

## Section 1: 8-K (8-K)

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

### FORM 8-K

**Current Report**  
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 5, 2019**

## UNUM GROUP

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation)

**001-11294**

(Commission File  
Number)

**62-1598430**

(IRS Employer Identification No.)

**1 Fountain Square**

**Chattanooga, Tennessee 37402**

(Address of principal executive offices) (Zip Code)

**(423) 294-1011**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company
- If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On February 5, 2019, Unum Group issued a news release reporting its results for the fourth quarter of 2018, a copy of which is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Also on February 5, 2019, Unum Group posted on its website at [www.unum.com](http://www.unum.com) the Statistical Supplement relating to its financial results for the fourth quarter of 2018. A copy of the Statistical Supplement is furnished herewith as Exhibit 99.2 and incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this report, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference into any of Unum Group’s filings under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

The following exhibits are furnished (but not filed) with this report:

(d) Exhibits.

[99.1 News release of Unum Group dated February 5, 2019, concerning earnings for the fourth quarter of 2018.](#)

[99.2 Statistical Supplement of Unum Group for the fourth quarter of 2018.](#)

**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 hereunto duly authorized.

**Unum Group**  
(Registrant)

Date: February 5, 2019

By:           /s/ J. Paul Jullienne            
Name: J. Paul Jullienne  
Title: Vice President, Managing Counsel, and  
Corporate Secretary

[\(Back To Top\)](#)

**Section 2: EX-99.1 (EXHIBIT 99.1)**



**Exhibit 99.1**

1 Fountain Square  
Chattanooga, TN 37402  
[www.unum.com](http://www.unum.com)

FOR IMMEDIATE RELEASE

**Contacts**

INVESTORS Tom White 423 294 8996

MEDIA Jim Sabourin 423 294 6300

news

**CHATTANOOGA, Tenn. (February 5, 2019)** - Unum Group (NYSE: UNM) today reported net income of \$249.1 million (\$1.15 per diluted common share) for the fourth quarter of 2018, compared to net income of \$266.9 million (\$1.19 per diluted common share) for the fourth quarter of 2017.

Included in net income for the fourth quarter of 2018 is a net after-tax realized investment loss of \$32.6 million (\$0.15 per diluted common share) on the Company's investment portfolio. Excluding the net after-tax realized investment loss, after-tax adjusted operating income was \$281.7 million (\$1.30 per diluted common share) in the fourth quarter of 2018. Net income, for the fourth quarter of 2017, included a net after-tax realized investment gain of \$7.2 million (\$0.03 per diluted common share) and the impacts from tax reform, which resulted in the revaluation of our net deferred tax liabilities at the newly enacted rate of 21 percent generating a tax benefit of \$97.9 million (\$0.44 per diluted common share), and the one-time tax on undistributed and previously untaxed foreign earnings and profits resulting in a tax expense of \$66.4 million (\$0.30 per diluted common share). Net income, for the fourth quarter of 2017, also included a net loss related to the settlement of a third party review conducted on behalf of a number of state treasurers concerning unclaimed death benefits of \$25.4 million (\$0.11 per diluted common share). Excluding the net after-tax realized investment gain, the impacts from tax reform, and the reserves established for unclaimed death benefits, after-tax adjusted operating income was \$253.6 million (\$1.13 per diluted common share) in the fourth quarter of 2017.

"Our fourth quarter results again reflected the positive trends in our core businesses with good premium growth and stable benefits experience. These trends continue to produce solid margins and strong cash flow," said Richard P. McKenney, president and chief executive officer.

"This operating performance reflects the disciplined execution of our plans and the strategic positioning we enjoy in our markets. I continue to be proud of the efforts of our employees as we provide important protections and services to our customers and their families."



## **RESULTS BY SEGMENT**

We measure and analyze our segment performance on the basis of "adjusted operating income" or "adjusted operating loss", which differ from income before income tax as presented in our consolidated statements of income due to the exclusion of net realized investment gains and losses and certain other items. In the fourth quarter of 2017, adjusted operating income also excluded the before-tax unclaimed death benefits reserve increase of \$39.0 million for which \$18.5 million was included in Unum US group life, \$8.1 million was included in Unum US voluntary life, and \$12.4 million was included in Colonial Life voluntary life. These performance measures are in accordance with GAAP guidance for segment reporting, but they should not be viewed as a substitute for income before income tax or net income.

### **Unum US Segment**

Unum US reported adjusted operating income of \$248.7 million in the fourth quarter of 2018, a decrease of 5.9 percent compared to adjusted operating income of \$264.2 million in the fourth quarter of 2017. Included in adjusted operating income for the fourth quarter of 2017 is a reserve release of \$19.5 million in the individual disability product line resulting from our annual review of reserve adequacy, which reflects the recognition of updated morbidity assumptions in our disabled life reserves. Premium income for the segment increased 5.2 percent to \$1,435.1 million in the fourth quarter of 2018, compared to premium income of \$1,364.5 million in the fourth quarter of 2017. Net investment income for the segment declined 7.1 percent to \$187.7 million in the fourth quarter of 2018, compared to \$202.1 million in the fourth quarter of 2017.

Within the Unum US operating segment, the group disability line of business reported a 6.9 percent decline in adjusted operating income to \$80.7 million in the fourth quarter of 2018, compared to \$86.7 million in the fourth quarter of 2017. Premium income in group disability increased 2.9 percent to \$622.1 million in the fourth quarter of 2018, compared to \$604.8 million in the fourth quarter of 2017, with growth in the in-force block of business resulting from improved persistency. Net investment income declined by 9.3 percent to \$102.7 million in the fourth quarter of 2018, compared to \$113.2 million in the fourth quarter of 2017, due to a lower portfolio yield, a decrease in the level of invested assets, and a decline in miscellaneous investment income. The benefit ratio for the fourth quarter of 2018 was 76.2 percent, compared to 76.3 percent in the fourth quarter of 2017, reflecting higher recoveries in the long-term disability line of business. Group long-term disability sales were \$147.3 million in the fourth quarter of 2018, an increase of 16.7 percent from \$126.2 million in the fourth quarter of 2017. Group short-term disability sales were \$80.9 million in the fourth quarter of 2018, a decrease of 17.0 percent from \$97.5 million in the fourth quarter of 2017. Persistency in the group long-term disability line of business was 90.9 percent for full year 2018, compared to 89.9 percent for full year 2017. Persistency in the group short-term disability line of business was 87.2 percent for full year 2018, compared to 86.6 percent for full year 2017.

The group life and accidental death and dismemberment line of business reported adjusted operating income of \$64.3 million in the fourth quarter of 2018, an increase of 12.8 percent compared to adjusted operating income of \$57.0 million in the fourth quarter of 2017. Premium income for this line of business



increased 7.6 percent to \$433.5 million in the fourth quarter of 2018, compared to \$402.8 million in the fourth quarter of 2017, primarily due to favorable persistency and strong prior period sales. Net investment income declined 4.0 percent to \$26.1 million in the fourth quarter of 2018, compared to \$27.2 million in the fourth quarter of 2017, primarily due to a decline in yield on invested assets which was partially offset by an increase in the level of invested assets. The benefit ratio in the fourth quarter of 2018 was 71.6 percent, compared to the benefit ratio of 71.3 percent, excluding the unclaimed death benefits reserve increase, for the fourth quarter of 2017, reflecting higher incidence in the group life product line. Sales of group life and accidental death and dismemberment products decreased 13.9 percent in the fourth quarter of 2018 to \$153.9 million, compared to \$178.7 million in the fourth quarter of 2017. Persistency in the group life line of business was 91.2 percent for full year 2018, compared to 88.0 percent for full year 2017.

The supplemental and voluntary line of business reported a decrease of 13.9 percent in adjusted operating income to \$103.7 million in the fourth quarter of 2018, compared to adjusted operating income of \$120.5 million in the fourth quarter of 2017, which includes the \$19.5 million reserve release in the individual disability product line. Premium income for supplemental and voluntary increased 6.3 percent to \$379.5 million in the fourth quarter of 2018, compared to \$356.9 million in the fourth quarter of 2017. This increase was primarily driven by higher sales, including growth in the dental and vision product line where we continue to expand its distribution. Net investment income decreased 4.5 percent to \$58.9 million in the fourth quarter of 2018, compared to \$61.7 million in the fourth quarter of 2017, primarily due to a lower portfolio yield and lower miscellaneous investment income, partially offset by an increase in invested assets. The benefit ratio for the individual disability product line was 51.2 percent for the fourth quarter of 2018, compared to 34.4 percent for the fourth quarter of 2017, which includes the \$19.5 million reserve release. The benefit ratio for voluntary benefits was 43.6 percent in the fourth quarter of 2018, compared to a benefit ratio of 44.8 percent, excluding the unclaimed death benefits reserve increase, in the fourth quarter of 2017, primarily due to favorable experience in our disability and accident lines of business. The benefit ratio for dental and vision was 67.3 percent for the fourth quarter of 2018, compared to 64.6 percent for the fourth quarter of 2017. Although the benefit ratio for dental and vision was less favorable compared to the fourth quarter of 2017, it was in line with our expectations. Relative to the fourth quarter of 2017, sales in the individual disability line of business increased 14.7 percent in the fourth quarter of 2018 to \$20.3 million. Sales in the voluntary benefits line of business increased 6.5 percent in the fourth quarter of 2018 to \$54.1 million. Sales in the dental and vision line totaled \$33.1 million for the fourth quarter of 2018, an increase of 33.5 percent compared to the fourth quarter of 2017. Persistency in the individual disability product line was 90.3 percent for full year 2018, compared to 91.0 percent for full year 2017. Persistency in the voluntary benefits product line was 75.9 percent for full year 2018, compared to 77.5 percent for full year 2017. Persistency in the dental and vision product line was 84.5 percent for full year 2018 compared to 85.4 percent for 2017.

#### **Unum International Segment**

In connection with our acquisition of Pramerica Zycie TUIR S.A., (which we subsequently renamed Unum Zycie TUIR S.A. and refer to as Unum Poland) in the fourth quarter of 2018, we changed the name of our



Unum UK segment to Unum International. The Unum International segment is now comprised of our operations in the United Kingdom (the Unum UK line of business) and Poland (the newly acquired Unum Poland line of business). Unum Poland's results are included within the supplemental product line of the Unum International segment.

The Unum International segment reported adjusted operating income of \$30.4 million in the fourth quarter of 2018, an increase of 2.4 percent from \$29.7 million in the fourth quarter of 2017.

Premium income increased by 14.2 percent to \$152.3 million in the fourth quarter of 2018, compared to \$133.4 million in the fourth quarter of 2017, primarily due to the addition of Unum Poland in the fourth quarter of 2018. Net investment income was \$31.1 million in the fourth quarter of 2018, compared to \$31.9 million in the fourth quarter of 2017.

Sales increased by 0.8 percent to \$24.7 million in the fourth quarter of 2018, compared to \$24.5 million in the fourth quarter of 2017.

The Unum UK line of business reported adjusted operating income, in local currency, of £22.2 million in the fourth quarter of 2018, a decrease of 0.9 percent from £22.4 million in the fourth quarter of 2017. Premium income was £104.9 million in the fourth quarter of 2018, an increase of 4.4 percent from £100.5 million in the fourth quarter of 2017, driven by favorable persistency and rate increases in group long-term disability. Net investment income was £22.9 million in the fourth quarter of 2018, a decrease of 5.0 percent from £24.1 million in the fourth quarter of 2017, due to a lower yield on fixed-rate bonds and lower income from inflation-linked bonds, partially offset by growth in the level of invested assets. The benefit ratio in the fourth quarter of 2018 was 74.6 percent, compared to 75.8 percent in the fourth quarter of 2017, reflecting favorable benefits experience in the supplemental and group long-term disability product lines. Sales decreased by 9.8 percent to £16.6 million compared to £18.4 million in the fourth quarter of 2017. Persistency in the group long-term disability line of business was 87.8 percent for full year 2018, compared to 87.4 percent for full year 2017. Persistency in the group life line of business was 88.5 percent for full year 2018, compared to 84.1 percent for full year 2017. Persistency in the supplemental line of business was 93.1 percent for full year 2018 compared to 91.0 percent for full year 2017.

#### **Colonial Life Segment**

Colonial Life reported an 8.0 percent increase in adjusted operating income to \$85.4 million in the fourth quarter of 2018, compared to adjusted operating income of \$79.1 million in the fourth quarter of 2017.

Premium income for the fourth quarter of 2018 increased 7.3 percent to \$410.1 million, compared to \$382.1 million in the fourth quarter of 2017, primarily driven by sales growth which offset a lower level of persistency. Net investment income totaled \$37.0 million in the fourth quarter of 2018, compared to \$37.1 million in the fourth quarter of 2017, primarily driven by a lower portfolio yield on invested assets and lower miscellaneous investment income, partially offset by an increase in the level of invested assets. The benefit ratio in the fourth quarter of 2018 was 51.6 percent, which was in line with the benefit ratio, excluding the



unclaimed death benefits reserve increase, in the fourth quarter of 2017, with favorable experience in the life line of business offset by unfavorable experience ratio in the cancer and critical illness lines of business.

Sales increased 2.3 percent to \$204.4 million in the fourth quarter of 2018 from \$199.8 million in the fourth quarter of 2017, driven by increased sales in the core commercial market segment. Persistency in Colonial Life was 78.1 percent for full year 2018 and 78.9 percent for full year 2017.

#### **Closed Block Segment**

The Closed Block segment reported adjusted operating income of \$34.8 million in the fourth quarter of 2018, compared to \$33.1 million in the fourth quarter of 2017.

