



Financial Overview

Fourth Quarter 2008

February 3, 2009



Safe Harbor Statement

Statements in this presentation that are not historical facts, such as the Company's earnings per share, holding company liquidity, risk-based capital, and leverage ratios, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are made based on management's expectations, plans and beliefs concerning future developments. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include such matters as (1) unfavorable economic or business conditions, both domestic and foreign, including the continued financial market disruption; (2) investment results, including, but not limited to, realized investment losses resulting from impairments that differ from the Company's assumptions and historical experience; (3) rating agency actions, state insurance department market conduct examinations and other inquiries, other governmental investigations and actions, and negative media attention; (4) changes in interest rates, credit spreads, and securities prices; (5) currency exchange rates; (6) changes in the Company's financial strength and credit ratings; (7) 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; (8) increased competition from other insurers and financial services companies due to industry consolidation or other factors; (9) legislative, regulatory, or tax changes, both domestic and foreign, including the effect of potential legislation and increased regulation in the current political environment; (10) the level and results of litigation; (11) effectiveness in supporting new product offerings and providing customer service; (12) actual experience in pricing, underwriting, and reserving that may deviate from the Company's assumptions; (13) lower than projected persistency and lower sales growth; (14) fluctuation in insurance reserve liabilities; (15) ability and willingness of reinsurers to meet their obligations; (16) changes in assumptions related to intangible assets such as deferred acquisition costs, value of business acquired and goodwill; (17) ability of Unum Group's subsidiaries to pay dividends as a result of regulatory restrictions; (18) events or consequences relating to terrorism and acts of war, both domestic and foreign; (19) changes in accounting standards, practices or policies; (20) effectiveness of the Company's risk management program; and (21) ability to recover the Company's systems and information in the event of a disaster or unanticipated event. For further information of risks and uncertainties that could affect actual results, see the Company's filings with the Securities and Exchange Commission, including information in the sections titled "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008. The forward-looking statements in this presentation are being made as of the date of this posting on March 16, 2009, and the Company expressly disclaims any obligation to update or revise any forward-looking statement contained herein, even if made available on the Company's website or otherwise.

Agenda

- **Our Business**
- **Operating Results**
- **Guidance**

Our Business

Our Business

Unum Group operations are comprised of three core operating segments:

- Unum US, a leading provider of employee benefits with primary locations in Chattanooga, Tennessee; Portland, Maine; Worcester, Massachusetts and Glendale, California
- Unum UK, a leading employee benefits provider in the UK, headquartered in Dorking and with primary offices in Basingstoke and Bristol
- Colonial Life, one of the nation's leading providers of voluntary benefits, located in Columbia, South Carolina

Our Business: Recent Highlights

- **Established \$250 million credit facility.**
 - Facility is designed to equate to approximately one year of fixed charges.
 - Purpose to support general corporate uses.
 - Prudent buffer given volatile market and uncertain economic environment.
- **Operating performance remains strong across the company's "core" operating segments: Unum US, Unum UK and Colonial Life.**
- **Focus remains on voluntary benefits and core market growth strategy across all three core operating segments.**
- **Investment portfolio continues to be well-positioned, with limited high-yield and mortgage exposure.**

Operating Results

Operating Results

- **BTOE of core operations of \$303.5 million, from \$301.4 million in 4Q-2007.**
- **Unum US BTOE of \$182.6 million, a 13.5% increase from 4Q-2007 BTOE of \$160.9 million.**
 - Group Disability benefit ratio at 88.7% compares to 91.5% in 4Q-2007
 - Focus remains on increasing penetration in the core market (under 2000 employees) and in increasing presence in Voluntary Benefits
- **Unum UK BTOE of \$54.6 million, a 33.2% decrease from 4Q-2007, 13.5% decrease in local currency.**
 - Benefit ratio of 63.0% compared to 60.8% in 4Q-2007, resulting from lower premium income in the quarter
 - Overall, claims experience across all product lines remained favorable in the current quarter—higher claim recoveries offset increased claims incidence in the group disability line.
 - Results for 4Q-2008 include restructuring expenses related to the implementation of a disciplined cost management strategy, intended to reduce future operating expenses

