SMITH GROUP
DISABILITY & REINSURANCE CONSULTANTS

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Dear Smith Group Client:

We are pleased to provide the 2nd 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.

Direct inquiries to:
Joe Skvorak
jskvorak@smithgroupre.com
707 Sable Oaks Dr.
South Portland, ME 04106
(207) 879-5680

Prudential Financial

Profit (not reported by business line):

Line of Business	2Q12 Profit ($000,000)	2Q11 Profit ($000,000)	2Q12 Loss Ratio	2Q11 Loss Ratio
Group Disability	NA	NA	100%	97%
Group Life	NA	NA	88.6%	90.4%

EP/Sales:

Line of Business	2Q12 EP ($000,000)	2Q12 Sales ($000,000)	2Q11 EP ($000,000)	2Q11 Sales ($000,000)
Disability	$349	$41	$296	$30
Life	$989	$24	$992	$22

Notable Statements

● The Group Insurance business reported adjusted operating income of $46 million in the current quarter, essentially unchanged from $49 million a year ago. Current quarter results benefited from more favorable group life claims experience than that of the year ago quarter.

● Current quarter group life benefits ratio of 88.6% is well in line with our historical range, in contrast to the 95.4% ratio for the first quarter of this year, which represented our most unfavorable experience in the last five years.

● Group Insurance sales for the quarter were $65 million compared to $52 million a year ago. Most of our Group Insurance sales are reported in the first quarter based on the effective date of the business.

Unum

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

Line of Business	2Q12 Profit ($000,000)	2Q11 Profit ($000,000)	2Q12 Benefit Ratio	2Q11 Benefit Ratio
Unum US	$212.7	$205.6	72.1%	72.3%
LTD/STD	$70.4	$78.7	84.7%	84.4%
Life & AD&D	$57.3	$52.0	71.9%	70.3%
US Supp & Vol	$85.0	$74.9	49.0%	51.1%
Unum Limited	$30.0	$55.2	85.4%	69.8%
Colonial	$67.6	$71.9	52.5%	51.2%

EP/Sales

Line of	2Q12 EP	2Q12 Sales	2Q11 EP	2Q11 Sales

Business	($000,000)	($000,000)	($000,000)	($000,000)
Unum US	$516.0	$161.6	$507.4	$148.1
LTD	$397.8	$36.0	$394.6	$38.3
STD	$118.2	$23.6	$112.8	$17.7
Life	$294.2	$45.2	$274.3	$40.9
AD&D	$28.7	$4.9	$26.8	$3.8
Voluntary/Supp	$276.1	$36.6	$261.3	$33.9
Unum UK	$173.2	$24.0	$175.8	$23.7
LTD	$101.7	$13.5	$107.6	$12.6
Life	$55.5	$9.1	$51.9	$9.7
Other	$16.0	$1.4	$16.3	$1.4
Colonial	$296.9	$85.8	$282.0	$85.7
Acc/Sick/Dis	$179.8	$56.7	$173.1	$58.4
Life	$52.4	$16.0	$46.8	$15.0
Cancer & CI	$64.7	$13.1	$62.1	$12.3

Notable Statements

Unum U.S.

● The Unum US premium grew 4% as we continued to see strong sales growth, especially in our core markets and voluntary benefit lines and persistency was solid across most of our product lines. When combined with a stable benefit ratio, this business continues to generate a consistent ROE of between 13% and 14%.

● Unum US continued the strong trend we have seen for the past few quarters with total sales for the second quarter increasing 9%. For the Group Disability and Group Life and AD&D combined, sales were also up 9%. Sales in the <2,000 life core market increased 11%, comprising about 75% of the sales mix. Voluntary benefit sales were also good, increasing 8% for the quarter.

● Operating income for Unum US segment increased 3.5% to $212.7 million in the second quarter.

● The benefit ratio was 84.7% in the second quarter, up slightly from the year ago 84.4%, but down slightly from the first quarter of 84.9%.

● Submitted new claim incidence trends for long-term disability were slightly higher, but with an average smaller claim size and higher claim recoveries, the financial impact was neutralized.