Premium income for this segment declined 4.5 percent in the fourth quarter of 2018 compared to the fourth quarter of 2017, primarily due to expected policy terminations and maturities for the individual disability line of business which was partially offset by a slight increase in premium income for the long-term care line of business resulting from premium rate increases on certain in-force policies. Net investment income increased 1.3 percent to \$345.8 million in the fourth quarter of 2018, compared to \$341.5 million in the fourth quarter of 2017, primarily driven by an increase in the level of invested assets and higher miscellaneous investment income, which was partially offset by a lower portfolio yield on invested assets. The interest adjusted loss ratio for the individual disability line of business was 81.2 percent in the fourth quarter of 2018, which was consistent with the fourth quarter of 2017. The interest adjusted loss ratio for the long-term care line of business was 83.2 percent in the fourth quarter of 2018 and is not comparable to 93.1 percent in the fourth quarter of 2017 due to the update in our reserve assumptions in the third quarter of 2018, but was generally consistent with our expectations in the second half of 2018, with an interest-adjusted loss ratio of 85.4 percent.

#### **Corporate Segment**

The Corporate segment reported an adjusted operating loss of \$48.2 million for the fourth quarter of 2018, compared to an adjusted operating loss of \$33.2 million in the fourth quarter of 2017, primarily driven by higher expenses.

### **OTHER INFORMATION**

#### **Shares Outstanding**

The Company's weighted average number of shares outstanding, assuming dilution, was 217.4 million for the fourth quarter of 2018, compared to 224.8 million for the fourth quarter of 2017. Shares outstanding totaled 214.6 million at December 31, 2018. During the fourth quarter of 2018, the Company repurchased approximately 4.3 million shares at a cost of approximately \$150 million.

#### **Capital Management**

At December 31, 2018, the weighted average risk-based capital ratio for the Company's traditional U.S. insurance companies was approximately 370 percent and cash and marketable securities in the holding companies equaled \$602 million.



### **Book Value**

Book value per common share as of December 31, 2018 was \$40.19, compared to \$43.02 at December 31, 2017.

### **Outlook**

The Company expects after-tax adjusted operating income growth per share for full-year 2019 to be within the range of 4 percent to 7 percent.

## **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. The non-GAAP financial measure of "after-tax adjusted operating income" differs from net income as presented in our consolidated operating results and income statements prepared in accordance with GAAP due to the exclusion of net realized investment gains and losses and certain other items as specified in the reconciliations in the Financial Highlights section below. We believe after-tax adjusted operating income is a better performance measure and better indicator of the profitability and underlying trends in our business.

Realized investment gains or losses depend on market conditions and do not necessarily relate to decisions regarding the underlying business of our segments. Our investment focus is on investment income to support our insurance liabilities as opposed to the generation of realized investment gains or losses. Although we may experience realized investment gains or losses which will affect future earnings levels, a long-term focus is necessary to maintain profitability over the life of the business since our underlying business is long-term in nature, and we need to earn the interest rates assumed in calculating our liabilities.

We may at other times exclude certain other items from our discussion of financial ratios and metrics in order to enhance the understanding and comparability of our operational performance and the underlying fundamentals. We exclude these items as we believe them to be infrequent or unusual in nature, but this exclusion is not an indication that similar items may not recur and does not replace net income or net loss as a measure of our overall profitability.

Information reconciling the Company's outlook on after-tax adjusted operating income growth per share to the comparable GAAP financial measure is not provided. The only amounts excluded from after-tax adjusted operating income are those described in the preceding paragraphs. The Company is unable to predict with reasonable certainty realized investment gains and losses, which are affected by overall market conditions and also by factors such as an economic or political change in the country of the issuer, a regulatory change pertaining to the issuer's industry, a significant improvement or deterioration in the cash flows of the issuer, unforeseen accounting irregularities or fraud committed by an issuer, movement in credit spreads, ratings upgrades or downgrades, a change in the issuer's marketplace or business prospects, or any other event that significantly affects the issuers of the fixed maturity securities which the Company holds in its investment portfolio.





## **CONFERENCE CALL INFORMATION**

Members of Unum Group senior management will host a conference call on Wednesday, February 6, at 8:00 a.m. (Eastern Time) to discuss the results of operations for the fourth quarter. Topics may include forward-looking information, such as the Company's outlook on future results, trends in operations, and other material information.

**The dial-in number for the conference call is (888) 394-8218 for U.S. and Canada (pass code 7052176). For international, the dial-in number is (323) 794-2588 (pass code 7052176).** A live webcast of the call will also be available at [www.investors.unum.com](http://www.investors.unum.com) in a listen-only mode. It is recommended that webcast viewers access the "Investors" section of the Company's website and opt-in to the webcast approximately 5-10 minutes prior to the start of the call. The Company will maintain a replay of the call on its website. A replay of the call will also be available through Wednesday, February 13, by dialing (888) 203-1112 (U.S. and Canada) or (719) 457-0820 (International) - pass code 7052176.

In conjunction with today's earnings announcement, the Company's Statistical Supplement for the fourth quarter of 2018 is available on the "Investors" section of the Company's website.

###

## **ABOUT UNUM GROUP**

Unum ([www.unum.com](http://www.unum.com)) is one of the leading providers of employee benefits products and services and the largest provider of disability insurance products in the United States and the United Kingdom.

## **SAFE HARBOR STATEMENT**

Certain information in this news release constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those not based on historical information, but rather relate to our outlook, future operations, strategies, financial results, or other developments and speak only as of the date made. These forward-looking statements, including statements about anticipated growth in after-tax adjusted operating income per share, are subject to numerous assumptions, risks, and uncertainties, many of which are beyond our control. The following factors, in addition to other factors mentioned from time to time, may cause actual results to differ materially from those contemplated by the forward-looking statements: (1) sustained periods of low interest rates; (2) fluctuation in insurance reserve liabilities and claim payments due to changes in claim incidence, recovery rates, mortality and morbidity rates, and policy benefit offsets due to, among other factors, the rate of unemployment and consumer confidence, the emergence of new diseases, epidemics, or pandemics, new trends and developments in medical treatments, the effectiveness of our claims operational processes, and changes in government programs; (3) unfavorable economic or business conditions, both domestic and foreign that may result in decreases in sales, premiums, or persistency, as well as unfavorable claims activity; (4) changes in or interpretations of laws and regulations, including tax laws and regulations; (5) investment results, including, but not limited to, changes in interest rates, defaults, changes in credit spreads, impairments, and the lack of appropriate investments in the market which can be acquired to match our liabilities; (6) a cyber attack or other security breach could result in the unauthorized acquisition of confidential data; (7) the failure of our business recovery and incident management processes to resume our business operations in the event of a natural catastrophe, cyber attack, or other event; (8) execution risk related to our technology needs; (9) increased competition from other insurers and financial services companies due to industry consolidation,



new entrants to our markets, or other factors; (10) changes in our financial strength and credit ratings; (11) damage to our reputation due to, among other factors, regulatory investigations, legal proceedings, external events, and/or inadequate or failed internal controls and procedures; (12) actual experience in the broad array of our products that deviates from our assumptions used in pricing, underwriting, and reserving; (13) changes in accounting standards, practices, or policies; (14) effectiveness of our risk management program; (15) contingencies and the level and results of litigation; (16) availability of reinsurance in the market and the ability of our reinsurers to meet their obligations to us; (17) ineffectiveness of our derivatives hedging programs due to changes in the economic environment, counterparty risk, ratings downgrades, capital market volatility, changes in interest rates, and/or regulation; (18) fluctuation in foreign currency exchange rates; (19) ability to generate sufficient internal liquidity and/or obtain external financing; (20) recoverability and/or realization of the carrying value of our intangible assets, long-lived assets, and deferred tax assets; and (21) terrorism, both within the U.S. and abroad, ongoing military actions, and heightened security measures in response to these types of threats.

For further discussion of risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see Part 1, Item 1A "Risk Factors" of our annual report on Form 10-K for the year ended December 31, 2017 and our subsequent quarterly reports on Form 10-Q. The forward-looking statements in this news release are being made as of the date of this news release, and we expressly disclaim any obligation to update or revise any forward-looking statement contained herein, even if made available on our website or otherwise.



**Unum Group**  
**FINANCIAL HIGHLIGHTS**  
(Unaudited)

(\$ in millions, except share data)

	Three Months Ended December 31		Year Ended December 31	
	2018	2017	2018	2017
<b>Revenue</b>				
Premium Income	\$ 2,263.3	\$ 2,158.4	\$ 8,986.1	\$ 8,597.1
Net Investment Income	608.6	619.8	2,453.7	2,451.7
Net Realized Investment Gain (Loss)	(41.4)	11.4	(39.5)	40.3
Other Income	50.3	49.6	198.2	197.7
<b>Total Revenue</b>	<b>2,880.8</b>	<b>2,839.2</b>	<b>11,598.5</b>	<b>11,286.8</b>
<b>Benefits and Expenses</b>				
Benefits and Change in Reserves for Future Benefits	1,829.5	1,789.1	8,020.4	7,055.7
Commissions	275.8	266.9	1,108.4	1,060.8
Interest and Debt Expense	42.0	40.1	167.3	159.9
Deferral of Acquisition Costs	(166.2)	(157.9)	(668.0)	(628.0)
Amortization of Deferred Acquisition Costs	136.9	123.6	565.5	527.1
Other Expenses	453.1	432.1	1,777.1	1,707.3
<b>Total Benefits and Expenses</b>	<b>2,571.1</b>	<b>2,493.9</b>	<b>10,970.7</b>	<b>9,882.8</b>
<b>Income Before Income Tax</b>	<b>309.7</b>	<b>345.3</b>	<b>627.8</b>	<b>1,404.0</b>
Income Tax	60.6	78.4	104.4	409.8
<b>Net Income</b>	<b>\$ 249.1</b>	<b>\$ 266.9</b>	<b>\$ 523.4</b>	<b>\$ 994.2</b>
<b>PER SHARE INFORMATION</b>				
Net Income Per Common Share				
Basic	\$ 1.15	\$ 1.19	\$ 2.38	\$ 4.39
Assuming Dilution	\$ 1.15	\$ 1.19	\$ 2.38	\$ 4.37
Weighted Average Common Shares - Basic (000s)	217,049.3	223,872.5	219,635.6	226,492.4
Weighted Average Common Shares - Assuming Dilution (000s)	217,441.5	224,828.6	220,058.6	227,335.2
Outstanding Shares - (000s)			214,553.0	222,547.1



## Reconciliation of Non-GAAP Financial Measures

(\$ in millions, except share data)

	Three Months Ended December 31			
	2018		2017	
		per share*		per share*
<b>Net Income</b>	\$ 249.1	\$ 1.15	\$ 266.9	\$ 1.19
Excluding:				
Net Realized Investment Gain (Loss) (net of tax expense (benefit) of \$(8.8); \$4.2)	(32.6)	(0.15)	7.2	0.03
Unclaimed Death Benefits Reserve Increase (net of tax benefit of \$-; \$13.6)	—	—	(25.4)	(0.11)
Net Tax Benefit from Impacts of TCJA	—	—	31.5	0.14
<b>After-tax Adjusted Operating Income</b>	<u>\$ 281.7</u>	<u>\$ 1.30</u>	<u>\$ 253.6</u>	<u>\$ 1.13</u>

	Year Ended December 31			
	2018		2017	
		per share*		per share*
<b>Net Income</b>	\$ 523.4	\$ 2.38	\$ 994.2	\$ 4.37
Excluding:				
Net Realized Investment Gain (Loss) (net of tax expense (benefit) of \$(11.0); \$15.0)	(28.5)	(0.12)	25.3	0.11
Loss from Guaranty Fund Assessment (net of tax benefit of \$-; \$7.2)	—	—	(13.4)	(0.06)
Unclaimed Death Benefits Reserve Increase (net of tax benefit of \$-; \$13.6)	—	—	(25.4)	(0.11)
Net Tax Benefit from Impacts of TCJA	—	—	31.5	0.14
Long-term Care Reserve Increase (net of tax benefit of \$157.7; \$-)	(593.1)	(2.70)	—	—
<b>After-tax Adjusted Operating Income</b>	<u>\$ 1,145.0</u>	<u>\$ 5.20</u>	<u>\$ 976.2</u>	<u>\$ 4.29</u>

\* Assuming Dilution

	December 31			
	2018		2017	
		per share		per share
<b>Total Stockholders' Equity (Book Value)</b>	\$ 8,621.8	\$ 40.19	\$ 9,574.9	\$ 43.02
Excluding:				
Net Unrealized Gain (Loss) on Securities	(312.4)	(1.46)	607.8	2.73
Net Gain on Hedges	250.6	1.17	282.3	1.27
Subtotal	8,683.6	40.48	8,684.8	39.02
Excluding:				
Foreign Currency Translation Adjustment	(305.2)	(1.42)	(254.5)	(1.15)
Subtotal	8,988.8	41.90	8,939.3	40.17
Excluding:				
Unrecognized Pension and Postretirement Benefit Costs	(447.2)	(2.08)	(508.1)	(2.28)
<b>Total Stockholders' Equity, Excluding Accumulated Other Comprehensive Income (Loss)</b>	<u>\$ 9,436.0</u>	<u>\$ 43.98</u>	<u>\$ 9,447.4</u>	<u>\$ 42.45</u>

UNUM IS A REGISTERED TRADEMARK AND MARKETING BRAND OF UNUM GROUP AND ITS INSURING SUBSIDIARIES.

