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Third Quarter 2006

STATISTICAL SUPPLEMENT

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UnumProvident
Statistical Supplement Third Quarter 2006

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

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Throughout this supplement, segment operating results exclude income taxes and realized investment gains and losses. See "Notes to Statistical Supplement" on page 16 for a discussion of non-GAAP financial measures.

N.M. = not a meaningful percentage

UnumProvident Financial Highlights

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Financial Results							
Premium Income	\$ 1,969.0	\$ 1,952.2	\$ 5,926.2	\$ 5,827.2	\$ 7,815.6	\$ 7,839.6	\$ 7,615.7
Segment Operating Revenue	\$ 2,658.2	\$ 2,615.3	\$ 7,975.4	\$ 7,781.6	\$ 10,443.9	\$ 10,435.7	\$ 10,165.4
Net Realized Investment Gain (Loss)	4.8	(71.4)	1.5	(9.1)	(6.7)	29.2	(173.8)
Revenue	<u>\$ 2,663.0</u>	<u>\$ 2,543.9</u>	<u>\$ 7,976.9</u>	<u>\$ 7,772.5</u>	<u>\$ 10,437.2</u>	<u>\$ 10,464.9</u>	<u>\$ 9,991.6</u>
Income (Loss) from Continuing Operations Before Cumulative Effect of Accounting Principle Change	\$ (63.7)	\$ 52.6	\$ 134.9	\$ 376.1	\$ 513.6	\$ (192.2)	\$ (264.6)
Loss from Discontinued Operations, net of tax	-	-	-	-	-	(60.8)	(161.7)
Cumulative Effect of Accounting Principle Change, net of tax	-	-	-	-	-	-	39.9
Net Income (Loss)	<u>\$ (63.7)</u>	<u>\$ 52.6</u>	<u>\$ 134.9</u>	<u>\$ 376.1</u>	<u>\$ 513.6</u>	<u>\$ (253.0)</u>	<u>\$ (386.4)</u>
Assets			\$ 52,171.5	\$ 51,146.9	\$ 51,866.8	\$ 50,832.3	\$ 49,718.3
Stockholders' Equity			\$ 7,594.4	\$ 7,237.7	\$ 7,363.9	\$ 7,224.1	\$ 7,271.0

2006

- Three months ended September 30, 2006 net loss includes a claim reassessment charge of \$325.4 million before tax, or \$211.5 million after tax, and nine months ended September 30, 2006 net income includes claim reassessment charges of \$411.4 million before tax, or \$267.4 million after tax.
- Three months and nine months ended September 30, 2006 net income (loss) includes broker compensation settlement expenses of \$18.5 million before tax, or \$12.7 million after tax.
- Nine months ended September 30, 2006 net income includes costs related to early retirement of debt of \$23.1 million before tax and \$15.0 million after tax.

2005

- Three months and nine months ended September 30, 2005 and full year 2005 net income includes a charge of \$75.0 million before tax, or \$51.6 million after tax, related to the settlement agreement with the California Department of Insurance and related matters.
- Three months and nine months ended September 30, 2005 and full year 2005 net income includes a gain on the sale of the U.K. Netherlands branch of \$5.7 million before tax and \$4.0 million after tax.
- Three months ended September 30, 2005 net income includes a \$10.8 million income tax benefit. Nine months ended September 30, 2005 and full year 2005 net income includes an income tax benefit of \$42.8 million related to the reduction of income tax liabilities.

2004

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

2003

- Full year 2003 net loss includes a charge of \$894.0 million before tax, or \$581.1 million after tax, related to the U.S. Brokerage group income protection reserve strengthening.

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

UnumProvident Financial Highlights

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Per Common Share Information							
Assuming Dilution:							
Income (Loss) from Continuing Operations Before							
Cumulative Effect of Accounting Principle Change	\$ (0.19)	\$ 0.17	\$ 0.41	\$ 1.21	\$ 1.64	\$ (0.65)	\$ (0.96)
Loss from Discontinued Operations, net of tax	-	-	-	-	-	(0.21)	(0.58)
Cumulative Effect of Accounting Principle Change, net of tax	-	-	-	-	-	-	0.14
Net Income (Loss)	<u>\$ (0.19)</u>	<u>\$ 0.17</u>	<u>\$ 0.41</u>	<u>\$ 1.21</u>	<u>\$ 1.64</u>	<u>\$ (0.86)</u>	<u>\$ (1.40)</u>
Basic:							
Income (Loss) from Continuing Operations Before							
Cumulative Effect of Accounting Principle Change	\$ (0.19)	\$ 0.18	\$ 0.42	\$ 1.27	\$ 1.74	\$ (0.65)	\$ (0.96)
Loss from Discontinued Operations, net of tax	-	-	-	-	-	(0.21)	(0.58)
Cumulative Effect of Accounting Principle Change, net of tax	-	-	-	-	-	-	0.14
Net Income (Loss)	<u>\$ (0.19)</u>	<u>\$ 0.18</u>	<u>\$ 0.42</u>	<u>\$ 1.27</u>	<u>\$ 1.74</u>	<u>\$ (0.86)</u>	<u>\$ (1.40)</u>
Dividends Paid	\$ 0.0750	\$ 0.0750	\$ 0.2250	\$ 0.2250	\$ 0.3000	\$ 0.3000	\$ 0.3725
Book Value			\$ 22.17	\$ 24.29	\$ 24.66	\$ 24.36	\$ 24.55
Price (UNM closing price on last trading day of period)			\$ 19.39	\$ 20.50	\$ 22.75	\$ 17.94	\$ 15.77

UnumProvident Consolidated Statements of Operations

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Revenue							
Premium Income	\$ 1,969.0	\$ 1,952.2	\$ 5,926.2	\$ 5,827.2	\$ 7,815.6	\$ 7,839.6	\$ 7,615.7
Net Investment Income	578.8	547.2	1,719.2	1,623.4	2,188.3	2,158.7	2,158.4
Net Realized Investment Gain (Loss)	4.8	(71.4)	1.5	(9.1)	(6.7)	29.2	(173.8)
Other Income	110.4	115.9	330.0	331.0	440.0	437.4	391.3
Total Revenue	<u>2,663.0</u>	<u>2,543.9</u>	<u>7,976.9</u>	<u>7,772.5</u>	<u>10,437.2</u>	<u>10,464.9</u>	<u>9,991.6</u>
Benefits and Expenses							
Benefits and Change in Reserves for Future Benefits	2,088.9	1,812.1	5,764.3	5,280.6	7,083.2	7,248.4	7,868.1
Commissions	198.9	191.5	613.5	609.4	804.7	842.3	844.1
Interest and Debt Expense	44.2	49.8	146.0	155.5	208.0	207.1	187.2
Cost Related to Early Retirement of Debt	-	-	23.1	-	-	-	-
Deferral of Policy Acquisition Costs	(127.5)	(119.5)	(392.8)	(402.1)	(519.4)	(557.3)	(665.9)
Amortization of Deferred Policy Acquisition Costs	115.9	112.5	353.7	349.4	463.7	436.7	458.6
Amortization of Value of Business Acquired	2.1	3.9	6.0	11.9	15.1	15.8	37.5
Impairment of Intangible Assets	-	-	-	-	-	856.4	-
Other Operating Expenses	435.1	425.3	1,253.8	1,252.1	1,672.3	1,675.0	1,697.2
Total Benefits and Expenses	<u>2,757.6</u>	<u>2,475.6</u>	<u>7,767.6</u>	<u>7,256.8</u>	<u>9,727.6</u>	<u>10,724.4</u>	<u>10,426.8</u>
Income (Loss) from Continuing Operations Before Income Taxes and Cumulative Effect of Accounting Principle Change	(94.6)	68.3	209.3	515.7	709.6	(259.5)	(435.2)
Income Taxes (Benefit)	<u>(30.9)</u>	<u>15.7</u>	<u>74.4</u>	<u>139.6</u>	<u>196.0</u>	<u>(67.3)</u>	<u>(170.6)</u>
Income (Loss) from Continuing Operations Before Cumulative Effect of Accounting Principle Change	(63.7)	52.6	134.9	376.1	513.6	(192.2)	(264.6)
Loss from Discontinued Operations, net of tax	-	-	-	-	-	(60.8)	(161.7)
Cumulative Effect of Accounting Principle Change, net of tax	-	-	-	-	-	-	39.9
Net Income (Loss)	<u>\$ (63.7)</u>	<u>\$ 52.6</u>	<u>\$ 134.9</u>	<u>\$ 376.1</u>	<u>\$ 513.6</u>	<u>\$ (253.0)</u>	<u>\$ (386.4)</u>
Average Number of Shares Outstanding							
Basic	340,727,665	295,767,170	319,209,356	295,628,573	295,776,405	295,224,305	276,132,176
Dilutive Securities:							
Purchase Contracts	-	16,156,382	9,868,520	12,432,463	14,297,834	-	-
Options and Other Dilutive Securities	-	2,724,576	2,234,637	2,398,406	2,438,404	-	-
Assuming Dilution	<u>340,727,665</u>	<u>314,648,128</u>	<u>331,312,513</u>	<u>310,459,442</u>	<u>312,512,643</u>	<u>295,224,305</u>	<u>276,132,176</u>
Actual Number of Shares Outstanding			342,541,722	298,019,247	298,557,764	296,545,913	296,143,422