● Favorable trends in LTD continue to be offset by somewhat weaker results in STD claim experience. We again saw higher paid incidence rates and higher average weekly indemnities. We believe the actions we are taking with pricing will firm up these results in STD over time. Importantly, we have not seen these trends in STD claims trending through to our LTD results.

Unum UK

● While it remains solidly profitable and generated a return on equity around 12% this quarter, the level of profitability and the volatility of our results in this business are below our expectations. While this is our smallest business, it is a business and marketplace we like a great deal and I am confident that we can, over time, improve the performance of this business through pricing actions, rebalancing our mix of business and more consistent operating performance

● The benefit ratio increased to 85.4% in the second quarter from 69.8% in the year-ago quarter, while premium income in local currency increased 1.5%. Results in both the Group Disability and Group Life's business lines were below year-ago levels.

● For Group Disability, the unfavorable risk experience was driven by a combination of higher average claim size and a lower average size of claims recoveries. New claim incidence trends were generally flat but we did experience a lower level of declines. Group Life experience was driven by both higher volumes and average size of claims.

● We continue to see somewhat better pricing trends in the market and with that, we are seeing better sales results particularly in the Group Disability line. Group Disability sales increased by 10% in local currency with positive trends in both the core and large case markets. You will note that our Group Life sales were flat this quarter as we firm up our pricing in this line as part of our strategy to improve the profitability in this segment.

Colonial

● At Colonial, premium grew at about 5% this quarter. And while sales were relatively flat year-over-year, the margins in this business continue to hold up quite well, and the result is that this business continues to generate a consistent return on equity of between 16% and 17%.

● Colonial Life reported a decline in operating income of 6% this quarter to $67.6 million.

● In addition, the benefit ratio of 52.5% is in line with our expectations for this business segment.

● New sales in total were essentially flat and we are slightly more encouraged with the core commercial market sales increase by 2%. The sales trend this quarter was consistent with the trends we've seen in the recent quarters. Sales to existing accounts remain generally strong while sales to new accounts are more of a challenge.

Analyst Questions

● On the U.K. business, you've been expecting a recovery on the business but the margins have actually progressively declined. So what gives you the comfort that results

have bottomed? Also, could you talk about how long it will take you to re-price the book and if you're seeing competitors re-pricing as well?

Response: We are confident in the business. We are already implementing significant price increases in the business. The way the U.K. business renews, generally has a 2-year rate guarantee, so it takes two years to go through the block of business. We started renewals in the Group Life block in the first quarter and ramped them up. In the second quarter, we'll continue to ramp them up through the remainder of the year. We're targeting double-digit rate increases in the block. Through the first half of the year, we've achieved a 9.5% rate increase and that has improved quarter-over-quarter. The market is taking very similar actions to us. They've seen the same increase in underlying mortality that we have. Double-digit, 10+% rate increases in the life market are common. We're being successful in implementing them. So we're very positive about that, the competition is reacting similarly, they have reacted similarly by the way on the way down as prices went down and admitted commitment, I believe, to restore prices. We're also looking at other things to control volatility, looking at our business mix, the relationship between income protection and Group Life, the size cases that we write, retention limits upon cases that we keep. So, we're going to continue to implement actions to improve both the overall results with rates, the volatility that we see and try to lessen that and the effectiveness of our operations to implement actions to correct it.

● Question on the discount rate. I just want to understand how you're thinking about that because I think you said, on the one hand, you have a pretty healthy margin. I guess it ticked down a little bit this quarter but it's still above your target. But then you also suggested in your comments given the sort of the challenge in terms of new money rates, you might be looking at a discount rate reduction at some point later this year. So I was just hoping if you could maybe frame that up a little bit in terms of order of magnitude and then update us on any guidance in terms of what a 25-basis point change in the discount rate would do to sort of, I guess, annualized earnings or EPS.

