SMITH GROUP
DISABILITY & REINSURANCE CONSULTANTS

May, 2012

Dear Smith Group Client:

We are pleased to provide the 1st Quarter 2012 Earnings Conference Call Summary for leading group LTD carriers.

This report is based on insurers' quarterly earnings releases. The data and information upon which this summary is based are readily available in the public domain. Sources include press releases, statistical supplements, SEC filings, and earnings conference calls. As a service to its reinsurance and consulting clients, Smith Group compiles this earnings information, analyzes group LTD statistics, and identifies notable trends.

This summary is not intended to make predictions about insurers or their results.

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Prudential Financial

Profit (not reported by business line):

Line of Business	1Q12 Profit ($000,000)	1Q11 Profit ($000,000)	1Q12 Loss Ratio	1Q11 Loss Ratio
Group Disability	NA	NA	104.6%	94.3%
Group Life	NA	NA	95.4%	92.3%

EP/Sales:

Line of Business	1Q12 EP ($000,000)	1Q11 Sales ($000,000)	1Q11 EP ($000,000)	1Q10 Sales ($000,000)
Disability	$352	$102	$301	$108
Life	$1,064	$211	$1,066	$392

Notable Statements

● In Group Disability, we have clear performance issues, and we are moving aggressively to address and correct them.

● Group Life has generally been performing reasonably well. Although we had an unfavorable underwriting result this quarter, we believe this is not an indication of fundamental deterioration in the business.

● The Group Insurance business reported a loss of $38 million in the current quarter compared to adjusted operating income of $39 million a year ago. Adverse fluctuation in Group Life claims experience, less favorable Group Disability underwriting results and higher expenses each contributed to the earnings decline.

● The current quarter group life benefits ratio of 95.4% represents our most unfavorable experience in the last five years and immediately follows the fourth quarter benefits ratio of 86%, our most favorable experience in the past five years. As a frame of reference, we regard group life benefits ratios of between 88% and 92% to be roughly the expected range. The unfavorable group life experience in the current quarter was mainly driven by larger average claim size in relation to our average historical experience.

● In Group Disability, we are continuing to see an elevated incidence of new claims, and the benefit to results from claim terminations was below the level of a year ago.

Analyst Questions

● I'd like to talk about the losses in disability, and hoping you can share with us kind of some sense of what is driving the higher loss results in the last couple of quarters, if it's frequency, severity, case or size? What's gone wrong in the underwriting there?

Response: Let me provide some overall context to the disability as well, and I'll talk little bit about life because I think they're very different issues. But over the past couple of years, the disability ratio has been moving up. But let me give you some context to previous years because the disability ratio was 86%, 87% and 89% in 2007, 2008 and 2009, respectively. In 2010, it jumped up to 95% and we started to look at it then. We thought that in part, it was due to the economy. By the beginning of 2011, this was clearly on people's radar screen. So by June of 2011, we had hired a consultant to review the pricing, the processes, the procedures, and in fact, we are raising pricing. So the first point want make is that we don't want people to think that we woke up yesterday and we were surprised by the benefit ratio, we've had our eye on this for a while. Now, we do think we can contribute part of this to the economy. That explanation is obviously getting a little bit long in the tooth. So, again as part of your question, we're continuing to experience some of the same issues we've described before, especially on the LTD side, which is higher severity, higher incidence and lower terminations. Regarding terminations, they are occurring for lower amounts resulting in smaller reserve releases. So what we've concluded is that we can't expect these results to self-correct totally on an improving economy. So we have been and remain in the process of re-pricing a book. Obviously, that won't happen overnight as cases have 2 to 3 year rate guarantees; it will take a while for the lump to move through the snake but we've been working on this for a while. In addition, we brought in Steve Pelletier, one of our most experienced managers, to run the business. And I think this says a lot about the seriousness with which we're taking the issue. So we've asked Steve to come in and re-examine everything, see if we've missed something. So I hope you take away from this part of the explanation of our current performance is that we recognize that we have an issue and that we're dealing with it.

