of the benefits of awards granted to Participants located in such other jurisdictions and to meet the objectives of the Plan; provided, however, that any such modifications, procedures and subplans shall not apply with respect to participation in the Executive Officer Incentive Plan if they would cause Incentive Awards thereunder to fail to qualify as "performance-based" compensation as defined in Code Section 162(m).

Nothing contained in the Plan shall prevent or be deemed to prevent the Committee or the Company or any Subsidiary or Affiliate from adopting other or additional compensation arrangements for, or paying or providing any other or additional amounts or benefits to, its employees.

To the extent permitted under Delaware law, the Committee may expressly delegate to the CEO or the Chair of the Committee (the "Chair") some or all of the Committee's authority under subsections (a) through (d) above with respect to the Employee Incentive Plan, pursuant to guidelines approved by the Committee. To the extent of such delegated authority, references herein to "Committee" shall refer to the CEO or the Chair, as the case may be. In addition, the Committee, may, in its discretion, delegate its general administrative duties under the Plan to an officer or employee or Committee composed of officers or employees of the Company, but may not delegate its authority to construe and interpret the Plan. The acts of the CEO, the Chair and any other persons acting under such delegated authority shall be treated hereunder as acts of the Committee and the delegates shall report to the Committee regarding the delegated duties and responsibilities.

ARTICLE 4
Eligibility and Participation; Change in Control

4.1. General. Participation in the Plan is limited to such officers or employees, or categories of employees, of the Company as may be designated by the Committee from time to time. Participation in one Plan Year does not guarantee participation in any subsequent Plan Year.

4.2. New Hires. If a person is hired on or before September 30 of a Plan Year and is selected for participation in the Plan, then, unless the Committee provides otherwise, he or she will become a Participant in the Plan as of the date of hire and the Incentive Award will be prorated based on the number of days he or she participated in the Plan during the Plan Year. If the date of hire occurs after September 30 and is selected for participation in the Plan, the person will not be eligible to participate in the Plan until the following Plan Year.

4.3. Promotions. If a Participant is promoted on or before November 30 of a Plan Year from one level of employment to a higher level, his or her Incentive Award will be prorated based on the levels of his or her employment during each day of the Plan Year (rounded to the nearest pay period to the date of the promotion). If such promotion occurs after November 30, the Incentive Award for the whole Plan Year will be based on the Participant's level of employment prior to the promotion. If a person is promoted on or before November 30 of a Plan Year and is selected to participate in the Plan as a result of such promotion, then, unless the Committee provides otherwise, he or she will become a Participant in the Plan as of the date of the promotion and the Incentive Award will be prorated based on the number of days (beginning as of the day following the end of the last pay period) he or she participated in the Plan during the Plan Year. If such promotion occurs after November 30 and is selected for participation in the Plan, the person will not be eligible to participate in the Plan until the following Plan Year.

4.4. Demotions. If a Participant is demoted during the Plan Year, the Committee may determine whether Plan participation ends at that time, or is continued, perhaps at a reduced level. If participation ends, his or her Incentive Award for such Plan Year will be prorated based on the number of days (beginning as of the day following the end of the last pay period) he or she participated in the Plan during the Plan Year, and such Incentive Award will be paid only if the Participant is still an employee at the time Incentive Awards are approved for that Plan Year. If a Participant is demoted but remains a Participant in the Plan, the Participant's Incentive Award will be prorated based on the levels of his or her employment during each day of the Plan Year.

4.5. Death, Disability and Retirement. Effective January 1, 2010, and subject to Section 4.8 below:

(a) In the event of death or Disability on or after the last business day of March, the beneficiary/employee would receive a prorated PBI payment.

(b) Retirement-eligible employees will receive a prorated PBI payment when the employee retires on or after the last business day of March.

(c) For purposes of Section 4.5 proration is based on the number of days in the Plan Year preceding the date of death, Disability or Retirement, and the Participant will be entitled to the prorated amount, provided that calculations of such prorated amounts shall include manager recommendation based on individual performance. Performance criteria will be based on full-year performance. Incentive Awards in these situations will be calculated and paid after the end of the Plan Year, the same as for other Participants. Amounts paid on behalf of a deceased Participant will be paid to the Participant's Beneficiary. In the event of Participant's termination of employment by reason of Disability or Retirement, or in the event of the participant's death before the last business day of March of a Plan Year, the Participant will forfeit any right to an Incentive Award for that Plan Year.

4.6. Position Elimination or Job Requalification. Effective January 1, 2011, and subject to Section 4.8 below:

(a) Any Participant whose position is eliminated or who is terminated by reason of Job Requalification effective on/after the last business day of June each Plan Year would be eligible for a prorated PBI payment based on the amount of time worked.

(b) For purposes of Section 4.6 proration is based on the number of days in the Plan Year preceding the date of termination, and the Participant will be entitled to the prorated amount, provided that calculations of such prorated amounts shall include manager recommendation based on individual performance. Performance criteria will be based on full-year performance. Incentive Awards in these situations will be calculated and paid after the end of the Plan Year, the same as for other

Participants. In the event of a Participant's termination of employment by reason of position elimination or Job Requalification before the last business day of June of a Plan Year, the Participant will forfeit any right to an Incentive Award for that Plan Year.

