SMITH GROUP
DISABILITY & REINSURANCE CONSULTANTS

August 2015

Dear Smith Group Client:

We are pleased to provide the 2nd Quarter 2015 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 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. The content herein is not intended to provide legal, accounting, or other professional advice, and no liability is or will be accepted or assumed in connection with its use.

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Prudential Financial

Profit (Pre-tax):

Line of Business	2Q15 Profit ($000,000)	2Q14 Profit ($000,000)	2Q15 Loss Ratio	2Q14 Loss Ratio
Group Insurance	$75	$46	NA	NA
Group Disability	NA	NA	61.6%	83.9%
Group Life	NA	NA	86.5%	89.3%

EP/Sales:

Line of Business	2Q15 EP ($000,000)	2Q15 Sales ($000,000)	2Q14 EP ($000,000)	2Q14 Sales ($000,000)
Disability	$172	$14	$199	$12
Life	$955	$10	$966	$10

Notable Statements

● Group Insurance business continues to benefit from pricing and underwriting actions in our disability block.

●Current quarter results include a net benefit of $28 million from refinements of reserves and related items primarily reflecting updates of actuarial assumptions based on an annual review.

● Benefits from continued improvement in group disability claims experience and more favorable group life underwriting results were largely offset by higher expenses and a lower contribution from investment results.

● In group disability, favorable claims experience, mainly driven by resolutions of existing claims, produced an improvement of about eight percentage points in the benefit ratio from the year-ago quarter. While the benefit from the actions we've taken, including pricing adjustments and enhancements to our claims management process, is now evident over several quarters and we recognized the history of improvements in long term disability claims resolution in our assumption update, we continue to expect that claims experience will fluctuate from one quarter to another.

● The group life benefits ratio was near the favorable end of our expected range and improved from a year ago, including a benefit from fewer new claims.

Analyst Questions

● Margins in both group life and disability seemed like they were unusually good. Not sure if it was an aberration or it's the result of pricing actions that you've taken and is this somewhat of a sustainable level in margins into the second half? Or would you expect margins to compress from these levels?

Response: In life, we think the guidance we've given of a target range for the benefit ratio between 88% and 92% still holds. This was a good quarter, at the lower end of that range, but still within the range. On disability, we've given a similar range of 88% to 92%. Quite frankly, I do think that range is rather stale as we've seen success in remediation of the existing book and see successful efforts in improving our claims management capabilities. We think there's the potential for revising that target ratio over time. I don't have a different type of figure for you yet, but I would expect that as we take a look at that, we'll come up with something that is in between the 88% to 92% range at the high-end and where we are today at the low-end.

Unum

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

Line of Business	2Q15 Profit ($000,000)	2Q14 Profit ($000,000)	2Q15 Benefit Ratio	2Q14 Benefit Ratio
Unum US	$202.8	$215.8	71.2%	70.4%
LTD/STD	$61.2	$72.7	83.4%	81.9%
Life & AD&D	$52.5	$60.6	73.1%	70.1%
US Supp & Vol	$89.1	$82.5	46.4%	49.8%
Unum UK	$38.3	$39.6	70.7%	74.0%
Colonial	$77.6	$74.9	50.4%	52.0%

EP/Sales

Line of Business	2Q15 EP ($000,000)	2Q15 Sales ($000,000)	2Q14 EP ($000,000)	2Q14 Sales ($000,000)
Unum US	$1,236.4	$185.3	$1,157.7	$184.0
LTD	$409.4	$51.9	$386.2	$46.8
STD	$151.6	$32.4	$137.8	$23.3
Life/AD&D	$369.3	$48.7	$344.3	$62.3
Voluntary/Supp	$306.1	$52.3	$289.4	$51.6
Unum UK	$142.2	$20.5	$154	$21.1
LTD	$99.4	$14.4	$105.9	$14.8
Life	$30.4	$4.7	$33.7	$5.4
Other	$12.4	$1.4	$14.4	$.9
Colonial	$335.9	$95.8	$316.8	$90.6
Acc/Sick/Dis	$198.1	$60.4	$189.2	$57.3
Life	$63.3	$18.6	$57.5	$18.3
Cancer & CI	$74.5	$16.8	$70.1	$15.0

Notable Statements

Unum U.S.

● Operating income in our Group disability business was $61.2 million, a decline of 15.8% from the year ago quarter at $72.7 million, while premium income continues to build momentum increasing by 7.1% over the year ago quarter. We saw continued pressure on net investment income which declined by 1.8% in the quarter.