UnumProvident Financial Sales Data

	Three Months Ended			Nine Months Ended			Year Ended		
	9/30/2006	9/30/2005	% Change	9/30/2006	9/30/2005	% Change	12/31/2005	12/31/2004	12/31/2003
U.S. Brokerage Segment									
Fully Insured Products									
Group Long-term Income Protection	\$ 25.4	\$ 27.6	(8.0) %	\$ 119.4	\$ 112.3	6.3 %	\$ 180.4	\$ 180.4	\$ 299.1
Group Short-term Income Protection	9.8	11.5	(14.8)	40.6	42.2	(3.8)	74.8	79.5	127.2
Group Life	17.7	23.4	(24.4)	94.4	93.6	0.9	157.8	166.5	241.6
Accidental Death & Dismemberment	1.8	1.7	5.9	7.7	8.4	(8.3)	14.7	12.8	26.6
Individual Income Protection - Recently Issued	14.1	13.4	5.2	39.0	38.7	0.8	53.8	61.6	72.9
Group Long-term Care	5.5	4.3	27.9	13.8	14.7	(6.1)	21.1	18.7	27.0
Individual Long-term Care	2.9	3.5	(17.1)	8.4	9.9	(15.2)	13.0	19.5	43.9
Voluntary Workplace Benefits	28.2	27.5	2.5	108.7	102.7	5.8	130.2	114.1	105.8
Total Fully Insured Products	105.4	112.9	(6.6)	432.0	422.5	2.2	645.8	653.1	944.1
Administrative Services Only (ASO) Products									
Group Long-term Income Protection	-	0.9	(100.0)	0.5	1.5	(66.7)	1.8	1.1	6.5
Group Short-term Income Protection	0.4	0.8	(50.0)	3.6	2.2	63.6	5.8	7.3	14.4
Total ASO Products	0.4	1.7	(76.5)	4.1	3.7	10.8	7.6	8.4	20.9
U.S. Brokerage Segment	105.8	114.6	(7.7)	436.1	426.2	2.3	653.4	661.5	965.0
Unum Limited Segment									
Group Long-term Income Protection	18.0	17.1	5.3	39.3	73.7	(46.7)	91.2	103.3	81.5
Group Life	6.0	6.4	(6.3)	13.7	27.2	(49.6)	33.0	68.1	27.7
Individual Income Protection	1.4	1.2	16.7	4.1	6.5	(36.9)	8.1	11.1	19.4
Unum Limited Segment	25.4	24.7	2.8	57.1	107.4	(46.8)	132.3	182.5	128.6
Colonial Segment									
Income Protection	46.1	38.8	18.8	134.4	116.8	15.1	176.8	172.5	182.7
Life	15.3	13.0	17.7	44.5	41.1	8.3	60.6	58.6	57.2
Cancer and Critical Illness	11.5	10.1	13.9	34.3	31.2	9.9	49.0	47.4	45.3
Colonial Segment	72.9	61.9	17.8	213.2	189.1	12.7	286.4	278.5	285.2
Individual Income Protection - Closed Block Segment	1.1	1.6	(31.3)	3.5	4.8	(27.1)	6.5	7.8	12.1
Total Sales from Continuing Operations	205.2	202.8	1.2	709.9	727.5	(2.4)	1,078.6	1,130.3	1,390.9
Sales from Discontinued Operations	-	-	-	-	-	-	-	10.1	36.6
Total	\$ 205.2	\$ 202.8	1.2	\$ 709.9	\$ 727.5	(2.4)	\$ 1,078.6	\$ 1,140.4	\$ 1,427.5

UnumProvident Consolidated Balance Sheets

	September 30, 2006	December 31,	
		2005	2004
Assets			
Investments			
Fixed Maturity Securities	\$ 34,721.3	\$ 34,856.8	\$ 32,488.4
Mortgage Loans	893.2	739.4	498.2
Real Estate	18.0	18.2	27.4
Policy Loans	3,319.6	3,201.4	3,073.6
Other Long-term Investments	118.5	122.8	89.9
Short-term Investments	489.3	417.9	410.2
Total Investments	39,559.9	39,356.5	36,587.7
Cash and Bank Deposits	32.2	69.4	130.7
Accounts and Premiums Receivable	2,041.4	1,979.2	2,033.1
Reinsurance Receivable	5,573.3	5,609.2	6,969.2
Accrued Investment Income	675.1	618.7	588.3
Deferred Policy Acquisition Costs	2,965.0	2,913.3	2,882.5
Value of Business Acquired	77.6	78.5	101.5
Goodwill	274.3	273.0	271.1
Income Tax Asset	18.4	-	-
Other Assets	926.3	939.4	1,236.5
Separate Account Assets	28.0	29.6	31.7
Total Assets	\$ 52,171.5	\$ 51,866.8	\$ 50,832.3
Liabilities			
Policy and Contract Benefits	\$ 2,193.7	\$ 2,063.4	\$ 1,841.6
Reserves for Future Policy and Contract Benefits	35,109.5	34,041.5	33,224.8
Unearned Premiums	560.7	481.8	500.8
Other Policyholders' Funds	2,060.4	2,235.5	2,425.3
Income Tax Liability	730.8	1,008.0	1,060.9
Short-term Debt	-	-	227.0
Long-term Debt	2,561.6	3,261.6	2,862.0
Other Liabilities	1,332.4	1,381.5	1,434.1
Separate Account Liabilities	28.0	29.6	31.7
Total Liabilities	44,577.1	44,502.9	43,608.2
Stockholders' Equity			
Common Stock	34.4	30.1	29.8
Additional Paid-in Capital	2,195.5	1,627.9	1,588.4
Accumulated Other Comprehensive Income	743.5	1,163.5	1,481.1
Retained Earnings	4,675.2	4,610.4	4,185.5
Treasury Stock	(54.2)	(54.2)	(54.2)
Deferred Compensation	-	(13.8)	(6.5)
Total Stockholders' Equity	7,594.4	7,363.9	7,224.1
Total Liabilities and Stockholders' Equity	\$ 52,171.5	\$ 51,866.8	\$ 50,832.3

UnumProvident Segment Deferred Policy Acquisition Costs

	U.S. Brokerage	Unum Limited	Colonial	Individual Income Protection - Closed Block	Corporate and Other	Consolidated
Balances at December 31, 2003	\$ 2,142.1	\$ 138.3	\$ 488.4	\$ 282.2	\$ 0.9	\$ 3,051.9
Capitalized	346.0	37.7	173.7	-	(0.1)	557.3
Amortized	(286.3)	(19.2)	(131.2)	-	-	(436.7)
Impairment	-	-	-	(282.2)	-	(282.2)
Foreign Currency and Other	(5.6)	(1.9)	-	-	(0.3)	(7.8)
Balances at December 31, 2004	<u>2,196.2</u>	<u>154.9</u>	<u>530.9</u>	<u>-</u>	<u>0.5</u>	<u>2,882.5</u>
Capitalized	311.9	34.1	173.4	-	-	519.4
Amortized	(306.9)	(21.6)	(134.7)	-	(0.5)	(463.7)
Foreign Currency and Other	-	(24.9)	-	-	-	(24.9)
Balances at December 31, 2005	<u>2,201.2</u>	<u>142.5</u>	<u>569.6</u>	<u>-</u>	<u>-</u>	<u>2,913.3</u>
Capitalized	228.2	25.6	139.0	-	-	392.8
Amortized	(230.3)	(17.0)	(106.4)	-	-	(353.7)
Foreign Currency and Other	-	12.6	-	-	-	12.6
Balances at September 30, 2006	<u><u>\$ 2,199.1</u></u>	<u><u>\$ 163.7</u></u>	<u><u>\$ 602.2</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,965.0</u></u>

UnumProvident Segment Balance Sheets - September 30, 2006

	U.S. Brokerage				Unum Limited	Colonial	Individual Income Protection - Closed Block	Corporate and Other	Consolidated
	Group Income Protection	Group Life and Accidental Death & Dismemberment	Supplemental and Voluntary	Total U.S. Brokerage					
Assets									
Investments	\$ 9,495.8	\$ 2,307.6	\$ 4,907.8	\$ 16,711.2	\$ 3,156.4	\$ 1,511.0	\$ 12,331.5	\$ 5,849.8	\$ 39,559.9
Deferred Policy Acquisition Costs	576.6	280.3	1,342.2	2,199.1	163.7	602.2	-	-	2,965.0
Value of Business Acquired	-	-	2.5	2.5	59.9	15.2	-	-	77.6
Goodwill	2.5	-	187.5	190.0	13.5	-	-	70.8	274.3
All Other	1,100.1	125.1	427.1	1,652.3	426.1	182.7	3,299.1	3,734.5	9,294.7
Total Assets	\$ 11,175.0	\$ 2,713.0	\$ 6,867.1	\$ 20,755.1	\$ 3,819.6	\$ 2,311.1	\$ 15,630.6	\$ 9,655.1	\$ 52,171.5
Liabilities									
Reserves and Policyholder Benefits	\$ 8,600.6	\$ 1,563.9	\$ 4,393.9	\$ 14,558.4	\$ 2,646.4	\$ 1,354.8	\$ 12,666.8	\$ 8,697.9	\$ 39,924.3
Debt	-	-	-	-	-	-	-	2,561.6	2,561.6
All Other	435.3	101.7	403.7	940.7	261.9	146.8	74.5	667.3	2,091.2
Total Liabilities	9,035.9	1,665.6	4,797.6	15,499.1	2,908.3	1,501.6	12,741.3	11,926.8	44,577.1
Other Allocated Stockholders' Equity	2,004.6	1,017.8	1,752.8	4,775.2	824.8	774.4	2,614.4	(2,263.4)	6,725.4
Unrealized Gain/Loss on Securities	134.5	29.6	316.7	480.8	86.5	35.1	274.9	(8.3)	869.0
Total Allocated Stockholders' Equity	2,139.1	1,047.4	2,069.5	5,256.0	911.3	809.5	2,889.3	(2,271.7)	7,594.4
Total Liabilities and Allocated Stockholders' Equity	\$ 11,175.0	\$ 2,713.0	\$ 6,867.1	\$ 20,755.1	\$ 3,819.6	\$ 2,311.1	\$ 15,630.6	\$ 9,655.1	\$ 52,171.5

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

UnumProvident Segment Balance Sheets - December 31, 2005

	U.S. Brokerage				Unum Limited	Colonial	Individual Income Protection - Closed Block	Corporate and Other	Consolidated
	Group Income Protection	Group Life and Accidental Death & Dismemberment	Supplemental and Voluntary	Total U.S. Brokerage					
Assets									
Investments	\$ 9,498.2	\$ 2,342.0	\$ 4,477.8	\$ 16,318.0	\$ 2,789.8	\$ 1,552.3	\$ 12,535.3	\$ 6,161.1	\$ 39,356.5
Deferred Policy Acquisition Costs	593.8	300.4	1,307.0	2,201.2	142.5	569.6	-	-	2,913.3
Value of Business Acquired	-	-	2.7	2.7	59.8	16.0	-	-	78.5
Goodwill	2.5	-	187.5	190.0	12.4	-	-	70.6	273.0
All Other	843.6	211.3	419.3	1,474.2	330.8	93.7	3,256.8	4,090.0	9,245.5
Total Assets	\$ 10,938.1	\$ 2,853.7	\$ 6,394.3	\$ 20,186.1	\$ 3,335.3	\$ 2,231.6	\$ 15,792.1	\$ 10,321.7	\$ 51,866.8
Liabilities									
Reserves and Policyholder Benefits	\$ 8,298.7	\$ 1,624.3	\$ 3,930.5	\$ 13,853.5	\$ 2,343.0	\$ 1,288.0	\$ 12,631.8	\$ 8,705.9	\$ 38,822.2
Debt	-	-	-	-	-	-	-	3,261.6	3,261.6
All Other	437.3	118.7	448.8	1,004.8	253.2	138.6	171.1	851.4	2,419.1
Total Liabilities	8,736.0	1,743.0	4,379.3	14,858.3	2,596.2	1,426.6	12,802.9	12,818.9	44,502.9
Other Allocated Stockholders' Equity	2,018.9	1,065.3	1,608.3	4,692.5	650.7	753.6	2,540.0	(2,586.9)	6,049.9
Unrealized Gain/Loss on Securities	183.2	45.4	406.7	635.3	88.4	51.4	449.2	89.7	1,314.0
Total Allocated Stockholders' Equity	2,202.1	1,110.7	2,015.0	5,327.8	739.1	805.0	2,989.2	(2,497.2)	7,363.9
Total Liabilities and Allocated Stockholders' Equity	\$ 10,938.1	\$ 2,853.7	\$ 6,394.3	\$ 20,186.1	\$ 3,335.3	\$ 2,231.6	\$ 15,792.1	\$ 10,321.7	\$ 51,866.8