Response: I think we're working with a couple of different items here. One, is the challenging investment environment we have. And we want to, in the market, reflect that challenging environment in our pricing on a pretty rapid basis. We're balancing that with that over different times, we actually let that margin build up quite a bit. So we're balancing those two items. But as we did last year, I'd point you back to third quarter of last year, we were early in that process to actually reduce our discount rate. We did it by 25 basis points and those were the kind of things we were looking at as we get in towards the end of this year because we have seen, the all-in investment rate has come down pretty precipitously, not just treasury yields but our investment yields at the kind of credit quality that we like to invest in. So we're looking at that with no prediction as to exactly what the time-frame would be. But I'm just pointing back to third quarter in terms of the type of actions we've taken, the type of size and looking into the future on that. And by the way, we referenced 25 basis points as it was last year, is about a $3 million impact to the overall company.

● When I look at the reserves in your supplement, the group disability recoveries has been pretty favorable now for a few years and then this quarter was even better and I think, probably the best you've had. Can you just talk a little bit about what factors are driving this, if you can continue around these levels?

Response: In the recoveries, as you said, we've been outperforming on the recoveries for quite a number of quarters now. But even there, you get some degree of volatility. Some quarters are running at 110% actual to expected, some quarters at 113%, other quarters at 108%. I think for the most part, we're right on the money pretty consistently in terms of number of recoveries that we expect to occur but you always get some volatility around the average size of the claim.

● Okay. Just what's changed versus a few years ago? When I just look at the disclosure, seems like there's a significant improvement relative to what it was a few years ago. Is it that you're making more conservative upfront assumptions on recoveries or is it that recovery rates have actually improved?

Response: I don't think there's much of a process change or anything like that. I think we've got a very seasoned and well-oiled organization and that organization consistently performs. I think, I don't want to speculate but the economy begins to put consistent pressure. And the economy probably baiting just people to return to work a little bit more aggressively perhaps, but that's pure speculation. But I don't think we've made any internal process changes.

Standard Financial Group

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

Line of Business	2Q12 Profit ($000,000)	2Q11 Profit ($000,000)	2Q12 Ben Ratio	2Q11 Ben Ratio
Insurance Services	$23.3	$36.9	77.1%	73.6%

EP/Sales

Line of Business	2Q12EP ($000,000)	2Q12 Sales ($000,000)	2Q11 EP ($000,000)	2Q11 Sales ($000,000)
LTD	$200.2	$6.5	$201.4	$9.3
STD	$54.0	$2.5	$52.5	$5.2
Life & AD&D	$223.8	$9.3	$224.5	$20.1
Other	$19.6	$4.0	$20.2	$3.1
ERR	$7.1	--	($5.7)	--
Total EB	$504.7	$22.3	$492.9	$37.7

Notable Statements

● The group insurance benefit ratio was 88.5% for the second quarter of 2012, which was above our previously announced full year 2012 guidance range of 80% to 82%. This elevated benefit ratio was primarily due to higher-than-expected long-term disability claims experience, which can be explained by three key drivers of the results:

(1) We saw greater claims severity in the quarter, meaning the average value of each claim increased. While there was not a singular driver of this increase in severity, we saw concentrations in pockets of our manufacturing and services segments like claims incidence, severity is something that can fluctuate from quarter-to-quarter, but merits our close attention going forward.

(2) In addition to increased severity, we also saw continued elevated claims incidence during the quarter.

(3) The last key component increasing the benefit ratio was the 125 basis point decrease in the discount rate compared to the second quarter of 2011. Had the discount rate remained at 5.25%, the benefit ratio would have been 86.7% instead of 88.5%. Based on our results for the first six months of the year and the continued low interest rate environment with no change inside, we now expect our annual benefit ratio to exceed our previously stated guidance range for the year.

● During the second quarter, group insurance premiums increased 2% compared to the second quarter of last year, aided by the additional premium we received from customers who participate in experience rated refund arrangements. Excluding these ERRs, premiums were down slightly year-over-year. Despite lower sales, the stable premiums reflect that the price increases are being accepted on the vast majority of our renewal business.

● We are committed to writing and retaining profitable business and are taking the necessary actions to drive the benefit ratio back to an acceptable range. While it may take some time and we’re only about one-third of the way through our re-pricing, we are actively and aggressively taking pricing actions on new and renewal business to address the unfavorable claims experience and now an additional rate increase to reflect this continued low interest rate environment.

● In addition to the pricing actions, we have dedicated more claim management resources to effectively manage the continued high level of claims. I’m confident that we have the best claims administration shop in this business.

