SMITH GROUP
DISABILITY & REINSURANCE CONSULTANTS

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Dear Smith Group Client:

We are pleased to provide the 3rd Quarter 2010 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	3Q10 Profit ($000,000)	3Q09 Profit ($000,000)	3Q10 Loss Ratio	3Q09 Loss Ratio
Group Disability	NA	NA	99.7%	93.5%
Group Life	NA	NA	89.0%	89.8%

EP/Sales:

Line of Business	3Q10 EP ($000,000)	3Q10 Sales ($000,000)	3Q09 EP ($000,000)	3Q09 Sales ($000,000)
Disability	$287	$26	$303	$57
Life	$945	$84	$889	$53

Notable Statements

● The Group Insurance business reported adjusted operating income of $61 million in the current quarter compared to $64 million a year ago. Results for the current quarter benefited by $28 million from refinements in group life and disability reserves mainly as a result of our annual review. Excluding these reserve refinements, results were down $31 million from a year ago. This decrease in earnings came mainly from a negative swing in group life underwriting results, driven primarily by less favorable mortality on our in-force business and by the lapsing of some business that had favorable claims experience in the year-ago quarter.

● Most of our Group Insurance business represents large cases, where experience emerges over a number of years. While our claims experience for the year-to-date has been at the high end of our historical range, we have no reason to believe that our recent mortality experience is indicative of a trend.

Unum

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

Line of Business	3Q10 Profit ($000,000)	3Q09 Profit ($000,000)	3Q10 Benefit Ratio	3Q09 Benefit Ratio
Unum US	$204.7	$197.1	79.5%	79.3%
LTD/STD	$77.8	$75.0	84.6%	85.3%
Life & AD&D	$52.8	$50.0	70.4%	70.3%
US Supp & Vol	$74.1	$72.1	54.3%	52.1%
Unum Limited	$47.2	$58.7	66.9%	50.2%
Colonial	$74.5	$70.4	49.9%	48.2%

EP/Sales

Line of Business	3Q10 EP ($000,000)	3Q10 Sales ($000,000)	3Q09 EP ($000,000)	3Q09 Sales ($000,000)
Unum US	$513.6	$113.9	$537.4	$110.4
LTD	$404.9	$21.1	$427.4	$20.7
STD	$108.7	$11.5	$110.0	$13.8
Life	$273.0	$24.5	$266.8	$28.0
AD&D	$27.0	$2.6	$26.6	$2.9
Voluntary/Supp	$397.0	$54.2	$384.4	$45.0
Unum UK	$161.4	$29.6	$169.7	$32.1
LTD	$108.0	$14.5	$121.6	$13.5
Life	$44.5	$14.0	$38.1	$17.1
Other	$8.9	$1.1	$10.0	$1.5
Colonial	$269.3	$80.3	$253.5	$78.5
Acc/Sick/Dis	$166.1	$53.6	$156.2	$50.2
Life	$43.4	$14.7	$41.1	$16.4
Cancer & CI	$59.8	$12.0	$56.2	$11.9

Notable Statements

Unum U.S.

● The group disability line reported another solid quarter with income up 4% to $77.8 million, driven primarily by improved risk experience on a year-over-year basis.

● Within the group life and AD&D line, operating income increased 6% to $52.8 million in the third quarter, a slight improvement in premium income as well as stable risk experience helped to generate the improved earnings.

● In the supplemental and voluntary line, third quarter income was up 2.8% to $74.1 million from $72.1 million a year ago. The improvement was driven by strong earnings growth from the voluntary benefits line of business.

● Our group disability results remained strong with the third quarter benefit ratio of 84.6%, lower than the year ago quarter experience of 85.3% due to more favorable claim recovery performance and flat with the benefit ratio in the second quarter.

● New claim incidence for the quarter was consistent with the year ago experience, but slightly elevated relative to the second quarter. The claim incidence trends are not showing notable underlying trends or any signs of being economically influenced.

Unum UK

● Moving to Unum U.K., operating income in this segment decreased $19.6 million to $47.2 million. Operating income declined 15.1% in local currency. Premium income in local currency was essentially flat in the third quarter. The benefit ratio of 66.9% was well above the unusually low benefit ratio of the year ago quarter.