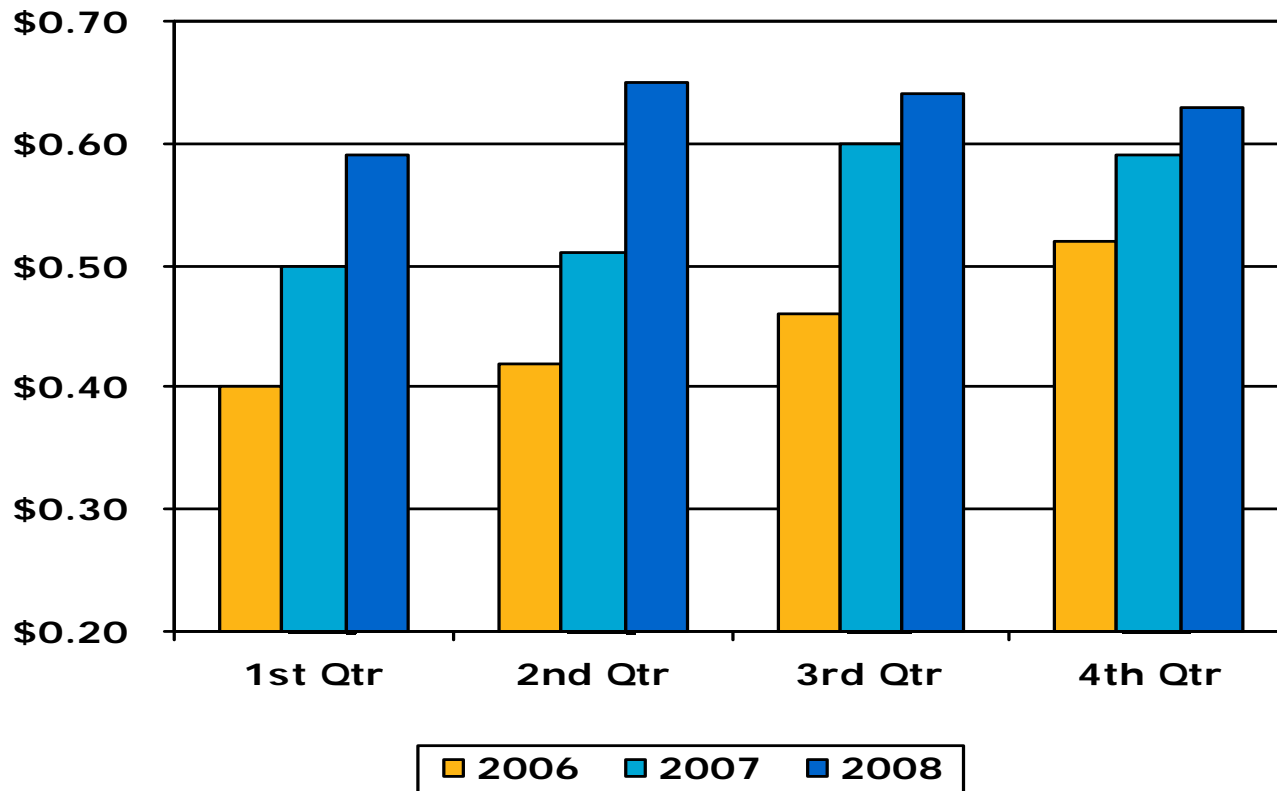
Operating Results

- **Colonial Life BTOE of \$66.3 million, increased 12.8% from 4Q-2007.**
 - Benefit ratio of 48.3% compared to 48.0% in 4Q-2007, due to unfavorable claims experience in the accident, sickness, and disability and cancer and critical illness lines of business, which offset the favorable experience in the life line
 - Sales increased 1.1% to \$115.4 million in 4Q-2008 from \$114.2 million in 4Q-2007
 - New accounts increased 6.2% in 4Q-2008 compared to 4Q-2007
 - Average weekly producers increased 5.6% in 4Q-2008 compared to 4Q-2007
 - Average weekly premium per agent decreased 4.3% in 4Q-2008 to 4Q-2007 comparison

4Q-2008 Results

Recent Financial Results

Operating EPS (excluding special items)



Unum Today

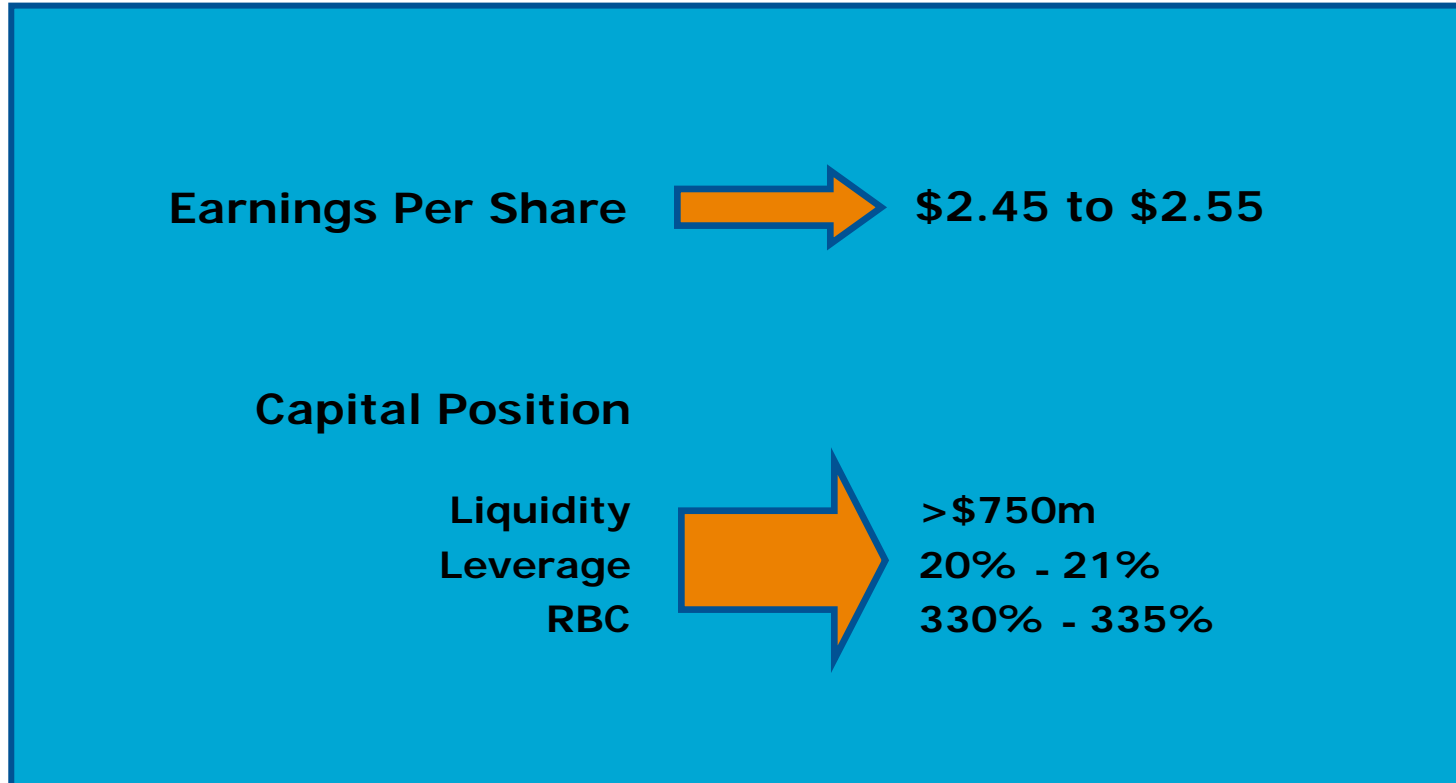
Capital Management – Significant Financial Flexibility