UnumProvident Financial Results by Segment

	Three Months Ended			Nine Months Ended		
	9/30/2006	9/30/2005	% Change	9/30/2006	9/30/2005	% Change
Premium Income						
U.S. Brokerage	\$ 1,278.6	\$ 1,293.5	(1.2) %	\$ 3,894.0	\$ 3,920.0	(0.7) %
Unum Limited	219.7	204.0	7.7	611.8	587.1	4.2
Colonial	212.8	197.4	7.8	624.9	586.5	6.5
Individual Income Protection - Closed Block	257.8	257.6	0.1	793.0	732.4	8.3
Other	0.1	(0.3)	(133.3)	2.5	1.2	108.3
	<u>1,969.0</u>	<u>1,952.2</u>	0.9	<u>5,926.2</u>	<u>5,827.2</u>	1.7
Net Investment Income						
U.S. Brokerage	261.9	248.4	5.4	778.5	742.8	4.8
Unum Limited	45.8	39.2	16.8	123.7	116.5	6.2
Colonial	23.6	23.4	0.9	69.6	71.7	(2.9)
Individual Income Protection - Closed Block	207.0	192.9	7.3	623.2	562.5	10.8
Other	28.0	29.5	(5.1)	85.1	91.4	(6.9)
Corporate	12.5	13.8	(9.4)	39.1	38.5	1.6
	<u>578.8</u>	<u>547.2</u>	5.8	<u>1,719.2</u>	<u>1,623.4</u>	5.9
Other Income						
U.S. Brokerage	27.3	27.8	(1.8)	80.8	80.0	1.0
Unum Limited	-	5.7	(100.0)	-	6.1	(100.0)
Colonial	0.2	1.3	(84.6)	0.9	3.5	(74.3)
Individual Income Protection - Closed Block	25.5	25.7	(0.8)	75.7	70.2	7.8
Other	53.9	52.3	3.1	162.7	158.8	2.5
Corporate	3.5	3.1	12.9	9.9	12.4	(20.2)
	<u>110.4</u>	<u>115.9</u>	(4.7)	<u>330.0</u>	<u>331.0</u>	(0.3)
Total Operating Revenue						
U.S. Brokerage	1,567.8	1,569.7	(0.1)	4,753.3	4,742.8	0.2
Unum Limited	265.5	248.9	6.7	735.5	709.7	3.6
Colonial	236.6	222.1	6.5	695.4	661.7	5.1
Individual Income Protection - Closed Block	490.3	476.2	3.0	1,491.9	1,365.1	9.3
Other	82.0	81.5	0.6	250.3	251.4	(0.4)
Corporate	16.0	16.9	(5.3)	49.0	50.9	(3.7)
	<u>2,658.2</u>	<u>2,615.3</u>	1.6	<u>7,975.4</u>	<u>7,781.6</u>	2.5

UnumProvident Financial Results by Segment

	Three Months Ended			Nine Months Ended		
	9/30/2006	9/30/2005	% Change	9/30/2006	9/30/2005	% Change
Benefits and Expenses						
U.S. Brokerage	\$ 1,741.0	\$ 1,497.8	16.2 %	\$ 4,793.5	\$ 4,459.0	7.5 %
Unum Limited	200.0	199.1	0.5	559.5	571.3	(2.1)
Colonial	184.5	180.1	2.4	547.2	532.3	2.8
Individual Income Protection - Closed Block	495.6	480.8	3.1	1,449.3	1,318.9	9.9
Other	71.4	67.9	5.2	222.8	214.6	3.8
Corporate	65.1	49.9	30.5	195.3	160.7	21.5
	<u>2,757.6</u>	<u>2,475.6</u>	11.4	<u>7,767.6</u>	<u>7,256.8</u>	7.0
Income (Loss) Before Income Taxes and Net Realized Investment Gain (Loss)						
U.S. Brokerage	(173.2)	71.9	N.M.	(40.2)	283.8	(114.2)
Unum Limited	65.5	49.8	31.5	176.0	138.4	27.2
Colonial	52.1	42.0	24.0	148.2	129.4	14.5
Individual Income Protection - Closed Block	(5.3)	(4.6)	(15.2)	42.6	46.2	(7.8)
Other	10.6	13.6	(22.1)	27.5	36.8	(25.3)
Corporate	(49.1)	(33.0)	(48.8)	(146.3)	(109.8)	(33.2)
	<u>(99.4)</u>	<u>139.7</u>	(171.2)	<u>207.8</u>	<u>524.8</u>	(60.4)
Income Taxes (Benefit)	<u>(32.6)</u>	<u>40.8</u>	(179.9)	<u>73.9</u>	<u>142.9</u>	(48.3)
Income (Loss) Before Net Realized Investment Gain (Loss)	(66.8)	98.9	(167.5)	133.9	381.9	(64.9)
Net Realized Investment Gain (Loss)	4.8	(71.4)	106.7	1.5	(9.1)	116.5
Tax Expense (Benefit) on Net Realized Investment Gain (Loss)	<u>1.7</u>	<u>(25.1)</u>	106.8	<u>0.5</u>	<u>(3.3)</u>	115.2
Net Income (Loss)	<u>\$ (63.7)</u>	<u>\$ 52.6</u>	(221.1)	<u>\$ 134.9</u>	<u>\$ 376.1</u>	(64.1)

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

UnumProvident Quarterly Historical Financial Results by Segment

	<u>9/30/06</u>	<u>6/30/06</u>	<u>3/31/06</u>	<u>12/31/05</u>	<u>9/30/05</u>	<u>6/30/05</u>	<u>3/31/05</u>	<u>12/31/04</u>	<u>9/30/04</u>
Premium Income									
U.S. Brokerage	\$ 1,278.6	\$ 1,311.6	\$ 1,303.8	\$ 1,309.0	\$ 1,293.5	\$ 1,317.3	\$ 1,309.2	\$ 1,349.3	\$ 1,348.4
Unum Limited	219.7	200.7	191.4	198.2	204.0	193.1	190.0	177.0	170.1
Colonial	212.8	209.5	202.6	200.5	197.4	195.6	193.5	189.5	186.4
Individual Income Protection - Closed Block	257.8	264.2	271.0	279.3	257.6	232.8	242.0	239.3	246.8
Other	0.1	1.2	1.2	1.4	(0.3)	1.2	0.3	9.2	10.6
	<u>1,969.0</u>	<u>1,987.2</u>	<u>1,970.0</u>	<u>1,988.4</u>	<u>1,952.2</u>	<u>1,940.0</u>	<u>1,935.0</u>	<u>1,964.3</u>	<u>1,962.3</u>
Net Investment Income									
U.S. Brokerage	261.9	258.9	257.7	255.4	248.4	250.4	244.0	260.9	237.1
Unum Limited	45.8	39.9	38.0	37.7	39.2	39.6	37.7	37.4	35.3
Colonial	23.6	23.4	22.6	24.3	23.4	23.3	25.0	24.5	23.5
Individual Income Protection - Closed Block	207.0	214.0	202.2	207.5	192.9	189.7	179.9	203.6	192.6
Other	28.0	28.4	28.7	29.1	29.5	32.8	29.1	31.0	32.1
Corporate	12.5	12.0	14.6	10.9	13.8	12.4	12.3	7.1	6.6
	<u>578.8</u>	<u>576.6</u>	<u>563.8</u>	<u>564.9</u>	<u>547.2</u>	<u>548.2</u>	<u>528.0</u>	<u>564.5</u>	<u>527.2</u>
Other Income									
U.S. Brokerage	27.3	28.1	25.4	28.6	27.8	25.2	27.0	23.2	22.8
Unum Limited	-	(0.1)	0.1	-	5.7	(0.1)	0.5	0.5	0.5
Colonial	0.2	0.4	0.3	0.9	1.3	1.0	1.2	0.6	0.7
Individual Income Protection - Closed Block	25.5	23.9	26.3	25.0	25.7	19.8	24.7	31.2	21.1
Other	53.9	54.7	54.1	55.1	52.3	52.9	53.6	47.2	52.4
Corporate	3.5	3.0	3.4	(0.6)	3.1	4.2	5.1	19.3	3.8
	<u>110.4</u>	<u>110.0</u>	<u>109.6</u>	<u>109.0</u>	<u>115.9</u>	<u>103.0</u>	<u>112.1</u>	<u>122.0</u>	<u>101.3</u>
Total Operating Revenue									
U.S. Brokerage	1,567.8	1,598.6	1,586.9	1,593.0	1,569.7	1,592.9	1,580.2	1,633.4	1,608.3
Unum Limited	265.5	240.5	229.5	235.9	248.9	232.6	228.2	214.9	205.9
Colonial	236.6	233.3	225.5	225.7	222.1	219.9	219.7	214.6	210.6
Individual Income Protection - Closed Block	490.3	502.1	499.5	511.8	476.2	442.3	446.6	474.1	460.5
Other	82.0	84.3	84.0	85.6	81.5	86.9	83.0	87.4	95.1
Corporate	16.0	15.0	18.0	10.3	16.9	16.6	17.4	26.4	10.4
	<u>2,658.2</u>	<u>2,673.8</u>	<u>2,643.4</u>	<u>2,662.3</u>	<u>2,615.3</u>	<u>2,591.2</u>	<u>2,575.1</u>	<u>2,650.8</u>	<u>2,590.8</u>