Analyst Questions

● In terms of the severity, did your analysis suggest that this was it all economically related, and I guess if not, do you see anything in the severity of this quarter that would suggest – that it may continue going forward?

Response: We did not see anything that would indicate it was economically related. It is something that fluctuates quarter-to-quarter quite a bit we would expect that to fluctuate. We've seen similar increases in severity in the past at this level, but they have not been combined with and you can see a high incidence level as well as a 125 basis point drop in the discount rate at the same time.

● Greg, you talked about taking additional rate actions for the low interest rate environment, could you quantify that?

Response: At our Investor Day, we announced that we'd be taking a low-single-digit price increase to reflect the current low interest rate. We feel comfortable about the rate actions that we've taken there and where rates are at right now. If we saw a significant decline in interest rates in the future, we won't hesitate to move on that again.

● How much of the increase was due to severity? How much of the increase would you say was due to incidence, if you could say?

Response: The incidence level remains high that we did see some tapering off of the incidence as it fluctuates from quarter-to-quarter, but the big increase that we saw this quarter was that thing that Dan mentioned, which is the severity that fluctuates here, so most of it, most of it is there.

● And then again a more general question, what's up with social security? I guess, just leave it out there as that?

Response: Okay, yeah. I think we all read the newspapers, and like everybody else in our industry, we are watching the development of Social Security Administration very closely. For our business specifically, we have not seen a deterioration in approvals for Social Security disability for LTD claimants that has had any material impact on our results.

Aetna

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

Line of Business	2Q12 Profit ($000,000)	2Q11 Profit ($000,000)
Group Insurance (Life, Disability, LTC)	$46.0	$44.4

EP

Line of Business	2Q12 Earned Premium ($000,000)	2Q11 Earned Premium ($000,000)
Group Insurance	$525.7	$499.5

Principal Financial Group

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

Line of Business	2Q12 Profit ($000,000)	2Q11 Profit ($000,000)	2Q12 Loss Ratio	2Q11 Loss Ratio
Specialty Benefits	$22.6	$25.3	68.3%	68.2%
Group Disability	---	---	69.3%	69.4%
Group Life	---	---	68.4%	67.4%

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

Line of Business	2Q12EP ($000,000)	2Q12 Sales ($000,000)	2Q11 EP ($000,000)	2Q11 Sales ($000,000)
Disability	$74.3	$10.6	$68.2	$11.6
Life	$82.9	$9.6	$80.9	$9.1

Notable Statements

● Specialty Benefits premium and fees grew 5% over the year ago quarter to $361 million.

● For Specialty Benefits, we continue to see growing demand for voluntary solutions that plays to our employee enrollment and education capabilities.

● In Specialty Benefits, second quarter operating earnings were $23 million, down $3 million from a year ago quarter primarily due to stable loss ratios and stronger than normal net investment income in 2011. The increase in sequential earnings is due to normal seasonality in dental claims and sales-related expenses. With the negative impact of seasonality behind us, we would look to see consistent loss ratios, strong retention and growth in premium and fees for the remainder of 2012.

Cigna

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

Line of Business	2Q12 Profit ($000,000)	2Q11 Profit ($000,000)
Group Disability & Life	$89	$88

EP

Line of Business	2Q12 EP	2Q11 EP

	($000,000)	($000,000)
Disability	$347	$335
Life	$336	$319

Notable Statements

● Each of our ongoing businesses, Health Care, International and Group Disability and Life provided strong revenue and earnings contributions in the second quarter and year-to-date.

● In Group Disability and Life, our revenue growth was 4% over the second quarter of 2011, and we reported solid earnings, which is a competitively attractive result. This growth demonstrates the value of our health and productivity programs for the benefit of our customers.

● For Group Disability and Life, results were strong overall in a difficult environment as this business continues to deliver value to our clients and customers through market-leading disability management and productivity management programs.

● Second quarter earnings in our group business were $89 million, which includes a net favorable impact of $35 million after-tax, related to a reserve study on our group disability business.