● The disability benefit ratio was 83.4% in the second quarter compared to 81.9% in the year ago quarter. The benefit ratio was impacted by higher new claimant incidence and higher average size claim in our LTD line driven in part by the 50 basis point reduction in the discount rate implemented in the fourth quarter of 2014. We believe this quarter's results reflect negative volatility that will occur in this line from quarter-to-quarter.

● Group Life and AD&D operating income was $52.5 million for the second quarter, a decline of 13.4% from the year ago quarter, premium income continues to grow at a very healthy levels increasing 7.3% for the second quarter. Earnings were negatively impacted by the increase in the benefit ratio to 73.1% for the quarter up from 70.1% a year ago, primarily driven by an increase in the average claim size.

● Trends in the supplemental and voluntary lines were favorable with operating income at $89.1 million for the second quarter and increase of 8% compared to the $82.5 million a year ago.

● Sales increased by 1% for the second quarter compared to the year-ago quarter. By market segment, we saw continued momentum in the core segment, which we define as less than 2000 employees with year-over-year growth of 4%. We did see sales decline in the large case segment which is a market we approach on opportunities phases and where sales can be more volatile.

Unum UK

● Operating income was £25 million for the second quarter, an increase is 5.9% over the year ago quarter of £23.6 million. The benefit ratio improved 70.7% for the second quarter compared to 74% in the year ago quarter as risk experience in the group life line business was favorable benefiting from lower new claim incidence and lower average claim size.

● Mortality negatively impacted results in the group disability line although the risk results remain within our long term expectations. Margins remain in very good shape for Unum U.K for the quarter and first half of the year and the operating ROE was 19.1% for the quarter.

● Sales continue to gain momentum increasing 6% for the quarter in local currency, second with continued good sales momentum along with healthy levels of persistency across all of our business lines we continue to experience very good growth in our premium income.

Colonial

● Colonial Life also continues to generate strong results. With operating income of $77.6 million a 3.6% increase over the year ago quarter at $74.9 million, risk experience was favorable over the year ago quarter primarily driven by favorable mortality experience in the life line as a benefit ratio decline to 50.4% from 52% in the year ago quarter.

● Strong sales, increasing almost 6% with solid performance in the core commercial segment and public sector.

Analyst Questions

● Are you now sort of pricing your business to reflect the current interest rate environment so all that is sort of baked into the cake at this point or is there another round of rate that you need to take on a go forward basis?

Response: So, I think there are really two fronts, the first is new business pricing and we would say that absolutely, new business pricing reflects our best view on interest rates, underlying risk, aging of the population et cetera. For renewals, as you know, it takes a little bit of time to work through those. So, just give you a sense, in the larger end of the market, we see about a third all of our large employers come through each year and then in the core market exposure to 20% to 22% that we put through the renewal program, each batch that comes through reflects the current view of interest rates.
So we're making good progress but even as we saw rates fall a bit last year, that would get reflected in the renewal program this year and in the next two years to come.

● On the top line, is it still fair to say that you're not really getting much of a benefit from either employment growth or wage inflation?
Response: Yes, it has been negative in the past, but it is positive now in the 1% to 1.5% range and so we haven't seen, we haven't seen the lives and wage growth that perhaps the general economy is seeing as yet.

● Can you give us an update on your views on the competitive dynamics?

Response: I'd would say that in comparison we certainly saw more favorable market conditions in 2014 and we had seen in a little while. We had few carriers that needed to address profitability issues and that created some opportunities. We also saw the market shake off some of the distraction from ACA that where we adopted in the end of 2012 and then 2013. I'd say as I look at 2015, we probably see a little bit more of an aggressive stance around pricing in the market then we have saw 2014 but still reasonable.

● Could go into a little bit more detail on the two businesses where you saw weak margins, group disability and then group life. Can you talk about what you saw in terms of incidence and severity trends and how do you expect the loss ratios or margins to emerge in those businesses in the second half of the year?

Response: On the group disability and group life lines, it really looks like just normal volatility. On group disability, the new claim incidence rates was up slightly, the average size was up and so it was a combination of those two things that drove the results. I would point to the first half of the year, a very good first quarter and not as good on the second quarter, but year-to-date we are pretty much where we could have expected. So, our outlook is not changing going forward. For group life, it was driven by average claim size, so you know just higher paid people happened to be the people that submitted claims, the claim size was up 6% for the quarter, and again that's something that we wouldn't view as being the trend and wouldn't view as changing our outlook going forward.