4.7. Other Terminations of Employment. Except as provided in Section 4.8, in the event of a Participant's termination of employment during a Plan Year (or after the end of a Plan Year and before the time the Committee has approved the Incentive Awards for such Plan Year) other than by reason of death, Disability or Retirement, elimination of position or Job Requalification, the Participant will forfeit any right to an Incentive Award for that Plan Year. For terminations that occur after the time the Committee approves the Incentive Awards for a Plan Year, but before payout from the Plan for such Plan Year, payout will be made as though the termination of employment had not occurred. Solely for purposes of the Plan, the employment relationship shall be treated as continuing while the Participant is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed 6 months, or if longer, so long as the individual retains a right to reemployment, or is otherwise protected, with the service recipient under an applicable statute or by contract. A termination of employment shall not occur in a circumstance in which a Participant transfers employment from the Company to employment with one of its Subsidiaries, transfers employment from a Subsidiary to the Company, or transfers employment from one Subsidiary to another Subsidiary.

4.8. Change in Control. In the event of a Change in Control, the Committee will determine the Incentive Awards for each Participant that would have been earned if the Plan Year had ended as of the end of the month immediately preceding the end of the month in which the Change in Control occurs, based on actual performance through the date of the Change in Control (the "CIC Vested Awards"). Thereafter:

(a) Each Participant who is in active employment at the end of the Plan Year shall be entitled to the greater of his or her CIC Vested Award or an Incentive Award based on actual performance for the entire Plan Year.

(b) If the Plan is terminated during a Plan Year upon or after the Change in Control occurs, each Participant who is in active employment at the time of such Plan termination shall be entitled to the greater of his or her CIC Vested Award or an Incentive Award based on actual performance through the date of termination of the Plan.

(c) If a Participant's employment is terminated by the Company without Cause during a Plan Year upon or after a Change in Control occurs, such Participant shall be entitled to the greater of his or her CIC Vested Award or an Incentive Award based on actual performance through the date of termination of employment.

ARTICLE 5
Executive Officer Incentive Plan

5.1. Eligibility. Only the CEO and such other executive officers of the Company, if any, as shall be designated by the Committee are eligible to participate in the Executive Officer Incentive Plan. The Executive Officer Incentive Plan is designed with the intent that Incentive Awards earned hereunder will be fully deductible by us without regard to the deduction limits of Section 162(m) of the Code.

5.2. Incentive Awards. Subject to Section 5.3 below, each Participant in the Executive Officer Incentive Plan shall be eligible to receive an Incentive Award not to exceed $8 million in the event that we attain operating earnings at least equal to the product of (a) two and (b) the after tax amount required to cover interest on corporate debt and stockholder dividends for the prior fiscal year ending on December 31. For this purpose, operating earnings includes both GAAP and statutory operating income from our subsidiaries which is available to the holding company.

5.3. Negative Discretion. The Committee may not increase the amount payable under the Plan or with respect to an Incentive Award pursuant to Section 5.2, but retains the discretionary authority to reduce the amount. The Committee may establish factors to take into consideration in implementing its discretion, including, but not limited to, corporate or business unit performance against budgeted financial goals (e.g., operating income or revenue), achievement of non-financial goals, economic and relative performance considerations and assessments of individual performance.

5.5. Certification of Results and Payout. As soon as possible after the audited results for the Company are available for the Plan Year, the Committee will certify the performance against the performance goals and calculate the resulting Incentive Awards under the Executive Officer Incentive Plan. The Committee shall adjust any performance goals during or after the Plan Year to mitigate the unbudgeted impact of unusual or non-recurring gains and losses, accounting changes, acquisitions, divestitures or "extraordinary items" within the meaning of generally accepted accounting principles and that were not foreseen at the time such performance goals were established, provided that such adjustments would not, in the reasonable judgment of the Committee, prevent the award from qualifying from the "performance-based" exemption from Section 162(m) of the Code. Incentive Awards earned by Participants under the Executive Officer Incentive Plan will be paid in cash within thirty (30) days after the amount has been approved by the Committee and no later than March 15 of the year following the year in which the Incentive Award is earned.

ARTICLE 6
Employee Incentive Plan

6.1. Eligibility. The Committee may designate any officer or employee, or any category of employees, of the Company or its Subsidiaries for participation in the Employee Incentive Plan for a Plan Year; provided that no person who is a participant in the Executive Officer Incentive Plan for a Plan Year is eligible to participate in the Employee Incentive Plan for that same Plan Year. Incentive Awards payable under the Employee Incentive Plan will be subject to the deduction limits imposed under Section 162(m) of the Code, to the extent applicable.

6.2. Incentive Awards. Each Participant in the Employee Incentive Plan shall be eligible to receive an Incentive Award in connection with a particular Plan Year based on an individual's contribution to the business of the Company, as determined by the Committee, which contribution may be assessed on nonobjective as well as objective measures.