● What kind of price increases would you expect to push through that block? And if you've already started them, what's been the reaction of the market to the price increases?

Response: Well, the price increases have been in the low-double digits on average. I mean, you have some that are less than that, some that have more than that. And I think from the market's perspective, I think you're seeing a lot of people increase prices, so I think this is par for the course.

Unum

Profit (Before FIT and net realized investment Gains/Losses):

Line of Business	1Q12 Profit ($000,000)	1Q11 Profit ($000,000)	1Q12 Benefit Ratio	1Q11 Benefit Ratio
Unum US	$205.9	$194.7	72.5%	72.1%
LTD/STD	$74.7	$73.8	84.9%	83.9%
Life & AD&D	$52.4	$51.6	72.0%	70.0%
US Supp & Vol	$78.8	$69.3	50.1%	51.4%
Unum Limited	$38.8	$48.9	72.4%	69.3%
Colonial	$69.7	$66.5	52.1%	51.4%

EP/Sales

Line of Business	1Q12 EP ($000,000)	1Q12 Sales ($000,000)	1Q11 EP ($000,000)	1Q11 Sales ($000,000)
Unum US	$513.2	$195.5	$508.0	$174.4
LTD	$395.5	$35.8	$397.0	$29.5
STD	$117.1	$13.4	$111.0	$14.0
Life	$293.6	$33.0	$273.4	$30.8
AD&D	$28.3	$2.9	$27.1	$2.5
Voluntary/Supp	$276.9	$109.2	$260.3	$96.2
Unum UK	$170.7	$30.8	$167.1	$17.6
LTD	$101.9	$11.2	$103.4	$8.2
Life	$52.7	$18.0	$47.6	$6.8
Other	$16.1	$1.6	$16.1	$2.6
Colonial	$296.3	$71.1	$280.4	$70.6
Acc/Sick/Dis	$180.2	$46.5	$172.3	$47.2
Life	$51.7	$13.8	$46.2	$13.3
Cancer & CI	$64.4	$10.8	$61.9	$10.1

Notable Statements

Unum U.S.

● The group disability benefit ratio increased to 84.9% from 83.9% in the year-ago period, due primarily to unfavorable risk experience in the STD line of business and the impact of the new claim discount rate adjustment that we made during the third quarter last year.

● Within the group life and AD&D line, operating income increased 1.6% to $52.4 million in the first quarter, benefiting from an increase of 7.1% in premium income, which offset an increase in the benefit ratio to 72% from 70% last year. The increase in the benefit ratio was due to higher incidence rates.

● In the Supplemental and Voluntary line, first quarter income increased 13.7% to $78.8 million. The year-over-year improvement was driven primarily by solid growth in premium income and favorable risk experienced in each of these product lines.

● Submitted new claims incidence trends for long-term disability were slightly higher, but paid incidence trends were actually slightly lower. Claim recovery trends continued their favorable performance over the past several quarters. These trends were offset slightly this quarter by weaker results in our STD claim experience, as we experienced higher paid incidence rates and higher average weekly indemnities. We've already begun taking action which we believe will firm up the result in short-term disability, and we don't expect to see this trending through to our LTD results.

● Additionally, the new claim discount rate adjustments we made in the third quarter last year negatively impacts the benefit ratio by approximately 65 basis points. We made no

additional changes in new claim discount rate this quarter, and the interest reserve margin remains stable at a spread of 97 basis points.

● For the group life and AD&D line, the earnings contribution this quarter remains stable at $52.4 million, up 2% from a year ago. Premiums grew by 7% this quarter due to the recent improvement in sales trends, as well as higher premium persistency. The benefit ratio at 72% was higher than we've seen in previous quarters, primarily due to higher incidence in group life.