● Just a question on the relationship, if there is one, on the 2014 very strong sales growth you had in U.S. Group and whether or not that is contributing at all to the elevated benefit ratios this quarter. Do you see that as a pricing issue at all? If they (benefit ratios) remain at this level, is that good enough of a return that you would necessarily need to see rate actions?

Response: We actually look at claims by year of issue, and there was no evidence that any of the problems that we saw in the group lines were the result of recent sales, it was pretty random where that stuff showed up by year of issue.

● Can you give some perspective on magnitude of rate actions on renewals as they come through?

Response: Yeah, so mid to high single digits is pretty typical. For any particular pocket or client, you're going to see variance around that, but on average, that is where we are.

Standard Financial Group

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

Line of Business	2Q15 Profit ($000,000)	2Q14 Profit ($000,000)	2Q15 Ben Ratio	2Q14 Ben Ratio
Employee Benefits	$50.1	$36.7	77.5%	82%

EP/Sales

Line of Business	2Q15EP ($000,000)	2Q15 Sales ($000,000)	2Q14 EP ($000,000)	2Q14 Sales ($000,000)
LTD	$195.4	$8.1	$189.4	$7.9
STD	$61.5	$5.9	$57.5	$2.9
Life & AD&D	$204.3	$12.7	$202.9	$5.1
Other	$20.3	$5.5	$19.4	$5.1
ERR	$7.4	---	($1.9)	---
Total EB	$488.9	$32.2	$467.3	$21.0

Notable Statements

In light of the announcement that Meiji Yasuda had agreed to acquire StanCorp, company management decided not to hold an investor and analyst conference call for 2Q15. Statements below originate from Stancorp's earnings release.

● Employee Benefits reported income before income taxes of $50.1 million for the second quarter of 2015, compared to $36.7 million for the second quarter of 2014. The increase was primarily due to more favorable claims experience and higher premiums, partially offset by higher operating expenses and higher commissions and bonuses, which was a reflection of sales and premium growth.

● Premiums increased 4.6% to $488.9 million for the second quarter of 2015 from $467.3 million for the second quarter of 2014. The increase was primarily due to higher annualized new sales in the first six months of 2015 and favorable retention of existing customers.

● Employee Benefits annualized new sales were $32.2 million for the second quarter of 2015, compared to $21.0 million for the second quarter of 2014. The increase in sales for the second quarter of 2015 reflected an increase in proposal activity and was in line with the Company's five-year average for second quarter sales.

● The benefit ratio for Employee Benefits, measured as benefits to policyholders and interest credited as a percentage of premiums, was 77.5% for the second quarter of 2015, compared to 82.0% for the second quarter of 2014. The benefit ratio can fluctuate widely from quarter to quarter and tends to be more stable when measured on an annual basis.

● The discount rate used for newly established long term disability claim reserves was 4.00% for the second quarter of 2015 and 2014.

Aetna

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

Line of Business	2Q15 Profit ($000,000)	2Q14 Profit ($000,000)
Group Insurance (Life, Disability, LTC)	$44.8	$60.6

EP

Line of Business	2Q15 Earned Premium ($000,000)	2Q14 Earned Premium ($000,000)
Group Insurance	$539.3	$530.1

Principal Financial Group

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

Line of Business	2Q15 Profit ($000,000)	2Q14 Profit ($000,000)	2Q15 Loss Ratio	2Q14 Loss Ratio
Specialty Benefits	$32.5	$29.0	65.2%	65.8%
Group Disability	---	---	69.8%	66.8%
Group Life	---	---	61.9%	66.2%

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

Line of Business	2Q15EP ($000,000)	2Q15 Sales ($000,000)	2Q14 EP ($000,000)	2Q14 Sales ($000,000)
Disability	$95.8	$13.3	$86.3	$13.2
Life	$91.1	$10.0	$89.2	$12.1

Notable Statements

● Specialty Benefits operating earnings of $33 million were 12% higher than the second quarter 2014. Premium and fees were up 8% over the year-ago quarter due to strong retention and year-to-date sales. The loss ratio of 65% remains at the low-end of our targeted range. Our Specialty Benefits division continues to provide essential protection solutions to customers in our core markets in small- to mid-sized businesses and has performed consistently well.