● Weaker results have a number of drivers including lower net claim resolutions and continued competitive pricing pressures in the group disability line which is only partially offset by a slight improvement in group life experience.

Colonial

● Colonial Life had a strong quarter with premium growth of 6.2% and operating income growth of 5.8% compared to last year. The benefit ratio was 49.9% this quarter compared with the year ago benefit ratio of 48.2% been in line with our longer term expectations for this business segment.

● Risk results this quarter were somewhat unfavorable in the accident, sickness and disability line of business and drove the benefit ratio for the quarter to just under 50% compared to 48.2% in the year ago quarter. As we had mentioned before, we believe that the benefit ratio of around 50% is likely an ongoing expectation for Colonial Life, as a whole.

Analyst Questions

●There has been some discussion about brokers maybe focusing a little bit more on voluntary benefits with health commission threatened to be cut. Are you seeing that?

Response: Our Simply Unum platform results would allow those brokers to integrate group and voluntary coverage. Simply Unum sales are very robust and up and occupy a greater and greater share of our small case markets growth. More and more brokers are participating in the voluntary market, more and more brokers are asking for information and looking for support in that voluntary market, and we think we're just positioned great for that.

● Question on the competitive environment, aggressive competition and terms have been discussed at least a few times on this call. Any update you can provide us as to where the competitive environment sits? What is your expectations around that terms and conditions just getting that much more aggressive?

Response: I don't think that it is so much terms and conditions as it is price. As I said last quarter, incumbent carriers are continuing to defend their in-force blocks, I think primarily driven by the fact that they want to maintain their year-end premium levels, they want to maintain their field service organization and this has been with employment or the economy now turning around, new sales are just adding across the board in the industry.

As we track pricing levels using some outside research support, industry pricing levels continue to slide downward. They haven't flattened and they certainly haven't turned in the other direction. We are entering the 2011 renewal season and we would have expected, maybe based on some comments we heard in the marketplace, that renewals might be easy to place but we haven't seen that so far. We see competition on business that we're putting out to renew just as aggressive or maybe even more aggressive than it's been in the past couple of years. So, bottom line is, I'm not seeing any hardening.

Reliance Standard Life (RSL)

Profit (Operating income, pre-tax):

Line of Business	3Q10 ($000)	3Q09 ($000)	3Q10 Loss Ratio	3Q09 Loss Ratio
Group (LTD, STD, Excess WC, Life, Travel Accident, Dental)	$73,071	$74,678	68.1%	68.2%

EP/Sales

Line of Business	3Q10 EP ($000)	3Q10 Sales ($000)	3Q09 EP ($000)	3Q09 Sales ($000)
Disability (mostly LTD)	$135,088	$23,122	$135,640	$24,696
Life	$97,933	$17,918	$95,822	$10,928

Notable Statements

● Our insurance businesses performed well in the third quarter. Core group employee benefit premiums were up 4% which was our first increase in four quarters in this weak payroll economy that we have had. We also achieved strong production in our three main

insurance products group disability, group life and excess workers comp, which combined were up 18% over the period last year.

● Voluntary products continue to be a main growth driver as employers seek to control costs. Reliance Standard's voluntary premiums were up 9% in the quarter. This includes premiums from our limited benefit healthcare product, Basic Care, which rose 24% to $10.2 million. We also had a strong contribution from our Integrated Employee Benefits program for larger companies. Production of insurance sold to IEB clients was up approximately 20% in the quarter.

● Continued solid results of Safety National were offset by higher than expected claim incidence in LTD at RSL. We have talked on previous conference calls about not experiencing any impacts from the recession on disability claims, incidence, severity or termination rates. Termination rates and severity trends were unchanged in the quarter but the higher claims incidence is something new that we saw for the first time.

● Claim incidence was not concentrated in any industry sector or geographic region but overall we have seen more soft tissue and musculoskeletal claims which are the most common type of LTD claims. We are of course monitoring this very closely and we think it's too early to say whether there is anything other that a one time quarterly variation here. We continue to believe that RSL's small case focus and our emphasis on underwriting discipline will enable us to maintain favorable disability loss ratios.

Analyst questions

● Could you remind me or tell us what the discount rates that you're using across your businesses are for the life insurance business, as well as could you talk about what amount of the property casualty business is discounted and what type of discount rates you would use on those reserves?