6.3. Establishment of Performance Goals. Within ninety (90) days after the commencement of any Plan Year (or such later date as the Committee shall determine), the Committee will set performance goals for the Employee Incentive Plan for such Plan Year. Such performance goals may, but need not, be the same as the performance goals under the Executive Officer Incentive Plan, and may be different for different Participants within the Employee Incentive Plan. For example, the Committee may choose to use corporate performance goals in conjunction with individual performance goals, and may set different performance goals for different Participants or classes of Participants in the Employee Incentive Plan.

6.4. Establishment of Incentive Award Targets. Within ninety (90) days after the commencement of any Plan Year (or such later date as the Committee shall determine), the Committee will establish target awards under the Employee Incentive Plan and limits on payouts in excess of targets, if any. Target awards under the Employee Incentive Plan may be set as either (i) percentages of base salary, or (ii) a range of dollar amounts based on the achievement of specified performance measures, which targets may differ from Participant to Participant and from year to year. The Committee may, but is not required to, establish the weightings for each Participant for performance within any category of the performance goals. If established, the weightings would be expressed as a percent of the target award that can be earned by the Participant from performance in each category.

6.5. Determination of Awards and Payout. As soon as possible after the completion of the Plan Year, the Committee will determine the amount of Incentive Awards earned under the Employee Incentive Plan. The Committee shall have the right for any reason to increase, reduce or eliminate any Incentive Award earned under the Employee Incentive Plan, notwithstanding the achievement of (or failure to achieve) a specified performance goal. Incentive Awards earned by Participants under the Employee Incentive Plan will be paid in cash within thirty (30) days after the amount has been approved by the Committee and no later than March 15 of the year following the year in which the Incentive Award is earned.

ARTICLE 7
Amendment, Modification and Termination

7.1. Amendment, Modification and Termination. The Committee may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part; provided, however that no amendment that requires stockholder approval in order for the Executive Officer Incentive Plan to continue to comply with the performance-based compensation exemption from Section 162(m) of the Code shall be effective unless the same shall be approved by the Committee and the requisite vote of our stockholders.

ARTICLE 8
General Provisions

8.1. Payment Recipient. All amounts payable under the Plan shall be paid to the appropriate Participant; provided, however, that a Participant may, by written instruction during the Participant's lifetime on a form prescribed by Executive Compensation, designate one or more primary Beneficiaries to receive the amount payable hereunder following the Participant's death, and may designate the proportions in which such Beneficiaries are to receive such payments. A Participant may change such designations from time to time, and the last written designation filed with the Committee prior to the Participant's death shall control. A Beneficiary designation shall not be considered effective unless made on a form prescribed by Executive Compensation and which is delivered to Executive Compensation. If any Participant shall fail to designate a Beneficiary or shall designate a Beneficiary who shall fail to survive the Participant, the Beneficiary shall be the Participant's surviving spouse, or, if none, the Participant's surviving descendants (who shall take per stirpes) and if there are no surviving descendants, the Beneficiary shall be the Participant's estate.

8.2. Non-Assignability. None of the rights under the Plan shall be subject to the claim of any creditor of any Participant or Beneficiary, or to any legal process by any creditor of such Participant or Beneficiary, and none of them shall have any right to alienate, commute, anticipate, pledge, assign or encumber any of the rights under the Plan except to the extent expressly provided herein to the contrary.

8.3. No Right to Continued Employment. Participation in the Plan shall not give any employee any right to remain in our employ. The Plan is not to be construed as a contract of employment for any period and does not alter the at-will status of any Participant.

8.4. Participant's Rights Unsecured; Waiver and Release. The benefits payable under the Plan shall be paid by the Company each year out of its general assets. To the extent a Participant acquires the right to receive a payment under the Plan, such right shall be no greater than that of an unsecured general creditor of the Company. In consideration of the granting of the award, Participants may required to execute an agreement which, among other things, waives and releases all claims, whether known or unknown that Participant may have against the Company, its affiliates, directors, officers, agents or employees arising out of related to Participant's employment, except for those claims against the benefit plans of the Company. The waiver shall include such terms and conditions as shall be determined by the Committee in its discretion, provided that any such waiver and release shall comply with applicable laws and regulations, and further provided that the Committee may direct that no waiver and release shall be obtained.

8.5. Income Tax Withholding. The Company shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of the Plan.

8.6. Governing Law. This Plan, and the rights and obligations of the parties thereunder, will be governed by and construed in accordance with the laws of the State of Delaware.

8.7. Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

8.8. Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

EXHIBIT 10.2

FORM OF RESTRICTED STOCK UNIT AGREEMENT WITH EMPLOYEE, AS AMENDED

THIS AGREEMENT, dated as of **[Grant Date]**, between Unum Group, a Delaware corporation (the "Company"), and **[Participant Name]** (the "Employee").

W I T N E S S E T H

In consideration of the mutual promises and covenants made herein and the mutual benefits to be derived herefrom, the parties hereto agree as follows:

1. Grant, Vesting and Forfeiture of Restricted Stock Units.

(a) Grant. Subject to the provisions of this Agreement and to the provisions of the Unum Group Stock Incentive Plan of 2007 (the "Plan"), the Company hereby grants to the Employee, as of **[Grant Date]** (the "Grant Date"), **[Shares Granted]** Restricted Stock Units (the "Restricted Stock Units"), each with respect to one share of common stock of the Company, par value $0.10 per Share ("Common Stock"). All capitalized terms used herein, to the extent not defined, shall have the meaning set forth in the Plan.