UnumProvident Quarterly Historical Financial Results by Segment

	<u>9/30/06</u>	<u>6/30/06</u>	<u>3/31/06</u>	<u>12/31/05</u>	<u>9/30/05</u>	<u>6/30/05</u>	<u>3/31/05</u>	<u>12/31/04</u>	<u>9/30/04</u>
Benefits and Expenses									
U.S. Brokerage	\$ 1,741.0	\$ 1,494.1	\$ 1,558.4	\$ 1,489.1	\$ 1,497.8	\$ 1,481.5	\$ 1,479.7	\$ 1,617.7	\$ 1,494.8
Unum Limited	200.0	184.4	175.1	186.6	199.1	191.3	180.9	168.2	167.8
Colonial	184.5	183.4	179.3	187.0	180.1	176.3	175.9	174.6	171.0
Individual Income Protection - Closed Block	495.6	468.9	484.8	478.1	480.8	414.6	423.5	436.3	427.3
Other	71.4	75.6	75.8	76.7	67.9	73.0	73.7	79.1	83.4
Corporate	65.1	68.7	61.5	53.3	49.9	54.2	56.6	57.9	55.2
	<u>2,757.6</u>	<u>2,475.1</u>	<u>2,534.9</u>	<u>2,470.8</u>	<u>2,475.6</u>	<u>2,390.9</u>	<u>2,390.3</u>	<u>2,533.8</u>	<u>2,399.5</u>
Income (Loss) Before Income Taxes and Net Realized Investment Gain (Loss)									
U.S. Brokerage	(173.2)	104.5	28.5	103.9	71.9	111.4	100.5	15.7	113.5
Unum Limited	65.5	56.1	54.4	49.3	49.8	41.3	47.3	46.7	38.1
Colonial	52.1	49.9	46.2	38.7	42.0	43.6	43.8	40.0	39.6
Individual Income Protection - Closed Block	(5.3)	33.2	14.7	33.7	(4.6)	27.7	23.1	37.8	33.2
Other	10.6	8.7	8.2	8.9	13.6	13.9	9.3	8.3	11.7
Corporate	(49.1)	(53.7)	(43.5)	(43.0)	(33.0)	(37.6)	(39.2)	(31.5)	(44.8)
	<u>(99.4)</u>	<u>198.7</u>	<u>108.5</u>	<u>191.5</u>	<u>139.7</u>	<u>200.3</u>	<u>184.8</u>	<u>117.0</u>	<u>191.3</u>
Income Taxes (Benefit)	<u>(32.6)</u>	<u>69.9</u>	<u>36.6</u>	<u>55.5</u>	<u>40.8</u>	<u>71.6</u>	<u>30.5</u>	<u>(0.7)</u>	<u>65.5</u>
Income (Loss) Before Net Realized Investment Gain (Loss)	(66.8)	128.8	71.9	136.0	98.9	128.7	154.3	117.7	125.8
Net Realized Investment Gain (Loss)	4.8	(5.8)	2.5	2.4	(71.4)	65.5	(3.2)	25.8	64.5
Tax Expense (Benefit) on Net Realized Investment Gain (Loss)	1.7	(2.2)	1.0	0.9	(25.1)	22.9	(1.1)	9.0	22.7
Net Income (Loss)	<u>\$ (63.7)</u>	<u>\$ 125.2</u>	<u>\$ 73.4</u>	<u>\$ 137.5</u>	<u>\$ 52.6</u>	<u>\$ 171.3</u>	<u>\$ 152.2</u>	<u>\$ 134.5</u>	<u>\$ 167.6</u>
Per Common Share - Assuming Dilution									
Net Income (Loss)	\$ (0.19)	\$ 0.38	\$ 0.23	\$ 0.43	\$ 0.17	\$ 0.55	\$ 0.49	\$ 0.45	\$ 0.55

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

UnumProvident Financial Results for U.S. Brokerage Segment

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Revenue							
Premium Income	\$ 1,278.6	\$ 1,293.5	\$ 3,894.0	\$ 3,920.0	\$ 5,229.0	\$ 5,421.6	\$ 5,382.4
Net Investment Income	261.9	248.4	778.5	742.8	998.2	965.8	974.0
Other Income	27.3	27.8	80.8	80.0	108.6	89.8	70.6
Total Operating Revenue	<u>1,567.8</u>	<u>1,569.7</u>	<u>4,753.3</u>	<u>4,742.8</u>	<u>6,335.8</u>	<u>6,477.2</u>	<u>6,427.0</u>
Benefits and Expenses							
Benefits and Change in Reserves for Future Benefits	1,359.4	1,114.3	3,644.6	3,313.6	4,419.3	4,614.4	5,437.5
Commissions	121.4	115.2	380.0	385.8	501.6	538.3	548.8
Deferral of Policy Acquisition Costs	(71.8)	(69.7)	(228.2)	(244.2)	(311.9)	(346.0)	(458.8)
Amortization of Deferred Policy Acquisition Costs	73.4	75.7	230.3	233.2	306.9	286.3	282.0
Amortization of Value of Business Acquired	0.1	0.1	0.2	0.2	0.3	0.2	0.3
Operating Expenses	258.5	262.2	766.6	770.4	1,031.9	1,048.5	1,048.4
Total Benefits and Expenses	<u>1,741.0</u>	<u>1,497.8</u>	<u>4,793.5</u>	<u>4,459.0</u>	<u>5,948.1</u>	<u>6,141.7</u>	<u>6,858.2</u>
Operating Income (Loss) Before Income Taxes and Net Realized Investment Gains and Losses	<u>\$ (173.2)</u>	<u>\$ 71.9</u>	<u>\$ (40.2)</u>	<u>\$ 283.8</u>	<u>\$ 387.7</u>	<u>\$ 335.5</u>	<u>\$ (431.2)</u>
Operating Ratios							
Benefit Ratio	106.3 %	86.1 %	93.6 %	84.5 %	84.5 %	85.1 %	101.0 %
Operating Expense Ratio	20.2 %	20.3 %	19.7 %	19.7 %	19.7 %	19.3 %	19.5 %
Before-tax Profit (Loss) Margin	(13.5)%	5.6 %	(1.0)%	7.2 %	7.4 %	6.2 %	(8.0)%
Operating Income (Loss) Before Income Taxes and Net Realized Investment Gains and Losses, as Reported	<u>\$ (173.2)</u>	<u>\$ 71.9</u>	<u>\$ (40.2)</u>	<u>\$ 283.8</u>	<u>\$ 387.7</u>	<u>\$ 335.5</u>	<u>\$ (431.2)</u>
Settlement Agreements Claim Reassessment - Reserve Charge	(276.4)	-	(349.2)	-	-	-	-
Settlement Agreements Claim Reassessment - Operating Expense Charge	(15.0)	-	(15.0)	-	-	-	-
California Settlement Agreement and Related Matters - Reserve Charge	-	(29.6)	-	(29.6)	(29.6)	-	-
California Settlement Agreement and Related Matters - Operating Expense Charge	-	(11.1)	-	(11.1)	(11.1)	-	-
Multistate Market Conduct Examination Settlement Agreements - Reserve Charge	-	-	-	-	-	(80.8)	-
Multistate Market Conduct Examination Settlement Agreements - Operating Expense Charge	-	-	-	-	-	(37.6)	-
Reserve Strengthening	-	-	-	-	-	-	(894.0)
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted	<u>\$ 118.2</u>	<u>\$ 112.6</u>	<u>\$ 324.0</u>	<u>\$ 324.5</u>	<u>\$ 428.4</u>	<u>\$ 453.9</u>	<u>\$ 462.8</u>
Operating Ratios, as Adjusted							
Benefit Ratio	84.7 %	83.9 %	84.6 %	83.8 %	83.9 %	83.6 %	84.4 %
Operating Expense Ratio	19.0 %	19.4 %	19.3 %	19.4 %	19.5 %	18.6 %	19.5 %
Before-tax Profit Margin	9.2 %	8.7 %	8.3 %	8.3 %	8.2 %	8.4 %	8.6 %

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

UnumProvident Financial Results for U.S. Brokerage Group Income Protection

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Revenue							
Premium Income							
Group Long-term Income Protection	\$ 484.4	\$ 486.0	\$ 1,459.5	\$ 1,468.4	\$ 1,961.6	\$ 2,028.6	\$ 2,031.7
Group Short-term Income Protection	131.3	140.0	398.9	429.8	566.3	616.1	630.9
Total Premium Income	615.7	626.0	1,858.4	1,898.2	2,527.9	2,644.7	2,662.6
Net Investment Income	149.6	151.9	453.5	453.4	605.7	595.8	609.7
Other Income	20.7	20.2	61.7	59.0	80.3	69.6	56.4
Total Operating Revenue	786.0	798.1	2,373.6	2,410.6	3,213.9	3,310.1	3,328.7
Benefits and Expenses							
Benefits and Change in Reserves for Future Benefits	858.4	606.0	2,114.9	1,806.6	2,397.7	2,533.1	3,412.1
Commissions	42.1	39.0	132.8	135.0	175.1	199.0	200.1
Deferral of Policy Acquisition Costs	(15.4)	(13.1)	(48.4)	(51.8)	(64.6)	(77.1)	(125.1)
Amortization of Deferred Policy Acquisition Costs	21.8	22.6	65.6	68.7	92.2	93.5	96.1
Operating Expenses	154.1	149.8	444.9	434.7	582.5	619.6	615.5
Total Benefits and Expenses	1,061.0	804.3	2,709.8	2,393.2	3,182.9	3,368.1	4,198.7
Operating Income (Loss) Before Income Taxes and Net Realized Investment Gains and Losses	\$ (275.0)	\$ (6.2)	\$ (336.2)	\$ 17.4	\$ 31.0	\$ (58.0)	\$ (870.0)
Operating Ratios							
Benefit Ratio	139.4 %	96.8 %	113.8 %	95.2 %	94.8 %	95.8 %	128.1 %
Operating Expense Ratio	25.0 %	23.9 %	23.9 %	22.9 %	23.0 %	23.4 %	23.1 %
Before-tax Profit (Loss) Margin	(44.7)%	(1.0)%	(18.1)%	0.9 %	1.2 %	(2.2)%	(32.7)%
Persistency - Group Long-term Income Protection			87.5 %	84.4 %	84.8 %	84.8 %	87.2 %
Persistency - Group Short-term Income Protection			85.3 %	79.3 %	79.6 %	80.6 %	84.5 %

UnumProvident Financial Results for U.S. Brokerage Group Income Protection - Continued