Capital Management Criteria	Guideline Value	4Q08
RBC ratio for traditional U.S. Insurance Cos.	> 300%	332%
Leverage	25%	21.5%
Coverage		
Earnings before interest and taxes/interest	5 – 6x	12.3x
Cash coverage of interest	3 – 4x	8.9x
Holding Company liquidity	Approximately \$300m	\$526m

Guidance

Guidance

Short-term Guidance: 2009 Expectations



*Assumes weakening British pound relative to the US dollar, increased pension costs for 2009 and incorporates current deterioration in the general US macroeconomy.

Non-GAAP Reconciliation

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	Three Months Ended *											
	12/31/2008	9/30/2008	6/30/2008	3/31/2008	12/31/2007	9/30/2007	6/30/2007	3/31/2007	12/31/2006	9/30/2006	6/30/2006	3/31/2006
Net Income (Loss)	\$ 0.13	\$ 0.32	\$ 0.69	\$ 0.46	\$ 0.44	\$ 0.52	\$ 0.43	\$ 0.51	\$ 0.80	\$ (0.19)	\$ 0.38	\$ 0.23
Net Realized Investment Gain (Loss)	(0.50)	(0.32)	0.04	(0.13)	(0.05)	(0.08)	0.02	(0.01)	-	0.01	(0.01)	-
Income from Discontinued Operations	-	-	-	-	-	-	-	0.02	0.01	-	0.01	0.01
After-tax Operating Income (Loss) from Continuing Operations Excluding Net Realized Investment Gain (Loss)	0.63	0.64	0.65	0.59	0.49	0.60	0.41	0.50	0.79	(0.20)	0.38	0.22
Special Tax Items	-	-	-	-	-	-	-	-	0.28	-	-	-
Regulatory Reassessment Charges, Net of Tax	-	-	-	-	-	-	(0.10)	-	-	(0.62)	-	(0.17)
Broker Compensation Settlement, Net of Tax	-	-	-	-	-	-	-	-	-	(0.04)	-	-
Debt Extinguishment Cost, Net of Tax	-	-	-	-	(0.10)	-	-	-	(0.01)	-	(0.04)	(0.01)
After-tax Operating Income from Continuing Operations Excluding Net Realized Investment Gain (Loss) and Special Items	\$ 0.63	\$ 0.64	\$ 0.65	\$ 0.59	\$ 0.59	\$ 0.60	\$ 0.51	\$ 0.50	\$ 0.52	\$ 0.46	\$ 0.42	\$ 0.40

* Amounts per diluted common share

Non-GAAP Reconciliation

	As of December 31 2008 <u>(in millions)</u>
Debt, As Reported	\$ 2,449.9
Exclude Non-recourse Debt	<u>843.2</u>
Debt, As Adjusted	<u>\$ 1,606.7</u>
Total Stockholders' Equity, As Reported	\$ 6,397.9
Exclude Net Unrealized Loss on Securities and Net Gain on Cash Flow Hedges	<u>(374.1)</u>
Exclude Northwind and Tailwind Capital	<u>911.7</u>
	5,860.3
Debt, As Adjusted	<u>1,606.7</u>
Total Capital, As Adjusted	<u>\$ 7,467.0</u>
Debt to Capital Ratio	<u>21.5%</u>