(b) Vesting during the Restriction Period. Subject to the terms and conditions of this Agreement, the Restricted Stock Units shall vest and no longer be subject to any restriction on the anniversaries of the Grant Date set forth below (the period during which restrictions apply, the "Restriction Period"):

Vesting Dates (Anniversaries of Grant Date)	Percentage of Total Grant Vesting
First Anniversary	33%
Second Anniversary	33%
Third Anniversary	34%

(c) Termination of Employment.

(i) Upon the Employee's Termination of Employment for any reason (other than due to the Employee's death, Disability, Retirement or Termination of Employment by the Company without Cause) during the Restriction Period, all Restricted Stock Units still subject to restriction shall be forfeited.

(ii) Upon the Employee's Termination of Employment during the Restriction Period due to the Employee's death, Disability or Retirement, the restrictions applicable to the Restricted Stock Units shall lapse, and such Restricted Stock Units shall become free of all restrictions and become fully vested.

(iii) Upon the Employee's Termination of Employment during the Restriction Period by the Company as a result of job elimination or requalification, the Employee shall vest in an additional number of Restricted Stock Units equal to the product of (x) the number of shares of Restricted Stock Units that are subject to each vesting tranche during the Restriction Period that have not yet vested as of the date of the Termination of Employment and (y) a fraction, the numerator of which is the number of full and partial months in the Restriction Period from the Grant Date until the date of Termination of Employment and the denominator of which is the total number of months in the Restriction Period for such tranche.

(iv) For purposes of this Agreement, "Retirement" shall mean the Employee's Termination of Employment after the attainment of age 65 or the attainment of age 55 and at least 15 years of continuous service, in each case, only if such Termination of Employment is approved as a "Retirement" by (1) the Committee in the case of an Employee who is subject to Section 16 of the Exchange Act or a "covered employee" within the meaning of Section 162(m) of the Code, or (2) the Chief Executive Officer or Senior Vice President, Human Resources, in the case of all other individuals.

(v) For purposes of this Agreement, employment with the Company shall include employment with the Company's Affiliates and its successors. Nothing in this Agreement or the Plan shall confer upon the Employee any right to continue in the employ of the Company or any of its Affiliates or interfere in any way with the right of the Company or any such Affiliates to terminate the Employee's employment at any time.

2. Settlement of Units.

Subject to Section 8 (pertaining to the withholding of taxes), as soon as practicable after the date on which the Restriction Period expires, and in no event later than 30 days after such date, the Company shall deliver to the Employee or his or her personal representative, in book-position or certificate form, one Share that does not bear any restrictive legend making reference to this Agreement for each Share subject to the Restricted Stock Unit. Notwithstanding the foregoing, the Company shall be entitled to hold the Shares issuable upon settlement of Restricted Stock Units that have vested until the Company shall have received from the Employee a duly executed Form W-9 or W-8, as applicable.

3. Nontransferability of the Restricted Stock Units.

During the Restriction Period and until such time as the Restricted Stock Units are ultimately settled as provided in Section 2 above, the Restricted Stock Units and the Shares covered by the Restricted Stock Units shall not be transferable by the Employee by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise. Any purported or attempted transfer of such Shares or such rights shall be null and void.

4. Rights as a Stockholder.

During the Restriction Period, the Employee shall not be entitled to any rights of a stockholder with respect to the Restricted Stock Units (including, without limitation, any voting rights), *provided* that with respect to any dividends paid on Shares underlying the Restricted Stock Units, such dividends will be reinvested into additional Restricted Stock Units, which shall vest at such time as the underlying Restricted Stock Units vest and be settled at that time.

5. Adjustment; Change in Control.

In the event of certain transactions during the Restricted Period, the Restricted Stock Units shall be subject to adjustment as provided in Section 3(d) of the Plan or any applicable successor provision under the Plan. In the event of a Change in Control before the Restricted Stock Units vest, the restrictions applicable to the Restricted Stock Units shall lapse, such Restricted Stock Units shall become free of all restrictions and become fully vested, consistent with Section 10(a)(iii) of the Plan, and shall be settled within 5 days following the Change in Control; *provided, however*, that any Restricted Stock Units that constitute "nonqualified deferred compensation" as defined under Section 409A of the Code shall not be settled upon such Change in Control unless the Change in Control constitutes a "change in control event" within the meaning of Section 409A of the Code.

6. Payment of Transfer Taxes, Fees and Other Expenses.

The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by an Employee in connection with the Restricted Stock Units, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

7. Other Restrictions.

(a) The Restricted Stock Units shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the Shares subject or related thereto upon any securities exchange or under any state or federal law is required, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the grant of Restricted Stock Units shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

(b) If the Employee is a Restricted Person under the Company's Insider Trading Policy (as in effect from time to time and any successor policies), the Employee shall be required to obtain pre-clearance from the General Counsel or Securities Counsel of the Company prior to purchasing or selling any of the Company's securities, including any shares issued upon vesting of the Restricted Stock Units, and may be prohibited from selling such shares other than during an open trading window. The Employee further acknowledges that, in its discretion, the Company may prohibit the Employee from selling such shares even during an open trading window if the Company has concerns over the potential for insider trading.