Analyst Questions

● I wanted to come back to the reserve study. I had in my notes that you had actually pushed your expectation for this to third quarter and so I wanted to see if that hitting in the second quarter had the effect of rebalancing your earnings expectation or your earnings distribution for the year? And just particularly, was it included, to some degree, in your guidance and included in the second half and that's why the guidance is not going up any more than it is?

Response: Just regarding the timing, we didn't really move anything. I think the reserve study on disability, we perform in second quarter, and that's been what we've done in the past and we do a more in-depth life study in the third quarter and we'd expect to have that. So that's how we enter the year with our expectations of the work and we'll remain on track to complete the life study in the third quarter.

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	2Q12 Profit ($000)	2Q11 Profit ($0000)	2Q12 Loss Ratio	2Q11 Loss Ratio
Employee	$18,621	$8,516	66.7%	73.9%

Benefits* (includes DRMS)				

* Employee benefits includes dental, disability & life

EP/Sales

Line of Business	2Q12 EP ($000)	2Q12 Sales ($000)	2Q11 EP ($000)	2Q11 Sales ($000)
LTD & STD	$103,475	$8,386	$110,022	$9,485
Life	$46,462	$6,415	$49,207	$7,098

Notable Statements

● At Assurant Employee Benefits, net operating income improved as all product lines had favorable experience. Our new agreement with United Concordia announced in June, will expand our dental network, which is now one of the largest in the industry. Our growth priority at Benefits is on voluntary products, which represented more than half of our sales for the quarter. Overall, we were pleased with our results, and believe we are well positioned.

● At Assurant Employee Benefits net operating income improved in all major product lines driven by very favorable loss experience in disability and $1.9 million of after tax real estate joint venture investment income.

● While we were pleased to see improvement in our recoveries this quarter, we caution that incidence and recovery rates can be volatile from quarter-to-quarter. The disability environment remains difficult and maintaining this quarter's level of claim recoveries will be challenging.

Analyst questions

● The recoveries were good in disability. How was incidence in the quarter?

Response: Incidence has remained pretty stable for us. We've seen that trend in the recent couple of years, that our incidence has remained relatively stable. It has been the recoveries that have been more of a challenge for us over time and we had very good experience this quarter. I just reiterate what I said that results on recoveries can be volatile from quarter-to-quarter.

MetLife

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

Line of Business	2Q12 Profit ($000,000)	2Q11 Profit ($000,000)	2Q12 Loss Ratio	2Q11 Loss Ratio
Non-Medical	$133	$109	86.1%	87.5%
Group Life	$118	$175	87.3%	82.1%

EP

Line of Business	2Q12 EP ($000,000)	2Q11 EP ($000,000)
Non-Medical	$1,586	$1,462
Group Life	$1,831	$1,818

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

Notable Statements

● Our underwriting results remain solid with strong performance in dental and improving results in disability. MetLife's commitment to underwriting discipline demonstrates that we will not chase sales at the expense of margins, which has proved over time to be a competitive strength.

● Disability results improved due to a lower LTD incidence rate compared to the prior year quarter and plan. However, recoveries, while better than the prior year, continued to remain below plan in the second quarter.

Analyst Questions

● I was hoping we could revisit the slide from your Investor Day and get a sense for how things maybe have or haven't changed given the first half of the year results. And the slide I'm referring to is the one that showed sort of three different categories of return on equity with a bunch of different businesses categorized in 15% or greater, 10% to 15% and then under 10%, and in particular, focus on the group disability and the annuity business, both of which were under 10%. I'm wondering if there's been any change there.

Response: With regard to disability, our book is really starting to turn and you can see that. In terms of our underwriting results and the profitability of it, again, this is in pretty stark contrast to most of our peers in the group disability business, and I'm hard-pressed to actually explain why, but our book is different than theirs. And if you've been aggressive, I think you're getting punished for it. But incidence rates are down. Claim closure rates are still elevated. And so underwriting isn't yet where it should be or could be, we think, in the future. But clearly, the ROE of that book is improving.

