SMITH GROUP
DISABILITY & REINSURANCE CONSULTANTS

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Dear Smith Group Client:

We are pleased to provide the 1st Quarter 2013 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	1Q13 Profit ($000,000)	1Q12 Profit ($000,000)	1Q13 Loss Ratio	1Q12 Loss Ratio
Group Disability	NA	NA	94.4%	102.2%
Group Life	NA	NA	92.2%	95.4%

EP/Sales:

Line of Business	1Q13 EP ($000,000)	1Q13 Sales ($000,000)	1Q12 EP ($000,000)	1Q12 Sales ($000,000)
Disability	$231	$45	$230	$81
Life	$990	$148	$997	$211

Notable Statements

● The Group Insurance business reported adjusted operating income of $9 million in the current quarter compared to a loss of $40 million a year ago. Claims experience was more favorable in the current quarter, both in Group Life and Group Disability.

● Group Disability results, while improved from a year ago, continue to be a drag on segment earnings. The actions we are taking to address this performance include pricing discipline on new cases, re-pricing of cases that are up for renewal and enhancement of claims management, which contributed to increased claims termination and an 8% improvement in the benefit ratio from a year ago.

Unum

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

Line of Business	1Q13 Profit ($000,000)	1Q12 Profit ($000,000)	1Q13 Benefit Ratio	1Q12 Benefit Ratio
Unum US	$208.1	$205.9	70.9%	72.5%
LTD/STD	$77.9	$74.7	84.3%	84.9%
Life & AD&D	$57.9	$52.4	70.6%	72.0%
US Supp & Vol	$72.3	$78.8	46.4%	50.1%
Unum Limited	$31.3	$38.8	69.5%	72.4%
Colonial	$75.4	$69.7	52.5%	52.1%

EP/Sales

Line of Business	1Q13 EP ($000,000)	1Q13 Sales ($000,000)	1Q12 EP ($000,000)	1Q12 Sales ($000,000)
Unum US	$1,139.7	$197.5	$1,112.0	$194.9
LTD	$392.7	$31.1	$395.5	$35.8
STD	$131.0	$15.8	$117.1	$13.4
Life	$302.2	$33.7	$293.6	$33.0
AD&D	$30.9	$3.1	$28.3	$2.9
Voluntary/Supp	$282.9	$113.8	$276.9	$109.8
Unum UK	$143.8	$16.4	$170.7	$30.8
LTD	$97.9	$10.9	$101.9	$11.2
Life	$31.0	$4.5	$52.7	$18.0
Other	$14.9	$1.0	$16.1	$1.6
Colonial	$307.1	$67.6	$296.3	$71.1
Acc/Sick/Dis	$184.8	$43.9	$180.2	$46.5
Life	$54.8	$13.5	$51.7	$13.8
Cancer & CI	$67.5	$10.2	$64.4	$10.8

Notable Statements

Unum U.S.

● The general environment remains challenging, which has been compounded by the fact that many brokers and agents and employers are focused on the implementation of health care reform, thus delaying the implementation of new workplace benefit programs.

● Operating income for Unum US segment increased 1.1% to $208.1 million in the first quarter with an increase in premium of 2.5%. The benefit ratio was lower at 70.9% in the quarter, compared to 72.5% in the year-ago quarter.

● Operating income in the group disability line was $77.9 million compared to $74.7 million last year. Premium income increased 2% over last year due to sales growth and the impact of rate increases. The benefit ratio for this line was 84.3%, down from a year

ago of 84.9%. Favorable experience was driven by stable overall claim incidence, continued strong claim recoveries and the ongoing benefit that we realized from the pricing discipline we've shown on new sales and renewals.

● In the group life and AD&D line, operating income increased 10.5% to $57.9 million in the first quarter, benefiting from an increase of 3.5% in premium income, as well as favorable risk experience, which lowered the benefit ratio to 70.6% in the quarter compared to 72% a year ago.

● The group life and AD&D line had a very strong first quarter as well. The benefit ratio improved in the quarter to 78.6% compared to 72% in the year-ago quarter, which led to earnings growth of over 10%. The improved risk results were driven by a favorable average claim size while claim incidence was slightly higher.

● Overall sales increased by 1.3% in the first quarter with sales in the supplementary and voluntary lines increasing 3.6%. Our group sales declined by 1.6%, with sales in the under 2,000 life market declining by 12% this quarter as the market environment remains competitive and we think our corporate customers are distracted as they focus on the implementation of health care reform.