[\(Back To Top\)](#)

## Section 3: EX-99.2 (EXHIBIT 99.2)

# Fourth Quarter 2018

---

Statistical Supplement



**Unum Group**  
**Statistical Supplement Fourth Quarter 2018**

**TABLE OF CONTENTS**  
*(in millions of dollars, except share data and where noted)*  
Interim Results are Unaudited

	Page
<a href="#"><u>Financial Highlights</u></a>	<a href="#"><u>1</u></a>
<a href="#"><u>Capital Metrics</u></a>	<a href="#"><u>2</u></a>
<a href="#"><u>Ratings</u></a>	<a href="#"><u>3</u></a>
<a href="#"><u>Consolidated Statements of Income</u></a>	<a href="#"><u>4</u></a>
<a href="#"><u>Sales Data by Segment</u></a>	<a href="#"><u>5</u></a>
<a href="#"><u>Consolidated Balance Sheets</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>Financial Results by Segment</u></a>	<a href="#"><u>7</u></a>
<a href="#"><u>Quarterly Historical Financial Results by Segment</u></a>	<a href="#"><u>8</u></a>
<a href="#"><u>Financial Results and Selected Statistics by Segment</u></a>	
<a href="#"><u>Unum US</u></a>	<a href="#"><u>9</u></a>
<a href="#"><u>Unum International</u></a>	<a href="#"><u>10</u></a>
<a href="#"><u>Colonial Life</u></a>	<a href="#"><u>11</u></a>
<a href="#"><u>Closed Block</u></a>	<a href="#"><u>12</u></a>
<a href="#"><u>Corporate</u></a>	<a href="#"><u>13</u></a>
<a href="#"><u>Reserves</u></a>	<a href="#"><u>14</u></a>
<a href="#"><u>Investments</u></a>	<a href="#"><u>15</u></a>
<a href="#"><u>Appendix to Statistical Supplement</u></a>	<a href="#"><u>16</u></a>

In connection with our acquisition of Pramerica Zycie TUIR S.A., (which we have subsequently renamed Unum Zycie TUIR S.A. and refer to as Unum Poland) in the fourth quarter of 2018, we changed the name of our Unum UK segment to Unum International. The Unum International segment is now comprised of our Unum UK line of business and the newly acquired Unum Poland line of business. Unum Poland's results are included within the supplemental product line of the Unum International Segment. See "Appendix to Statistical Supplement" on page 16 for further information.

See "Appendix to Statistical Supplement" on page 16 for a summary of significant items and page 16.1 for a reconciliation of our non-GAAP financial measures.

N.M. = not a meaningful percentage

## Unum Group Financial Highlights

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Consolidated U.S. GAAP Results<sup>1</sup></b>					
Premium Income	\$ 2,263.3	\$ 2,158.4	\$ 8,986.1	\$ 8,597.1	\$ 8,357.7
Adjusted Operating Revenue	\$ 2,922.2	\$ 2,827.8	\$ 11,638.0	\$ 11,246.5	\$ 11,022.3
Net Realized Investment Gain (Loss)	(41.4)	11.4	(39.5)	40.3	24.2
Revenue	<u>\$ 2,880.8</u>	<u>\$ 2,839.2</u>	<u>\$ 11,598.5</u>	<u>\$ 11,286.8</u>	<u>\$ 11,046.5</u>
<b>Net Income</b>	<b>\$ 249.1</b>	<b>\$ 266.9</b>	<b>\$ 523.4</b>	<b>\$ 994.2</b>	<b>\$ 931.4</b>
Net Income Per Common Share:					
Basic	\$ 1.15	\$ 1.19	\$ 2.38	\$ 4.39	\$ 3.96
Assuming Dilution	\$ 1.15	\$ 1.19	\$ 2.38	\$ 4.37	\$ 3.95
Assets			\$ 61,875.6	\$ 64,013.1	\$ 61,941.5
Stockholders' Equity			\$ 8,621.8	\$ 9,574.9	\$ 8,968.0
<b>Adjusted Operating Return on Equity</b>					
Unum US	17.8%	16.8%	18.4%	15.9%	15.0%
Unum International	14.9%	15.5%	13.4%	15.2%	18.6%
Colonial Life	17.7%	15.4%	18.0%	16.2%	17.4%
Core Operating Segments	17.5%	16.3%	17.8%	15.9%	15.9%
Consolidated	13.0%	11.7%	13.2%	11.6%	11.2%
<b>Traditional U.S. Life Insurance Companies' Statutory Results<sup>2</sup></b>					
Net Gain from Operations, After Tax	\$ 215.2	\$ 219.9	\$ 959.8	\$ 812.4	\$ 884.6
Net Realized Investment Gain (Loss), After Tax	(15.5)	(7.5)	(6.8)	(5.0)	(29.5)
Net Income	<u>\$ 199.7</u>	<u>\$ 212.4</u>	<u>\$ 953.0</u>	<u>\$ 807.4</u>	<u>\$ 855.1</u>
Capital and Surplus			\$ 3,572.7	\$ 3,448.3	\$ 3,626.9
Weighted Average Risk-based Capital Ratio			~ 370%	~ 390%	~ 400%

<sup>1</sup> Generally Accepted Accounting Principles

<sup>2</sup> Our traditional U.S. life insurance companies are Provident Life and Accident Insurance Company, Unum Life Insurance Company of America, The Paul Revere Life Insurance Company, Colonial Life & Accident Insurance Company, Provident Life and Casualty Insurance Company, First Unum Life Insurance Company, Unum Insurance Company, and Starmount Life Insurance Company.

### Unum Group Capital Metrics

	12/31/2018		12/31/2017		12/31/2016	
	(in millions)	per share	(in millions)	per share	(in millions)	per share
<b>Total Stockholders' Equity (Book Value)</b>	\$ 8,621.8	\$ 40.19	\$ 9,574.9	\$ 43.02	\$ 8,968.0	\$ 39.02
Excluding:						
Net Unrealized Gain (Loss) on Securities	(312.4)	(1.46)	607.8	2.73	440.6	1.92
Net Gain on Hedges	250.6	1.17	282.3	1.27	327.5	1.42
Subtotal	8,683.6	40.48	8,684.8	39.02	8,199.9	35.68
Excluding:						
Foreign Currency Translation Adjustment	(305.2)	(1.42)	(254.5)	(1.15)	(354.0)	(1.54)
Subtotal	8,988.8	41.90	8,939.3	40.17	8,553.9	37.22
Excluding:						
Unrecognized Pension and Postretirement Benefit Costs	(447.2)	(2.08)	(508.1)	(2.28)	(465.1)	(2.02)
<b>Total Stockholders' Equity, Excluding Accumulated Other Comprehensive Income (Loss)</b>	\$ 9,436.0	\$ 43.98	\$ 9,447.4	\$ 42.45	\$ 9,019.0	\$ 39.24
Dividends Paid	\$ 217.0	\$ 0.98	\$ 196.0	\$ 0.86	\$ 182.6	\$ 0.77

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
Shares Repurchased (millions)	4.3	1.9	8.7	8.2	11.9
Cost of Shares Repurchased (millions) <sup>(1)</sup>	\$ 150.4	\$ 100.1	\$ 350.7	\$ 400.4	\$ 403.3
Price (UNM closing price on last trading day of period)			\$ 29.38	\$ 54.89	\$ 43.93
Leverage Ratio			26.8%	26.1%	27.2%
Holding Company Cash and Marketable Securities			\$ 602	\$ 864	\$ 594

<sup>(1)</sup> Includes commissions of \$0.7 million, \$0.3 million, and \$0.2 million for the years ended December 31, 2018, 2017, and 2016, respectively, \$0.5 million for the three months ended December 31, 2018, and \$0.1 million for the three months ended December 31, 2017.



## Unum Group Ratings

	AM Best	Fitch	Moody's	S&P
<b>Outlook</b>	Stable	Negative	Stable	Stable
<b>Issuer Credit Ratings</b>	bbb	BBB	Baa2	BBB
<b>Financial Strength Ratings</b>				
Provident Life and Accident Insurance Company	A	A	A2	A
Unum Life Insurance Company of America	A	A	A2	A
Colonial Life & Accident Insurance Company	A	A	A2	A
The Paul Revere Life Insurance Company	A	A	A2	A
Starmount Life Insurance Company	A-	NR	NR	NR
Unum Insurance Company	A-	A	A2	NR
Unum Limited	NR	NR	NR	A-

*NR = not rated*

**Unum Group Consolidated Statements of Income**

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Revenue</b>					
Premium Income	\$ 2,263.3	\$ 2,158.4	\$ 8,986.1	\$ 8,597.1	\$ 8,357.7
Net Investment Income	608.6	619.8	2,453.7	2,451.7	2,459.0
Net Realized Investment Gain (Loss)	(41.4)	11.4	(39.5)	40.3	24.2
Other Income	50.3	49.6	198.2	197.7	205.6
<b>Total Revenue</b>	<b>2,880.8</b>	<b>2,839.2</b>	<b>11,598.5</b>	<b>11,286.8</b>	<b>11,046.5</b>
<b>Benefits and Expenses</b>					
Benefits and Change in Reserves for Future Benefits	1,829.5	1,789.1	8,020.4	7,055.7	6,941.8
Commissions	275.8	266.9	1,108.4	1,060.8	1,026.7
Interest and Debt Expense - Non-recourse Debt	1.7	1.6	6.9	6.7	6.9
Interest and Debt Expense - All Other Debt	40.3	38.5	160.4	153.2	159.1
Deferral of Acquisition Costs	(166.2)	(157.9)	(668.0)	(628.0)	(592.4)
Amortization of Deferred Acquisition Costs	136.9	123.6	565.5	527.1	493.0
Other Expenses	453.1	432.1	1,777.1	1,707.3	1,663.7
<b>Total Benefits and Expenses</b>	<b>2,571.1</b>	<b>2,493.9</b>	<b>10,970.7</b>	<b>9,882.8</b>	<b>9,698.8</b>
<b>Income Before Income Tax</b>	<b>309.7</b>	<b>345.3</b>	<b>627.8</b>	<b>1,404.0</b>	<b>1,347.7</b>
Income Tax	60.6	78.4	104.4	409.8	416.3
<b>Net Income</b>	<b>\$ 249.1</b>	<b>\$ 266.9</b>	<b>\$ 523.4</b>	<b>\$ 994.2</b>	<b>\$ 931.4</b>
<b>Weighted Average Shares Outstanding</b>					
Basic	217.0	223.9	219.6	226.5	235.4
Assuming Dilution	217.4	224.8	220.1	227.3	236.0
<b>Actual Number of Shares Outstanding</b>			<b>214.6</b>	<b>222.5</b>	<b>229.8</b>

**Unum Group Sales Data for Unum US Segment**

	Three Months Ended			Year Ended		
	12/31/2018	12/31/2017	% Change	12/31/2018	12/31/2017	12/31/2016
<b>Sales by Product</b>						
Group Disability and Group Life and AD&D						
Group Long-term Disability	\$ 147.3	\$ 126.2	16.7 %	\$ 243.8	\$ 240.8	\$ 217.8
Group Short-term Disability	80.9	97.5	(17.0)	138.7	162.5	114.6
Group Life and AD&D	153.9	178.7	(13.9)	282.4	310.5	270.1
Subtotal	382.1	402.4	(5.0)	664.9	713.8	602.5
Supplemental and Voluntary						
Individual Disability	20.3	17.7	14.7	77.2	67.9	65.1
Voluntary Benefits	54.1	50.8	6.5	303.1	292.5	261.7
Dental and Vision	33.1	24.8	33.5	69.4	54.8	14.5
Subtotal	107.5	93.3	15.2	449.7	415.2	341.3
<b>Total Sales</b>	<b>\$ 489.6</b>	<b>\$ 495.7</b>	<b>(1.2)</b>	<b>\$ 1,114.6</b>	<b>\$ 1,129.0</b>	<b>\$ 943.8</b>
<b>Sales by Market Sector</b>						
Group Disability and Group Life and AD&D						
Core Market (< 2,000 employees)	\$ 203.4	\$ 204.8	(0.7)%	\$ 395.1	\$ 416.9	\$ 378.1
Large Case Market	178.7	197.6	(9.6)	269.8	296.9	224.4
Subtotal	382.1	402.4	(5.0)	664.9	713.8	602.5
Supplemental and Voluntary	107.5	93.3	15.2	449.7	415.2	341.3
<b>Total Sales</b>	<b>\$ 489.6</b>	<b>\$ 495.7</b>	<b>(1.2)</b>	<b>\$ 1,114.6</b>	<b>\$ 1,129.0</b>	<b>\$ 943.8</b>

**Unum Group Sales Data for Unum International Segment**

<i>(in millions of dollars)</i>	Three Months Ended			Year Ended		
	12/31/2018	12/31/2017	% Change	12/31/2018	12/31/2017	12/31/2016
<b>Sales by Product</b>						
Group Long-term Disability	\$ 12.2	\$ 15.6	(21.8)%	\$ 44.7	\$ 47.1	\$ 50.2
Group Life	5.7	6.7	(14.9)	21.5	24.4	23.8
Supplemental	6.8	2.2	209.1	20.8	14.4	10.5
<b>Total Sales</b>	<u>\$ 24.7</u>	<u>\$ 24.5</u>	0.8	<u>\$ 87.0</u>	<u>\$ 85.9</u>	<u>\$ 84.5</u>

**Sales by Market Sector**

Group Long-term Disability and Group Life						
Core Market (< 500 employees)	\$ 10.3	\$ 8.8	17.0 %	\$ 36.6	\$ 30.4	\$ 42.0
Large Case Market	7.6	13.5	(43.7)	29.6	41.1	32.0
Subtotal	17.9	22.3	(19.7)	66.2	71.5	74.0
Supplemental	6.8	2.2	N.M.	20.8	14.4	10.5
<b>Total Sales</b>	<u>\$ 24.7</u>	<u>\$ 24.5</u>	0.8	<u>\$ 87.0</u>	<u>\$ 85.9</u>	<u>\$ 84.5</u>