Hartford

Profit (Pre-Tax and DAC)

Line of Business	2Q12 ($000,000)	2Q11 ($000,000)
Group Benefits (Disability, Life, Other)	$34	$30

EP/Sales

Line of Business	2Q12 EP ($000,000)	2Q12 Sales ($000,000)	2Q11 EP ($000,000)	2Q11 Sales $(000,000)
Group Disability	$423	$27	$452	$41
Group Life	$478	$37	$512	$48

● In Group Benefits, core earnings were up from first quarter. We had favorable Life and AD&D results, as well as a seasonal improvement in long-term disability trends. The Hartford was among the first to recognize adverse trends in incidence and terminations, which we addressed by taking pricing actions beginning in early 2011 and continuing through today. It will take more time and work to get this business back to historical profitability, but I am encouraged with our progress.

● Loss ratio in Group Benefits was 78.6%, an improvement over the first quarter, which tends to be seasonally high, but still up from 78% in the prior year.

Analyst Questions

● One question on Group Benefits. The results were more favorable I think than most had expected, including myself. But it sounds like it was largely Group Life and AD&D. And I'm trying to understand how much of that is just good luck versus some core margin expansion, particularly on the disability side, that we should be thinking about as a trend?

Response: It looks like our run rate is going to be flat with 2011, which is in that 80, 85 range. As I think about the quarter, clearly there was $5 or $6 million of favorable Life and AD&D experience, and there are some good things on the expense side that were sort of one-timers. So, when I look at the quarter and think about Chris's comment about overall 2012 performance, I think that we are right on a pretty solid run rate.

Lincoln Financial

Profit (Post tax)

Line of Business	2Q12 Profit ($000,000)	2Q11 Profit ($000,000)	2Q12 Loss Ratio	2Q11 Loss Ratio
Group Protection	$27	$26	72.7%	73.4%
Group Disability	---	---	69.6%	69.4%
Group Life	---	---	75.0%	76.1%

EP/Sales

Line of Business	2Q12 EP ($000,000)	2Q12 Sales ($000,000)	2Q11 EP ($000,000)	2Q11 Sales ($000,000)
Group Protection	$495	$89	$460	$67
Group Disability	---	$38	---	$31
Group Life	---	$33	---	$23

Notable Statements

● In Group Protection, second quarter sales were $89 million, representing a 33% increase from the year-ago quarter. Our sales continued to be broad-based with employers of fewer than 1,000 employees remaining a source of strength for us. Second quarter sales were also driven by the strategic actions we are taking in this business, including a 15% increase in Lincoln's feet on the street. This increase in sales reps contributed to a 20% increase in independent brokers selling the segment's products. Our deep distribution, combined with the product and service expertise we bring to market, continue to position us well to near and long-term opportunities in the Group space.

● LTD incidence and severity continued to perform within our expectations, and life mortality returned to a more normal level when compared to the first quarter.

● Our discount rate for new LTD claims remained at 4.25% during the quarter. I'd note that we lowered our rate to 4.25% back in the second quarter of 2011. This early movement on the discount rate should allow us to maintain this rate for the remainder of 2012. Today's rate environment would likely lead us to lower our discount rate 25 to 50 basis points in 2013, and we are taking this into consideration on the pricing of new and renewal business.

Analyst questions

● Could remind us how to think about a 25 or 50-basis-point discount rate cut? What kind of an impact that might have on earnings? And then what does that translate into, all else equal, in terms of your pricing? You were talking about that as potentially a 2013 event. But if you've got a lot of new and renewal business coming up between now and, let's say, the beginning of the year, I'm just trying to get a sense of how much have to raise prices to essentially offset most of that discount rate cut.

Response: Let’s talk about the numbers. So, a twenty five basis-point reduction in discount rates translates into $2 million to $3 million of annual income, okay? It also translates into roughly 2% to 3% on premium, somewhere in that range. It's very hard to estimate. It's going to vary case to case to case. But let's call it that range. We are taking that sort of impact into account when we price cases today.

Sun

Profit (Net income after tax):

Line of Business	2Q12 Profit ($000,000)	2Q11 Profit ($000,000)
Employee Benefits Group (U.S.)	($8)	$11

EP/Sales

Line of Business	2Q12 EP ($000,000)	2Q12 Sales ($000,000)	2Q11 EP ($000,000)	2Q11 Sales ($000,000)
Employee Benefits Group	$530	$69	$525	$66

(U.S.)				