Response: I think on the LTD side on the discount rate we are currently using 4.75% for LTD reserves and that's the only material block that has discounting in that area and on the workers comp side we are currently using up 4.9% discount rate. Now our typical pattern is take a look at these discount rates as we go through the planning process and then early in the year look at a new discount rate. So of course those will be the things that we'll be looking at during this planning process and entering early next year.

● Why do you think we're seeing now when the economy, at least according to the government is recovering, has been recovering for over a year, consumer confidence I read this morning improving, why do you think we are seeing disability incidence deteriorating now? I know you said that you are not ready to call it a trend. It may just be a blip, and relatively, given whatever the reasons are, why aren't they having this? What would be your best sense of why those same factors are not having the same effect on recovery rates? Why is this happening now and why aren't recovery rates being affected?

Response: The disability result is essentially on a lag basis. As you recall, you have to be employed to go on disability. When the economy began to free fall and initially some people lost their jobs right off the get-go. So, they weren't employed to have the ability to go on disability. Now, I think with the lag that we have seen somewhat in the past, people are employed and perhaps thinking that they may lose their job and the best alternative is go on disability; especially with the diagnosis as Don said that we've seen. So, that's my hypothesis and I believe it's pretty strong. And on recoveries I don't know that I have a real strong answer. We haven't seen any indications one way or the other.

I mean I think overall the claims management here at RSL has got stronger and stronger. We have also talked about best practices, especially with Matrix and the people we've hired. I just think that the overall claim operation that the strength of the claim review has gotten stronger and stronger within the organization.

Standard Financial Group

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

Line of Business	3Q10 Profit ($000,000)	3Q09 Profit ($000,000)
Insurance Services	$94.3	$84.3

EP/Sales

Line of Business	3Q10EP ($000,000)	3Q10 Sales ($000,000)	3Q09 EP ($000,000)	3Q09 Sales ($000,000)
LTD	$200.6	$23.4	$203.0	$21.3
STD	$50.8	$7.1	$51.4	$9.1
Life & AD&D	$210.9	$24.9	$202.3	$22.7
Other	$20.3	$4.3	$19.9	$6.6
ERR	($9.9)	---	($14.0)	---
Total EB	$472.7	$59.7	$462.6	$59.7

Notable Statements

● The increase in income before taxes was primarily due to favorable claims experience.

● The benefit ratio for group insurance for the third quarter was 75.5% compared to 76.3% for the third quarter of 2009. For the first nine months of 2010, the benefit ratio for group insurance was 77.2%, which is within the Company's long-term expected range.

● The discount rate used for the third quarter of 2010 for newly established long term disability claim reserves was 5%. This represents a 25 basis point increase compared to the 4.75% used for the third quarter of 2009.

● Last quarter, we noted that our claims experience was influenced by increased LTD incidence which was most pronounced in the education sector as well as pockets in the manufacturing sector. For the third quarter, incidence levels in these sectors reverted closer to historical levels.

Analyst Questions

● Other than the improvement in incidence in the third quarter versus the second, was there any other factor that drove this very significant improvement in the benefits ratio? Response: It's important to note that we expect the benefit ratio to fluctuate quarter to quarter. Part of the reason that we provide a guidance that really resembles a 5 year average is because we really look at this measure over a long term. Even if you look at those 20 quarters within our guidance range, the benefit ratio has jumped outside of that range for a number of quarters within those twenty.

Specifically about the quarter itself, we would really describe it in a word as unremarkable. While we saw a spike last quarter in a couple of sectors, manufacturing and education, we did not see a continuation of that this quarter. In fact, those incidence levels moderated back to historical norms. If you look across segments, across products and across our book, we would say that each area provided consistent and solid returns for the benefit ratio.

● In the past I know that you've been reluctant to discuss causation in regards to claims. If we are coming out of a recession, do you get any sense that folks may be more willing to go out on disability with things that they would have not in the past couple of years for fear that a job wouldn't be there when they come back?

Response: The short answer is no, it's a correlation that we have talked about previously and it's not something that we're seeing today but it is something that we analyze very carefully day in and day out, week in and week out. We look at causation related to condition, related to sector and related to industry. So, at this point, the answer would be no.