*(in millions of pounds)*

**Unum UK Sales by Product**

Group Long-term Disability	£ 9.5	£ 11.7	(18.8)%	£ 33.5	£ 36.6	£ 37.2
Group Life	4.5	5.0	(10.0)	16.2	18.9	17.8
Supplemental	2.6	1.7	52.9	12.8	11.3	7.7
<b>Total Sales</b>	<u>£ 16.6</u>	<u>£ 18.4</u>	(9.8)	<u>£ 62.5</u>	<u>£ 66.8</u>	<u>£ 62.7</u>

**Unum UK Sales by Market Sector**

Group Long-term Disability and Group Life						
Core Market (< 500 employees)	£ 8.1	£ 6.6	22.7 %	£ 27.6	£ 23.6	£ 31.2
Large Case Market	5.9	10.1	(41.6)	22.1	31.9	23.8
Subtotal	14.0	16.7	(16.2)	49.7	55.5	55.0
Supplemental	2.6	1.7	52.9	12.8	11.3	7.7
<b>Total Sales</b>	<u>£ 16.6</u>	<u>£ 18.4</u>	(9.8)	<u>£ 62.5</u>	<u>£ 66.8</u>	<u>£ 62.7</u>

**Unum Group Sales Data for Colonial Life Segment**

	Three Months Ended			Year Ended		
	12/31/2018	12/31/2017	% Change	12/31/2018	12/31/2017	12/31/2016
<b>Sales by Product</b>						
Accident, Sickness, and Disability	\$ 127.7	\$ 121.6	5.0 %	\$ 355.0	\$ 323.2	\$ 310.6
Life	38.8	39.3	(1.3)	111.9	107.7	94.0
Cancer and Critical Illness	37.9	38.9	(2.6)	94.4	88.8	79.0
<b>Total Sales</b>	<u>\$ 204.4</u>	<u>\$ 199.8</u>	2.3	<u>\$ 561.3</u>	<u>\$ 519.7</u>	<u>\$ 483.6</u>
<b>Sales by Market Sector</b>						
Commercial						
Core Market (< 1,000 employees)	\$ 119.0	\$ 112.3	6.0 %	\$ 349.0	\$ 313.5	\$ 291.3
Large Case Market	42.9	44.7	(4.0)	95.5	90.9	77.4
Subtotal	161.9	157.0	3.1	444.5	404.4	368.7
Public Sector	42.5	42.8	(0.7)	116.8	115.3	114.9
<b>Total Sales</b>	<u>\$ 204.4</u>	<u>\$ 199.8</u>	2.3	<u>\$ 561.3</u>	<u>\$ 519.7</u>	<u>\$ 483.6</u>

Certain prior year and prior period amounts in the table above were reclassified to conform to current year presentation.

**Unum Group Consolidated Balance Sheets**

	December 31	
	2018	2017
<b>Assets</b>		
<b>Investments</b>		
Fixed Maturity Securities	\$ 43,011.7	\$ 45,457.8
Mortgage Loans	2,295.0	2,213.2
Policy Loans	3,729.9	3,571.1
Other Long-term Investments	702.9	646.8
Short-term Investments	968.1	1,155.1
<b>Total Investments</b>	50,707.6	53,044.0
<b>Other Assets</b>		
Cash and Bank Deposits	94.0	77.4
Accounts and Premiums Receivable	1,615.5	1,665.7
Reinsurance Recoverable	4,662.4	4,879.2
Accrued Investment Income	690.6	690.1
Deferred Acquisition Costs	2,309.4	2,184.6
Goodwill	350.3	338.6
Property and Equipment	546.9	504.8
Deferred Income Tax	109.9	—
Other Assets	789.0	628.7
<b>Total Assets</b>	\$ 61,875.6	\$ 64,013.1

Unum Group Consolidated Balance Sheets - Continued

	December 31	
	2018	2017
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Policy and Contract Benefits	\$ 1,695.7	\$ 1,605.2
Reserves for Future Policy and Contract Benefits	44,841.9	45,601.6
Unearned Premiums	363.3	373.1
Other Policyholders' Funds	1,594.8	1,595.0
Income Tax Payable	24.0	2.9
Deferred Income Tax	—	199.0
Short-term Debt	—	199.9
Long-term Debt - Non-recourse	137.1	196.0
Long-term Debt - All Other	2,834.2	2,542.4
Payables for Collateral on Investments	128.1	396.2
Other Liabilities	1,634.7	1,726.9
<b>Total Liabilities</b>	<b>53,253.8</b>	<b>54,438.2</b>
<b>Stockholders' Equity</b>		
Common Stock	30.5	30.5
Additional Paid-in Capital	2,321.7	2,303.3
Accumulated Other Comprehensive Income (Loss)	(814.2)	127.5
Retained Earnings	9,863.1	9,542.2
Treasury Stock	(2,779.3)	(2,428.6)
<b>Total Stockholders' Equity</b>	<b>8,621.8</b>	<b>9,574.9</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 61,875.6</b>	<b>\$ 64,013.1</b>

**Unum Group Deferred Acquisition Costs by Segment**

	Unum US	Unum International	Colonial Life	Consolidated
<b>Balances at December 31, 2015</b>	\$ 1,136.4	\$ 27.1	\$ 845.0	\$ 2,008.5
Capitalization	314.1	8.2	270.1	592.4
Amortization	(275.2)	(9.7)	(208.1)	(493.0)
Adjustment Related to Unrealized Investment Gains and Losses	1.2	—	(10.7)	(9.5)
Foreign Currency	—	(4.2)	—	(4.2)
<b>Balances at December 31, 2016</b>	1,176.5	21.4	896.3	2,094.2
Capitalization	325.5	7.0	295.5	628.0
Amortization	(293.6)	(9.1)	(224.4)	(527.1)
Adjustment Related to Unrealized Investment Gains and Losses	(3.0)	—	(9.5)	(12.5)
Foreign Currency	—	2.0	—	2.0
<b>Balances at December 31, 2017</b>	1,205.4	21.3	957.9	2,184.6
Capitalization	344.0	8.1	315.9	668.0
Amortization	(315.1)	(8.2)	(242.2)	(565.5)
Adjustment Related to Unrealized Investment Gains and Losses	5.1	—	18.4	23.5
Foreign Currency	—	(1.2)	—	(1.2)
<b>Balances at December 31, 2018</b>	\$ 1,239.4	\$ 20.0	\$ 1,050.0	\$ 2,309.4



**Unum Group Balance Sheets by Segment - December 31, 2018**

	<b>Unum US</b>								
	Group Disability	Group Life and Accidental Death & Dismemberment	Supplemental and Voluntary	Total Unum US	Unum International	Colonial Life	Closed Block	Corporate	Consolidated
<b>Assets</b>									
Investments	\$ 7,984.2	\$ 2,353.1	\$ 4,703.2	\$ 15,040.5	\$ 3,017.4	\$ 3,030.8	\$ 28,481.0	\$ 1,137.9	\$ 50,707.6
Deferred Acquisition Costs	100.3	80.0	1,059.1	1,239.4	20.0	1,050.0	—	—	2,309.4
Goodwill	8.9	—	271.1	280.0	42.6	27.7	—	—	350.3
All Other	362.8	260.9	327.3	951.0	346.8	129.4	6,046.6	1,034.5	8,508.3
<b>Total Assets</b>	<b>\$ 8,456.2</b>	<b>\$ 2,694.0</b>	<b>\$ 6,360.7</b>	<b>\$ 17,510.9</b>	<b>\$ 3,426.8</b>	<b>\$ 4,237.9</b>	<b>\$ 34,527.6</b>	<b>\$ 2,172.4</b>	<b>\$ 61,875.6</b>
<b>Liabilities</b>									
Reserves and Policyholder Benefits	\$ 6,961.5	\$ 1,713.8	\$ 4,006.5	\$ 12,681.8	\$ 2,630.4	\$ 2,580.4	\$ 30,603.1	\$ —	\$ 48,495.7
Debt	—	—	—	—	—	—	137.1	2,834.2	2,971.3
All Other	33.1	19.9	215.9	268.9	34.6	63.1	221.8	1,198.4	1,786.8
<b>Total Liabilities</b>	<b>6,994.6</b>	<b>1,733.7</b>	<b>4,222.4</b>	<b>12,950.7</b>	<b>2,665.0</b>	<b>2,643.5</b>	<b>30,962.0</b>	<b>4,032.6</b>	<b>53,253.8</b>
<b>Allocated Stockholders' Equity</b>									
Other Allocated Stockholders' Equity	1,464.5	972.0	2,104.4	4,540.9	743.9	1,561.9	3,615.1	(1,778.2)	8,683.6
Net Unrealized Gain (Loss) on Securities and Net Gain on Hedges	(2.9)	(11.7)	33.9	19.3	17.9	32.5	(49.5)	(82.0)	(61.8)
<b>Total Allocated Stockholders' Equity</b>	<b>1,461.6</b>	<b>960.3</b>	<b>2,138.3</b>	<b>4,560.2</b>	<b>761.8</b>	<b>1,594.4</b>	<b>3,565.6</b>	<b>(1,860.2)</b>	<b>8,621.8</b>
<b>Total Liabilities and Allocated Stockholders' Equity</b>	<b>\$ 8,456.2</b>	<b>\$ 2,694.0</b>	<b>\$ 6,360.7</b>	<b>\$ 17,510.9</b>	<b>\$ 3,426.8</b>	<b>\$ 4,237.9</b>	<b>\$ 34,527.6</b>	<b>\$ 2,172.4</b>	<b>\$ 61,875.6</b>

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 our target capital levels for regulatory and rating agency purposes. We modify this formula periodically to recognize changes in the views of capital requirements.

**Unum Group Balance Sheets by Segment - December 31, 2017**

	<b>Unum US</b>								
	Group Disability	Group Life and Accidental Death & Dismemberment	Supplemental and Voluntary	Total Unum US	Unum International	Colonial Life	Closed Block	Corporate	Consolidated
<b>Assets</b>									
Investments	\$ 8,630.4	\$ 2,315.2	\$ 4,645.5	\$ 15,591.1	\$ 3,075.6	\$ 2,939.9	\$ 29,027.5	\$ 2,409.9	\$ 53,044.0
Deferred Acquisition Costs	96.7	77.7	1,031.0	1,205.4	21.3	957.9	—	—	2,184.6
Goodwill	—	—	271.1	271.1	39.8	27.7	—	—	338.6
All Other	364.2	174.6	502.7	1,041.5	291.4	258.6	6,023.7	830.7	8,445.9
<b>Total Assets</b>	<b>\$ 9,091.3</b>	<b>\$ 2,567.5</b>	<b>\$ 6,450.3</b>	<b>\$ 18,109.1</b>	<b>\$ 3,428.1</b>	<b>\$ 4,184.1</b>	<b>\$ 35,051.2</b>	<b>\$ 3,240.6</b>	<b>\$ 64,013.1</b>
<b>Liabilities</b>									
Reserves and Policyholder Benefits	\$ 7,426.5	\$ 1,742.2	\$ 4,035.6	\$ 13,204.3	\$ 2,627.7	\$ 2,478.3	\$ 30,864.6	\$ —	\$ 49,174.9
Debt	—	—	—	—	—	—	196.0	2,742.3	2,938.3
All Other	146.1	29.7	366.9	542.7	86.9	207.7	69.2	1,418.5	2,325.0
<b>Total Liabilities</b>	<b>7,572.6</b>	<b>1,771.9</b>	<b>4,402.5</b>	<b>13,747.0</b>	<b>2,714.6</b>	<b>2,686.0</b>	<b>31,129.8</b>	<b>4,160.8</b>	<b>54,438.2</b>
<b>Allocated Stockholders' Equity</b>									
Other Allocated Stockholders' Equity	1,501.1	775.3	1,915.9	4,192.3	643.2	1,389.2	3,406.3	(946.2)	8,684.8
Net Unrealized Gain (Loss) on Securities and Net Gain on Hedges	17.6	20.3	131.9	169.8	70.3	108.9	515.1	26.0	890.1
<b>Total Allocated Stockholders' Equity</b>	<b>1,518.7</b>	<b>795.6</b>	<b>2,047.8</b>	<b>4,362.1</b>	<b>713.5</b>	<b>1,498.1</b>	<b>3,921.4</b>	<b>(920.2)</b>	<b>9,574.9</b>
<b>Total Liabilities and Allocated Stockholders' Equity</b>	<b>\$ 9,091.3</b>	<b>\$ 2,567.5</b>	<b>\$ 6,450.3</b>	<b>\$ 18,109.1</b>	<b>\$ 3,428.1</b>	<b>\$ 4,184.1</b>	<b>\$ 35,051.2</b>	<b>\$ 3,240.6</b>	<b>\$ 64,013.1</b>

### Unum Group Financial Results by Segment

We measure and analyze our segment performance on the basis of "adjusted operating revenue" and "adjusted operating income" or "adjusted operating loss", which differ from total revenue and income before income tax as presented in our consolidated statements of income due to the exclusion of net realized investment gains and losses and certain other items as specified in the following pages. These performance measures are in accordance with GAAP guidance for segment reporting, but they should not be viewed as a substitute for total revenue, income before income tax, or net income.