Cigna

Profit (Income from continuing operations, post tax and realized investment gains/losses):

Line of Business	2Q15 Profit ($000,000)	2Q14 Profit ($000,000)
Group Disability & Life	$106	$110

EP

Line of Business	2Q15 EP ($000,000)	2Q14 EP ($000,000)
Disability	$446	$405
Life	$441	$405

Notable Statements

● Adjusted income from operations and adjusted margin, after-tax for the second quarter 2015 and the second quarter of 2014 include a favorable after-tax impact related to reserve studies of $37 million and $35 million, respectively

● Second quarter 2015 adjusted income from operations and adjusted margin, after-tax also reflects improvement in claims experience in our life insurance business relative to the first quarter 2015.

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	2Q15 Profit ($000)	2Q14 Profit ($0000)	2Q15 Loss Ratio	2Q14 Loss Ratio
Employee Benefits* (includes DRMS)	$11,268	$14,432	71.6%	67.4%

* Employee benefits includes dental, disability & life

EP/Sales

Line of Business	2Q15 EP ($000)	2Q15 Sales ($000)	2Q14 EP ($000)	2Q14 Sales ($000)
LTD & STD	$100,310	$8,040	$102,929	$8,300
Life	$51,549	$6,012	$50,137	$6,691

Notable Statements

● In employee benefits, earnings in the quarter decreased by $3 million to $11 million due to less favorable life and disability results compared to second quarter 2014. While within the normal range of volatility, we saw a modest increase in disability incidence, and an increase in life claims.

Analyst Questions

● Given what a Japanese mutual insurer paid for StanCorp, paid for I'm wondering if you can characterize the level of interest in your Employee Benefits business. Has it been very high? Have you been talking to potential international acquirers?

Response: I think one of the positives of the early announcement we made in April is that it has obviously created a lot of interest in the Company. The process itself is confidential, so I cannot speak specifically to that. But as I said, we're on track. I think the results and all the dialogue we've had with people so far affirms the value of our voluntary platform, and our dental business. The business is continuing to perform well, although earnings were down slightly in the quarter, the sales pipeline is strong. Persistency has been good. And we're confident it's going to be a valuable company, and that we'll receive good price for it.

● On the Employee Benefits business, how has your retention, your sales been affected by just the fact that the business is being put up for bid? Have you seen any impact on that, and do you expect that to affect and turn the price that you get for the business?

Response: As we mentioned earlier briefly, the sales pipeline remains solid for that business. Persistency has been good, and consistent with the past. And we have been very encouraged that we really haven't seen any disruption to the business. It's been business as usual. And all of our dialogue with various companies that we've been in discussion

with confirms it's a valuable platform. It's a valuable company. We still expect to receive a very good price for it.

MetLife

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

Line of Business	2Q15 Profit ($000,000)	2Q14 Profit ($000,000)	2Q15 Loss Ratio	2Q14 Loss Ratio
Group Non-Medical Health	$231	$209	80.5%	82.8%
Group Life	---	---	86.1%	86.9%

EP

Line of Business	2Q15 EP ($000,000)	2Q14 EP ($000,000)
Group Non-Medical Health	$4,104	$4,038
Group Life	$1,531	$1,496

Group Non-Medical Health includes dental, disability, LTC, AD&D, CI, Vision and other health.

Notable Statements

● Disability results improved year-over-year due to lower incidence and severity, as well as higher net closure.

Analyst Questions

● A question on the group business, it seems like growth has decelerated a little bit. Can you talk about the dynamics there and your outlook for growth?

Response: Well, I think there's a couple of things going on, one is, in certain segments of the market, especially I think the dental business I think the competitive environment has gotten more challenging. And I think that therefore our wins on new businesses are lower than they otherwise might be.

Secondly, remember, we've been being pretty aggressive about renewals and new business in our disability area, feeling that we needed to kind of catch up a little bit on our pricing. And I think that's depressed sales a little bit in disability. You can certainly see it in numbers. Our disability new sales are pretty low. Renewals are good in terms of we're getting our price on renewals, but the new business we're getting is pretty low. So I think those two factors are causing the premium growth in the group business to be a little lower than you might otherwise expect.