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Income (Loss) Before Income Taxes and							
Net Realized Investment Gains and Losses, as Reported	\$ (275.0)	\$ (6.2)	\$ (336.2)	\$ 17.4	\$ 31.0	\$ (58.0)	\$ (870.0)
Settlement Agreements Claim Reassessment - Reserve Charge	(276.4)	-	(349.2)	-	-	-	-
Settlement Agreements Claim Reassessment -							
Operating Expense Charge	(15.0)	-	(15.0)	-	-	-	-
California Settlement Agreement and Related Matters -							
Reserve Charge	-	(27.3)	-	(27.3)	(27.3)	-	-
California Settlement Agreement and Related Matters -							
Operating Expense Charge	-	(10.1)	-	(10.1)	(10.1)	-	-
Multistate Market Conduct Examination Settlement Agreements -							
Reserve Charge	-	-	-	-	-	(80.2)	-
Multistate Market Conduct Examination Settlement Agreements -							
Operating Expense Charge	-	-	-	-	-	(36.5)	-
Reserve Strengthening	-	-	-	-	-	-	(894.0)
Operating Income Before Income Taxes and							
Net Realized Investment Gains and Losses, as Adjusted	<u>\$ 16.4</u>	<u>\$ 31.2</u>	<u>\$ 28.0</u>	<u>\$ 54.8</u>	<u>\$ 68.4</u>	<u>\$ 58.7</u>	<u>\$ 24.0</u>
Operating Ratios, as Adjusted							
Benefit Ratio	94.5 %	92.4 %	95.0 %	93.7 %	93.8 %	92.7 %	94.6 %
Operating Expense Ratio	22.6 %	22.3 %	23.1 %	22.4 %	22.6 %	22.0 %	23.1 %
Before-tax Profit Margin	2.7 %	5.0 %	1.5 %	2.9 %	2.7 %	2.2 %	0.9 %

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

UnumProvident Financial Results for U.S. Brokerage Group Life and Accidental Death and Dismemberment

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Revenue							
Premium Income							
Group Life	\$ 294.5	\$ 318.3	\$ 937.1	\$ 980.5	\$ 1,306.8	\$ 1,441.0	\$ 1,463.8
Accidental Death & Dismemberment	36.1	37.6	113.8	116.6	156.4	182.4	198.6
Total Premium Income	330.6	355.9	1,050.9	1,097.1	1,463.2	1,623.4	1,662.4
Net Investment Income	35.4	36.2	105.7	114.2	151.9	147.9	145.0
Other Income (Loss)	0.1	1.4	-	1.7	2.0	(0.6)	0.5
Total Operating Revenue	366.1	393.5	1,156.6	1,213.0	1,617.1	1,770.7	1,807.9
Benefits and Expenses							
Benefits and Change in Reserves for Future Benefits	251.6	272.6	802.4	832.1	1,111.9	1,244.3	1,280.0
Commissions	21.0	20.7	67.1	76.9	97.8	106.2	113.2
Deferral of Policy Acquisition Costs	(9.0)	(7.1)	(28.7)	(36.6)	(42.7)	(47.0)	(80.0)
Amortization of Deferred Policy Acquisition Costs	16.1	18.5	48.8	54.9	73.0	67.0	71.9
Operating Expenses	43.4	46.9	135.3	140.4	188.3	186.8	200.1
Total Benefits and Expenses	323.1	351.6	1,024.9	1,067.7	1,428.3	1,557.3	1,585.2
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses	\$ 43.0	\$ 41.9	\$ 131.7	\$ 145.3	\$ 188.8	\$ 213.4	\$ 222.7
Operating Ratios							
Benefit Ratio	76.1 %	76.6 %	76.4 %	75.8 %	76.0 %	76.6 %	77.0 %
Operating Expense Ratio	13.1 %	13.2 %	12.9 %	12.8 %	12.9 %	11.5 %	12.0 %
Before-tax Profit Margin	13.0 %	11.8 %	12.5 %	13.2 %	12.9 %	13.1 %	13.4 %
Persistency - Group Life			80.3 %	77.3 %	78.3 %	84.0 %	83.2 %
Persistency - Accidental Death & Dismemberment			82.5 %	76.3 %	76.9 %	80.3 %	84.2 %

UnumProvident Financial Results for U.S. Brokerage Supplemental and Voluntary

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Revenue							
Premium Income							
Individual Income Protection - Recently Issued	\$ 111.2	\$ 106.8	\$ 332.6	\$ 321.5	\$ 425.1	\$ 415.6	\$ 392.8
Long-term Care	124.1	119.1	365.9	351.0	473.2	444.5	404.6
Voluntary Workplace Benefits	97.0	85.7	286.2	252.2	339.6	293.4	260.0
Total Premium Income	332.3	311.6	984.7	924.7	1,237.9	1,153.5	1,057.4
Net Investment Income	76.9	60.3	219.3	175.2	240.6	222.1	219.3
Other Income	6.5	6.2	19.1	19.3	26.3	20.8	13.7
Total Operating Revenue	415.7	378.1	1,223.1	1,119.2	1,504.8	1,396.4	1,290.4
Benefits and Expenses							
Benefits and Change in Reserves for Future Benefits	249.4	235.7	727.3	674.9	909.7	837.0	745.4
Commissions	58.3	55.5	180.1	173.9	228.7	233.1	235.5
Deferral of Policy Acquisition Costs	(47.4)	(49.5)	(151.1)	(155.8)	(204.6)	(221.9)	(253.7)
Amortization of Deferred Policy Acquisition Costs	35.5	34.6	115.9	109.6	141.7	125.8	114.0
Amortization of Value of Business Acquired	0.1	0.1	0.2	0.2	0.3	0.2	0.3
Operating Expenses	61.0	65.5	186.4	195.3	261.1	242.1	232.8
Total Benefits and Expenses	356.9	341.9	1,058.8	998.1	1,336.9	1,216.3	1,074.3
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses	\$ 58.8	\$ 36.2	\$ 164.3	\$ 121.1	\$ 167.9	\$ 180.1	\$ 216.1
Operating Ratios							
Benefit Ratios							
Individual Income Protection - Recently Issued	57.6 %	60.2 %	56.9 %	57.3 %	57.5 %	57.7 %	54.6 %
Long-term Care	101.4 %	95.3 %	98.4 %	92.3 %	93.0 %	88.8 %	84.7 %
Voluntary Workplace Benefits	61.4 %	67.6 %	62.2 %	66.1 %	66.3 %	69.0 %	72.5 %
Operating Expense Ratio	18.4 %	21.0 %	18.9 %	21.1 %	21.1 %	21.0 %	22.0 %
Before-tax Profit Margin	17.7 %	11.6 %	16.7 %	13.1 %	13.6 %	15.6 %	20.4 %
Interest Adjusted Loss Ratio							
Individual Income Protection - Recently Issued	43.1 %	47.0 %	42.8 %	44.5 %	44.4 %	46.1 %	41.5 %

UnumProvident Financial Results for U.S. Brokerage Supplemental and Voluntary - Continued

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Persistency - Individual Income Protection - Recently Issued			90.4 %	89.4 %	89.6 %	90.7 %	89.6 %
Persistency - Long-term Care			95.4 %	95.6 %	95.8 %	95.5 %	95.0 %
Persistency - Voluntary Workplace Benefits			81.1 %	80.7 %	81.1 %	81.0 %	82.1 %
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Reported	\$ 58.8	\$ 36.2	\$ 164.3	\$ 121.1	\$ 167.9	\$ 180.1	\$ 216.1
California Settlement Agreement and Related Matters - Reserve Charge	-	(2.3)	-	(2.3)	(2.3)	-	-
California Settlement Agreement and Related Matters - Operating Expense Charge	-	(1.0)	-	(1.0)	(1.0)	-	-
Multistate Market Conduct Examination Settlement Agreements - Reserve Charge	-	-	-	-	-	(0.6)	-
Multistate Market Conduct Examination Settlement Agreements - Operating Expense Charge	-	-	-	-	-	(1.1)	-
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted	<u>\$ 58.8</u>	<u>\$ 39.5</u>	<u>\$ 164.3</u>	<u>\$ 124.4</u>	<u>\$ 171.2</u>	<u>\$ 181.8</u>	<u>\$ 216.1</u>
Operating Ratios, as Adjusted							
Benefit Ratios							
Individual Income Protection - Recently Issued	57.6 %	58.1 %	56.9 %	56.6 %	57.0 %	57.6 %	54.6 %
Long-term Care	101.4 %	95.3 %	98.4 %	92.3 %	93.0 %	88.8 %	84.7 %
Voluntary Workplace Benefits	61.4 %	67.6 %	62.2 %	66.1 %	66.3 %	69.0 %	72.5 %
Operating Expense Ratio	18.4 %	20.7 %	18.9 %	21.0 %	21.0 %	20.9 %	22.0 %
Before-tax Profit Margin	17.7 %	12.7 %	16.7 %	13.5 %	13.8 %	15.8 %	20.4 %
Interest Adjusted Loss Ratio, as Adjusted							
Individual Income Protection - Recently Issued	43.1 %	44.8 %	42.8 %	43.8 %	43.8 %	46.0 %	41.5 %

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

UnumProvident Financial Results for Unum Limited Segment

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Revenue							
Premium Income							
Group Long-term Income Protection	\$ 169.5	\$ 152.4	\$ 467.2	\$ 433.4	\$ 582.9	\$ 501.8	\$ 371.2
Group Life	41.9	43.9	120.6	123.0	164.1	117.9	60.8
Individual Income Protection	8.3	7.7	24.0	30.7	38.3	39.4	45.0
Total Premium Income	219.7	204.0	611.8	587.1	785.3	659.1	477.0
Net Investment Income	45.8	39.2	123.7	116.5	154.2	139.6	106.5
Other Income	-	5.7	-	6.1	6.1	3.1	9.9
Total Operating Revenue	265.5	248.9	735.5	709.7	945.6	801.8	593.4
Benefits and Expenses							
Benefits and Change in Reserves for Future Benefits	147.6	146.1	414.5	415.9	545.8	464.5	344.5
Commissions	13.8	14.5	36.9	41.0	56.4	48.9	34.1
Deferral of Policy Acquisition Costs	(8.4)	(8.0)	(25.6)	(26.8)	(34.1)	(37.7)	(33.6)
Amortization of Deferred Policy Acquisition Costs	6.0	5.2	17.0	16.0	21.6	19.2	17.0
Amortization of Value of Business Acquired	1.7	3.5	5.0	10.8	14.2	14.4	5.4
Operating Expenses	39.3	37.8	111.7	114.4	154.0	141.2	114.0
Total Benefits and Expenses	200.0	199.1	559.5	571.3	757.9	650.5	481.4
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses	\$ 65.5	\$ 49.8	\$ 176.0	\$ 138.4	\$ 187.7	\$ 151.3	\$ 112.0
Operating Ratios							
Benefit Ratio	67.2 %	71.6 %	67.8 %	70.8 %	69.5 %	70.5 %	72.2 %
Operating Expense Ratio	17.9 %	18.5 %	18.3 %	19.5 %	19.6 %	21.4 %	23.9 %
Before-tax Profit Margin	29.8 %	24.4 %	28.8 %	23.6 %	23.9 %	23.0 %	23.5 %
Persistency - Group Long-term Income Protection			90.4 %	94.7 %	94.2 %	92.1 %	92.9 %
Persistency - Group Life			69.0 %	90.0 %	86.3 %	83.0 %	87.7 %
Persistency - Individual Income Protection			88.1 %	94.3 %	88.4 %	86.7 %	87.2 %
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Reported	\$ 65.5	\$ 49.8	\$ 176.0	\$ 138.4	\$ 187.7	\$ 151.3	\$ 112.0
Gain on Sale of Netherlands Branch	-	5.7	-	5.7	5.7	-	-
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted	\$ 65.5	\$ 44.1	\$ 176.0	\$ 132.7	\$ 182.0	\$ 151.3	\$ 112.0
Operating Ratio, as Adjusted							
Before-tax Profit Margin	29.8 %	21.6 %	28.8 %	22.6 %	23.2 %	23.0 %	23.5 %