	Three Months Ended			Year Ended		
	12/31/2018	12/31/2017	% Change	12/31/2018	12/31/2017	% Change
<b>Premium Income</b>						
Unum US	\$ 1,435.1	\$ 1,364.5	5.2 %	\$ 5,736.4	\$ 5,443.5	5.4 %
Unum International	152.3	133.4	14.2	568.8	513.0	10.9
Colonial Life	410.1	382.1	7.3	1,603.8	1,511.4	6.1
Closed Block	265.8	278.4	(4.5)	1,077.1	1,129.2	(4.6)
	<u>2,263.3</u>	<u>2,158.4</u>	4.9	<u>8,986.1</u>	<u>8,597.1</u>	4.5
<b>Net Investment Income</b>						
Unum US	187.7	202.1	(7.1)	778.7	811.2	(4.0)
Unum International	31.1	31.9	(2.5)	117.2	120.2	(2.5)
Colonial Life	37.0	37.1	(0.3)	151.2	144.9	4.3
Closed Block	345.8	341.5	1.3	1,377.1	1,354.0	1.7
Corporate	7.0	7.2	(2.8)	29.5	21.4	37.9
	<u>608.6</u>	<u>619.8</u>	(1.8)	<u>2,453.7</u>	<u>2,451.7</u>	0.1
<b>Other Income</b>						
Unum US	30.0	27.9	7.5	118.5	113.2	4.7
Unum International	0.4	0.1	N.M.	0.4	0.7	(42.9)
Colonial Life	0.2	0.3	(33.3)	1.2	1.1	9.1
Closed Block	18.6	19.9	(6.5)	75.4	79.8	(5.5)
Corporate	1.1	1.4	(21.4)	2.7	2.9	(6.9)
	<u>50.3</u>	<u>49.6</u>	1.4	<u>198.2</u>	<u>197.7</u>	0.3
<b>Total Adjusted Operating Revenue</b>						
Unum US	1,652.8	1,594.5	3.7	6,633.6	6,367.9	4.2
Unum International	183.8	165.4	11.1	686.4	633.9	8.3
Colonial Life	447.3	419.5	6.6	1,756.2	1,657.4	6.0
Closed Block	630.2	639.8	(1.5)	2,529.6	2,563.0	(1.3)
Corporate	8.1	8.6	(5.8)	32.2	24.3	32.5
	<u>\$ 2,922.2</u>	<u>\$ 2,827.8</u>	3.3	<u>\$ 11,638.0</u>	<u>\$ 11,246.5</u>	3.5

**Unum Group Financial Results by Segment - Continued**

	Three Months Ended			Year Ended		
	12/31/2018	12/31/2017	% Change	12/31/2018	12/31/2017	% Change
<b>Benefits and Expenses</b>						
Unum US	\$ 1,404.1	\$ 1,356.9	3.5 %	\$ 5,619.0	\$ 5,385.0	4.3 %
Unum International	153.4	135.7	13.0	572.5	522.2	9.6
Colonial Life	361.9	352.8	2.6	1,421.0	1,344.8	5.7
Closed Block	595.4	606.7	(1.9)	3,154.9	2,439.1	29.3
Corporate	56.3	41.8	34.7	203.3	191.7	6.1
	<u>2,571.1</u>	<u>2,493.9</u>	3.1	<u>10,970.7</u>	<u>9,882.8</u>	11.0
<b>Income (Loss) Before Income Tax and Net Realized Investment Gain (Loss)</b>						
Unum US	248.7	237.6	4.7	1,014.6	982.9	3.2
Unum International	30.4	29.7	2.4	113.9	111.7	2.0
Colonial Life	85.4	66.7	28.0	335.2	312.6	7.2
Closed Block	34.8	33.1	5.1	(625.3)	123.9	N.M.
Corporate	(48.2)	(33.2)	45.2	(171.1)	(167.4)	2.2
	<u>351.1</u>	<u>333.9</u>	5.2	<u>667.3</u>	<u>1,363.7</u>	(51.1)
<b>Income Tax</b>	<u>69.4</u>	<u>74.2</u>	(6.5)	<u>115.4</u>	<u>394.8</u>	(70.8)
<b>Income Before Net Realized Investment Gain (Loss)</b>	<u>281.7</u>	<u>259.7</u>	8.5	<u>551.9</u>	<u>968.9</u>	(43.0)
<b>Net Realized Investment Gain (Loss) (net of tax expense (benefit) of \$(8.8); \$4.2; \$(11.0); \$15.0)</b>	(32.6)	7.2	N.M.	(28.5)	25.3	N.M.
<b>Net Income</b>	<u>\$ 249.1</u>	<u>\$ 266.9</u>	(6.7)	<u>\$ 523.4</u>	<u>\$ 994.2</u>	(47.4)

**Unum Group Quarterly Historical Financial Results by Segment**

	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16
<b>Premium Income</b>									
Unum US	\$ 1,435.1	\$ 1,446.2	\$ 1,416.3	\$ 1,438.8	\$ 1,364.5	\$ 1,360.9	\$ 1,357.7	\$ 1,360.4	\$ 1,325.2
Unum International	152.3	138.0	138.9	139.6	133.4	131.5	126.8	121.3	121.9
Colonial Life	410.1	400.0	395.4	398.3	382.1	378.7	376.3	374.3	360.4
Closed Block	265.8	267.6	270.4	273.3	278.4	282.5	281.4	286.9	291.7
	<u>2,263.3</u>	<u>2,251.8</u>	<u>2,221.0</u>	<u>2,250.0</u>	<u>2,158.4</u>	<u>2,153.6</u>	<u>2,142.2</u>	<u>2,142.9</u>	<u>2,099.2</u>
<b>Net Investment Income</b>									
Unum US	187.7	200.3	196.5	194.2	202.1	201.0	205.6	202.5	206.3
Unum International	31.1	26.4	32.1	27.6	31.9	28.5	33.2	26.6	28.8
Colonial Life	37.0	36.7	40.2	37.3	37.1	36.0	36.7	35.1	35.8
Closed Block	345.8	348.0	345.6	337.7	341.5	337.2	340.0	335.3	343.6
Corporate	7.0	7.8	9.2	5.5	7.2	6.3	5.0	2.9	3.4
	<u>608.6</u>	<u>619.2</u>	<u>623.6</u>	<u>602.3</u>	<u>619.8</u>	<u>609.0</u>	<u>620.5</u>	<u>602.4</u>	<u>617.9</u>
<b>Other Income</b>									
Unum US	30.0	30.7	28.8	29.0	27.9	26.5	30.1	28.7	27.7
Unum International	0.4	—	—	—	0.1	0.6	—	—	—
Colonial Life	0.2	0.4	0.3	0.3	0.3	0.3	0.2	0.3	0.2
Closed Block	18.6	18.9	18.9	19.0	19.9	18.9	20.2	20.8	20.7
Corporate	1.1	0.1	0.3	1.2	1.4	0.4	0.7	0.4	2.4
	<u>50.3</u>	<u>50.1</u>	<u>48.3</u>	<u>49.5</u>	<u>49.6</u>	<u>46.7</u>	<u>51.2</u>	<u>50.2</u>	<u>51.0</u>
<b>Total Adjusted Operating Revenue</b>									
Unum US	1,652.8	1,677.2	1,641.6	1,662.0	1,594.5	1,588.4	1,593.4	1,591.6	1,559.2
Unum International	183.8	164.4	171.0	167.2	165.4	160.6	160.0	147.9	150.7
Colonial Life	447.3	437.1	435.9	435.9	419.5	415.0	413.2	409.7	396.4
Closed Block	630.2	634.5	634.9	630.0	639.8	638.6	641.6	643.0	656.0
Corporate	8.1	7.9	9.5	6.7	8.6	6.7	5.7	3.3	5.8
	<u>\$ 2,922.2</u>	<u>\$ 2,921.1</u>	<u>\$ 2,892.9</u>	<u>\$ 2,901.8</u>	<u>\$ 2,827.8</u>	<u>\$ 2,809.3</u>	<u>\$ 2,813.9</u>	<u>\$ 2,795.5</u>	<u>\$ 2,768.1</u>

**Unum Group Quarterly Historical Financial Results by Segment - Continued**

	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17	12/31/16
<b>Benefits and Expenses</b>									
Unum US	\$ 1,404.1	\$ 1,406.3	\$ 1,390.5	\$ 1,418.1	\$ 1,356.9	\$ 1,330.0	\$ 1,345.6	\$ 1,352.5	\$ 1,319.1
Unum International	153.4	138.3	143.4	137.4	135.7	134.1	131.1	121.3	120.8
Colonial Life	361.9	352.9	351.3	354.9	352.8	333.3	331.4	327.3	316.5
Closed Block	595.4	1,353.1	605.3	601.1	606.7	612.0	609.0	611.4	621.4
Corporate	56.3	55.0	45.0	47.0	41.8	42.9	43.3	63.7	47.5
	<u>2,571.1</u>	<u>3,305.6</u>	<u>2,535.5</u>	<u>2,558.5</u>	<u>2,493.9</u>	<u>2,452.3</u>	<u>2,460.4</u>	<u>2,476.2</u>	<u>2,425.3</u>
<b>Income (Loss) Before Income Tax Expense (Benefit) and Net Realized Investment Gain (Loss)</b>									
Unum US	248.7	270.9	251.1	243.9	237.6	258.4	247.8	239.1	240.1
Unum International	30.4	26.1	27.6	29.8	29.7	26.5	28.9	26.6	29.9
Colonial Life	85.4	84.2	84.6	81.0	66.7	81.7	81.8	82.4	79.9
Closed Block	34.8	(718.6)	29.6	28.9	33.1	26.6	32.6	31.6	34.6
Corporate	(48.2)	(47.1)	(35.5)	(40.3)	(33.2)	(36.2)	(37.6)	(60.4)	(41.7)
	<u>351.1</u>	<u>(384.5)</u>	<u>357.4</u>	<u>343.3</u>	<u>333.9</u>	<u>357.0</u>	<u>353.5</u>	<u>319.3</u>	<u>342.8</u>
<b>Income Tax Expense (Benefit)</b>	<u>69.4</u>	<u>(92.0)</u>	<u>69.8</u>	<u>68.2</u>	<u>74.2</u>	<u>110.9</u>	<u>113.1</u>	<u>96.6</u>	<u>113.1</u>
<b>Income (Loss) Before Net Realized Investment Gain (Loss)</b>	<u>281.7</u>	<u>(292.5)</u>	<u>287.6</u>	<u>275.1</u>	<u>259.7</u>	<u>246.1</u>	<u>240.4</u>	<u>222.7</u>	<u>229.7</u>
Net Realized Investment Gain (Loss)	(41.4)	6.7	(2.6)	(2.2)	11.4	9.8	8.1	11.0	28.4
Tax Expense (Benefit) on Net Realized Investment Gain (Loss)	(8.8)	(1.1)	(0.5)	(0.6)	4.2	3.6	3.4	3.8	10.1
<b>Net Income (Loss)</b>	<u>\$ 249.1</u>	<u>\$ (284.7)</u>	<u>\$ 285.5</u>	<u>\$ 273.5</u>	<u>\$ 266.9</u>	<u>\$ 252.3</u>	<u>\$ 245.1</u>	<u>\$ 229.9</u>	<u>\$ 248.0</u>
<b>Net Income (Loss) Per Common Share - Assuming Dilution</b>	<u>\$ 1.15</u>	<u>\$ (1.30)</u>	<u>\$ 1.29</u>	<u>\$ 1.23</u>	<u>\$ 1.19</u>	<u>\$ 1.12</u>	<u>\$ 1.07</u>	<u>\$ 1.00</u>	<u>\$ 1.07</u>

**Unum Group Financial Results for Unum US Segment**

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Adjusted Operating Revenue</b>					
Premium Income	\$ 1,435.1	\$ 1,364.5	\$ 5,736.4	\$ 5,443.5	\$ 5,240.9
Net Investment Income	187.7	202.1	778.7	811.2	828.7
Other Income	30.0	27.9	118.5	113.2	113.3
<b>Total</b>	<b>1,652.8</b>	<b>1,594.5</b>	<b>6,633.6</b>	<b>6,367.9</b>	<b>6,182.9</b>
<b>Benefits and Expenses</b>					
Benefits and Change in Reserves for Future Benefits	970.6	933.6	3,856.5	3,693.4	3,624.3
Commissions	153.1	148.8	620.6	590.8	580.4
Deferral of Acquisition Costs	(84.9)	(81.5)	(344.0)	(325.5)	(314.1)
Amortization of Deferred Acquisition Costs	73.7	65.3	315.1	293.6	275.2
Other Expenses	291.6	290.7	1,170.8	1,132.7	1,102.9
<b>Total</b>	<b>1,404.1</b>	<b>1,356.9</b>	<b>5,619.0</b>	<b>5,385.0</b>	<b>5,268.7</b>
<b>Income Before Income Tax and Net Realized Investment Gains and Losses</b>					
	248.7	237.6	1,014.6	982.9	914.2
Unclaimed Death Benefits (UDB) Reserve Increase	—	26.6	—	26.6	—
<b>Adjusted Operating Income</b>	<b>\$ 248.7</b>	<b>\$ 264.2</b>	<b>\$ 1,014.6</b>	<b>\$ 1,009.5</b>	<b>\$ 914.2</b>
<b>Operating Ratios (% of Premium Income):</b>					
Benefit Ratio	67.6%	68.4%	67.2%	67.8%	69.2%
Benefit Ratio Excluding UDB Reserve Increase		66.5%		67.4%	
Other Expense Ratio	20.3%	21.3%	20.4%	20.8%	21.0%
Income Ratio		17.4%		18.1%	
Adjusted Operating Income Ratio	17.3%	19.4%	17.7%	18.5%	17.4%