● Sales at Unum US continued the strong trend we've seen for the past few quarters, with total sales for the first quarter increasing 12%. For the group disability and group life and AD&D combined, sales increased 11%, with sales in the under-2,000-life core market increasing 11.5% and comprising just under 70% of the sales mix. Voluntary benefit sales were also strong, increasing almost 16% for the quarter, with positive contributions across all product lines and market segments.

Unum UK

● Operating income in this segment declined to GBP 24.7 million from GBP 30.4 million in the year-ago quarter. The benefit ratio increased to 72.4% from 69.3% in year-ago quarter, while premium income in local currency increased by 4.2%.

● We also continue to see better pricing trends in the U.K. market. And as a result, new sales activity has rebounded strongly against relatively low sales volumes from a year ago. In addition, persistency is firming up for the Group Long-term Disability line at 86% compared to 83.5% last year, as price is absorbed into the market.

Colonial

● Colonial Life reported an increase in operating income of 4.8% this quarter to $69.7 million, driven by premium growth of 5.7%, which offset a slight increase in the benefit ratio to 52.1% from 51.4% a year ago.

● New sales in Colonial Life were relatively flat, with new accounts increasing 3% but a smaller average case size impacting the total new account sales volume.

Analyst Questions

● The commentary in the release was pretty positive around the competitive environment in group disability, and you talked about some pickup from employment and wage increases. So I wanted to see if you could expand on the competitive environment. And in the past, you've talked about premium growth from sort of natural growth from expanding wages and payrolls. So wanted to see how much of this you think you're capturing today.

Response: I would say that, generally speaking, a number of companies over the last year have announced in one way or another, either price increases or renewal programs. I think we've seen some uptick in premium per life across the industry, which is a good solid trend but there are always a few competitors where that's not the case. In general, we've seen fairly stable pricing, especially in the smaller case end of the marketplace through the end of last year and into the first quarter of this year. In terms of a 4% of earned premium growth overall in Unum US, very little of it is from natural growth. I think there are encouraging signs in the economy, other than maybe this morning's payroll and unemployment report. But in general, I think the signs have been encouraging. But that only accounts for sort of less than 0.5% of the overall growth. The primary driver of growth was solid sales here in 2011 and really solid persistency levels.

● Rick made an opening remark suggesting that the STD incidence shouldn't travel over to LTD. What gives you that confidence?

Response: A couple of things. We track something that we call the flow-through rate, the rate at which STD claims become LTD claims. That's not moving at all. In fact, if anything, it's slightly declining. Secondly, duration days, the length of time that STD claim would stay on-claim, it has been incredibly stable over a long, long period of time. So when I take a look at what's going on in STD, I think again we've got an uptick in incidence. We're addressing that with pricing actions, and we don't see any flow-through to LTD.

● I was also wondering, a competitor mentioned this, and I was wondering if you had seen this. Social security administration delays, maybe a lengthening in the time it takes for a decision. Have you seen this and if so, how does that affect you?

Response: With respect to social security, there's been a trend of higher rates of approvals by Social Security over the last several years, and that's reflected in our strong offset performance. We haven't seen really anything with respect to generally delays in awards and the recognition of those awards. And in any event, from a pricing and reserving standpoint, we plan for that anyway. So even the awards were delayed, they would be awarded retroactively. And as long as that occurred according to our pricing assumptions, it would make no impact at all on our financials.

● I wanted to hit on STD again. I guess I haven't heard in all these questions if there was an explanation of kind of what the dynamic was with the higher claims there. And then also I was curious beyond raising pricing if there is any action you're taking on the claim side to try and mitigate whatever the trend there is?

Response: What we've seen is a general creep in incidence and prevalence in STD over the last several years. So it was a little bit more visible this quarter. As I said, the length of STD claims hasn't changed at all. Flow-through to LTD has not occurred. And so I guess what I would conclude from that is that it's maybe a higher volume of very short-term, STD claims. Those type make it somewhat harder to manage, because we're not trying to manage recoveries. A lot of times, we get short-term disability claims that are so

short that by the time we find out about them, the person is already back to work. That said, we are taking a look at whether or not we can do something around the very, very front end of short-term disability claims to monitor the incoming to see whether we can get our arms around whether or not there's anything we can do about that. At the same time, I think the more practical answer is we just need to raise prices to reflect the incidence and prevalence level we're seeing.