● Growth in the group large case market increased by 21%, primarily driven by sales in new lines of business to our existing customer base. Our mix of group sales is within our longer-term objectives as 62% of sales were in the core market and 38% were in the large case market.

● We continue to make pricing adjustments on our new sales and renewals to reflect the lower interest rates. As we mentioned at Investor Day back in December, we estimate that the low interest rate environment will impact our operating earnings growth by 6% to 8% in 2013 at which we expect to recoup 1/3 as price increases work their way through our books.

Unum UK

● Operating income in this segment declined to GBP $20.2 million from GBP $24.7 million in the year-ago quarter. The benefit ratio improved to 69.5% in the first quarter compared to 72.4% in the year-ago quarter, while premium income and local currency declined by 14.5%, primarily reflecting the group life reinsurance program. We saw favorable risk experience in the group life and supplemental and voluntary lines of business, which were partially offset by less favorable results in the group LTD line.

● Beyond the claims experience, we continue to make good progress on re-pricing and repositioning of our group life block and tactically increasing renewal rates for our group disability business. Average rate increases for group life will continue to run in the low double-digit range and persistency remains within our expectations. First quarter group life persistency was 83.5% compared to 82.5% for all of 2012. It will take several more

quarters to fully implement our re-pricing actions, but as I said, we're pleased with the progress we are making so far.

● Sales results again this quarter reflect the actions we're taking to improve the profitability in this business. Sales were down 46% in total with a sharp drop of 75% in group life sales. Clearly, this reflects our aggressive rate actions and decisions to pull back in certain market segments.

Colonial

● Increase in operating income of 8.2% to $75.4 million. Premium income increased by 3.6% and the benefit ratio remained generally stable at 52.5% compared to 52.1% year-ago quarter. Net investment income increased by 11.5% in the quarter and included approximately $5 million of miscellaneous net investment income above the level we normally experience in this segment.

● Sales began 2013 with a 4.9% decline. Sales declined by 3.8% in our core commercial market, but did increase by 5.6% in the larger commercial sector of the market. Persistency for our three primary product lines all showed a slight improvement over the first quarter of 2012. Premium growth remains positive at 3.6% for the quarter.

Analyst Questions

● In the U.S., I was interested, with group sales being limited, I think you attributed to the uncertainty around reform and I guess the idea maybe is that business maybe isn't churning as much. But then, I guess, if that's true, I would have thought maybe that would have been a kind of a help to persistency. I think persistency was a little bit off there. So is there actually less market churn or what's going on there?

Response: Persistency is off but not by very much and when you take into account the fact that we're moving rates up in the mid to upper single digit range, I think we sort of expected that. Also, last year's persistency was sort of incredibly high. I mean, maybe historically high over the last seven or eight years. So, I think it's operating pretty much in the 88% to 89% kind of range or 87.5% to 89% range that we expected to operate at. And I think we're feeling quite good about our ability to place rate increases. But then in the marketplace, in terms of health care reform, most of the pressure, I think, is in the smaller end of the market and that shows up in our sales results. Our small case sales were down 19% but our mid-market sales were up 6% and our large case sales were up 18%, primarily driven by the vast majority of new sales to existing large case customers. And so I think that the dynamics that we're talking about are reflected in other competitors' results as well. Small case market, I think, is a little bit sort of under the gun in terms of what are we going to do by January 2014 around health care reform, how are we going to work with exchanges. And I think that's driving activity levels down. And that's probably increasing some inertia in terms of movement of sales.

● So I wanted to start with the benefit ratios across your segments. I mean, if I just look year-over-year, it looks like pretty much everything is moving in the right direction. And we've had a couple of other companies report last night and I would say that things have been much more mixed on the underwriting side at some of those names. So, I guess I'm trying to understand if what you're seeing is sustainable or did you just have a really good quarter and maybe things just start to revert a little bit as we move through the year.