**Unum Group Financial Results for Unum US Group Disability**

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Adjusted Operating Revenue</b>					
Premium Income					
Group Long-term Disability	\$ 443.5	\$ 442.3	\$ 1,766.2	\$ 1,749.6	\$ 1,726.6
Group Short-term Disability	178.6	162.5	706.3	639.8	626.1
Total Premium Income	622.1	604.8	2,472.5	2,389.4	2,352.7
Net Investment Income	102.7	113.2	432.7	460.5	479.5
Other Income	28.1	24.9	109.0	98.3	91.1
<b>Total</b>	<b>752.9</b>	<b>742.9</b>	<b>3,014.2</b>	<b>2,948.2</b>	<b>2,923.3</b>
<b>Benefits and Expenses</b>					
Benefits and Change in Reserves for Future Benefits	473.9	461.7	1,880.7	1,828.5	1,863.8
Commissions	45.5	44.8	186.5	181.9	178.2
Deferral of Acquisition Costs	(11.4)	(11.1)	(48.2)	(46.9)	(46.4)
Amortization of Deferred Acquisition Costs	11.1	10.0	44.7	39.9	35.9
Other Expenses	153.1	150.8	612.2	587.0	572.1
<b>Total</b>	<b>672.2</b>	<b>656.2</b>	<b>2,675.9</b>	<b>2,590.4</b>	<b>2,603.6</b>
<b>Adjusted Operating Income</b>	<b>\$ 80.7</b>	<b>\$ 86.7</b>	<b>\$ 338.3</b>	<b>\$ 357.8</b>	<b>\$ 319.7</b>
Operating Ratios (% of Premium Income):					
Benefit Ratio	76.2%	76.3%	76.1%	76.5%	79.2%
Other Expense Ratio	24.6%	24.9%	24.8%	24.6%	24.3%
Adjusted Operating Income Ratio	13.0%	14.3%	13.7%	15.0%	13.6%
Persistency:					
Group Long-term Disability			90.9%	89.9%	91.0%
Group Short-term Disability			87.2%	86.6%	87.7%



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

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Adjusted Operating Revenue</b>					
Premium Income					
Group Life	\$ 394.1	\$ 365.8	\$ 1,583.7	\$ 1,467.5	\$ 1,410.0
Accidental Death & Dismemberment	39.4	37.0	156.3	147.5	140.3
<b>Total Premium Income</b>	<b>433.5</b>	<b>402.8</b>	<b>1,740.0</b>	<b>1,615.0</b>	<b>1,550.3</b>
Net Investment Income	26.1	27.2	106.5	109.9	113.4
Other Income	1.3	1.2	4.7	4.8	4.5
<b>Total</b>	<b>460.9</b>	<b>431.2</b>	<b>1,851.2</b>	<b>1,729.7</b>	<b>1,668.2</b>
<b>Benefits and Expenses</b>					
Benefits and Change in Reserves for Future Benefits	310.6	305.7	1,237.7	1,169.8	1,112.6
Commissions	34.6	33.3	141.1	131.3	126.8
Deferral of Acquisition Costs	(8.8)	(8.6)	(38.2)	(36.2)	(35.7)
Amortization of Deferred Acquisition Costs	8.9	8.0	35.9	31.9	29.2
Other Expenses	51.3	54.3	214.6	217.4	213.5
<b>Total</b>	<b>396.6</b>	<b>392.7</b>	<b>1,591.1</b>	<b>1,514.2</b>	<b>1,446.4</b>
<b>Income Before Income Tax and Net Realized Investment Gains and Losses</b>	<b>64.3</b>	<b>38.5</b>	<b>260.1</b>	<b>215.5</b>	<b>221.8</b>
UDB Reserve Increase	—	18.5	—	18.5	—
<b>Adjusted Operating Income</b>	<b>\$ 64.3</b>	<b>\$ 57.0</b>	<b>\$ 260.1</b>	<b>\$ 234.0</b>	<b>\$ 221.8</b>
Operating Ratios (% of Premium Income):					
Benefit Ratio	71.6%	75.9%	71.1%	72.4%	71.8%
Benefit Ratio Excluding UDB Reserve Increase		71.3%		71.3%	
Other Expense Ratio	11.8%	13.5%	12.3%	13.5%	13.8%
Income Ratio		9.6%		13.3%	
Adjusted Operating Income Ratio	14.8%	14.2%	14.9%	14.5%	14.3%
Persistency:					
Group Life			91.2%	88.0%	90.7%
Accidental Death & Dismemberment			89.9%	87.2%	90.3%

**Unum Group Financial Results for Unum US Supplemental and Voluntary**

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Adjusted Operating Revenue</b>					
Premium Income					
Individual Disability	\$ 106.3	\$ 102.1	\$ 425.4	\$ 420.2	\$ 480.3
Voluntary Benefits	219.7	210.2	895.7	849.4	796.5
Dental and Vision	53.5	44.6	202.8	169.5	61.1
Total Premium Income	379.5	356.9	1,523.9	1,439.1	1,337.9
Net Investment Income	58.9	61.7	239.5	240.8	235.8
Other Income	0.6	1.8	4.8	10.1	17.7
<b>Total</b>	<b>439.0</b>	<b>420.4</b>	<b>1,768.2</b>	<b>1,690.0</b>	<b>1,591.4</b>
<b>Benefits and Expenses</b>					
Benefits and Change in Reserves for Future Benefits	186.1	166.2	738.1	695.1	647.9
Commissions	73.0	70.7	293.0	277.6	275.4
Deferral of Acquisition Costs	(64.7)	(61.8)	(257.6)	(242.4)	(232.0)
Amortization of Deferred Acquisition Costs	53.7	47.3	234.5	221.8	210.1
Other Expenses	87.2	85.6	344.0	328.3	317.3
<b>Total</b>	<b>335.3</b>	<b>308.0</b>	<b>1,352.0</b>	<b>1,280.4</b>	<b>1,218.7</b>
<b>Income Before Income Tax and Net Realized Investment Gains and Losses</b>	<b>103.7</b>	<b>112.4</b>	<b>416.2</b>	<b>409.6</b>	<b>372.7</b>
UDB Reserve Increase	—	8.1	—	8.1	—
<b>Adjusted Operating Income</b>	<b>\$ 103.7</b>	<b>\$ 120.5</b>	<b>\$ 416.2</b>	<b>\$ 417.7</b>	<b>\$ 372.7</b>
<b>Operating Ratios (% of Premium Income):</b>					
Benefit Ratios:					
Individual Disability	51.2%	34.4%	50.6%	47.2%	52.9%
Voluntary Benefits	43.6%	48.7%	42.8%	44.6%	44.3%
Voluntary Benefits Excluding UDB Reserve Increase		44.8%		43.6%	
Dental and Vision	67.3%	64.6%	68.5%	69.6%	66.6%
Other Expense Ratio	23.0%	24.0%	22.6%	22.8%	23.7%
Income Ratio		31.5%		28.5%	
Adjusted Operating Income Ratio	27.3%	33.8%	27.3%	29.0%	27.9%
<b>Persistency:</b>					
Individual Disability			90.3%	91.0%	91.1%
Voluntary Benefits			75.9%	77.5%	76.9%
Dental and Vision			84.5%	85.4%	84.6%

**Unum Group Financial Results for Unum International Segment**

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Adjusted Operating Revenue</b>					
Premium Income					
Group Long-term Disability	\$ 87.1	\$ 88.7	\$ 358.9	\$ 340.3	\$ 355.2
Group Life	27.2	26.2	110.8	103.1	105.7
Supplemental	38.0	18.5	99.1	69.6	68.4
Total Premium Income	152.3	133.4	568.8	513.0	529.3
Net Investment Income	31.1	31.9	117.2	120.2	118.1
Other Income	0.4	0.1	0.4	0.7	0.2
<b>Total</b>	<b>183.8</b>	<b>165.4</b>	<b>686.4</b>	<b>633.9</b>	<b>647.6</b>
<b>Benefits and Expenses</b>					
Benefits and Change in Reserves for Future Benefits	110.3	101.0	419.8	381.9	367.4
Commissions	11.0	8.5	39.1	35.5	38.9
Deferral of Acquisition Costs	(2.8)	(1.6)	(8.1)	(7.0)	(8.2)
Amortization of Deferred Acquisition Costs	2.0	2.3	8.2	9.1	9.7
Other Expenses	32.9	25.5	113.5	102.7	111.2
<b>Total</b>	<b>153.4</b>	<b>135.7</b>	<b>572.5</b>	<b>522.2</b>	<b>519.0</b>
<b>Adjusted Operating Income</b>	<b>\$ 30.4</b>	<b>\$ 29.7</b>	<b>\$ 113.9</b>	<b>\$ 111.7</b>	<b>\$ 128.6</b>

**Unum Group Financial Results for Unum International Unum UK**

<i>(in millions of pounds, except exchange rate)</i>	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Adjusted Operating Revenue</b>					
Premium Income					
Group Long-term Disability	£ 67.8	£ 66.9	£ 269.0	£ 264.0	£ 262.0
Group Life	21.1	19.8	83.0	80.0	78.0
Supplemental	16.0	13.8	61.3	53.9	50.5
<b>Total Premium Income</b>	<b>104.9</b>	<b>100.5</b>	<b>413.3</b>	<b>397.9</b>	<b>390.5</b>
Net Investment Income	22.9	24.1	86.5	93.3	87.3
Other Income	—	—	—	0.5	0.1
<b>Total</b>	<b>127.8</b>	<b>124.6</b>	<b>499.8</b>	<b>491.7</b>	<b>477.9</b>
<b>Benefits and Expenses</b>					
Benefits and Change in Reserves for Future Benefits	78.3	76.2	307.4	296.2	270.9
Commissions	6.3	6.5	27.1	27.6	28.9
Deferral of Acquisition Costs	(1.1)	(1.2)	(5.0)	(5.4)	(6.1)
Amortization of Deferred Acquisition Costs	1.5	1.7	6.1	7.0	7.2
Other Expenses	20.6	19.0	80.2	79.7	82.2
<b>Total</b>	<b>105.6</b>	<b>102.2</b>	<b>415.8</b>	<b>405.1</b>	<b>383.1</b>
<b>Adjusted Operating Income</b>	<b>£ 22.2</b>	<b>£ 22.4</b>	<b>£ 84.0</b>	<b>£ 86.6</b>	<b>£ 94.8</b>
Weighted Average Pound/Dollar Exchange Rate	1.293	1.326	1.336	1.290	1.357
Operating Ratios (% of Premium Income):					
Benefit Ratio	74.6%	75.8%	74.4%	74.4%	69.4%
Other Expense Ratio	19.6%	18.9%	19.4%	20.0%	21.0%
Adjusted Operating Income Ratio	21.2%	22.3%	20.3%	21.8%	24.3%
Persistency:					
Group Long-term Disability			87.8%	87.4%	89.5%
Group Life			88.5%	84.1%	81.3%
Supplemental			93.1%	91.0%	89.9%

**Unum Group Financial Results for Colonial Life Segment**

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Adjusted Operating Revenue</b>					
Premium Income					
Accident, Sickness, and Disability	\$ 237.5	\$ 222.7	\$ 929.3	\$ 884.2	\$ 830.0
Life	84.5	76.6	328.4	300.4	273.8
Cancer and Critical Illness	88.1	82.8	346.1	326.8	313.3
Total Premium Income	410.1	382.1	1,603.8	1,511.4	1,417.1
Net Investment Income	37.0	37.1	151.2	144.9	141.5
Other Income	0.2	0.3	1.2	1.1	1.2
<b>Total</b>	<b>447.3</b>	<b>419.5</b>	<b>1,756.2</b>	<b>1,657.4</b>	<b>1,559.8</b>
<b>Benefits and Expenses</b>					
Benefits and Change in Reserves for Future Benefits	211.5	209.4	824.9	788.6	726.4
Commissions	90.9	87.7	364.6	344.5	313.6
Deferral of Acquisition Costs	(78.5)	(74.8)	(315.9)	(295.5)	(270.1)
Amortization of Deferred Acquisition Costs	61.2	56.0	242.2	224.4	208.1
Other Expenses	76.8	74.5	305.2	282.8	267.6
<b>Total</b>	<b>361.9</b>	<b>352.8</b>	<b>1,421.0</b>	<b>1,344.8</b>	<b>1,245.6</b>
<b>Income Before Income Tax and Net Realized Investment Gains and Losses</b>	<b>85.4</b>	<b>66.7</b>	<b>335.2</b>	<b>312.6</b>	<b>314.2</b>
UDB Reserve Increase	—	12.4	—	12.4	—
<b>Adjusted Operating Income</b>	<b>\$ 85.4</b>	<b>\$ 79.1</b>	<b>\$ 335.2</b>	<b>\$ 325.0</b>	<b>\$ 314.2</b>
Operating Ratios (% of Premium Income):					
Benefit Ratio	51.6%	54.8%	51.4%	52.2%	51.3%
Benefit Ratio Excluding UDB Reserve Increase		51.6%		51.4%	
Other Expense Ratio	18.7%	19.5%	19.0%	18.7%	18.9%
Income Ratio		17.5%		20.7%	
Adjusted Operating Income Ratio	20.8%	20.7%	20.9%	21.5%	22.2%
Persistency:					
Accident, Sickness, and Disability			74.2%	75.1%	75.6%
Life			83.6%	84.4%	85.0%
Cancer and Critical Illness			82.4%	82.7%	82.9%