Standard Financial Group

Profit (Operating income, pre-tax, excluding after-tax realized investment gains or losses):

Line of Business	1Q12 Profit ($000,000)	1Q11 Profit ($000,000)	1Q12 Ben Ratio	1Q11 Ben Ratio
Insurance Services	46.1	46.0	81.0	82.1

EP/Sales

Line of Business	1Q12EP ($000,000)	1Q12 Sales ($000,000)	1Q11 EP ($000,000)	1Q11 Sales ($000,000)
LTD	$204.2	$48.6	$200.1	$50.2
STD	$53.8	$15.0	$51.4	$22.3
Life & AD&D	$224.9	$57.5	$221.6	$77.4
Other	$19.9	$7.7	$19.8	$10.4
ERR	$4.1	---	($4.5)	---
Total EB	$506.9	$128.8	$488.4	$160.3

Notable Statements

● For the first quarter of 2012, our discount rate used for newly established long-term disability claim reserves remained at 4.75%. This represents a 75 basis point decrease from the first quarter of 2011 due to the continued low interest rate environment. A 75 basis point decrease in the discount rate results in a decrease in quarterly pre-tax income of $4.8 million, using a common discount rate, the benefit ratio for this quarter improved by 170 basis points compared to the first quarter of 2011.

● While incidence levels remain high, they continue to show a steady decline. We continue to see a correlation between the rate of job losses for our customers and the level of claims incidence. Overall, employment levels within our customer base declined about 1% this quarter compared to the first quarter of last year. This was an improvement from the 2% decrease for the fourth quarter of 2011 when compared to the fourth quarter of 2010.

● Despite the pressure that declining employment and low wage growth have on organic growth, we grew premiums in our group insurance business by 3.8%. We continue to make progress with the implementation of our pricing actions related to higher claims incidence that began in 2011.

● We are only through about one-third of our customers following the January renewal season, and we are getting good acceptance on our rate increases. We anticipate being through about 75% of our customers after the January 2013 renewal season. Our sales force is communicating and selling our unique value proposition while the rest of our employees are delivering the quality service on which we have based our reputation in the employee benefits marketplace.

Analyst questions

●It was interesting because you're raising prices, high single digits in disability, but where you saw the sales impact was on group life and maybe could you talk about what you are exactly seeing in the market in terms of group life pricing generally?

Response: There are some details I'll share here on our Life and LTD sales. I think we saw a competitive marketplace and we were increasing prices for the quarter. I think we are pleased with the rates that we wrote business. It's important to remember that many of the investments that we've made here at StanCorp over the last few years have played well on the private sector and we continue to see stronger sales in the private sector versus the public sector.

Some of those are around our return to work platform called workplace possibilities and that was significant in a larger LTD sale that we saw in the quarter. Life sales were down $20 million due to the absence of a few large life cases that we did sell a year ago in the quarter. We actually saw a modest increase in life sales in our smallest case segment.

When we think about what happened with the increasing prices in LTD and the LTD sales results for the quarter, one of the things to keep in mind is that we saw sales down in nearly every segment for LTD in the quarter with the exception of a couple of larger LTD sales in the quarter that sort of masked an overall decline in LTD sales.

So I think that's trying to get to your question there about what's going on. I would tell you that what we're seeing from competition in the marketplace is we do hear other competitors talking about prices firming. We don't disagree with that but I also tell you that it doesn't happen on every case from every competitor.