Hartford

Profit (Post tax and investment gains/losses)

Line of Business	2Q15 ($000,000)	2Q14 ($000,000)
Group Benefits (Disability, Life, Other)	$56	$52

EP/Sales

Line of Business	2Q15 EP ($000,000)	2Q15 Sales ($000,000)	2Q14 EP ($000,000)	2Q14 Sales $(000,000)
Group Disability	$358	$27	$349	$20
Group Life	$376	$28	$371	$24

Notable Statements

● In group benefits, the results reflect our focus on new business generation and disciplined underwriting. Sales increased 29% and after-tax core earnings margin increased to 6.3%.

● Improvement in the Group disability loss ratio was largely offset by less favorable mortality in group life, which looks to be a function of normal volatility in the line. This is another excellent quarter for group benefits. Markets remain competitive and we're performing well in all aspects of our business. We are well positioned with strong persistency and improved capabilities, allowing us to compete for new accounts. And we're executing on plan initiatives for our voluntary platform, further enhancing our value proposition.

Analyst Questions

● In Group Benefits you continue to have nice growth momentum. So, I was just hoping you could talk a little bit more about the competitive dynamics in the market and how much of your growth is coming from new products and your expanded voluntary product set.

Response: A couple of thoughts about it. Really we had a terrific start to 2015, so we're encouraged about that progress and really feel like we have priced our way through the challenges of two or three years ago, so that is in the rear-view mirror. As I look ahead, there are strong competitors around us, but I feel good about our ability to earn our way into the finals, and we've won our share. Inside our new sales, there's a positive story both on new customer, but there also is a positive story on growing inside our current customers with add issue sales in addition to where we were last year with that current customer.

So that's point number two. And then lastly, voluntary has been an important part of our strategic grow these last couple of years, particularly just getting the product ready to meet the street. I think we feel good that we were able to work those 1/1/15 accounts with our abilities in the voluntary area. It is slow, it's probably a little slower than Chris and I

thought it might be. As we finish the year, our sales probably in the voluntary area will be just under $10 million for the year, but what's important is that we're able to be at the table with customers that demand that as part of their suite. And I think we're there today, and a couple of years ago I was not able to say that.

Lincoln Financial

Profit (Post tax)

Line of Business	2Q15 Profit ($000,000)	2Q14 Profit ($000,000)	2Q15 Loss Ratio	2Q14 Loss Ratio
Group Protection	$19	$2	73.6%	80.3%
Group Disability	---	---	75.4%	82.6%
Group Life	---	---	72.0%	80.0%

EP/Sales

Line of Business	2Q15 EP ($000,000)	2Q15 Sales ($000,000)	2Q14 EP ($000,000)	2Q14 Sales ($000,000)
Group Protection	$567	$62	$574	$73
Group Disability	---	$23	---	$30
Group Life	---	$26	---	$29

Notable Statements

● Next turning to profitability, we are encouraged by the earnings improvement we saw this quarter in Group Protection as management actions aimed at restoring profitability are beginning to gain traction.

● Second quarter sales of $62 million were down 15% compared to the prior year quarter. Our pricing actions continue to put downward pressure on new business opportunities and we expect sales growth to remain soft as we move through the year.

● We continue to make inroads on our targeted strategy to further expand the employee paid voluntary market. This is an important element in our overall strategy to achieve and sustain profitable growth in this business. In the quarter, 44% of sales were employee paid up slightly year-over-year.

● Group protection earnings of $19 million were well above the $2 million reported in the prior year quarter and operating losses the past two quarters. Loss ratios benefited from the pricing and claims management actions we have been implementing.

● Non-medical loss ratio improved from 78.1% in the first quarter to 73.6% this quarter. This marks our lowest loss ratios since the third quarter of 2013. Sequential progress was driven by improvement in all product lines, life, disability and dental.

●Our disability loss ratio improved 7 percentage points over the prior year as LTD incidence and recoveries continue to improve. Case loads per claim examiner which were elevated are likely to reach targeted levels in the third quarter, which should help reduce some of our recent earnings volatility.

Analyst Questions
● Question on group protection, are you still sticking with sort of the timing of late '16, early '17 for where you're going to get to your targeted margins?

Response: Yes. I said that in my comments.

Okay. I just want to make sure because it looks like a good run rate to get there from Q2 to Q1 improvements. On the life side, you're saying I think the first quarter was a frequency blip and the second quarter was a severity blip, so no need to adjust underwriting and pricing actions?