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

UnumProvident Financial Results for Colonial Segment

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Revenue							
Premium Income							
Income Protection	\$ 134.3	\$ 127.7	\$ 396.9	\$ 379.8	\$ 508.9	\$ 486.2	\$ 464.9
Life	33.2	28.5	95.7	84.8	114.0	106.9	96.7
Cancer and Critical Illness	45.3	41.2	132.3	121.9	164.1	147.9	131.9
Total Premium Income	212.8	197.4	624.9	586.5	787.0	741.0	693.5
Net Investment Income	23.6	23.4	69.6	71.7	96.0	94.5	90.0
Other Income	0.2	1.3	0.9	3.5	4.4	2.3	2.5
Total Operating Revenue	236.6	222.1	695.4	661.7	887.4	837.8	786.0
Benefits and Expenses							
Benefits and Change in Reserves for Future Benefits	112.0	110.4	327.9	319.7	433.2	408.3	395.4
Commissions	45.0	42.8	137.8	127.7	170.7	173.9	164.9
Deferral of Policy Acquisition Costs	(47.3)	(41.9)	(139.0)	(131.1)	(173.4)	(173.7)	(166.1)
Amortization of Deferred Policy Acquisition Costs	36.5	31.8	106.4	100.2	134.7	131.2	118.3
Amortization of Value of Business Acquired	0.3	0.3	0.8	0.9	0.6	1.2	(0.9)
Operating Expenses	38.0	36.7	113.3	114.9	153.5	141.3	127.7
Total Benefits and Expenses	184.5	180.1	547.2	532.3	719.3	682.2	639.3
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses	\$ 52.1	\$ 42.0	\$ 148.2	\$ 129.4	\$ 168.1	\$ 155.6	\$ 146.7
Operating Ratios							
Benefit Ratio	52.6 %	55.9 %	52.5 %	54.5 %	55.0 %	55.1 %	57.0 %
Operating Expense Ratio	17.9 %	18.6 %	18.1 %	19.6 %	19.5 %	19.1 %	18.4 %
Before-tax Profit Margin	24.5 %	21.3 %	23.7 %	22.1 %	21.4 %	21.0 %	21.2 %
Persistency - Income Protection			75.0 %	75.2 %	75.3 %	75.6 %	72.0 %
Persistency - Life			85.0 %	84.1 %	84.1 %	84.1 %	87.2 %
Persistency - Cancer and Critical Illness			82.5 %	82.9 %	83.2 %	82.6 %	82.0 %

UnumProvident Financial Results for Individual Income Protection - Closed Block Segment

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Revenue							
Premium Income	\$ 257.8	\$ 257.6	\$ 793.0	\$ 732.4	\$ 1,011.7	\$ 986.6	\$ 1,028.5
Net Investment Income	207.0	192.9	623.2	562.5	770.0	799.1	824.2
Other Income	25.5	25.7	75.7	70.2	95.2	100.3	95.9
Total Operating Revenue	490.3	476.2	1,491.9	1,365.1	1,876.9	1,886.0	1,948.6
Benefits and Expenses							
Benefits and Change in Reserves for Future Benefits	442.6	414.6	1,288.0	1,142.3	1,562.7	1,618.9	1,533.6
Commissions	18.3	19.0	57.7	54.6	74.9	76.3	85.5
Deferral of Policy Acquisition Costs	-	-	-	-	-	-	(7.5)
Amortization of Deferred Policy Acquisition Costs	-	-	-	-	-	-	41.3
Amortization of Value of Business Acquired	-	-	-	-	-	-	32.7
Intangible Assets Write-down	-	-	-	-	-	856.4	-
Operating Expenses	34.7	47.2	103.6	122.0	159.4	157.2	200.5
Total Benefits and Expenses	495.6	480.8	1,449.3	1,318.9	1,797.0	2,708.8	1,886.1
Operating Income (Loss) Before Income Taxes and Net Realized Investment Gains and Losses	\$ (5.3)	\$ (4.6)	\$ 42.6	\$ 46.2	\$ 79.9	\$ (822.8)	\$ 62.5
Operating Ratios							
Interest Adjusted Loss Ratio	106.2 %	93.2 %	98.5 %	89.4 %	89.3 %	93.4 %	82.7 %
Persistency			94.3 %	94.5 %	94.5 %	94.5 %	94.2 %

UnumProvident Financial Results for Individual Income Protection - Closed Block Segment - Continued

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Income (Loss) Before Income Taxes and							
Net Realized Investment Gains and Losses, as Reported	\$ (5.3)	\$ (4.6)	\$ 42.6	\$ 46.2	\$ 79.9	\$ (822.8)	\$ 62.5
Settlement Agreements Claim Reassessment - Reserve Charge	(34.0)	-	(47.2)	-	-	-	-
California Settlement Agreement and Related Matters - Reserve Charge	-	(23.1)	-	(23.1)	(23.1)	-	-
California Settlement Agreement and Related Matters - Operating Expense Charge	-	(11.2)	-	(11.2)	(11.2)	-	-
Multistate Market Conduct Examination Settlement Agreements - Reserve Charge	-	-	-	-	-	(3.7)	-
Multistate Market Conduct Examination Settlement Agreements - Operating Expense Charge	-	-	-	-	-	(4.9)	-
Individual Income Protection - Closed Block Restructuring - Reserve Charge	-	-	-	-	-	(110.6)	-
Individual Income Protection - Closed Block Restructuring - Intangible Asset Impairment Charge	-	-	-	-	-	(856.4)	-
Operating Income Before Income Taxes and							
Net Realized Investment Gains and Losses, as Adjusted	<u>\$ 28.7</u>	<u>\$ 29.7</u>	<u>\$ 89.8</u>	<u>\$ 80.5</u>	<u>\$ 114.2</u>	<u>\$ 152.8</u>	<u>\$ 62.5</u>
Interest Adjusted Loss Ratio, as Adjusted	93.0 %	84.9 %	92.5 %	86.4 %	87.3 %	87.5 %	82.7 %

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

UnumProvident Financial Results for Other Segment

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Revenue							
Premium Income	\$ 0.1	\$ (0.3)	\$ 2.5	\$ 1.2	\$ 2.6	\$ 31.3	\$ 34.3
Net Investment Income	28.0	29.5	85.1	91.4	120.5	127.3	140.1
Other Income	53.9	52.3	162.7	158.8	213.9	208.3	204.4
Total Operating Revenue	<u>82.0</u>	<u>81.5</u>	<u>250.3</u>	<u>251.4</u>	<u>337.0</u>	<u>366.9</u>	<u>378.8</u>
Benefits and Expenses							
Benefits and Change in Reserves for Future Benefits	27.3	26.7	89.3	89.1	122.2	142.3	157.1
Commissions	0.4	-	1.1	0.3	1.1	4.9	10.8
Deferral of Policy Acquisition Costs	-	0.1	-	-	-	0.1	0.1
Amortization of Deferred Policy Acquisition Costs	-	(0.2)	-	-	0.5	-	-
Operating Expenses	43.7	41.3	132.4	125.2	167.5	174.2	168.7
Total Benefits and Expenses	<u>71.4</u>	<u>67.9</u>	<u>222.8</u>	<u>214.6</u>	<u>291.3</u>	<u>321.5</u>	<u>336.7</u>
Operating Income Before Income Taxes and Net Realized Investment Gains and Losses	<u>\$ 10.6</u>	<u>\$ 13.6</u>	<u>\$ 27.5</u>	<u>\$ 36.8</u>	<u>\$ 45.7</u>	<u>\$ 45.4</u>	<u>\$ 42.1</u>

UnumProvident Financial Results for Corporate Segment

	Three Months Ended		Nine Months Ended		Year Ended		
	9/30/2006	9/30/2005	9/30/2006	9/30/2005	12/31/2005	12/31/2004	12/31/2003
Operating Revenue							
Net Investment Income	\$ 12.5	\$ 13.8	\$ 39.1	\$ 38.5	\$ 49.4	\$ 32.4	\$ 23.6
Other Income	3.5	3.1	9.9	12.4	11.8	33.6	8.0
Total Operating Revenue	<u>16.0</u>	<u>16.9</u>	<u>49.0</u>	<u>50.9</u>	<u>61.2</u>	<u>66.0</u>	<u>31.6</u>
Benefits and Expenses							
Interest and Debt Expense	44.2	49.8	146.0	155.5	208.0	207.1	187.2
Cost Related to Early Retirement of Debt	-	-	23.1	-	-	-	-
Unallocated Operating Expenses	20.9	0.1	26.2	5.2	6.0	12.6	37.9
Total Benefits and Expenses	<u>65.1</u>	<u>49.9</u>	<u>195.3</u>	<u>160.7</u>	<u>214.0</u>	<u>219.7</u>	<u>225.1</u>
Operating Loss Before Income Taxes and Net Realized Investment Gains and Losses	<u>\$ (49.1)</u>	<u>\$ (33.0)</u>	<u>\$ (146.3)</u>	<u>\$ (109.8)</u>	<u>\$ (152.8)</u>	<u>\$ (153.7)</u>	<u>\$ (193.5)</u>
Operating Loss Before Income Taxes and Net Realized Investment Gains and Losses, as Reported	\$ (49.1)	\$ (33.0)	\$ (146.3)	\$ (109.8)	\$ (152.8)	\$ (153.7)	\$ (193.5)
Broker Compensation Settlement	(18.5)	-	(18.5)	-	-	-	-
Cost Related to Early Retirement of Debt	-	-	(23.1)	-	-	-	-
Operating Loss Before Income Taxes and Net Realized Investment Gains and Losses, as Adjusted	<u>\$ (30.6)</u>	<u>\$ (33.0)</u>	<u>\$ (104.7)</u>	<u>\$ (109.8)</u>	<u>\$ (152.8)</u>	<u>\$ (153.7)</u>	<u>\$ (193.5)</u>