Aetna

Profit (Operating income, pre-tax, excluding after-tax realized investment gains or losses):

Line of Business	1Q12 Profit ($000,000)	1Q11 Profit ($000,000)
Group Insurance (Life, Disability, LTC)	$40.9	$42.9

EP

Line of Business	1Q12 Earned Premium	1Q11 Earned Premium

	($000,000)	($000,000)
Group Insurance	$532.0	$504.4

● Group Insurance benefit ratio was 90.1% versus 89.7% a year earlier

Principal Financial Group

Profit (Operating income, post-tax, excluding after-tax realized investment gains or losses):

Line of Business	1Q12 Profit ($000,000)	1Q11 Profit ($000,000)	1Q12 Loss Ratio	1Q11 Loss Ratio
Specialty Benefits	$18.5	$22.5	68.6%	69.1%
Group Disability	---	---	72.7%	71.8%
Group Life	---	---	58.6%	65.3%

*Life & Health Division includes Individual Life, Health Insurance and Specialty Benefits

Line of Business	1Q12EP ($000,000)	1Q12 Sales ($000,000)	1Q11 EP ($000,000)	1Q11 Sales ($000,000)
Disability	$69.3	$18.9	$68.3	$23.9
Life	$80.9	$15.3	$80.1	$23.3

Notable Statements

● Turning to Specialty Benefits, first quarter operating earnings were $19 million, down $4 million from a year-ago quarter, primarily due to stronger-than-normal investment performance in 2011. The decline in sequential earnings was due to normal seasonality and dental claims. We continue to experience stable loss ratios.

Cigna

Profit (Income from continuing operations, excluding realized investment gains/losses, after taxes):

Line of Business	1Q12 Profit ($000,000)	1Q11 Profit ($000,000)
Group Disability & Life	$65	$82

EP

Line of Business	1Q12 EP ($000,000)	1Q11 EP ($000,000)
Disability	$339	$313
Life	$335	$309

Notable Statements

● In our Group Disability and Life business, our revenue growth of 8% was in line with our expectations and we continue to see good client interest in our programs that focus on productivity.

● In our Group, Disability and Life segment, premiums and fees increased 8% over the first quarter 2011. First quarter earnings in the Group business were $65 million. We continue to deliver value for our clients and customers through our market-leading disability and productivity management programs

● Regarding the Group Disability and Life business, we continue to expect full year 2012 earnings in the range of $260 million and $280 million.

Assurant

Profit (Net operating income after tax, before net realized gains and losses and the after tax effect of one time events.):

Line of Business	1Q12 Profit ($000)	1Q11 Profit ($0000)	1Q12 Loss Ratio	1Q11 Loss Ratio
Employee Benefits* (includes DRMS)	$9,064	$6,440	72.9%	75.4%

* Employee benefits includes dental, disability & life

EP/Sales

Line of Business	1Q12 EP ($000)	1Q12 Sales ($000)	1Q11 EP ($000)	1Q11 Sales ($000)
LTD & STD	$107,860	$16,249	$114,406	$14,064
Life	$48,838	$12,722	$47,814	$12,111

Notable Statements

● Small employers, the primary customers of Assurant Employee Benefits, continue to face challenging economic times. We are further tailoring our business model to focus more sharply on voluntary products, which are increasingly important to our customers and their employees. We believe our specialized voluntary enrollment and customer service capabilities already give us a competitive advantage in the small employer market. We are investing in tools and technology to expand this advantage.

● At Assurant Employee Benefits, net operating income improved, primarily due to better life insurance mortality experience. Disability incidence rates improved slightly from the elevated levels we saw in the fourth quarter, but recovery experience remains challenging. We continue to see significant lengthening of the Social Security decision-making process for disability claim adjudication, which negatively impacts our results.

Analyst questions

● I'm interested in the comment with regards to the Social Security adjudication, I'm very interested in that. A while ago, I guess, The New York Times had an article about some guy in Kentucky who never saw a disability case that he didn't like?