Response: I think it's a mix, I think on group disability income, that was a particularly good quarter, sort of everything went well, submitted incidence was slightly down, paid incidence remained flat, actual expected incidence was better than pricing assumptions, STD incidence was moving its way down. Hopefully, that continues. But I think the loss ratio, we've always said, would be sort of in the 84% to 85% kind of range. And there might be little movements here and there inside of that range, but we're pretty happy with the quarter, that's for sure. In group life, we had favorable mortality and favorable severity and that helped us out and moved that loss ratio down a bit. But again, that loss ratio tends to be in that 70% to 72% range. And it's sort of at the lower end of the range but above we expect it to be. And then in voluntary, the loss ratio was lower than we would normally expect. We'd expect it to be closer to the 50% to 52% range, but that was primarily driven by the, I think, the life reserve releases as result of the large case terminations of voluntary.

● On the U.S. Group business, you said there's some delay-related health care reform. How about competition? You've obviously taken some pricing actions? Do you think you're ahead of the market now in that and it may take some time for the market to catch up with you?

Response: Yes, I think we've been consistent over the last several years in moving prices up. I think a number of competitors, in the recent 12 to 18 months, have started to move prices up as well in response to some of their deteriorating loss ratios, but I think we were certainly ahead of the game. And I think when you look at industry pricing statistics, we still tend to be sort of priced somewhat higher than the majority of our competitors in the core market. I think every carrier is faced with the same low interest rate environment and ought to be moving their rates up to some degree. Everyone has, I think, faced some deterioration in loss ratio, except for us pretty much, and so ought to be taking that kind of action. And everyone's got the same sort of effect of an aging population with the expectation at least of claims sort of following the aging of the population and if you can continue to price for that, then you can stabilize your loss ratios and continue to generate your proved return. So competitively, I think a little bit harder than it was maybe two years ago, but I still think we're ahead of the market on that.

● On the sales, you discussed this a little bit in the past few questions, but how much of the sales weakness is because of just a disruption on health care reform or is part of it that, there are still competitors out there that are somewhat aggressive on pricing?

Response: Activity is down about 10% year-over-year. So you'd expect that with stable closing ratios, that would translate to a similar kind of pressure on your sales. There

certainly are some aggressive competitors out there. I don't think we're winning or losing much more than we have been in the past. But always in this marketplace, regardless of how many carriers are acting some of the prices up, there are always several carriers that are acting to take advantage of that and trying to drive their sales up. And you just got to look at sales numbers to see that.

● So on the voluntary area, what is causing this attrition of business? Can we start there? Was it a pricing and competitiveness issue? Or what exactly happened that led to this large loss of premium?

Response: For the most part, it comes down to being disciplined about where we want to play in the voluntary market. And we had several large accounts that we were -- that had high employee turnover rates and if we weren't going to get the necessary re-enrollment premium to bring the cases back to profitability. So it's not very different than the process that we've gone through on the group business. We're just focused on managing our in-force business effectively and making sure that we're focusing our in-force management and our sales management toward where we think we can get the best participation level, the longest sustainable relationship with the client and the most lines of coverage to deepen that relationship with the client. So strategically, that's where we're focused on.

● Maybe to follow up on Chris's question earlier about the growth in the large case business. If I understand correctly, the growth is also, and even in the core business, it's in the larger case businesses. So should we expect some additional volatility going forward through that in underwriting results?

Response: No, I don't think so. I mean, the large case business, the national client group business as they said a vast, vast majority of that was sales of new lines of coverage and expansions of benefit coverages to existing clients. So I wouldn't expect any volatility, in fact, from that. The growth that we're seeing in the mid-market, which I'll characterize as sort of the 100 to 2,000 life or so kind of marketplace, that's strategic for us. We want to focus our sales authorization where we can get the best sort of productivity return for the sales ever given the margins that we have in our business. And so we tend to try to focus our efforts more in that sort of over 100 life marketplace. And I wouldn't expect that to have any negative effect on the risk side of the equation.

Standard Financial Group

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

Line of Business	1Q13 Profit ($000,000)	1Q12 Profit ($000,000)	1Q13 Ben Ratio	1Q12 Ben Ratio
Insurance Services	$48.8	$46.1	81.9%	81.0%

EP/Sales

Line of Business	1Q12EP ($000,000)	1Q12 Sales ($000,000)	1Q11 EP ($000,000)	1Q11 Sales ($000,000)
LTD	$200.03	$22.3	$204.2	$48.6
STD	$55.9	$18.3	$53.8	$15.0
Life & AD&D	$215.4	$46.7	$224.9	$57.5
Other	$19.1	$10.3	$19.9	$7.7
ERR	($4.5)	---	$4.1	---
Total EB	$486.2	$97.6	$506.9	$128.8

Notable Statements

● Overall, this quarter represents a good start to 2013. In particular, we continue to make good progress on our re-pricing efforts to address the impact of the elevated disability claims and the impact of continued low interest rates on our group insurance business.