8. Taxes and Withholding.

No later than the date as of which an amount first becomes includible in the gross income of the Employee for federal, state, local, foreign income, employment or other tax purposes with respect to any Restricted Stock Units, the Employee shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. The obligations of the Company under this Agreement shall be conditioned on compliance by the Employee with this Section 8, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Employee, including deducting such amount from the delivery of shares upon settlement of the Restricted Stock Units that gives rise to the withholding requirement.

9. Notices.

All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

At the most recent address
on file at the Company.

If to the Company:

Unum Group
1 Fountain Square
Chattanooga, Tennessee 37402
Attention: Executive Compensation, Human Resources

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Section 9. Notices and communications shall be effective when actually received by the addressee. Notwithstanding the foregoing, the Employee consents to electronic delivery of documents required to be delivered by the Company under the securities laws.

10. Effect of Agreement.

This Agreement is personal to the Employee and, without the prior written consent of the Company, shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

11. Laws Applicable to Construction; Consent to Jurisdiction.

The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Agreement, the Restricted Stock Units are subject to the terms and conditions of the Plan, which is hereby incorporated by reference.

12. Severability.

The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

13. Conflicts and Interpretation.

In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan. The Employee hereby acknowledges that a copy of the Plan has been made available to him and agrees to be bound by all the terms and provisions thereof. The Employee and the Company each acknowledges that this Agreement (together with the Plan) constitutes the entire agreement and supersedes all other agreements and understandings, both written and oral, among the parties or either of them, with respect to the subject matter hereof.

14. Amendment.

The Company may modify, amend or waive the terms of the Restricted Stock Unit award, prospectively or retroactively, but no such modification, amendment or waiver shall materially impair the rights of the Employee without his or her consent, except as required by applicable law, stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

15. Section 409A.

It is the intention of the Company that the Restricted Stock Units shall either (a) not constitute “nonqualified deferred compensation” as defined under Section 409A of the Code or (b) comply in all respects with the requirements of Section 409A of the Code and the regulations promulgated thereunder, such that no delivery of or failure to deliver Shares pursuant to this Agreement will result in the imposition of taxation or penalties as a consequence of the application of Section 409A of the Code. Shares in respect of any Restricted Stock Units that (i) constitute “nonqualified deferred compensation” as defined under Section 409A of the Code and (ii) vest as a consequence of the Employee’s termination of employment shall not be delivered until the date that the Employee incurs a “separation from service” within the meaning of Section 409A of the Code (or, if the Employee is a “specified employee” within the meaning of Section 409A of the Code and the regulations promulgated thereunder, the date that is six months following the date of such “separation from service”). If the Company determines after the Grant Date that an amendment to this Agreement is necessary to ensure the foregoing, it may, notwithstanding Section 14, make such an amendment, effective as of the Grant Date or any later date, without the consent of the Employee.

16. Headings.

The headings of Sections herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

17. Counterparts.

This Agreement may be executed in counterparts, which together shall constitute one and the same original.

18. Waiver and Release.

In consideration for the granting of the Restricted Stock Units, the Employee hereby waives any and all claims whether known or unknown that the Employee may have against the Company and its affiliates and their respective directors, officers, shareholders, agents or employees arising out of, in connection with or related to the Employee’s employment, except for (1) claims under this Agreement, (2) claims that arise after the date hereof and obligations that by their terms are to be performed after the date hereof, (3) claims for compensation or benefits under any compensation or benefit plan or arrangement of the Company and its affiliates, (4) claims for indemnification respecting acts or omissions in connection with the Employee's service as a director, officer or employee of the Company or its affiliates, (5) claims for insurance coverage under directors' and officers' liability insurance policies maintained by the Company or its affiliates, or (6) any right the Employee may have to obtain contribution in the event of the entry of judgment against the Company as a result of any act or failure to act for which both the Employee and the Company or any of its affiliates are jointly responsible. The Employee waives any and all rights under the laws of any state (expressly including but not limited to Section 1542 of the California Civil Code), which is substantially similar in wording or effect as follows:

> ***"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him must have materially affected his settlement with the debtor."***

This waiver specifically includes all claims under the Age Discrimination in Employment Act of 1967, as amended. The Employee (a) acknowledges that he has been advised to consult an attorney in connection with entering into this Agreement; (b) has twenty-one (21) days to consider this waiver and release; and (c) may revoke this waiver and release within seven (7) days of execution upon written notice to Legal Counsel, Employment and Labor, Law Department, Unum Group, 1 Fountain Square, Chattanooga, Tennessee 37402. The waiver and release will not become enforceable until the expiration of the seven (7) day period. In the event that the waiver and release is revoked during such seven (7) day period, the grant shall be void and of no further effect.

IN WITNESS WHEREOF, as of the date first above written, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer and the Employee has hereunto set the Employee's hand.