Response: Yeah. I think there could be lots of reasons. I think what we can observe, Steven, is just that it's taking Social Security a longer time to come to decisions. And whether that's because they're taking a different approach or just sheer volume of applications or whatever, the fact is, the way reserves and disability – at least, our disability reserves, as we sort of assume the longer time it takes, the lower the probability that a claimant is going to get Social Security. So, if they get Social Security, of course, that offsets our liability. So the fact that these things are taking longer, what is hard to tell because you just need so much data to be credible in disability, is whether we're going to change the ultimate answer. In other words, is it just a timing difference? Or is sort of the rate at which Social Security approves going to change? And it's going to take more time to see that. But in the meantime, that longer timeframe actually feeds into our reserves a little bit. So that's the impact that we mentioned.

MetLife

Profit (Operating Earnings after tax, before after-tax investment gains/losses):

Line of Business	1Q12Profit ($000,000)	1Q11 Profit ($000,000)	1Q12 Loss Ratio	1Q11 Loss Ratio
Non-Medical	$167	$154	86.7%	$87.7
Group Life	$160	$179	89.1%	88.2%

EP

Line of Business	1Q12 EP ($000,000)	1Q11 EP ($000,000)
Non-Medical	$1,500	$1,476
Group Life	$1,820	$1,765

Beginning with 4Q09, Met started reporting disability results lumped in with other non-medical coverages (Dental, LTC)

Notable Statements

● The nonmedical health total benefit ratio for the quarter was 86.7%, 100 basis point improvement versus 87.7% in the first quarter of 2011. Results in dental were solid, reflecting favorable trend and utilization. And disability results were encouraging as the LTD incidence rate improved versus the prior year quarter and actually came in better than expected. However, I should point out recoveries continue to be weak.

Hartford

Profit (Pre-Tax and DAC)

Line of Business	1Q12	1Q11

	($000,000)	($000,000)
Group Benefits (Disability, Life, Other)	$5	$19

EP/Sales

Line of Business	1Q12 EP ($000,000)	1Q12 Sales ($000,000)	1Q11 EP ($000,000)	1Q11 Sales $(000,000)
Group Disability	$428	$86	$462	$109
Group Life	$476	$135	$516	$128

● In Group Benefits, we achieved good rate increases on the first quarter renewals, but earnings are well below the segment's potential. The incidence and termination trends we are seeing are consistent with our competitors and largely due to the high unemployment rate, but we need to do better. With the new Group Benefits management in place, we have initiatives underway in sales, pricing, underwriting and claims. It will take time before the financial benefit of this work falls to the bottom line, particularly on pricing, given the three year contract terms in this business. Nevertheless, we like the mortality and morbidity underwriting margins of this business, as well as its long-term growth and return prospects. We have a strong franchise with a top-tier market position and excellent sales and distribution capabilities. With the success of our initiatives and some lift from an improving economy and unemployment trends, we believe that Group Benefits will once again achieve sustained superior returns.

● Core earnings of $5 million remain well below our expectations. The loss ratio of 83% reflected elevated disability incidence and the lack of improvement in termination trends. We're addressing these disappointing results in two ways. First, we continue to take rate actions on accounts that are not meeting profitability targets. As Liam mentioned, it will take some time to get the profitability of the book to targeted levels, given the multiyear nature of the rate guarantees. Second, we are reviewing all operational processes to identify ways to improve profitability. We recently appointed a new leader for this segment, Mike Concannon. Mike's property and casualty background brings a fresh perspective for potential improvement opportunities in many operational areas, like underwriting, pricing and claims management.

Analyst questions

● The group guidance had been for a benefits ratio of around 77%, 80%. Of course, you came in at about 83%, and I know the pricing takes time. So what should we be thinking about in terms of the guidance going forward?