Aetna

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

Line of Business	3Q10 Profit ($000,000)	3Q09 Profit ($000,000)
Group Insurance (Life, Disability, LTC)	$34.6	$33.3

EP

Line of Business	3Q10 Earned Premium ($000,000)	3Q09 Earned Premium ($000,000)
Group Insurance	$501.7	$528.2

Notable Statement

Nothing specific to group benefits

Principal Financial Group

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

Line of Business	3Q10 Profit ($000,000)	3Q09 Profit ($000,000)	3Q10 Loss Ratio	3Q09 Loss Ratio
Specialty Benefits	$24.7	$26.4	66.9%	66.7%
Group Disability	---	---	76.3%	72.4%
Group Life	---	---	63.7%	67.3%

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

Line of Business	3Q10EP ($000,000)	3Q10 Sales ($000,000)	3Q09 EP ($000,000)	3Q09 Sales ($000,000)
Disability	$66.1	$11.2	$71.9	$10.6
Life	$77.2	$10.3	$82.8	$11.2

Notable Statements

● In Specialty Benefits, operating earnings were $25 million for the third quarter 2010 compared to $26 million to the prior year quarter, largely due to the decline in members from a year ago. However, we are pleased that membership is stabilizing and premiums grew again for the second straight quarter after five quarters of premium declines.

● Sales in Specialty Benefits were very strong in the quarter, up 16% over the year ago quarter because of strong individual disability sales and an increased focus on our core markets for our group lines of business.

Cigna

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

Line of Business	3Q10 Profit ($000,000)	3Q09 Profit ($000,000)
Group Disability & Life	$60	$64

EP

Line of Business	3Q10 EP ($000,000)	3Q09 EP ($000,000)
Disability	$295	$259
Life	$300	$325

Notable Statements

● Studies published by JHA validate the impact of our Disability Management programs. Through early engagement of individuals, CIGNA is delivering short-term disability duration improvements of 8% over the industry average. Also, our customer service satisfactory ratings are well above industry norms. The evidence is clear in the study findings, engagement and incentive alignment have real value.

● In our Group Disability and Life segment, third quarter earnings were $60 million. This result was in line with our expectations and reflects the strength of our Disability Management and return-to-work programs.

● For Group Disability and Life, we're reporting solid premium growth in 2010 from a continued demand for our differentiated Disability Management programs in a challenging environment. All in, we expect our Group results to be stable in 2011 relative to 2010.

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	3Q10 Profit ($000)	3Q09 Profit ($0000)	3Q10 Loss Ratio	3Q09 Loss Ratio
Employee Benefits* (includes DRMS)	$16,932	$11,450	69.5%	71.3%

* Employee benefits includes dental, disability & life

EP/Sales

Line of Business	3Q10 EP ($000)	3Q10 Sales ($000)	3Q09 EP ($000)	3Q09 Sales ($000)
LTD & STD	$120,562	$7,734	$103,460	$10,587
Life	$48,068	$6,418	$47,001	$6,547

Notable Statements

● At Assurant Employee Benefits, we achieved strong results through continued focus on the small employer, pricing discipline and expense management. Operating results benefited from very favorable disability incidence rates, an improving dental product line and continued good mortality experience. Looking ahead, we expect the disability loss ratio to move upward as disability experience begins to revert to more traditional levels and the low interest rate environment requires higher reserves for new claims.

● On the revenue side, when our small business customers start hiring again, premiums will increase. In the meantime, Employee Benefits is focused on driving growth through disability RMS, our alternative distribution channel, along with worksite and voluntary products.

● The continued low interest rate environment will pressure investment income from Employee Benefits as we move into 2011. As a result, we expect to lower the reserve interest assumption for new long-term disability claims beginning in 2011. Our disability rate for all LTD reserves is currently 5.25%. The 2011 rate has not been determined, but to give you a sense of the impact, a 50 basis point decrease in the discount rate applied to reserves for new claims would increase policyholder benefits by roughly $8 million pre-tax in 2011.

MetLife

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

Line of Business	3Q10 Profit ($000,000)	3Q09 Profit ($000,000)	3Q10 Loss Ratio	3Q09 Loss Ratio
Non-Medical	---	---	88.0%	90.7%
Group Life	$115	$108	89.0%	89.2%

EP

Line of Business	3Q10 EP ($000,000)	3Q09 EP ($000,000)
Non-Medical	$1,471	$1,448
Group Life	$1,775	$1,739

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

Notable Statements

● Non-Medical Health revenues were up slightly, reflecting higher dental revenue though partly offset by lower disability revenue. Operating earnings grew by 49%, driven by improved interest and underwriting margins. The Non-Medical Health benefits ratio remained good at 88%, consistent with the second quarter.