● In the U.S. business, the negative impact of C$16 million reflected unfavorable morbidity experience in long-term disability and stop-loss as compared to the prior quarter's morbidity experience in our U.S. Group business. Long-term disability incidence and terminations have been stable. However, the severity our average reserve per claim increased this quarter, primarily due to an increase in the average level of benefits. We continue to monitor these results closely and I would note that this business can fluctuate from quarter-to-quarter.

Analyst Questions

● Okay. And then just going back to the U.S., the group benefits business and their long-term disability book, where are you in terms of pricing versus your competition? I'm just trying to get an estimate as to what kind of price increases you're looking for?

Response: In terms of the study that we're doing, we're in the process of finalizing, but we would expect to be mid to high single digit as we go out into the third and fourth quarters. I can't speak to what our competitors are doing in terms of pricing actions. They will vary by region by type of business and so forth.

Summary

Company	Earnings	Sales	EP
Prudential	Not reported by line of business	Dis: $41M (↑36.7%) Life: $24M (↑9.09%)	Dis: $349M (↑17.9%) Life: $989M (flat)
Unum	LTD/STD: $70.4(↓10.6%) Life/AD&D: $57.3M (↑10.2%) Limited: $30.0M (↓45.7%) Colonial: $67.6M (↓6%)	U.S Brokerage LTD:$36.0M(↓6.01%) STD: $23.6M(↑33.3%) Life: $45.2M(↑10.5%) AD&D: $4.9M(↑29%) Vol:$36.6M(↑8%) Unum Limited LTD: $13.5M(↑7.1%) Life: $9.1M(↓6.2%) Colonial Acc/Dis: $56.7M(↓2.9%) Life: $16.0M (↑6.7%) Can/CI: $13.1M(↑6.5%)	U.S. Brokerage LTD: $397.8M (flat) STD: $118.2M (↑4.8%) Life: $294.2M (↑7.3%) AD&D: $28.7M (↑7.1%) Vol: $276.1M(↑5.7%) Unum Limited LTD: $101.7M (↓5.5%) Life: $55.5(↑6.9%) Colonial Acc/Dis: $179.8M (↑3.9%) Life: $52.4M (↑12%) Can/CI: $64.7M(↑4.2%)
Standard	Group: $23.2M (↓36.9%)	LTD: $6.5M (↓30.1%) STD: $2.5M (↓52%) Life/AD&D: $9.3M (↓53.7%)	LTD: $200.2M (flat) STD: $54M (↓2.9%) Life/AD&D: $223.8M (flat)
Aetna	Group: $46M (↑3.6%)	Group:N/A	Group: $525.7M (↑5.25%)
Principal	Specialty Benefits: $22.6M (↓10.7%)	Dis: $10.6M (↓8.6%) Life: $9.6M (↑5.5%)	Dis: $74.3M (↑8.9%) Life: $82.9M (↑2.5%)
Cigna	Group Dis & Life: $89M(↑1.1%)	N/A	Dis: $347M (↑3.6%) Life: $336M (↑5.3%)
Assurant	Employee Benefit: $18.6M(↑118.7%)	LTD/STD: $8.4M(↓11.6%) Life: $6.4M (↓9.6%)	LTD/STD: $103.5M (↓6%) Life: $46.5M (↓5.6%)
Met	Non Medical: $133M (↑22%) Life:$118M (↓32.6%)	Not reported by line of business	Non-Med: $1,586M (↑8.5%) Life: $1,831(flat)
Hartford	Group: $34M (↑13.3%)	Dis: $27M (↓34.2%) Life: $37M (↓22.9%)	Dis: $423M (↓6.4%) Life: $478M (↓6.6%)
Lincoln	Group Protection: $27M (↑3.9%)	Dis: $38M(↑22.6%) Life: $33M (↑43.5%)	Group Protection: $495M (↑7.6%)
Sun	U.S. Employee Benefits Group: ($8M) (↓172.7%)	U.S. Employee Benefits Group: $69M (↑4.6%)	U.S. Employee Benefits Group: $530M (↑1%)