Response: There are macroeconomic headwinds across that business but we are encouraged, and I think there are some reasons for optimism across our Group Benefit business as we work our way through Q1 into Q2. Clearly, our incidence levels look like they're flattening. We look like we, on the long-term side, have some flattening signals over the past five quarters. In the short-term area, it looks like we've got some

improvement on our incidence trends, so that's a positive. Clearly, as we've talked in the past, our terminations are down and running lower than our historical run rates. We are working all the levers available to us. We have additional disclosure for the quarter in there. We achieved four points of rate increase, which is why we were slightly down in retention, but I think that's a good trade. And our overall price improvement in the book for the first quarter was about 10%. So, I feel like we're making significant strides toward improving our margin, and overall, I'm also encouraged by what I would say is an improving pricing climate in disability.

Lincoln Financial

Profit (Post tax)

Line of Business	1Q12 Profit ($000,000)	1Q11 Profit ($000,000)	1Q12 Loss Ratio	1Q11 Loss Ratio
Group Protection	$16.1	$24.1	74.9%	74.1%
Group Disability	$14.0	$16.5	70.1%	70.1%
Group Life	$2.4	$8.1	78.2%	75.9%

EP/Sales

Line of Business	1Q12 EP ($000,000)	1Q12 Sales ($000,000)	1Q11 EP ($000,000)	1Q11 Sales ($000,000)
Group Protection	$463	$66.6	$436.6	$45.4
Group Disability	$198.8	$28.2	$186.2	$18.0
Group Life	$185.9	$28.2	$170.4	$17.4

Notable Statements

● In Group Protection, first quarter sales of $67 million increased by 47% from soft results in the year-ago quarter. Sales strength is broad-based and helped by an increase in voluntary sale, which is our strategic direction. Looking ahead, our distribution strength, our competitive product suite and continuing strong proposal activity position us well to capitalize on opportunities in the group marketplace in the near and long-term.

● Group Protection business delivered a strong quarter of top line growth as premiums grew 6%. Elevated mortality caused a roughly one percentage point increase in the loss ratio relative to the first quarter of 2011. This pushed the loss ratio just outside the high-end of our expected range of 71% to 74%. We have analyzed this quarter's mortality experience and see this quarter as nothing other than one of those mortality blips that will occur from time to time. On the disability side, incidence has returned to our long-term expectations. I see this as a positive as we look forward, although as long as the economy stays muted, I will retain a note of caution on my positive outlook.

Analyst questions

● Regarding the disability business, you've had decent results whereas others have continued to struggle or are actually seeing some deterioration in their business. I'm wondering if you could talk a little bit about that. And then just generally speaking, in the group business overall, you had really good sales growth and was wondering how you reconcile that with the fact that all your competitors are talking about very soft pricing conditions?

Response: Let me just come back to sales. I said they were up strong, off a soft quarter. But having said that, they were broad-based. So sales by industry classifications remains stable. We've seen solid growth across all case sizes. Our proposal activity remains strong. Back to pricing, just a little bit on pricing. Last quarter, we got into detailed comments which kind of hurt our sales efforts because it was a competitive situation. So we're not going to speak to specific price changes in the marketplace anymore. But what I will tell you is that we are getting our ROEs from new business in 12%-plus range with the business that we're selling. Randy, you may want to expand on that.

What I hear from competitors, the few calls that I listen to and discussions I've had, is that a lot of people see a market that is actually hardening. That's what I've heard from a number of competitors. So I haven't heard, necessarily, the softening comment that you made there at the end. It's the other way, actually. So, feel pretty good that the market is hardening, consistent with the actions we've taken over the last couple of years in this business. The disability business is a good, high-quality business. There are a number of things you have to think about when you're pricing a disability case. As I mentioned, we've seen incidence come down to our historical levels and very happy about that. But undoubtedly, we have to continue to be cautious and continue to be very disciplined in a business like this, which has some linkages to how the overall economy is performing.