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

Reserves and Policyholder Benefits

	September 30, 2006			December 31, 2005		
	IBNR (1)	All Other	Total	IBNR (1)	All Other	Total
Group Income Protection	\$ 856.8	\$ 7,529.1	\$ 8,385.9	\$ 698.6	\$ 7,270.1	\$ 7,968.7
Group Life and Accidental Death & Dismemberment	206.4	1,357.5	1,563.9	237.6	1,386.7	1,624.3
Individual Income Protection - Recently Issued	78.8	1,135.5	1,214.3	77.8	1,030.9	1,108.7
Long-term Care	31.4	2,265.6	2,297.0	32.1	1,959.0	1,991.1
Voluntary Workplace Benefits	35.0	814.2	849.2	32.3	764.5	796.8
U.S. Brokerage Segment	<u>1,208.4</u>	<u>13,101.9</u>	<u>14,310.3</u>	<u>1,078.4</u>	<u>12,411.2</u>	<u>13,489.6</u>
Unum Limited Segment	266.8	2,426.0	2,692.8	242.9	2,074.9	2,317.8
Colonial Segment	98.6	1,256.2	1,354.8	83.7	1,204.3	1,288.0
Individual Income Protection - Closed Block Segment	463.1	11,692.0	12,155.1	428.9	11,641.3	12,070.2
Other Segment	231.6	8,321.3	8,552.9	239.6	8,295.7	8,535.3
Unrealized Adjustment to Reserves for Future Policy and Contract Benefits	<u>-</u>	<u>858.4</u>	<u>858.4</u>	<u>-</u>	<u>1,121.3</u>	<u>1,121.3</u>
Consolidated	<u><u>\$ 2,268.5</u></u>	<u><u>\$ 37,655.8</u></u>	<u><u>\$ 39,924.3</u></u>	<u><u>\$ 2,073.5</u></u>	<u><u>\$ 36,748.7</u></u>	<u><u>\$ 38,822.2</u></u>

(1) IBNR for income protection includes "reopen reserves." These two categories of reserves are developed and maintained in aggregate based on historical monitoring that has only been on a combined basis.

The increase in the U.S. Brokerage segment and Individual Income Protection - Closed Block Segment IBNR from December 31, 2005 is due to the reserve charge related to the reassessment of claims under the multistate market conduct examination settlement agreements and California settlement agreement.

The increase in U.S. Brokerage IBNR is offset in part due to a slight decline in insured lives in the group income protection, group life, and accidental death and dismemberment lines of business.

The increase in the U.S. Brokerage All Other reserves from December 31, 2005 is due to growth in the disabled life reserves in the group income protection line of business and growth in the active life reserves for the long-term care and individual income protection - recently issued lines of business.

The increase in All Other reserves from December 31, 2005 for the Unum Limited segment is due primarily to growth in insured lives and fluctuation in the foreign exchange rate.

Because of the increase in interest rates and the corresponding decline in unrealized investment gains in our available-for-sale securities, the unrealized adjustment to reserves to reflect the changes that would be necessary to policyholder liabilities if the unrealized gains and losses related to our available-for-sale securities had been realized decreased All Other reserves approximately \$262.9 million during the first nine months of 2006, primarily in U.S. Brokerage group income protection and the Individual Income Protection - Closed Block segment.

UnumProvident Investment Fact Sheet at September 30, 2006

Bonds (Fair Value)	<u>9/30/06</u>		Selected Statistics	<u>9/30/06</u>	<u>6/30/06</u>
Public	\$ 21,258.2	61.7 %	Portfolio Yield*	6.74 %	6.76 %
Mortgage-backed Securities	4,023.4	11.7	Average Duration	9.08	9.06
Private Placements	3,773.2	10.9	Average Credit Quality	A	A
High Yield	2,019.9	5.9			
Government Securities	3,380.3	9.8			
Municipal Securities	65.3	0.2			
Open Derivatives	(63.9)	(0.2)			
Total	<u>\$ 34,456.4</u>	<u>100.0 %</u>			

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

Quality Ratings of Bonds	<u>Book Value</u>	<u>Fair Value</u>	Schedule BA and Non-Current		
Aaa	23.6 %	23.2 %	Total Non-Current Investments	\$ 11.1	\$ 12.0
Aa	7.0	7.0	Total Schedule BA Assets	\$ 105.6	\$ 106.1
A	26.7	27.0			
Baa	36.5	36.9			
Below Baa	6.2	5.9			
Total	<u>100.0 %</u>	<u>100.0 %</u>			

UnumProvident Investment Fact Sheet at September 30, 2006

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

<u>Classification</u>	<u>Fair Value</u>	<u>Net Unrealized Gain (Loss)</u>	<u>Fair Value of Bonds with Gross Unrealized Loss</u>	<u>Gross Unrealized Loss</u>	<u>Fair Value of Bonds with Gross Unrealized Gain</u>	<u>Gross Unrealized Gain</u>
Basic Industry	\$ 2,307.8	\$ 84.4	\$ 855.7	\$ 41.6	\$ 1,452.1	\$ 126.0
Canadian	277.6	61.5	-	-	277.6	61.5
Capital Goods	2,573.1	171.4	668.3	26.9	1,904.8	198.3
Communications	2,671.1	131.2	925.4	53.3	1,745.7	184.5
Consumer Cyclical	1,455.0	34.5	510.5	31.7	944.5	66.2
Consumer Non-Cyclical	4,025.6	146.1	1,687.2	66.5	2,338.4	212.6
Derivative Instruments	(63.9)	(56.8)	(186.8)	186.8	122.9	130.0
Energy (Oil & Gas)	2,326.2	257.0	308.7	9.6	2,017.5	266.6
Financial Institutions	3,582.3	47.4	1,650.0	72.3	1,932.3	119.7
Mortgage/Asset Backed	4,023.4	219.4	753.1	17.2	3,270.3	236.6
Sovereigns	854.8	50.7	417.1	5.7	437.7	56.4
Technology	442.1	22.4	131.2	6.5	310.9	28.9
Transportation	1,015.2	108.0	102.1	2.5	913.1	110.5
U.S. Government Agencies	2,621.6	70.0	1,304.3	66.6	1,317.3	136.6
Utilities	6,344.5	327.1	2,182.7	81.6	4,161.8	408.7
Total	\$ 34,456.4	\$ 1,674.3	\$ 11,309.5	\$ 668.8	\$ 23,146.9	\$ 2,343.1

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

<u>Category</u>	<u>Investment-Grade</u>		<u>Below-Investment-Grade</u>	
	<u>Fair Value</u>	<u>Gross Unrealized Loss</u>	<u>Fair Value</u>	<u>Gross Unrealized Loss</u>
Less than 91 days	\$ 254.3	\$ 0.4	\$ 16.3	\$ 0.5
91 through 180 days	690.0	5.6	133.5	4.1
181 through 270 days	4,261.2	128.3	117.1	4.1
271 days to 1 year	1,425.1	44.0	41.5	3.2
Greater than 1 year	3,799.1	412.2	571.4	66.4
Total	\$ 10,429.7	\$ 590.5	\$ 879.8	\$ 78.3

UnumProvident Statutory Capital and Surplus

	As of September 30, 2006			As of
	Capital and Surplus	AVR	Capital and Surplus + AVR	December 31, 2005
				Capital and Surplus + AVR
Provident Life and Accident	\$ 1,272.2	\$ 65.6	\$ 1,337.8	\$ 1,398.6
Unum Life of America	1,247.6	95.0	1,342.6	1,453.5
Paul Revere Life (1)	1,044.6	35.4	1,080.0	1,162.3
Colonial Life & Accident	368.3	11.4	379.7	360.8
Provident Life and Casualty	95.8	1.3	97.1	92.5
First Unum Life	165.8	5.7	171.5	164.1
Paul Revere Variable (1)	119.0	1.1	120.1	115.5

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

UnumProvident Statutory Operating Results - September 30, 2006

	Nine Months Ended				
	Net Gain (Loss) from Operations After Tax			Net Realized Capital Gains (Losses) After Tax and Transfers to IMR	Net Income (Loss)
	Before Infrequent or Unusual Items	Claim Reassessment Charge	Total		
Provident Life and Accident	\$ 71.0	\$ (11.2)	\$ 59.8	\$ (12.2)	\$ 47.6
Unum Life of America	229.8	(273.8)	(44.0)	(29.8)	(73.8)
Paul Revere Life	87.2	(11.6)	75.6	(13.3)	62.3
Colonial Life & Accident	74.3	-	74.3	0.7	75.0
Provident Life and Casualty	8.7	(1.8)	6.9	(1.2)	5.7
First Unum Life	20.6	(19.5)	1.1	(0.1)	1.0
Paul Revere Variable	6.0	-	6.0	0.5	6.5
Total	<u>\$ 497.6</u>	<u>\$ (317.9)</u>	<u>\$ 179.7</u>	<u>\$ (55.4)</u>	<u>\$ 124.3</u>

	Three Months Ended				
	Net Gain (Loss) from Operations After Tax			Net Realized Capital Gains (Losses) After Tax and Transfers to IMR	Net Income (Loss)
	Before Infrequent or Unusual Items	Claim Reassessment Charge	Total		
Provident Life and Accident	\$ 14.1	\$ (9.1)	\$ 5.0	\$ (0.7)	\$ 4.3
Unum Life of America	78.2	(213.5)	(135.3)	1.1	(134.2)
Paul Revere Life	29.7	(8.4)	21.3	0.6	21.9
Colonial Life & Accident	28.5	-	28.5	(0.1)	28.4
Provident Life and Casualty	4.9	(1.8)	3.1	-	3.1
First Unum Life	7.5	(17.4)	(9.9)	(0.2)	(10.1)
Paul Revere Variable	1.8	-	1.8	0.3	2.1
Total	<u>\$ 164.7</u>	<u>\$ (250.2)</u>	<u>\$ (85.5)</u>	<u>\$ 1.0</u>	<u>\$ (84.5)</u>