● Disability margins continue to be below plan, as incidence levels remain elevated and recoveries continue to be below expectations.

● Group Life premiums grew 2% and operating earnings were up 6% compared with the prior year period. The Group Life mortality ratio was very good at 89% and has remained below Investor Day guidance each quarter this year.

Analyst Questions

●Can you just discuss what is the strategy to improve margins in disability? It sounds like you had adverse experience both in incidence levels and recovery rates.

Response: Obviously, our disability results continue to be challenging in this quarter. We saw higher incidence levels than we've seen in prior quarters. Our recoveries ticked up a little bit but it was very, very modest improvement in recoveries. So as a result, the overall loss ratio in disability was pretty high. It was probably one of the highest that we've had over this past cycle. So, there are a number of things that we continue to do from an operational perspective to try and improve our Disability business. We're also taking some pricing actions again with both our new business and our renewal business for 2011. So we're in the market right now. I would say high single-digit disability price increases as a way for us to bring in more revenue for the product and begin to get the loss ratios and the margins back to target.

● I guess just as to follow-up on that. I mean, will that market accommodate that level of rate increase based on what you're seeing currently?

Response: Well, we have seen I think a little bit of an improvement from a marketplace perspective. I would say over last couple of years, disability pricing has been fairly aggressive. And so when we've gone to the market with price increases, we've lost some business and we haven't been as competitive on new business. It's one of the reasons why the top line in the Non-Medical Health area really hasn't grown very much. And I expect that we're going to see that trend continue to a certain degree. But I think based upon the early results, and it's still a little early in the sales cycle, pricing seems to be moderating a little bit more in this renewal season than it was in a couple of years earlier. And so, we think we have a better chance of getting our pricing But what I'll tell you is if we can't, we're not afraid to walk away from business if we don't feel that we can get the right level of margin and begin to get our turns back to the right level.

● Question on discount rate used for disability business.

Response: We don't disclose that discount rate publicly but I will tell you that it's below 5% today; it has been for sometime. We continue to look at it and I would say based on -- we look at it semi-annually so based on the current interest rate environment, I will tell you that we'll be looking at it again. And it is under some pressure, and so we'll let you know in the future if we decided to make any changes to that discount rate. In terms of the interest rates overall and the impact on pricing, I don't think we've started to see it a lot yet, although I think we're going to see it if interest rates continue to stay low. I think that the marketplace maybe just staying on the sidelines a little bit longer to see whether or not rates do stay low for a while. If they do, I think we're going to start to see that show up in pricing. But my own sense is it's just a little early yet to see it.

Hartford

Profit (Pre-Tax and DAC)

Line of Business	3Q10 ($000,000)	3Q09 ($000,000)
Group Benefits (Disability, Life, Other)	$58	$120

EP/Sales

Line of Business	3Q10 EP ($000,000)	3Q10 Sales ($000,000)	3Q09 EP ($000,000)	3Q09 Sales $(000,000)
Group Disability	$472	$37	$469	$56
Group Life	$513	$58	$528	$62

● In Group Benefits, we continue to experience elevated claims incidence and lower terminations in our disability lines during the third quarter. The GBD management team is very focused on taking corrective measures to improve the business results, including taking rate as appropriate.

● Margins remain pressured by disability experience. We continued to experience elevated claims incidence and lower terminations in our disability lines in the third quarter. We have closely reviewed our disability claims experience and the increased frequency continues to be widespread and not specific to any industry or plan size. We are responding appropriately to these higher loss costs. For 2011, we are increasing disability rates, taking into account the elevated claims experience, as well as the lower interest rate environment. As always, we determine rates on a case-by-case basis. We are committed to maintaining our underwriting discipline. We expect to remain competitive in these key markets.

Analyst Questions

● In Group disability, obviously still seeing weakness, but I understand, you're pushing through some price increases, so can you provide an update on the renewal process? Are

clients accepting the price increases or should we expect some estimated lapses as we look to 2011?