Sun

Profit (Net income after tax):

Line of Business	1Q12 Profit ($000,000)	1Q11 Profit ($000,000)
Employee Benefits Group (U.S.)	$22	$44

EP/Sales

Line of Business	1Q12 EP ($000,000)	1Q12 Sales ($000,000)	1Q11 EP ($000,000)	1Q11 Sales ($000,000)
Employee Benefits Group (U.S.)	$528	$37	$538	$32

● Our U.S. operations are executing on schedule in expanding our voluntary benefits platform, with advances in recruiting, product development and back office support. Sales in our Employee Benefits Group grew by 15% over the prior year.

Summary

Company	Earnings	Sales	EP
Prudential	**Not reported by line of business**	**Dis: $102M (↓5.56%) Life: $211M (↓46.17%)**	**Dis: $352M (↑16.94%) Life: $1,064M (flat)**
Unum	**LTD/STD: $74.7(↑1.22%) Life/AD&D: $52.4M (↑1.55%) Limited: $38.8M (↓20.65%) Colonial: $69.7M (↑4.81%)**	**U.S Brokerage LTD:$35.8M(↑21.36%) STD: $13.4M(↓4.29%) Life: $33.0M(↑7.14%) AD&D: $2.9M(↑16%) Vol:$109.2M(↑13.51%) Unum Limited LTD: $11.2M(↑36.59%) Life: $18.0M(↑164.7%) Colonial Acc/Dis: $46.5M(↓1.48%) Life: $13.8M (↑3.76%) Can/CI: $10.8M(↑6.93%)**	**U.S. Brokerage LTD: $395.5M (flat) STD: $117.1M (↑5.5%) Life: $293.6M (↑7.39%) AD&D: $28.3M (↑4.43%) Vol: $276.9M(↑6.38%) Unum Limited LTD: $101.9M (↓1.45%) Life: $52.7(↑10.71%) Colonial Acc/Dis: $180.2M (↑4.59%) Life: $51.7M (↑11.9%) Can/CI: $64.4M(↑4.04%)**
Standard	**Group: $46.1M (flat)**	**LTD: $48.6M (↓3.19%) STD: $15.0M (↓32.74%) Life/AD&D: $57.5M (↓25.71%)**	**LTD: $204.2M (↓2.05%) STD: $53.8 (↑4.67%) Life/AD&D: $224.9M (↑1.49%)**
Aetna	**Group: $40.9M (↓4.66%)**	**Group:N/A**	**Group: $532.0M (↑5.47%)**
Principal	**Specialty Benefits: $18.5M (↓17.78%)**	**Dis: $18.9M (↓20.92%) Life:$15.3M (↓34.33%)**	**Dis: $69.3M (↑1.46%) Life: $80.9M (↑1.0%)**
Cigna	**Group Dis & Life: $65M(↓20.73%)**	**N/A**	**Dis: $339M (↑8.31%) Life: $335M (↑8.41%)**
Assurant	**Employee Benefit: $9.1M(↑40.75%)**	**LTD/STD: $16.2M(↑15.54%) Life: $12.7M (↑5.05%)**	**LTD/STD: $107.9M (↓5.72%) Life: $48.8M (↑2.14%)**
Met	**Non Medical: $167M (↑8.44%) Life: $160M (↓10.61%)**	**Not reported by line of business**	**Non-Med: $1,500M (↑1.63%) Life: $1,820M (↑3.12%)**
Hartford	**Group: $5M (↓73.68%)**	**Dis: $86M (↓21.1%) Life: $135M (↑5.47%)**	**Dis: $428M (↓7.36%) Life: $476M (↓7.75%)**
Lincoln	**Dis: $14.0M(↓15.15%) Life: $2.4M(↓70.37%)**	**Dis: $28.2M(↑56.67%) Life: $28.2M (↑62.07%)**	**Dis: $198.8M (↑6.77%) Life: $185.9M (↑9.1%)**
Sun	**U.S. Employee Benefits Group: $22M (↓50%)**	**U.S. Employee Benefits Group: $37M (↑15.63%)**	**U.S. Employee Benefits Group: $528M (↓1.86%)**