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

UnumProvident Statutory Operating Results - September 30, 2005

	Nine Months Ended					
	Net Gain from Operations After Tax				Net Realized Capital Gains (Losses) After Tax and Transfers to IMR	Net Income
	Before Infrequent or Unusual Items	Reinsurance Recapture	California Settlement Agreement	Total		
Provident Life and Accident	\$ 106.7	\$ -	\$ (14.3)	\$ 92.4	\$ 8.7	\$ 101.1
Unum Life of America	113.1	129.7	(27.6)	215.2	(5.6)	209.6
Paul Revere Life	103.1	-	(11.8)	91.3	(10.3)	81.0
Colonial Life & Accident	67.6	-	-	67.6	4.9	72.5
Provident Life and Casualty	10.1	-	-	10.1	0.2	10.3
First Unum Life	14.8	-	-	14.8	(0.5)	14.3
Paul Revere Variable	6.5	-	-	6.5	-	6.5
Total	<u>\$ 421.9</u>	<u>\$ 129.7</u>	<u>\$ (53.7)</u>	<u>\$ 497.9</u>	<u>\$ (2.6)</u>	<u>\$ 495.3</u>

	Three Months Ended					
	Net Gain from Operations After Tax				Net Realized Capital Gains (Losses) After Tax and Transfers to IMR	Net Income
	Before Infrequent or Unusual Items	Reinsurance Recapture	California Settlement Agreement	Total		
Provident Life and Accident	\$ 38.2	\$ -	\$ (14.3)	\$ 23.9	\$ 4.4	\$ 28.3
Unum Life of America	64.4	129.7	(27.6)	166.5	(2.4)	164.1
Paul Revere Life	35.1	-	(11.8)	23.3	(5.3)	18.0
Colonial Life & Accident	20.8	-	-	20.8	3.0	23.8
Provident Life and Casualty	4.0	-	-	4.0	(0.3)	3.7
First Unum Life	4.0	-	-	4.0	(1.1)	2.9
Paul Revere Variable	2.6	-	-	2.6	-	2.6
Total	<u>\$ 169.1</u>	<u>\$ 129.7</u>	<u>\$ (53.7)</u>	<u>\$ 245.1</u>	<u>\$ (1.7)</u>	<u>\$ 243.4</u>

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

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Reserve Balance from Prior Year End	\$ 5,192.8	\$ 5,146.1	\$ 4,983.5
Reserves Ceded Each January 1 for Prior Year Incurrals	(605.5)	(453.4)	(429.0)
Other Adjustments to Beginning Balance (see Schedule H)	-	(5.7)	17.6
Reserve Balance January 1 (a)	<u>4,587.3</u>	<u>4,687.0</u>	<u>4,572.1</u>
Paid on Prior Year Claims	(316.4)	(356.0)	(362.4)
Interest Earned on Reserves	76.9	78.7	77.7
Incurred on Prior Year Claims	39.5	49.8	(16.2)
Reserve Charges Incurred for Settlement Agreements	45.3	-	-
Reserve Balance March 31	<u>\$ 4,432.6</u>	<u>\$ 4,459.5</u>	<u>\$ 4,271.2</u>
Reserve Balance March 31	\$ 4,432.6	\$ 4,459.5	\$ 4,271.2
Paid on Prior Year Claims	(268.8)	(298.7)	(291.5)
Interest Earned on Reserves	73.4	74.6	73.3
Incurred on Prior Year Claims	29.6	1.0	(24.0)
Reserve Balance June 30	<u>\$ 4,266.8</u>	<u>\$ 4,236.4</u>	<u>\$ 4,029.0</u>
Reserve Balance June 30	\$ 4,266.8	\$ 4,236.4	\$ 4,029.0
Paid on Prior Year Claims	(283.8)	(261.5)	(260.7)
Interest Earned on Reserves	69.8	71.5	69.4
Incurred on Prior Year Claims	(17.1)	(17.1)	(32.7)
Reserve Charges Incurred for Settlement Agreements	246.0	13.7	-
Reserve Balance September 30	<u>\$ 4,281.7</u>	<u>\$ 4,043.0</u>	<u>\$ 3,805.0</u>
Reserve Balance September 30		\$ 4,043.0	\$ 3,805.0
Paid on Prior Year Claims		(229.8)	(223.2)
Interest Earned on Reserves		68.9	68.9
Incurred on Prior Year Claims		0.3	(31.3)
Reserve Charges Incurred for Settlement Agreements		-	71.1
Reserve Balance December 31 on Prior Year Claims		<u>3,882.4</u>	<u>3,690.5</u>
Reserve Balance December 31 on Current Year Claims		1,310.4	1,455.6
Reserve Balance December 31 on Total Claims Incurred (b)		<u>\$ 5,192.8</u>	<u>\$ 5,146.1</u>

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

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

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

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

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

Notes to Statistical Supplement

Non-GAAP Financial Measures

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

2006 Significant Transactions and Events

Revised Claim Reassessment Reserve Estimate

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

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

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

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

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

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

Broker Compensation Settlement

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

Financing

In June 2006, pursuant to a cash tender offer, we purchased \$50.0 million of our outstanding 7.405% capital securities due 2038 and \$250.0 million aggregate principal amount of our outstanding 7.625% notes due 2011. The cost of the cash tender offer decreased second quarter and first nine months 2006 income by \$17.8 million before tax, or \$11.6 million after tax.

Upon settlement of the common stock purchase contract in May 2006, we received proceeds of approximately \$575.0 million and issued 43.3 million shares of common stock.

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

Accounting Principle Change

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

2005 Significant Transactions and Events

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

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

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

Income Tax

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

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

Disposition

During the third quarter of 2005, our wholly-owned subsidiary, Unum Limited, completed the sale of its Netherlands branch. The gain on the sale was approximately \$5.7 million before tax and \$4.0 million after tax and is included in operating results for the three and nine month periods ended September 30, 2005.

Financing

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

Closed Block Reinsurance Recapture

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

2004 Significant Transactions and Events

Settlement of Multistate Market Conduct Examination

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

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

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

Disposition

During the second quarter of 2004, we closed the sale of our Canadian operations. Financial results for the Canadian branch are reported as discontinued operations. The losses recognized during 2004 and 2003 were \$60.8 million and \$161.7 million after tax, respectively.

Restructuring of Individual Income Protection – Closed Block Business

In the first quarter of 2004, we restructured our individual income protection – closed block business and entered into reinsurance agreements which effectively provide approximately 60 percent reinsurance coverage for our overall consolidated risk above a specified retention limit. We have not yet reached the retention limit and do not currently anticipate that once reached, our losses would exceed the maximum risk limit for the reinsurer and revert back to us. The reinsurance receivable for this contract, as reported in our consolidated statements of financial condition, was approximately \$592.1 million at September 30, 2006.

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

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

Also as part of the restructuring, we analyzed our reserve assumptions related to our individual income protection – closed block reserves as a stand-alone segment. Previously these reserves were analyzed for the individual income protection line of business on a combined basis. Included in the analysis was a review of morbidity assumptions, primarily claim resolution rates and claim reserve discount rate assumptions. Based upon this analysis, we lowered our claim reserve discount rate to reflect the segmentation of assets between the individual income protection – recently issued business and the individual income protection – closed block business, the change in our investment portfolio yield rates during the first quarter of 2004, our expectation of future investment portfolio yield rates, and our desire to maintain the relationship between our claim reserve discount rate and our investment portfolio yield rate for the individual income protection – closed block at our long-term objective. The segmentation of the investment portfolio was necessary to ensure appropriate matching of the duration of the assets and the related policy liabilities. Based on this analysis, in the first quarter of 2004 we increased our individual income protection – closed block claim reserves by \$110.6 million before tax, or \$71.9 million after tax, to reflect our current estimate of future benefit obligations. The first quarter 2004 change represented a 1.2 percent increase in total net Individual Income Protection – Closed Block segment reserves as of March 31, 2004, which equaled \$9.530 billion prior to this increase.

2003 Significant Transactions and Events

Reserve Strengthening

In the fourth quarter of 2003 we recognized an after tax increase in U.S. Brokerage group income protection reserves of \$286.0 million, or \$440.0 million before tax. In January 2004, we completed our annual review of claim reserves to ensure that our claim reserves make adequate and reasonable provision for future benefits and expenses. Approximately \$300.0 million of the reserve strengthening reflected implementation of a lower discount rate for our U.S. Brokerage group income protection claim reserves. The discount rate was lowered to reflect our expectation of future investment portfolio yield rates and our new discount rate management approach of maintaining a wider spread between our group income protection portfolio investment yield rate and our average discount rate. Approximately \$140.0 million of the reserve increase related to a strengthening of the morbidity assumptions to reflect the impact of the continuing weak economic cycle on claim incidence and severity. Claim incidence in the second half of 2003 was 8.4 percent higher than the first half of the year and 5.8 percent above the second half of 2002. The reserve increase represents a 6.6 percent increase in total net U.S. Brokerage group income protection reserves as of December 31, 2003, which were \$6.674 billion prior to this increase.

In the first quarter of 2003 we recognized an after tax increase in our U.S. Brokerage group long-term income protection GAAP reserves of \$454.0 million before tax, or \$295.1 million after tax. In April of 2003, we completed an analysis of our assumptions related to our group long-term income protection claim reserves. This analysis was initiated based on a trend in lower net claim recovery rates observed during the first quarter of 2003. The claim recovery rates during the first quarter were below expected levels and were lower than those experienced in the past three years. The analysis of emerging net claim recovery rates and the reasons driving the changes resulted in a reduction in our long-term expectations. Based on the analysis noted above, we increased our U.S. Brokerage group long-term income protection claim reserves as of March 31, 2003 to reflect our current estimate of future benefit obligations. The analysis indicated not only a decrease in overall claim recovery rates, but a change in claim recovery rates by claim duration.

Accounting Principle Change

Effective October 1, 2003, we adopted the provisions of Statement of Financial Accounting Standards No. 133 Implementation Issue B36 (DIG Issue B36), *Embedded Derivatives: Modified Coinsurance Arrangements and Debt Instruments That Incorporate Credit Risk Exposure That Are Unrelated or Only Partially Related to the Creditworthiness of the Obligor Under Those Instruments*. DIG Issue B36 addresses financial accounting and reporting for embedded derivatives in modified coinsurance contracts that incorporate credit risk exposure unrelated to the credit risk of the counterparty to the reinsurance contract and requires the bifurcation of any such derivative from the host reinsurance contract. At the date of adoption, we had two reinsurance contracts for which DIG Issue B36 was applicable, one of which was recaptured in 2005. The adoption of DIG Issue B36 in 2003 resulted in a \$39.9 million cumulative effect of accounting principle change, net of \$21.4 million in tax.