● Disability claims incidence levels continue to show a slow but steady improvement.

● Our group insurance benefit ratio for the first quarter of 2013 improved compared to the first quarter of 2012 when adjusted for the 100 basis point change in the discount rate year-over-year. Using a common discount rate, the benefit ratio for the quarter improved by 120 basis points compared to the first quarter of 2012.

● Declining premiums reflected lower sales results as we implement pricing actions. In addition, experience rated refunds decreased group insurance premiums by $4.5 million for the first quarter of 2013 and increased group insurance premiums by $4.1 million for the first quarter of 2012. If we exclude these ERRs, group insurance premiums decreased 2.4% for the first quarter this year compared to the first quarter of last year. Continued declines in employment levels and low-wage growth have also put pressure on premium growth from our existing customers.

● Following the January renewal season, we are now about 3/4 through the re-pricing of our customers that have experienced higher claims incidence, and we are pleased with the acceptance of the rate increases. I'm very proud of the work our field representatives are doing to communicate and sell our unique value proposition in this very difficult sales environment. As a result of their efforts, we had very strong customer retention in 2012, and we are pleased with our retention thus far in 2013.

● Our first quarter discount rate used for newly established long-term disability claim reserves was 3.75% compared to 4.75% for the first quarter of 2012. The 100 basis point lower discount rate used for this quarter resulted in a corresponding decrease in quarterly pretax income of $8 million and an increase in the group insurance benefit ratio of approximately 160 basis points. Excluding the effect of the lower discount rate, the group insurance benefit ratio improved 120 basis points for the first quarter of 2013 compared to the first quarter of 2012.

Analyst questions

● Can we just talk about the group benefits ratio a little bit? I understand the first quarter can be challenging; I get it, discount rates are an issue. But you've also said that the incidence levels are starting to trend down, and you're putting in place some reasonable rate increases. So I'm just curious how you're feeling about the pace of improvement and why we aren't seeing a little bit better improvement?

Response: Overall, we're pleased with the progress we're seeing in the core drivers of the benefit ratio. I'll share a couple of details we haven't mentioned before just to provide a kind of perspective on how we look at it. The first is, Greg mentioned about 120 basis point improvement on the quarter-over-quarter benefit ratio on a discount rate constant basis. I'd point out, and this is a detail that might be missed if you don't have the historical data, on the discount rate constant basis, the benefit ratio also improved from fourth quarter of last year to first quarter of this year. And that's something we haven't seen in several years, and we think that's important. The second is, I'd remind everybody is that the benefit ratio includes claims and benefits for all products, group long-term disability being one of those, and a mix of products with group life and STD and dental and some others. And when you look at the seasonality of group life that we typically see in the first quarter, it's a little more pronounced in the quarter than what we've typically seen. And what that did is to mask some of the improvement in the LTD line in the quarter. Obviously, for competitive reasons, we're not going to break out the benefit ratio by line, but that's what we saw in the quarter.

● Can you update us on where you are in the price increase process, and kind of, as a segue to that, where the kind of price increases are in the market? I think last time I've heard from StanCorp was kind of high single digits was the price increase expectation you could push into the market this year and maybe into next year. So I'm just kind of wondering where we are in the press of increasing rates and what kind of rate you're having success in pushing into the market.

Response: Let me talk about three broad-based price increases that we instituted, and I'm going to give you progress with where each one is. The first one that we did was very late in 2010, and that was for interest rates. That was in the low single-digit space. That one is about 80% of its way through. The large one that I think most people are tracking closer on, Greg mentioned, is that we're about 3/4 of the way through. That was a higher single-digit price increase for the higher incidence that we were seeing, and that was done and started in the summer of 2011. And then last year, we took one for largely interest rates

that was in the low single digits to mid-single digits for interest rates, and we're about 30% of the way through the block with that one. So, there is sort of three large cohorts that are working their way through on a broad-based basis. And so far, I would tell you that when we're working with our in-force customers, who've experienced our customer service and how we provide that and at the levels that we do, we've been quite pleased with the uptick or the taking of the rate increases and the experience that we've seen there.