Date: **[Acceptance Date]**

GRANTEE: **[Participant Name]**

UNUM GROUP

By:

(Authorized Signature)

EXHIBIT 10.3

FORM OF CASH SETTLED RESTRICTED STOCK UNIT AGREEMENT WITH EMPLOYEE, AS AMENDED

THIS AGREEMENT, dated as of **[Grant Date]** between Unum Group, a Delaware corporation (the “Company”), and **[Participant Name]** (the “Employee”).

W I T N E S S E T H

In consideration of the mutual promises and covenants made herein and the mutual benefits to be derived herefrom, the parties hereto agree as follows:

1. Grant, Vesting and Forfeiture of Restricted Stock Units.

(a) Grant. Subject to the provisions of this Agreement and to the provisions of the Unum Group Stock Incentive Plan of 2007 (the “Plan”), the Company hereby grants to the Employee, as of **[Grant Date]** (the “Grant Date”), **[Shares Granted]** Restricted Stock Units (the “Restricted Stock Units”), each with respect to one share of common stock of the Company, par value $0.10 per Share (“Common Stock”). All capitalized terms used herein, to the extent not defined, shall have the meaning set forth in the Plan.

(b) Vesting during the Restriction Period. Subject to the terms and conditions of this Agreement, the Restricted Stock Units shall vest and no longer be subject to any restriction on the anniversaries of the Grant Date set forth below (the period during which restrictions apply, the “Restriction Period”):

Vesting Dates (Anniversaries of Grant Date)	Percentage of Total Grant Vesting
First Anniversary	33%
Second Anniversary	33%
Third Anniversary	34%

(c) Termination of Employment.

(i) Upon the Employee’s Termination of Employment for any reason (other than due to the Employee’s death, Disability, Retirement or Termination of Employment by the Company without Cause) during the Restriction Period, all Restricted Stock Units still subject to restriction shall be forfeited.

(ii) Upon the Employee’s Termination of Employment during the Restriction Period due to the Employee’s death, Disability or Retirement, the restrictions applicable to the Restricted Stock Units shall lapse, and such Restricted Stock Units shall become free of all restrictions and become fully vested.

(iii) Upon the Employee’s Termination of Employment during the Restriction Period by the Company as a result of job elimination or requalification, the Employee shall vest in an additional number of Restricted Stock Units equal to the product of (x) the number of shares of Restricted Stock Units that are subject to each vesting tranche during the Restriction Period that have not yet vested as of the date of the Termination of Employment and (y) a fraction, the numerator of which is the number of full and partial months in the Restriction Period from the Grant Date until the date of Termination of Employment and the denominator of which is the total number of months in the Restriction Period for such tranche.

(iv) For purposes of this Agreement, “Retirement” shall mean the Employee’s Termination of Employment after the attainment of age 65 or the attainment of age 55 and at least 15 years of continuous service, in each case, only if such Termination of Employment is approved as a “Retirement” by (i) the Committee in the case of an Employee who is subject to Section 16 of the Exchange Act or a “covered employee” within the meaning of Section 162(m) of the Code or (ii) the Chief Executive Officer or Senior Vice President, Human Resources, in the case of all other individuals.

(v) For purposes of this Agreement, employment with the Company shall include employment with the Company's Affiliates and its successors. Nothing in this Agreement or the Plan shall confer upon the Employee any right to continue in the employ of the Company or any of its Affiliates or interfere in any way with the right of the Company or any such Affiliates to terminate the Employee's employment at any time.

2. Settlement of Units.

Subject to Section 8 (pertaining to the withholding of taxes), as soon as practicable after the date on which the Restriction Period expires, and in no event later than 30 days after such date, the Company shall deliver to the Employee or his or her personal representative, an amount in cash equal to the Fair Market Value of a Share on the date of settlement for each Share subject to the Restricted Stock Unit.

3. Nontransferability of the Restricted Stock Units.

During the Restriction Period and until such time as the Restricted Stock Units are ultimately settled as provided in Section 2 above, the Restricted Stock Units shall not be transferable by the Employee by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise. Any purported or attempted transfer of such rights shall be null and void.

4. Rights as a Stockholder.

During the Restriction Period, the Employee shall not be entitled to any rights of a stockholder with respect to the Restricted Stock Units (including, without limitation, any voting rights), *provided* that with respect to any dividends paid on Shares underlying the Restricted Stock Units, such dividends will be reinvested into additional Restricted Stock Units, which shall vest at such time as the underlying Restricted Stock Units vest and be settled in cash at that time.

5. Adjustment; Change in Control.

In the event of certain transactions during the Restricted Period, the Restricted Stock Units shall be subject to adjustment as provided in Section 3(d) of the Plan or any applicable successor provision under the Plan. In the event of a Change in Control before the Restricted Stock Units vest, the restrictions applicable to the Restricted Stock Units shall lapse, such Restricted Stock Units shall become free of all restrictions and become fully vested, consistent with Section 10(a)(iii) of the Plan, and shall be settled within 5 days following the Change in Control; *provided, however*, that any Restricted Stock Units that constitute "nonqualified deferred compensation" as defined under Section 409A of the Code shall not be settled upon such Change in Control unless the Change in Control constitutes a "change in control event" within the meaning of Section 409A of the Code.