**Unum Group Financial Results for Closed Block Segment**

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Adjusted Operating Revenue</b>					
Premium Income					
Individual Disability	\$ 101.8	\$ 114.1	\$ 420.8	\$ 471.8	\$ 521.9
Long-term Care	162.5	162.3	648.3	648.7	643.9
All Other	1.5	2.0	8.0	8.7	4.6
Total Premium Income	265.8	278.4	1,077.1	1,129.2	1,170.4
Net Investment Income	345.8	341.5	1,377.1	1,354.0	1,352.2
Other Income	18.6	19.9	75.4	79.8	86.0
<b>Total</b>	<b>630.2</b>	<b>639.8</b>	<b>2,529.6</b>	<b>2,563.0</b>	<b>2,608.6</b>
<b>Benefits and Expenses</b>					
Benefits and Change in Reserves for Future Benefits	537.1	545.1	2,919.2	2,191.8	2,223.7
Commissions	20.8	21.9	84.1	90.0	93.8
Interest and Debt Expense	1.7	1.6	6.9	6.7	6.9
Other Expenses	35.8	38.1	144.7	150.6	154.7
<b>Total</b>	<b>595.4</b>	<b>606.7</b>	<b>3,154.9</b>	<b>2,439.1</b>	<b>2,479.1</b>
<b>Income (Loss) Before Income Tax and Net Realized Investment Gains and Losses</b>	<b>34.8</b>	<b>33.1</b>	<b>(625.3)</b>	<b>123.9</b>	<b>129.5</b>
Long-term Care Reserve Increase	—	—	750.8	—	—
<b>Adjusted Operating Income</b>	<b>\$ 34.8</b>	<b>\$ 33.1</b>	<b>\$ 125.5</b>	<b>\$ 123.9</b>	<b>\$ 129.5</b>
Interest Adjusted Loss Ratios:					
Individual Disability	81.2%	81.2%	80.4 %	82.4%	83.6%
Long-term Care	83.2%	93.1%	(206.8)%	91.1%	91.1%
Long-term Care Excluding Reserve Increase			91.0 %		
Operating Ratios (% of Premium Income):					
Other Expense Ratio	13.5%	13.7%	13.4 %	13.3%	13.2%
Income (Loss) Ratio			(58.1)%		
Adjusted Operating Income Ratio	13.1%	11.9%	11.7 %	11.0%	11.1%
Persistency:					
Individual Disability			88.3 %	89.6%	90.9%
Long-term Care			95.8 %	95.9%	94.8%

**Unum Group Financial Results for Corporate Segment**

	Three Months Ended		Year Ended		
	12/31/2018	12/31/2017	12/31/2018	12/31/2017	12/31/2016
<b>Adjusted Operating Revenue</b>					
Net Investment Income	\$ 7.0	\$ 7.2	\$ 29.5	\$ 21.4	\$ 18.5
Other Income	1.1	1.4	2.7	2.9	4.9
<b>Total</b>	<b>8.1</b>	<b>8.6</b>	<b>32.2</b>	<b>24.3</b>	<b>23.4</b>
Interest and Other Expenses	56.3	41.8	203.3	191.7	186.4
<b>Loss Before Income Tax and Net Realized Investment Gains and Losses</b>	<b>(48.2)</b>	<b>(33.2)</b>	<b>(171.1)</b>	<b>(167.4)</b>	<b>(163.0)</b>
Loss from Guaranty Fund Assessment	—	—	—	20.6	—
<b>Adjusted Operating Loss</b>	<b>\$ (48.2)</b>	<b>\$ (33.2)</b>	<b>\$ (171.1)</b>	<b>\$ (146.8)</b>	<b>\$ (163.0)</b>

**Unum Group Reserves**

December 31, 2018

	Gross						Total Reinsurance Ceded	Total Net
	Policy Reserves	%	Claim Reserves		%	Total		
			Inurred	IBNR				
Group Disability	\$ —	—%	\$ 5,900.0	\$ 670.8	28.4%	\$ 6,570.8	\$ 71.0	\$ 6,499.8
Group Life and Accidental Death & Dismemberment	52.9	0.3	750.7	217.8	4.2	1,021.4	7.1	1,014.3
Individual Disability	518.4	2.6	1,357.8	137.1	6.4	2,013.3	217.1	1,796.2
Voluntary Benefits	1,643.9	8.1	49.0	58.1	0.5	1,751.0	27.1	1,723.9
Dental and Vision	—	—	0.1	14.5	0.2	14.6	0.2	14.4
<b>Unum US Segment</b>	<b>2,215.2</b>	<b>11.0</b>	<b>8,057.6</b>	<b>1,098.3</b>	<b>39.7</b>	<b>11,371.1</b>	<b>322.5</b>	<b>11,048.6</b>
<b>Unum International Segment</b>	<b>175.7</b>	<b>0.9</b>	<b>1,838.4</b>	<b>115.0</b>	<b>8.4</b>	<b>2,129.1</b>	<b>84.6</b>	<b>2,044.5</b>
<b>Colonial Life Segment</b>	<b>2,112.5</b>	<b>10.5</b>	<b>292.6</b>	<b>131.4</b>	<b>1.8</b>	<b>2,536.5</b>	<b>8.0</b>	<b>2,528.5</b>
Individual Disability	332.2	1.6	9,085.0	199.6	40.1	9,616.8	1,646.6	7,970.2
Long-term Care	9,463.2	46.9	1,787.6	235.7	8.7	11,486.5	39.9	11,446.6
Other	5,869.5	29.1	187.6	120.2	1.3	6,177.3	5,119.8	1,057.5
<b>Closed Block Segment</b>	<b>15,664.9</b>	<b>77.6</b>	<b>11,060.2</b>	<b>555.5</b>	<b>50.1</b>	<b>27,280.6</b>	<b>6,806.3</b>	<b>20,474.3</b>
<b>Subtotal</b>	<b>\$ 20,168.3</b>	<b>100.0%</b>	<b>\$ 21,248.8</b>	<b>\$ 1,900.2</b>	<b>100.0%</b>	<b>43,317.3</b>	<b>7,221.4</b>	<b>36,095.9</b>
<b>Adjustment Related to Unrealized Investment Gains and Losses</b>						3,220.3	261.4	2,958.9
<b>Consolidated</b>						<b>\$ 46,537.6</b>	<b>\$ 7,482.8</b>	<b>\$ 39,054.8</b>

The adjustment related to unrealized investment gains and losses reflects the changes that would be necessary to policyholder liabilities if the unrealized investment gains and losses related to the corresponding available-for-sale securities had been realized. Changes in this adjustment are primarily due to movements in credit spreads and U.S. Treasury rates.



**Unum Group Reserves**

December 31, 2017

	Gross						Total Reinsurance Ceded	Total Net
	Policy Reserves	%	Claim Reserves		%	Total		
			Inurred	IBNR				
Group Disability	\$ —	—%	\$ 6,047.0	\$ 624.2	28.7%	\$ 6,671.2	\$ 73.8	\$ 6,597.4
Group Life and Accidental Death & Dismemberment	54.9	0.3	735.5	208.0	4.1	998.4	5.2	993.2
Individual Disability	533.4	2.8	1,318.0	137.6	6.3	1,989.0	207.5	1,781.5
Voluntary Benefits	1,566.7	8.3	46.7	61.0	0.5	1,674.4	27.3	1,647.1
Dental and Vision	—	—	0.7	11.3	0.1	12.0	0.3	11.7
<b>Unum US Segment</b>	<b>2,155.0</b>	<b>11.4</b>	<b>8,147.9</b>	<b>1,042.1</b>	<b>39.7</b>	<b>11,345.0</b>	<b>314.1</b>	<b>11,030.9</b>
<b>Unum International Segment</b>	<b>18.1</b>	<b>0.1</b>	<b>1,918.3</b>	<b>108.3</b>	<b>8.7</b>	<b>2,044.7</b>	<b>87.0</b>	<b>1,957.7</b>
<b>Colonial Life Segment</b>	<b>1,989.4</b>	<b>10.5</b>	<b>288.3</b>	<b>137.2</b>	<b>1.8</b>	<b>2,414.9</b>	<b>8.5</b>	<b>2,406.4</b>
Individual Disability	418.5	2.2	9,407.4	219.1	41.5	10,045.0	1,619.8	8,425.2
Long-term Care	8,414.3	44.5	1,494.8	150.9	7.1	10,060.0	40.3	10,019.7
Other	5,894.8	31.3	187.3	120.4	1.2	6,202.5	5,090.6	1,111.9
<b>Closed Block Segment</b>	<b>14,727.6</b>	<b>78.0</b>	<b>11,089.5</b>	<b>490.4</b>	<b>49.8</b>	<b>26,307.5</b>	<b>6,750.7</b>	<b>19,556.8</b>
<b>Subtotal</b>	<b>\$ 18,890.1</b>	<b>100.0%</b>	<b>\$ 21,444.0</b>	<b>\$ 1,778.0</b>	<b>100.0%</b>	<b>42,112.1</b>	<b>7,160.3</b>	<b>34,951.8</b>
<b>Adjustment Related to Unrealized Investment Gains and Losses</b>						5,094.7	375.8	4,718.9
<b>Consolidated</b>						<b>\$ 47,206.8</b>	<b>\$ 7,536.1</b>	<b>\$ 39,670.7</b>

**Unum Group Investments**

<b>Fixed Maturity Securities (Fair Value)</b>	12/31/2018		<b>Selected Statistics</b>		
				12/31/2018	12/31/2017
Public	\$ 27,818.7	64.7%	Earned Book Yield	5.15%	5.23%
Asset-Backed Securities	60.8	0.1	Average Duration (in years)	7.64	7.70
Residential Mortgage-Backed Securities (1)	1,439.7	3.4			
Commercial Mortgage-Backed Securities	82.2	0.2			
Private Placements	5,319.5	12.4			
High Yield	3,028.6	7.0			
Government Securities	2,798.1	6.5			
Municipal Securities (2)	2,424.2	5.6			
Redeemable Preferred Stocks	39.9	0.1			
<b>Total</b>	<b>\$ 43,011.7</b>	<b>100.0%</b>			

<b>Quality Ratings of Fixed Maturity Securities</b>	Amortized Cost		Fair Value		<b>Schedule BA and Non-Current</b>		
Aaa	8.3%	8.2%	Total Non-Current Investments	\$ 36.0	\$ 32.9		
Aa	7.4	8.1	Total Schedule BA Assets	\$ 575.3	\$ 535.4		
A	26.1	27.4					
Baa	50.2	49.2					
Below Baa	8.0	7.1					
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>					

(1) Includes \$8.5 million of high yield mortgage-backed securities.

(2) Includes \$1.5 million of high yield municipal securities.

**Unum Group Investments at December 31, 2018**

**Fixed Maturity Securities - By Industry Classification - Unrealized Gain (Loss)**

Classification	Fair Value	Net Unrealized Gain (Loss)	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	\$ 2,839.3	\$ 67.7	\$ 1,288.3	\$ 80.2	\$ 1,551.0	\$ 147.9
Capital Goods	4,139.6	233.8	1,266.8	74.6	2,872.8	308.4
Communications	2,819.6	202.6	904.4	58.0	1,915.2	260.6
Consumer Cyclical	1,366.1	50.6	592.1	28.6	774.0	79.2
Consumer Non-Cyclical	6,449.6	241.2	2,741.6	205.5	3,708.0	446.7
Energy	4,498.4	270.3	1,373.0	103.4	3,125.4	373.7
Financial Institutions	3,076.4	117.2	1,234.5	48.6	1,841.9	165.8
Mortgage/Asset-Backed	1,582.7	58.9	283.1	8.3	1,299.6	67.2
Sovereigns	983.7	157.9	70.4	4.8	913.3	162.7
Technology	1,554.6	(2.8)	870.0	35.8	684.6	33.0
Transportation	2,050.3	137.5	693.2	29.9	1,357.1	167.4
U.S. Government Agencies and Municipalities	4,238.6	415.0	529.5	15.3	3,709.1	430.3
Public Utilities	7,412.8	786.6	1,065.8	63.4	6,347.0	850.0
<b>Total</b>	<b>\$ 43,011.7</b>	<b>\$ 2,736.5</b>	<b>\$ 12,912.7</b>	<b>\$ 756.4</b>	<b>\$ 30,099.0</b>	<b>\$ 3,492.9</b>

**Gross Unrealized Loss on Fixed Maturity Securities by Length of Time in Unrealized Loss Position**

Category	Investment-Grade		Below-Investment-Grade	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
Less than 91 days	\$ 2,058.4	\$ 53.7	\$ 1,062.3	\$ 39.7
91 through 180 days	1,195.2	36.0	216.6	19.0
181 through 270 days	1,865.6	90.2	149.9	11.1
271 days to 1 year	3,358.8	200.0	484.2	52.8
Greater than 1 year	2,023.8	149.6	497.9	104.3
<b>Total</b>	<b>\$ 10,501.8</b>	<b>\$ 529.5</b>	<b>\$ 2,410.9</b>	<b>\$ 226.9</b>

## Appendix to Statistical Supplement

### 2018 Significant Items

- In October 2018, we acquired 100 percent of the shares and voting interests in Unum Poland, a financial protection benefits provider in Poland. This acquisition will expand our European presence, which we believe to be an attractive market for financial protection benefits. This acquisition, the results of which are included in our consolidated financial statements for the period subsequent to the date of acquisition, did not have a material impact on revenue, operating results, or sales during 2018.
- Third quarter of 2018 reserve increase of \$750.8 million before tax and \$593.1 million after tax related to long-term care.
- In January 2016, the Financial Accounting Standards Board (FASB) issued an update that changed the accounting and disclosure requirements for certain financial instruments. These changes include a requirement to measure equity investments, other than those that result in consolidation or are accounted for under the equity method, at fair value through net income unless the investment qualifies for certain practicability exceptions. In addition, the update clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale fixed maturity securities. We adopted this update effective January 1, 2018 using a modified retrospective approach through a cumulative-effect adjustment as of January 1, 2018 which resulted in a decrease to accumulated other comprehensive income (AOCI) of \$17.5 million, an increase to retained earnings of \$14.5 million, a decrease to other long-term investments of \$3.8 million, and a decrease to deferred income tax liability of \$0.8 million.