● Could you characterize how competition is out there? I mean, you did have lower sales, so there is some of the business is going somewhere else. Is there anything different with competition? And in particular, are the managed care companies more competitive this year than last?

Response: What I would say, Randy, is that prices seem to be firming for us when you're working with in-force customers and folks who have experienced our good customer service and get a chance to work with our account representatives. When you're talking about brand-new sales, it's a very price competitive environment right now in an environment where we're raising rates, and I think our sales reflect that, particularly in the LTD line.

● There have been a couple of articles now on, for a lack of a better term, what a disaster the Social Security DI program has been and the number of people that have been hanging on and on and on and on and on there. And I'm just wondering if there's anything coming down the road that may change that and affect you?

Response: We, like others in the industry, are watching the developments there very closely. I think current predictions have financial crisis in 2016 for the Social Security disability program. It's a key component of almost all group disability plans, and we're involved in the industry groups that are watching that and are prepared to adjust our business and our pricing if that's something that goes away. And it's something that we will continue to monitor.

Aetna

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

Line of Business	1Q13 Profit ($000,000)	1Q12 Profit ($000,000)
Group Insurance (Life, Disability, LTC)	$31.2	$40.9

EP

Line of Business	1Q13 Earned Premium ($000,000)	1Q12 Earned Premium ($000,000)
Group Insurance	$429.9	$532.0

Principal Financial Group

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

Line of Business	1Q13 Profit ($000,000)	1Q12 Profit ($000,000)	1Q13 Loss Ratio	1Q12 Loss Ratio
Specialty Benefits	$20.8	$18.5	67.1%	68.6%
Group Disability	---	---	71.0%	72.7%
Group Life	---	---	61.1%	58.6%

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

Line of Business	1Q13EP ($000,000)	1Q13 Sales ($000,000)	1Q12 EP ($000,000)	1Q12 Sales ($000,000)
Disability	$73.1	$28.9	$69.3	$18.9
Life	$83.3	$23.8	$80.9	$15.3

Notable Statements

● Specialty Benefits operating earnings of $21 million were up 12% over the same quarter a year ago. The loss ratio continues to perform well at 67% for the quarter, slightly better than our expectations for our first quarter. Operating earnings for Specialty Benefits are seasonal, where first quarter is typically the lowest quarter of the year.

● Specialty Benefits sales of $99 million dollars, up 20% over first quarter 2012 as a result of strong growth in the pipeline

Cigna

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

Line of Business	1Q13 Profit ($000,000)	1Q12 Profit ($000,000)
Group Disability & Life	($2)	$68

EP

Line of Business	1Q13 EP ($000,000)	1Q12 EP ($000,000)
Disability	$402	$339
Life	$386	$335

Notable Statements

● For Group Disability and Life, first quarter results reflect the impact of a challenging economic environment. First quarter earnings in our group business were $49 million, which were primarily impacted by unfavorable claims experience in the Disability business

● There was an after-tax charge of $51 million or $0.18 per share related to a regulatory matter within our Disability business. Special items are excluded from adjusted income from operations in today's discussion of our first quarter 2013 results as well as our full year 2013 outlook.

● Regarding the Group Disability and Life business, we continue to expect full year 2013 earnings in the range of $270 million to $290 million.

Analyst Questions

● Could ask about your U.S. Disability business and just maybe frame the outlook there in light of the first quarter negative claims experience you had?

Response: Overall, we continue to be pleased with the Group segment in terms of the margins and returns in the difficult economic environment. We are on track to reach the guidance range. We did see some claims volatility in terms of size of claims in the first quarter, which we expect would more normalize over the period of a year. We're also expecting to continue to see operating improvements, which we've been doing over the last several years and that's actually been our outlook as well.

● A follow-up question is just on clarification on the one-time items in the quarter. Could you quantify any impact from sequestration delay and discuss what the $51 million regulatory matter was on the disability book?

Response: First, on the sequestration impact, that isn't reflected in our special items, that is in our ongoing results. And as I mentioned previously, that was contemplated in our outlook range that we have and it remains there. So that's outside of special items. Regarding the $51 million after-tax special item, that is related to our Disability business and a regulatory review that we underwent regarding claims handling procedures, and we have reached an agreement in principle on handling long-term Disability practices. And as a result, we took a $51 million charge. That's really retrospective in terms of its impact. And then going forward, prospectively, we expect that the effect of these claims processes and practices not to have an impact in our margins over time as the industry adopts the new procedures.

