



What trends affect insurance pricing?

Costs are going up for insurance companies across America. Why?

Reasons include historically low interest rates, an aging workforce, and a sharp increase in claims from some diseases and injuries. When costs go up, prices must often rise, too, so companies have the financial resources to pay claims.

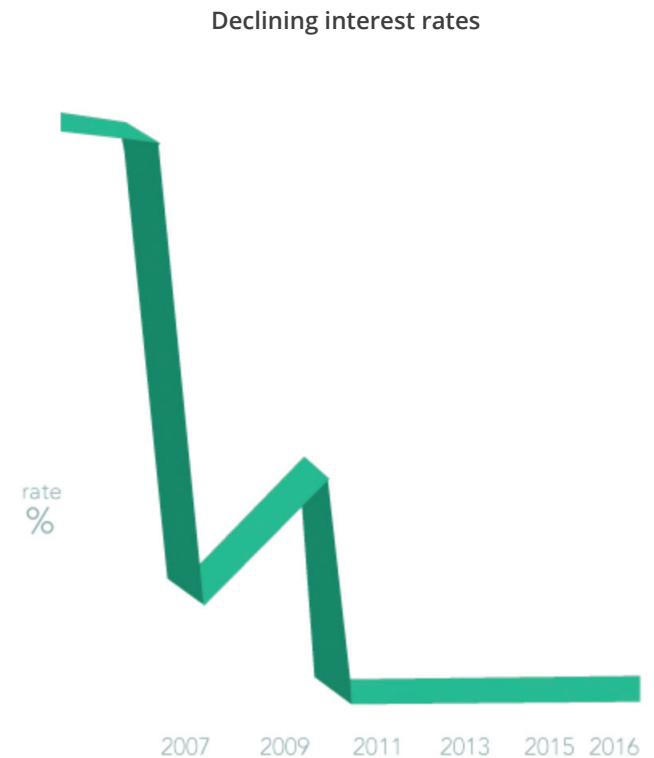
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Low interest rates

To make sure they have the resources to pay employee claims, insurance companies invest some of the benefit premiums they take in.

However, interest rates have been consistently low since the 2007 recession.

As the ability to generate interest income goes down, insurance companies across the nation face pressure to raise their premium prices on benefits such as Long Term Disability.



2

Aging U.S. workforce

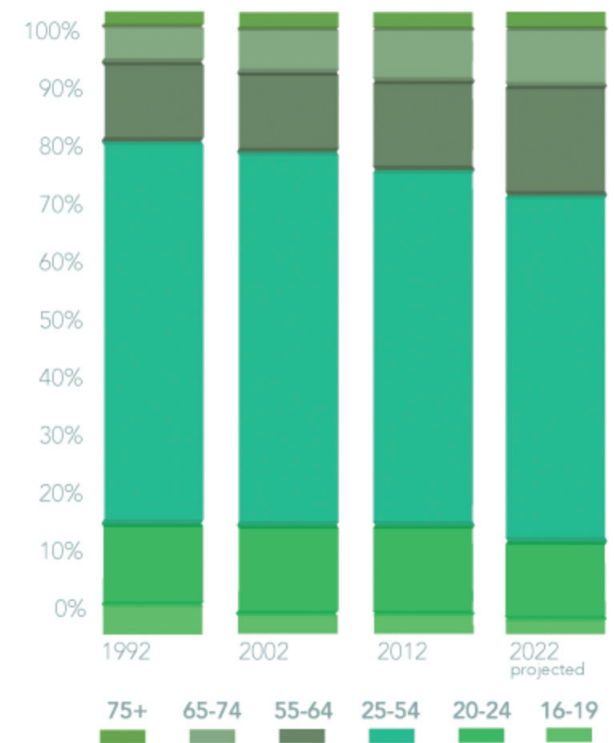
Two trends are increasing the average age of the American worker:

- Baby Boomers are working longer before retiring
- Younger generations are entering the workforce later, after they go to college

The older employees get, the more susceptible they are to illnesses such as heart disease, diabetes and cancer. As a result, they are more likely to file Life and Disability insurance claims.

Average age affects insurance prices across businesses of similar size, regardless of the actual range of a company's employees.

Age distribution of U.S. labor force

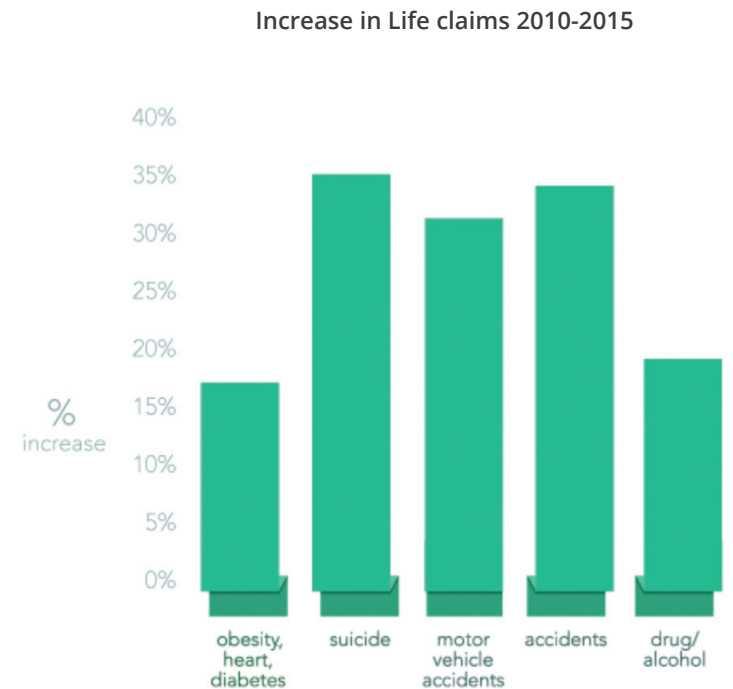


Source: U.S. Bureau of Labor Statistics

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Increase in claims resulting from certain health conditions and injuries

Over the last few years, we have seen significant increases in claims resulting from causes such as obesity, substance abuse, accidents and suicide. This alarming trend has increased claims costs for insurance companies across the nation.



Source: Unum internal data. Increase calculated by comparing claims from 2010-2012 period to 2013-2015 period.

The Unum difference

Transparency and communication

These three trends are affecting insurance prices across the nation. We strive for complete transparency in the way we communicate and price our benefits.

Strong financial responsibility

Our disciplined investment and pricing strategies keep our price increases small and our financial health strong. We have consistently maintained an A rating with the major credit rating agencies.



The partner you can trust

As an industry-leading insurance provider, we value your business and the trust you place in us to protect your employees. We look forward to another great year of partnership with you.

In 2015, we:

- Processed more than 563,000 new claims
- Paid \$5.8 billion in benefits¹

¹ Unum internal data, 2015.