### 2017 Significant Items

- Fourth quarter of 2017 unclaimed death benefit reserve increase of \$18.5 million for Unum US group life, \$8.1 million for Unum US voluntary life, and \$12.4 million for Colonial Life voluntary life, for a total reserve increase of \$39.0 million before tax and \$25.4 million after tax.
- Fourth quarter of 2017 net tax benefit of \$31.5 million resulting from H.R.1, An Act to Provide Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018, more commonly known as the Tax Cuts and Jobs Act (TCJA) enacted on December 22, 2017. This is comprised of a tax benefit of \$97.9 million related to the revaluation of our net deferred tax liabilities associated with our U.S. operations to the newly enacted U.S. corporate tax rate and a tax expense of \$66.4 million resulting from the tax on undistributed and previously untaxed foreign earnings and profits.
- Fourth quarter of 2017 results for the Unum US individual disability product line reflects a reserve release of \$19.5 million before tax and \$12.7 million after tax, resulting from our annual review of reserve adequacy which reflects the recognition of updated morbidity assumptions in our disabled life reserves.
- First quarter of 2017 loss from a guaranty fund assessment of \$20.6 million before tax and \$13.4 million after tax.

### 2016 Significant Item

- In August 2016, we acquired 100 percent of the shares and voting interests in H&J Capital, L.L.C., parent of Starmount Life Insurance Company and AlwaysCare Benefits (which collectively we refer to as Starmount) for a total cash purchase price of \$140.3 million, plus contingent cash consideration of \$10.0 million. Starmount Life Insurance Company is an independent provider of dental and vision insurance in the U.S. workplace, and AlwaysCare Benefits is a nationally licensed, third-party administrator. Starmount's dental and vision products and new dental and vision products marketed by Unum US are reported in our Unum US segment within our supplemental and voluntary product lines. Colonial Life dental and vision products were introduced in 2018 and are reported in our accident, sickness and disability product line. This acquisition, the results of which are included in our consolidated financial statements for the period subsequent to the date of acquisition, did not have a material impact on revenue, operating results, or sales during 2016.

## Appendix to Statistical Supplement - Continued

### Non-GAAP Financial Measures

We analyze our performance using non-GAAP financial measures which exclude or include amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. We believe the following non-GAAP financial measures are better performance measures and better indicators of the revenue and profitability and underlying trends in our business:

- Consolidated adjusted operating revenue, which excludes realized investment gains or losses;
- After-tax adjusted operating income or loss, which excludes realized investment gains or losses, and certain other items, as applicable;
- Adjusted operating return on equity, which is calculated using after-tax adjusted operating income or loss and excludes from equity the unrealized gain or loss on securities and net gain on hedges;
- Leverage ratio, which excludes the unrealized gain or loss on securities and net gain on hedges, and the non-recourse debt and associated capital of Northwind Holdings, LLC;
- Book value per common share, which is calculated excluding AOCI; and
- Benefit ratio for our Unum US individual disability product, adjusted for the reserve release in the fourth quarter of 2017.

Realized investment gains or losses and unrealized gains or losses on securities and net gains on hedges depend on market conditions and do not necessarily relate to decisions regarding the underlying business of our Company. Leverage ratio and book value per common share excluding certain components of AOCI, certain of which tend to fluctuate depending on market conditions and general economic trends, are important measures. We also exclude certain other items from our discussion of financial ratios and metrics in order to enhance the understanding and comparability of our operational performance and the underlying fundamentals. We exclude these items as we believe them to be infrequent or unusual in nature, but this exclusion is not an indication that similar items may not recur and does not replace the comparable GAAP measures in the determination of overall profitability.

Information reconciling the Company's outlook on after-tax adjusted operating income growth per share to the comparable GAAP financial measure is not provided. The only amounts excluded from after-tax adjusted operating income are those described in this Appendix to Statistical Supplement. The Company is unable to predict with reasonable certainty realized investment gains and losses, which are affected by overall market conditions and also by factors such as an economic or political change in the country of the issuer, a regulatory change pertaining to the issuer's industry, a significant improvement or deterioration in the cash flows of the issuer, unforeseen accounting irregularities or fraud committed by an issuer, movement in credit spreads, ratings upgrades or downgrades, a change in the issuer's marketplace or business prospects, or any other event that significantly affects the issuers of the fixed maturity securities which the Company holds in its investment portfolio. For a reconciliation of the most directly comparable GAAP measures to these non-GAAP financial measures, refer to the "Reconciliation of Non-GAAP Financial Measures" beginning on page 16.2, other than book value per common share, which is presented on page 2.

**Reconciliation of Non-GAAP Financial Measures**

	Three Months Ended									
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31	
	2018				2017				2016	
<b>Total Revenue</b>	\$ 2,880.8	\$ 2,927.8	\$ 2,890.3	\$ 2,899.6	\$ 2,839.2	\$ 2,819.1	\$ 2,822.0	\$ 2,806.5	\$ 2,796.5	
Excluding:										
Net Realized Investment Gain (Loss)	(41.4)	6.7	(2.6)	(2.2)	11.4	9.8	8.1	11.0	28.4	
<b>Adjusted Operating Revenue</b>	<u>\$ 2,922.2</u>	<u>\$ 2,921.1</u>	<u>\$ 2,892.9</u>	<u>\$ 2,901.8</u>	<u>\$ 2,827.8</u>	<u>\$ 2,809.3</u>	<u>\$ 2,813.9</u>	<u>\$ 2,795.5</u>	<u>\$ 2,768.1</u>	

**Reconciliation of Non-GAAP Financial Measures - Continued**

	After-Tax Adjusted Operating Income (Loss)	Average Allocated Equity <sup>(1)</sup>	Adjusted Operating Return on Equity
<b>Year Ended December 31, 2018</b>			
Unum US	\$ 803.4	\$ 4,368.2	18.4%
Unum International	93.1	694.4	13.4%
Colonial Life	265.1	1,475.6	18.0%
Core Operating Segments	1,161.6	6,538.2	17.8%
Closed Block	117.0	3,512.5	
Corporate	(133.6)	(1,359.1)	
<b>Total</b>	<b>\$ 1,145.0</b>	<b>\$ 8,691.6</b>	<b>13.2%</b>
<b>Year Ended December 31, 2017</b>			
Unum US	\$ 656.2	\$ 4,130.2	15.9%
Unum International	92.1	607.3	15.2%
Colonial Life	211.2	1,308.1	16.2%
Core Operating Segments	959.5	6,045.6	15.9%
Closed Block	86.4	3,290.1	
Corporate	(69.7)	(893.3)	
<b>Total</b>	<b>\$ 976.2</b>	<b>\$ 8,442.4</b>	<b>11.6%</b>
<b>Year Ended December 31, 2016</b>			
Unum US	\$ 598.3	\$ 3,992.2	15.0%
Unum International	113.8	610.6	18.6%
Colonial Life	204.9	1,173.9	17.4%
Core Operating Segments	917.0	5,776.7	15.9%
Closed Block	87.0	3,055.1	
Corporate	(88.4)	(691.0)	
<b>Total</b>	<b>\$ 915.6</b>	<b>\$ 8,140.8</b>	<b>11.2%</b>

<sup>(1)</sup> Excludes unrealized gain (loss) on securities and net gain on hedges and is calculated using the stockholders' equity balances presented on page 16.4. Due to the implementation of a Financial Accounting Standards Board update for which the beginning balance of 2018 for certain stockholders' equity line items were adjusted, we are computing the average allocated equity for 2018 using internally allocated equity that reflects the adjusted beginning balance at January 1, 2018. As a result, average equity for the year ended December 31, 2018 for certain of our segments will not compute using the historical allocated equity at December 31, 2017.

**Reconciliation of Non-GAAP Financial Measures - Continued**

	After-Tax Adjusted Operating Income (Loss)	Average Allocated Equity <sup>(1)</sup>	Annualized Adjusted Operating Return on Equity
<b>Three Months Ended December 31, 2018</b>			
Unum US	\$ 197.3	\$ 4,424.7	17.8%
Unum International	25.5	683.8	14.9%
Colonial Life	67.6	1,530.4	17.7%
Core Operating Segments	290.4	6,638.9	17.5%
Closed Block	28.1	3,371.8	
Corporate	(36.8)	(1,364.3)	
<b>Total</b>	<u>\$ 281.7</u>	<u>\$ 8,646.4</u>	13.0%
<b>Three Months Ended December 31, 2017</b>			
Unum US	\$ 170.8	\$ 4,076.6	16.8%
Unum International	24.6	636.9	15.5%
Colonial Life	50.9	1,322.8	15.4%
Core Operating Segments	246.3	6,036.3	16.3%
Closed Block	23.4	3,352.5	
Corporate	(16.1)	(746.1)	
<b>Total</b>	<u>\$ 253.6</u>	<u>\$ 8,642.7</u>	11.7%

<sup>(1)</sup>Excludes unrealized gain (loss) on securities and net gain on hedges and is calculated using the stockholders' equity balances presented below.

Average allocated equity is computed as follows:

	12/31/2018	9/30/2018	12/31/2017	9/30/2017	12/31/2016	12/31/2015
<b>Total Stockholders' Equity</b>	\$ 8,621.8	\$ 8,518.2	\$ 9,574.9	\$ 9,448.6	\$ 8,968.0	\$ 8,663.9
Excluding:						
Net Unrealized Gain (Loss) on Securities	(312.4)	(340.7)	607.8	557.4	440.6	204.3
Net Gain on Hedges	250.6	250.0	282.3	290.7	327.5	378.0
<b>Total Adjusted Stockholders' Equity</b>	<u>\$ 8,683.6</u>	<u>\$ 8,608.9</u>	<u>\$ 8,684.8</u>	<u>\$ 8,600.5</u>	<u>\$ 8,199.9</u>	<u>\$ 8,081.6</u>
	Twelve Months Ended	Three Months Ended	Twelve Months Ended	Three Months Ended	Twelve Months Ended	
	12/31/2018		12/31/2017		12/31/2016	
Average Adjusted Stockholders' Equity	\$ 8,691.6	\$ 8,646.4	\$ 8,442.4	\$ 8,642.7	\$ 8,140.8	



**Reconciliation of Non-GAAP Financial Measures - Continued**

	Three Months Ended December 31			
	2018		2017	
	(in millions)	per share*	(in millions)	per share*
<b>Net Income</b>	\$ 249.1	\$ 1.15	\$ 266.9	\$ 1.19
Excluding:				
Net Realized Investment Gain (Loss) (net of tax expense (benefit) of \$(8.8); \$4.2)	(32.6)	(0.15)	7.2	0.03
Unclaimed Death Benefits Reserve Increase (net of tax benefit of \$-; \$13.6)	—	—	(25.4)	(0.11)
Net Tax Benefit from Impacts of TCJA	—	—	31.5	0.14
<b>After-tax Adjusted Operating Income</b>	<u>\$ 281.7</u>	<u>\$ 1.30</u>	<u>\$ 253.6</u>	<u>\$ 1.13</u>

	Year Ended December 31					
	2018		2017		2016	
	(in millions)	per share *	(in millions)	per share *	(in millions)	per share *
<b>Net Income</b>	\$ 523.4	\$ 2.38	\$ 994.2	\$ 4.37	\$ 931.4	\$ 3.95
Excluding:						
Net Realized Investment Gain (Loss) (net of tax expense (benefit) of \$(11.0); \$15.0; \$8.4)	(28.5)	(0.12)	25.3	0.11	15.8	0.07
Loss from Guaranty Fund Assessment (net of tax benefit of \$-; \$7.2; \$-)	—	—	(13.4)	(0.06)	—	—
Unclaimed Death Benefits Reserve Increase (net of tax benefit of \$-; \$13.6; \$-)	—	—	(25.4)	(0.11)	—	—
Net Tax Benefit from Impacts of TCJA	—	—	31.5	0.14	—	—
Long-term Care Reserve Increase (net of tax benefit of \$157.7; \$-; \$-)	(593.1)	(2.70)	—	—	—	—
<b>After-tax Adjusted Operating Income</b>	<u>1,145.0</u>	<u>5.20</u>	<u>976.2</u>	<u>4.29</u>	<u>915.6</u>	<u>3.88</u>
Excluding:						
Unum US Individual Disability Reserve Release (net of tax expense of \$-; \$6.8; \$-)	—	—	12.7	0.05	—	—
<b>After-tax Adjusted Operating Income, Excluding Unum US Individual Disability Reserve Release</b>	<u>\$ 1,145.0</u>	<u>\$ 5.20</u>	<u>\$ 963.5</u>	<u>\$ 4.24</u>	<u>\$ 915.6</u>	<u>\$ 3.88</u>

\*Assuming Dilution.

**Reconciliation of Non-GAAP Financial Measures - Continued**

	December 31		
	2018	2017	2016
<b>Debt</b>	\$ 2,971.3	\$ 2,938.3	\$ 2,999.4
Excluding:			
Non-recourse Debt	137.1	196.0	255.0
<b>Adjusted Debt</b>	<u>\$ 2,834.2</u>	<u>\$ 2,742.3</u>	<u>\$ 2,744.4</u>
<b>Total Stockholders' Equity</b>	\$ 8,621.8	\$ 9,574.9	\$ 8,968.0
Excluding:			
Net Unrealized Gain (Loss) on Securities and Net Gain on Hedges	(61.8)	890.1	768.1
Northwind Capital	953.1	912.2	862.6
Equity, As Adjusted	7,730.5	7,772.6	7,337.3
Debt, As Adjusted	2,834.2	2,742.3	2,744.4
<b>Total Adjusted Capital</b>	<u>\$ 10,564.7</u>	<u>\$ 10,514.9</u>	<u>\$ 10,081.7</u>
<b>Leverage Ratio</b>	26.8%	26.1%	27.2%

	Unum US Individual Disability Benefit Ratio	
	Benefit Ratio	Benefit Ratio
<b>Three Months Ended December 31, 2017</b>		
Premium Income	\$ 102.1	
Benefits and Change in Reserves for Future Benefits	35.1	34.4%
Reserve Release	19.5	
Benefits and Change in Reserves for Future Benefits, Excluding Reserve Release	54.6	53.5%