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	1Q13 Profit ($000)	1Q12 Profit ($000)	1Q13 Loss Ratio	1Q12 Loss Ratio
Employee Benefits* (includes DRMS)	$6,083	$9,064	72.8%	72.9%

* Employee benefits includes dental, disability & life

EP/Sales

Line of Business	1Q13 EP ($000)	1Q13 Sales ($000)	1Q12 EP ($000)	1Q12 Sales ($000)
LTD & STD	$100,186	$15,868	$105,839	$15,746
Life	$47,469	$12,344	$48,838	$11,508

Notable Statements

● At Employee Benefits, investment income declined due to continued low yields and fewer invested assets. This decrease, along with the reduction in the discount rate for new long-term disability claim reserves, reduced segment profitability. As in pre-need, we experienced higher mortality in the first quarter, but this was entirely offset by continued strong dental experience. Disability incidence and recovery rates remained stable during the quarter.

Analyst questions

● Can you just talk a little bit about the Employee Benefits segment? Earnings were a little bit soft, expenses high. What's the outlook on this? Is there anything in the quarter that we should be paying attention to outside of the discount rate adjustment?

Response: Well, as we commented, our life mortality was high and we see that periodically. Mortality on a life block of our size can vary so we had a fair amount of life claims in the quarter. I don't infer any kind of a trend for that. Dental, we continue to be very pleased with the earnings and the growth in that product. The other thing I think actually expenses for benefits are pretty carefully managed there. You're seeing a little bit of impact on the expense ratio because of the continued impact of we lost a couple of large disability clients that we've talked about in the past that, so the top line is suffering the impact of that, which affects the expense ratio. But overall, we expect life to normalize. We continue to think dental is going very well. Voluntary sales are growing. So, lots of reasons to feel optimistic about the outlook at Employee Benefits.

MetLife

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

Line of Business	1Q13 Profit ($000,000)	1Q12 Profit ($000,000)	1Q13 Loss Ratio	1Q12 Loss Ratio
Group/Voluntary/Worksite	$230	$243	88.9%	87.5%
Group Life	---	---	91.3%	89.1%

EP

Line of Business	1Q13 EP ($000,000)	1Q12 EP ($000,000)
Group Non-Med Health*	$1,604	$1,415
Group Life	$1,370	$1,317

*includes dental, disability, LTC, AD&D, CI and vision

Notable Statements

● The mortality ratio in group life was 91.3% in the quarter, unfavorable to the prior year quarter of 89.1% and above the target range of 85% to 90%. The increase in the mortality ratio was driven by more term claims and a higher average term life death benefit.

● Group, Voluntary & Worksite Benefits reported operating earnings of $230 million, down 5% year-over-year. After adjusting for normalizing items in both periods, which included variable investment income that was $4 million below plan in this quarter, normalized operating earnings were down 1% year-over-year. Higher interest margins, expense management and favorable underwriting in the dental business were more than offset by lower underwriting results in group life and long-term care. In long-term care, the benefit ratio was higher than planned due to higher incidence and reserve adjustments.

Hartford

Profit (Pre-Tax and DAC)

Line of Business	1Q13 ($000,000)	1Q12 ($000,000)
Group Benefits (Disability, Life, Other)	$30	$5

EP/Sales

Line of Business	1Q13 EP ($000,000)	1Q13 Sales ($000,000)	1Q12 EP ($000,000)	1Q12 Sales $(000,000)
Group Disability	$345	$76	$428	$86
Group Life	$426	$88	$476	$135

● I am pleased that Group Benefits core earnings are beginning to recover and optimistic that operating trends are improving. The benefits of our pricing and underwriting initiatives are clearly paying off with improving margins, and we are continuing to make the right decisions to balance new sales, persistency and pricing. We still have another round of multi-year contract renewals in early 2014 to bring the overall profitability of the book in line with our targets. Going forward, we see opportunities for growth in new sales but will do so only with appropriate pricing and profitability.

● Let me now turn to our Group Benefits segment, which started the year on a high note. Core earnings of $30 million in the quarter, $25 million more than a year ago, are the result of after-tax margin improvement to 3.2% from 0.5% last year. We're off to a solid start in 2013. As you know, we've been focused on improving the margins of this business for about two years, now through rate increases, underwriting discipline and overall book management. The total Group Benefits loss ratio was 77.4% in the quarter, a 5.6-point reduction from one year ago, with disability improved by 8.3 points. Our long-term disability pricing in the mid-teens for the quarter continued to be very strong.