6. Payment of Transfer Taxes, Fees and Other Expenses.

The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the settlement of the Restricted Stock Units, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

7. Other Restrictions.

(a) The Restricted Stock Units shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the Shares subject or related thereto upon any securities exchange or under any state or federal law is required, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the grant of Restricted Stock Units shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

(b) If the Employee is a Restricted Person under the Company's Insider Trading Policy (as in effect from time to time and any successor policies), the Employee shall be required to obtain pre-clearance from the General Counsel or Securities Counsel of the Company prior to purchasing or selling any of the Company's securities and may be prohibited from selling such securities other than during an open trading window. The Employee further acknowledges that, in its discretion, the Company may prohibit the Employee from selling such securities even during an open trading window if the Company has concerns over the potential for insider trading.

8. Taxes and Withholding.

No later than the date as of which an amount first becomes includible in the gross income of the Employee for federal, state, local, foreign income, employment or other tax purposes with respect to any Restricted Stock Units, the Employee shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. The obligations of the Company under this Agreement shall be conditioned on compliance by the Employee with this Section 8, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Employee, including deducting such amount from the delivery of cash upon settlement of the Restricted Stock Units that gives rise to the withholding requirement.

9. Notices.

All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

At the most recent address
on file at the Company.

If to the Company:

Unum Group
1 Fountain Square
Chattanooga, Tennessee 37402
Attention: Executive Compensation, Human Resources

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Section 9. Notices and communications shall be effective when actually received by the addressee. Notwithstanding the foregoing, the Employee consents to electronic delivery of documents required to be delivered by the Company under the securities laws.

10. Effect of Agreement.

This Agreement is personal to the Employee and, without the prior written consent of the Company, shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

11. Laws Applicable to Construction; Consent to Jurisdiction.

The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Agreement, the Restricted Stock Units are subject to the terms and conditions of the Plan, which is hereby incorporated by reference.

12. Severability.

The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

13. Conflicts and Interpretation.

In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan. The Employee hereby acknowledges that a copy of the Plan has been made available to him and agrees to be bound by all the terms and provisions thereof. The Employee and the Company each acknowledges that this Agreement (together with the Plan) constitutes the entire agreement and supersedes all other agreements and understandings, both written and oral, among the parties or either of them, with respect to the subject matter hereof.

14. Amendment.

The Company may modify, amend or waive the terms of the Restricted Stock Unit award, prospectively or retroactively, but no such modification, amendment or waiver shall materially impair the rights of the Employee without his or her consent, except as required by applicable law, stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

15. Section 409A.

It is the intention of the Company that the Restricted Stock Units shall either (a) not constitute “nonqualified deferred compensation” as defined under Section 409A of the Code or (b) comply in all respects with the requirements of Section 409A of the Code and the regulations promulgated thereunder, such that no delivery of or failure to deliver cash pursuant to this Agreement will result in the imposition of taxation or penalties as a consequence of the application of Section 409A of the Code. Cash in respect of any Restricted Stock Units that (i) constitute “nonqualified deferred compensation” as defined under Section 409A of the Code and (ii) vest as a consequence of the Employee’s termination of employment shall not be delivered until the date that the Employee incurs a “separation from service” within the meaning of Section 409A of the Code (or, if the Employee is a “specified employee” within the meaning of Section 409A of the Code and the regulations promulgated thereunder, the date that is six months following the date of such “separation from service”). If the Company determines after the Grant Date that an amendment to this Agreement is necessary to ensure the foregoing, it may, notwithstanding Section 14, make such an amendment, effective as of the Grant Date or any later date, without the consent of the Employee.

16. Headings.

The headings of Sections herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

17. Counterparts.

This Agreement may be executed in counterparts, which together shall constitute one and the same original.

18. Waiver and Release.

In consideration for the granting of the Restricted Stock Units, the Employee hereby waives any and all claims whether known or unknown that the Employee may have against the Company and its affiliates and their respective directors, officers, shareholders, agents or employees arising out of, in connection with or related to the Employee’s employment, except for (1) claims under this Agreement, (2) claims that arise after the date hereof and obligations that by their terms are to be performed after the date hereof, (3) claims for compensation or benefits under any compensation or benefit plan or arrangement of the Company and its affiliates, (4) claims for indemnification respecting acts or omissions in connection with the Employee’s service as a director, officer or employee of the Company or its affiliates, (5) claims for insurance coverage under directors’ and officers’ liability insurance policies maintained by the Company or its affiliates, or (6) any right the Employee may have to obtain contribution in the event of the entry of judgment against the Company as a result of any act or failure to act for which both the Employee and the Company or any of its affiliates are jointly responsible. The Employee waives any and all rights under the laws of any state (expressly including but not limited to Section 1542 of the California Civil Code), which is substantially similar in wording or effect as follows:

> ***"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Release, which if known by him must have materially affected his settlement with the debtor."***

This waiver specifically includes all claims under the Age Discrimination in Employment Act of 1967, as amended. The Employee (a) acknowledges that he has been advised to consult an attorney in connection with entering into this Agreement; (b) has twenty-one (21) days to consider this waiver and release; and (c) may revoke this waiver and release within seven (7) days of execution upon written notice to Legal Counsel, Employment and Labor, Law Department, Unum Group, 1 Fountain Square, Chattanooga, Tennessee 37402. The waiver and release will not become enforceable until the expiration of the seven (7) day period. In the event that the waiver and release is revoked during such seven (7) day period, the grant shall be void and of no further effect.