No, Bob, not at all. As I noted in my script to once again highlight the points you made, the frequency was actually down 11% in the second quarter from the first quarter. And it was actually a little better than our expectations for the number of claims that we would have. So the second quarter was definitely a severity-driven event, which was very different. I mean, the first quarter if you remember, I believe is more related to a bad flu season, it was spread across the entire portfolio.

And so it was the number of claims spread across the entirety of the business that we issue whereas the second quarter was very focused in these larger claims as I mentioned. And some very abnormal items such as this focused on younger age, accidental claims that I talked about, so very different in the nature of the two quarters. And nothing that I would expect to cause any changes at all in our underwriting practices, which we believe are industry-leading and that have over time delivered great mortality results and mortality results that are exactly in-line with our expectations.

Analyst Questions
● And then thinking about group, in terms of the pricing that you think you still need to take to get to your margin goals, where are we on that basis and what are you seeing in the competitive environment in terms of the ability to push through that much pricing?

Response: I think, if you go back to the beginning of this, we talked about a $1 billion of business to re-price and I think we're roughly 55% of the way or so through that. By the end of this year, we'll be 75-80% through that and the balance will come over the remainder of 2016. So, we're working our way through it. In terms of the other big earnings driver, it would be the things that we've done on the claims management area. And as I mentioned, I think we are pretty much where we need to be on that, I'd expect to be there in the third quarter.

Let me expand on your questions just a little bit. Just give you a couple of high-level statistics. We had year-to-date premium renewal about $512 million and we were able to move the net after-tax margin on that business up by 7% versus what it had been at. And somewhat -- because getting price increases needs to -- that's one piece of it. The other piece is how much you are retaining, what is the margin on what you're retaining and what's the margin on what's leading? And so this 7% increase in margin captures all of

that and it's a pretty good indication about pricing actions that we're taking are getting traction.

Sun

Profit (Net income after tax):

Line of Business	2Q15 Profit ($000,000)	2Q14 Profit ($000,000)
Employee Benefits Group (U.S.)	$3	$17

EP/Sales

Line of Business	2Q15 EP ($000,000)	2Q15 Sales ($000,000)	2Q14 EP ($000,000)	2Q14 Sales ($000,000)
Employee Benefits Group (U.S.)	$592	$102	$552	$108

● Our group benefit's business continues to execute well with earnings growth from investments in claims management which in turn helps more disabled people to return to work. We're also seeing the results from our ongoing pricing actions and expense reductions.

● Sales in group benefits were lower reflecting our re-pricing strategy, at the same time business in-force has remained stable at U.S. $2.5 billion of annual premium.

Analyst Questions

● The weakness in the voluntary sales in the U.S., this appears to be a bit of a trend here and they were particularly weak in the second quarter, just what's going on there?

Response: Our sales overall in group benefits were down year-over-year in the comparable quarters and year-to-date and that of course, is due to the pricing actions that we've been taking so, not unexpected. The component that is voluntary especially in the second quarter just due to the seasonality of sales patterns is a relatively small number. So I wouldn't read too much into that alone other than it being reflective of the overall moderation in sales.

● Looking at the in-force book, it has treaded water at $2.5 billion for a couple of years now, so how long until it starts setting higher, how much of that will be dependent on some of the stuff we've been talking about, getting the book re-priced and how much dependent on just the U.S. economy getting better?

Response: With the pricing actions we've been putting through, we're actually pleased with the fact that this is stable. Our mix has changed of course where we're selling more stop loss and somewhat less group business than we were before, so that's balancing out nicely. In terms of the group pricing, we're about 30% of the way through that in terms of the book of business, so we still have ways to go. We would expect that we'd be able to maintain the book of business as we complete that re-pricing and then growth gradually should resume as we get through that process.

● Firstly, let's go back to the U.S. group business, and Dan, I'd like to hear that you think this is a good run rate representative quarter but it seems to me like you might be understating things there, you've only gone through 30% of the re-pricing. And this is the first time, at least that I've noticed they talk about claims management and expense gains. So, it sounds like there is more than just the pricing that's driven the big year-over-year improvement in earnings in that business. So maybe you can go through those other two items, whether the claims management and the expense gains that have helped this business? And if those are sources of additional growth and layer on top of that the rest of the re-pricing, we could see profits actually move quite a bit higher than the $22 million.