● As expected and forecast previously, our first quarter premium was down compared to last year. Three key drivers of this result include: first, our continued commitment to pricing discipline on new and renewal business; second, as I shared with you last quarter, we were unable to agree on renewal terms with our largest account; and three, a slight decline in our association business as we take action on certain segments of that book. Again, I think we're making appropriate trade-off decisions based on solid metrics and a balanced view of both the economy and the interest rate environment.

● During the quarter, we continued to strengthen our leadership team by hiring a very respected and seasoned Group Benefits player to lead our sales effort. We're aggressively pursuing new business opportunities and the retention of existing accounts at appropriate economic terms. We continue to retain well-priced accounts and generate new sales. We believe that our discipline under the current market dynamics will position us most effectively for success as conditions evolve.

Lincoln Financial

Profit (Post tax)

Line of Business	1Q13 Profit ($000,000)	1Q12 Profit ($000,000)	1Q13 Loss Ratio	1Q12 Loss Ratio
Group Protection	$14	$16.1	74.8%	74.9%
Group Disability	---	$14.0	69.1%	70.1%
Group Life	---	$2.4	80.1%	78.2%

EP/Sales

Line of Business	1Q13 EP ($000,000)	1Q13 Sales ($000,000)	1Q13 EP ($000,000)	1Q12 Sales ($000,000)
Group Protection	$463	$71	$436.6	$67
Group Disability	$198.8	$31	$186.2	$28
Group Life	$185.9	$31	$170.4	$29

Notable Statements

● In Group Protection, the first quarter sales of $71 million increased 6% from the prior year. We remain focused on voluntary market where we grew sales by 61%. Looking back to 2012 and the most recent market data, we saw consistent market share and rankings year-over-year, and we finished in the top 5 to the life -- Life and Disability product lines by case count. Our field force grew by 13% from the prior year end as we continue to invest in the group business to support the 3,400 brokers who currently sell our products. With this growth and this group of brokers, we expect to grow sales.

● In line with what we have shared on the last few calls, we expect pricing to firm in the market, particularly in the disability line where we have seen some positive progress over the last few quarters. Given the market-wide focus on profitability in the group space, we will remain diligent in our focus on overall profitability of new sales and renewal actions and our expectation is that all of the steps we are taking in this business will generate profitable growth.

● Loss ratios in the disability business recovered nicely on improved recovery rates and stable incidence. It's premature to extrapolate these results to the rest of the year as incidence can trend higher and recoveries moderate.

Analyst questions

● A question on the Group Protection business. I think in your prepared comments, you talked about the voluntary business being up. At Unum's last call, called the last hour, they talked about some pricing challenges in that business, perhaps some competition, some impact from health insurance reform, health care reform. So I guess I'm just curious in terms of what's driving your growth? Is it new plans that you're adding, or increased

business with existing accounts? It seems like you're seeing a little bit of a different trend than, perhaps, they were guiding to in terms of the first quarter.

Response: Unum dominates the market and they have a very large market share. I think the dynamics for them are a little bit different than they are for us because we have a smaller share, and so our percentage increases don't require as many dollars of new sales, frankly. But it's a combination of a couple of things. One, as you heard me say, our sales force is up 13%, I didn't mention it again this year, but last quarter, we talked about that sales force being able to reach a lot of new brokers. And so it's driven in part by the increase in our sales force. Also, it just so happens this quarter that we had 1 or 2 larger cases than we'd typically get on the voluntary side. And so that helped with the increase. Insofar as pricing is concerned, at least relative to true group, we continue to get better ROEs on our voluntary business. So that's better business for us from a profitability standpoint. So we're going to continue to try. The 61% increase that we saw in voluntary, I don't expect that percentage increase to continue through the course of the year, but it was a good first quarter. I'm proud of it. It's good business.