IN WITNESS WHEREOF, as of the date first above written, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer and the Employee has hereunto set the Employee's hand.

Date: **[Acceptance Date]**

GRANTEE: **[Participant Name]**

UNUM GROUP

By:

____

(Authorized Signature)

EXHIBIT 15
LETTER RE: UNAUDITED INTERIM FINANCIAL INFORMATION

Board of Directors and Stockholders
Unum Group

We are aware of the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 33-47551, Form S-8 No. 33-88108) of Unum Group (formerly Provident Companies, Inc.) pertaining to the Provident Life and Accident Insurance Company MoneyMaker, A Long-Term 401(k) Retirement Savings Plan,
2. Registration Statement (Form S-8 No. 333-40219) pertaining to:
   a. The Paul Revere Savings Plan
   b. Provident Life and Accident Insurance Company Stock Plan of 1994
   c. Provident Life and Accident Insurance Company Annual Management Incentive Compensation Plan of 1994,
3. Registration Statement (Form S-8 No. 033-62231) pertaining to the Provident Life and Accident Insurance Company Employee Stock Purchase Plan of 1995,
4. Registration Statement (Form S-8 No. 333-81669) pertaining to:
   a. Provident Companies, Inc. Stock Plan of 1999
   b. Provident Companies, Inc. Non-Employee Director Compensation Plan of 1998
   c. Employee Stock Option Plan of 1998
   d. Amended and Restated Annual Management Incentive Compensation Plan of 1994,
5. Registration Statement (Form S-8 No. 333-81969) pertaining to:
   a. UnumProvident Corporation 1987 Executive Stock Option Plan
   b. UnumProvident Corporation 1990 Long-Term Stock Incentive Plan
   c. UnumProvident Corporation 1996 Long-Term Stock Incentive Plan
   d. UnumProvident Corporation 1998 Goals Stock Option Plan,
6. Registration Statement (Form S-8 No. 333-85882) pertaining to:
   a. UnumProvident Corporation Stock Plan of 1999
   b. UnumProvident Corporation 401(k) Retirement Plan (as amended on February 15, 2002)
   c. UnumProvident Corporation Broad-Based Stock Plan of 2001 (as amended on February 8, 2001)
   d. UnumProvident Corporation Broad-Based Stock Plan of 2002
   e. UnumProvident Corporation Employee Stock Option Plan,
7. Shelf Registration Statement (Form S-3 No. 333-100953) and the related Registration Statement filed under Rule 462(b)(No. 333-104926),
8. Shelf Registration Statement (Form S-3 No. 333-115485),
9. Registration Statement (Form S-3 No. 333-121758),
10. Registration Statement (Form S-8 No. 333-123422) of Unum Group (formerly UnumProvident Corporation) pertaining to:
    a. UnumProvident Corporation Amended and Restated Employee Stock Purchase Plan
    b. UnumProvident Corporation Amended and Restated Non-Employee Director Compensation Plan of 2004,
11. Registration Statement (Form S-8 No. 333-145400) of Unum Group pertaining to the Unum Group Stock Incentive Plan of 2007,
12. Registration Statement (Form S-3 ASR No. 333-155283), and
13. Registration Statement (Form S-8 No. 333-158885) of Unum Group pertaining to the Unum Limited Savings-Related Share Option Scheme of 2008

of our report dated May 4, 2011 relating to the unaudited consolidated interim financial statements of Unum Group and subsidiaries that are included in this Form 10-Q for the quarter ended March 31, 2011.

/s/ ERNST & YOUNG LLP

Chattanooga, Tennessee
May 4, 2011

EXHIBIT 31.1
CERTIFICATION

I, Thomas R. Watjen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Unum Group;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

/s/ Thomas R. Watjen
Thomas R. Watjen
President and Chief Executive Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 has been provided to Unum Group and will be retained by Unum Group and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 31.2
CERTIFICATION

I, Richard P. McKenney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Unum Group;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2011

/s/ Richard P. McKenney
Richard P. McKenney
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 has been provided to Unum Group and will be retained by Unum Group and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.1

**STATEMENT OF CHIEF EXECUTIVE OFFICER
OF UNUM GROUP
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Unum Group (the Company) on Form 10-Q for the period ended March 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned, Thomas R. Watjen, President and Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2011

/s/ Thomas R. Watjen
Thomas R. Watjen
President and Chief Executive Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Unum Group and will be retained by Unum Group and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

**STATEMENT OF CHIEF FINANCIAL OFFICER
OF UNUM GROUP
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Unum Group (the Company) on Form 10-Q for the period ended March 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned, Richard P. McKenney, Executive Vice President and Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2011	/s/ Richard P. McKenney
	Richard P. McKenney Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Unum Group and will be retained by Unum Group and furnished to the Securities and Exchange Commission or its staff upon request.