Response: Well, you're right that there is three components to this. Pricing is one of them and that's the one that will take the longest simply because of the three year rates that are typical in this industry. As you've noted, we've also made investments in improved claims management and we've already seen quite a bit of the benefit of that already. Those investments have been in progress for over a year. And we've also been, as you noted taking expense actions and we're probably quite a bit further along in those than we would be on the pricing, so we're seeing a good deal of the benefit of that earlier in the process here. But overall, I think you're right that we're not yet at the full potential that this business has and we have ways to go.

● So, thanks for that. I guess the claims management, is it safe to say that the prior years when the emphasis was on sales perhaps a bit more than it should have been, you aren't doing a good of a job on claims management and now that you have addressed that, you probably could hope to see less volatility in group?

Response: Well, the nature of group is inherently volatile, so I don't think we can guarantee no volatility in the future, in fact I would probably expect that overtime. But we have made some meaningful investments in claims management adding some staff. In the past quarter we opened a model office for claim management, our new Sun Life Center for Healthy Work in Scarborough, Maine, in the Portland Maine area which is essentially the focal point for disability insurance in the U.S., so there was a lot of great talent available there.

And we think we've taken the right actions to put us on a good course to do a really good job for our members helping them get back to work in the future.

Summary

Company	Earnings	Sales	EP
Prudential	**Group Insurance: $75M (↑63%)**	**Dis: $14M (↑16.7%) Life: $10M (flat)**	**Dis: $172M (↓13.6%) Life: $955M (↓1.1%)**
Unum	**LTD/STD: $61.2(↓15.8%) Life/AD&D: $52.5M (↓13.4%) Unum UK: $38.3M (↓3.3%) Colonial: $77.6 (↑3.9%)**	**U.S Brokerage LTD:$51.9M(↑10.9%) STD: $32.4M(↑39.1%) Life/AD&D: $48.7M(↓21.8%) Vol/Supp: $52.3M(↑1.4%) Unum UK LTD: $14.4M(↓2.7%) Life: $4.7(↓13%) Colonial Acc/Dis: $60.4M(↑5.4%) Life: $18.6M (↑1.6%) Can/CI: $16.8M(↑12%)**	**U.S. Brokerage LTD: $409.4M (↑6%) STD: $151.6M (↑10%) Life/AD&D: $369.3M (↑7.3%) Vol: $306.1M(↑5.8%) Unum UK LTD: $99.4M (↓6.1%) Life: $30.4(↓9.8%) Colonial Acc/Dis: $198.1M (↑4.7%) Life: $63.3M (↑10.1%) Can/CI: $74.5M(↑6.3%)**
Standard	**Group: $50.1M (↑36.5%)**	**LTD: $8.1M (↑2.5%) STD: $5.9M (↑103.4%) Life/AD&D: $12.7M (↑149%)**	**LTD: $195.4 (↑3.2%) STD: $61.5M (↑7%) Life/AD&D: $204.3M (flat)**
Aetna	**Group: $44.8M (↓26.1%)**	**Group:N/A**	**Group: $539.3M (↑1.7%)**
Principal	**Specialty Benefits: $32.5 (↑12.1%)**	**Dis: $13.3M (flat) Life: $10M (↓17.4%)**	**Dis: $95.8M (↑11%) Life: $91.1M (↑2.1%)**
Cigna	**Group Dis & Life: $106M(↓3.6%)**	**N/A**	**Dis: $446M (↑10.1%) Life: $441M (↑8.9%)**
Assurant	**Employee Benefit: $11.3M(↓21.9%)**	**LTD/STD: $8M(↓3.1%) Life: $6M (↓10.1%)**	**LTD/STD: $100.3M (flat) Life: $51.5M (↑2.8%)**
Met	**Group: $231M (↑10.5%)**	**Not reported by line of business**	**Group: $4,104M (↑1.6%) Life: $1,531M(↑2.3%)**
Hartford	**Group: $56M (↑7.7%)**	**Dis: $27M (↑35%) Life: $28M (↑16.7%)**	**Dis: $358M (↑2.6%) Life: $376M (↑1.3%)**
Lincoln	**Group Protection: $19M (↑850%)**	**Dis: $23M(↓23.3%) Life: $26M (↓10.3%)**	**Group Protection: $567M (↓1.2%)**
Sun	**U.S. Employee Benefits Group: $3M (↓82.4%)**	**U.S. Employee Benefits Group: $102M (↓5.6%)**	**U.S. Employee Benefits Group: $592M (↑7.2%)**