Sun

Profit (Net income after tax):

Line of Business	1Q13 Profit ($000,000)	1Q12 Profit ($000,000)
Employee Benefits Group (U.S.)	$11	$22

EP/Sales

Line of Business	1Q13 EP ($000,000)	1Q13 Sales ($000,000)	1Q12 EP ($000,000)	1Q12 Sales ($000,000)
Employee Benefits Group (U.S.)	$563	$51	$528	$45

● We're achieving key milestones in our group and voluntary businesses in the United States. Combined employee benefits and voluntary sales for the quarter were up 13% over the prior year and voluntary sales were up 38% over prior year. We've been building on our enrollment capabilities and have been actively promoting our new automated personal enrollment forms and expanding the use of iPad enrollments and enrollment consultants. In the quarter, we launched an updated critical illness product, which we expect will have increased appeal to customers.

● Group Benefits sales were up 7%, primarily due to an increase in sales in the large case market.

● Long-term disability experience improved as the incidence of new claims reduced, making this now four quarters of incidence that is running back at 2008 levels.

Summary

Company	Earnings	Sales	EP
Prudential	**Not reported by line of business**	**Dis: $45M (↓44.4%)** **Life: $148M (↓29.9%)**	**Dis: $231M (flat)** **Life: $990M (↓1%)**
Unum	**LTD/STD: $77.9 (↑4.3%)** **Life/AD&D: $57.9M (↑10.5%)** **Limited: $31.3M (↓19.3%)** **Colonial: $75.4M (↑8.2%)**	**U.S Brokerage** **LTD:$31.1M(↓13.1%)** **STD: $15.8M(↑17.9%)** **Life: $33.7M(↑2.1%)** **AD&D: $3.1M(↑6.9%)** **Vol:$113.8M(↑3.6%)** **Unum Limited** **LTD: $10.9M(↓2.7%)** **Life: $4.5M(↓75%)** **Colonial** **Acc/Dis: $43.9M(↓5.6%)** **Life: $13.5M (↓2.2%)** **Can/CI: $10.2M(↓5.6%)**	**U.S. Brokerage** **LTD: $392.7M (flat)** **STD: $131M (↑11.9%)** **Life: $302.2M (↑2.9%)** **AD&D: $30.9M (↑9.2%)** **Vol: $282.9M(↑2.2%)** **Unum Limited** **LTD: $97.9M (↓3.9%)** **Life: $31.0(↓41.2%)** **Colonial** **Acc/Dis: $184.8M (↑2.6%)** **Life: $54.8M (↑6%)** **Can/CI: $67.5M(↑4.8%)**
Standard	**Group: $48.8M (↑5.9%)**	**LTD: $22.3M (↓54%)** **STD: $18.3M (↑22%)** **Life/AD&D: $46.7M (↓18.8%)**	**LTD: $200.03M (↓2%)** **STD: $55.9 (↑3.9%)** **Life/AD&D: $215.4M (↓4.2%)**
Aetna	**Group: $31.2M (↓23.7%)**	**Group:N/A**	**Group: $429.9M (↓19.2%)**
Principal	**Specialty Benefits: $20.8M (↑12.4%)**	**Dis: $28.9M (↑52.9%)** **Life:$23.8M (↑55.6%)**	**Dis: $73.1M (↑5.5%)** **Life: $83.3M (↑3%)**
Cigna	**Group Dis & Life: Negative $2M +$68M 1Q12**	**N/A**	**Dis: $402M (↑18.6%)** **Life: $386M (↑15.2%)**
Assurant	**Employee Benefit: $6.1M(↓32.9%)**	**LTD/STD: $15.9M(flat)** **Life: $12.3M (↑7.3%)**	**LTD/STD: $100.2M (↓5.3%)** **Life: $47.5M (↓2.8%)**
Met	**Non Medical: $230M (↓5.3%)** **Life: $254M (↑35.8%)**	**Not reported by line of business**	**Non-Med: $1,604M (↑13.4%)** **Life: $1,370M (↑4%)**
Hartford	**Group: $30M (↑500%)**	**Dis: $76M (↓11.6%)** **Life: $88M (↓34.8%)**	**Dis: $345 (↓19.4%)** **Life: $426M (↓10.5%)**
Lincoln	**Group Protection: $14M (↓13%)**	**Dis: $31M(↑10.7%)** **Life: $31M (↑6.9%)**	**Dis: $198.8M (↑6.8%)** **Life: $185.9M (↑9.1%)**
Sun	**U.S. Employee Benefits Group: $11M (↓50%)**	**U.S. Employee Benefits Group: $51M (↑13.3%)**	**U.S. Employee Benefits Group: $563M (↑6.6%)**