Response: In terms of the competition and the rates that we're talking about taking, really, we believe that higher incidence rates that we're seeing and lower termination rates are really a marketplace phenomenon, as well as the challenge that low interest rates are providing generally. So we are responding to those appropriately we believe. We're going to take price. We believe that the market is going to do the same as well. We'll see in 2011, but we expect to remain competitive and we will proceed forward and as we've said, we are seeing others seeing the same challenges and certainly interest rates are out there for them as well.

Lincoln Financial

Profit (Post tax)

Line of Business	3Q10 Profit ($000,000)	3Q09 Profit ($000,000)	3Q10 Loss Ratio	3Q09 Loss Ratio
Group Protection	$9.5	$34.5	79.2%	68.1%
Group Disability	$4.0	$17.3	79.2%	66.8%
Group Life	$4.8	$16.0	79.2%	66.6%

EP/Sales

Line of Business	3Q10 EP ($000,000)	3Q10 Sales ($000,000)	3Q09 EP ($000,000)	3Q09 Sales ($000,000)
Group Protection	$414.5	$68.4	$379.5	$79.8
Group Disability	$181.9	$28.3	$173.0	$38.5
Group Life	$158.4	$23.9	$142.2	$31.4

* includes life, disability & dental

Notable Statements

● I'd like to pause here for a moment to address non-medical loss ratios, which remained elevated in the quarter, primarily due to higher disability incidence. We've been in this business for many years now, and we know that loss ratios fluctuate. The business has outperformed for most of the last decade, and the last two years have been particularly strong years with loss ratios well below our expectations. In short, we expect a recovery in profitability based on our experience.

At the same time, we are studying the situation closely to isolate any contributing factors and take action as needed. We see nothing in pricing or underwriting that is negatively affecting loss ratios and the elevated incidence was spread across all issue years, size bands and industries. We are experiencing elevated case loads so we have brought in additional resources to manage the increased volume, rolling out more case management training and new tools to improve outcomes and support claimants as they return to work.

● We expect loss ratios to remain elevated relative to our long term expectations, but recovering in the fourth quarter to the 75% to 77% range. As a reminder, every one percentage point of loss ratio is about $2.5 million of earnings in a given quarter.

Analyst Questions

● Just what is the takeaway here on the group protection? You kind of sounded to me like you are all over the place. Maybe it was just one of those things; maybe it will come down, you know, but we've got higher caseloads, we're looking at re-pricing. I mean, what's the takeaway here?

Response: And there may be some of you that have been around long enough to know that we had this type of a discussion with the people who were following at the time Jefferson-Pilot because, I forget, in 2004 or 2005 we saw the same type of spike.

Now let me try to parse out some of your questions. With respect to the issue of bringing more resources, that's a responsive management action to deal with, frankly more claims coming in the door and having to be managed. And so that helps us get, if you will, the claims to the right position, either off the books or keep them on the books. But even if we keep them on the books, trying to work hard to get the people back to work with either long or short term disability. So put that in the bucket. We are taking actions to deal with a larger inflow of activity and that will subside as we get the inventory claims down. So that's one issue.

The second issue is, where is it coming from? And what I've tried to explain is that it's coming from completely across the board. So it's not new business that might have somehow been mispriced. Again, it's from all cohorts of sales, all industries. And so that would lead us to believe that in some way, shape or form this incidence spike is externally driven. So that would be another issue.

Now just to put some perspective on our incidence ratios, historically around from 3.89 to 3.9 per thousand in 2009 when we had a spectacular year they were at 3.7 per thousand, and the current quarter they're at 4.1.

So, now let me come back to the pricing issue. If we think that there is something that's happening externally that causes us to raise pricing, we will do that. And in fact we probably raised pricing on some of the blocks and some of our new business already in the 3% to 4% range.

So to put in perspective, we think it's predominantly externally driven. We're working very hard and adding resources to deal with the increased activity. We were watching what has been a spike, we hope temporary in nature in incidence. But if it isn't temporary in incidence, then we will be more aggressive with our future pricing. And remember, this is by and large short term pricing business so that we can get out of bad blocks and reprice it pretty quickly.

● Sticking with Steven's theme on protection, you did grow your sales 15%, 14% last year which is faster than some of the bigger competitors that were saying it was competition. So as you postmortem, you're still pretty sure it wasn't an under-priced sales effort from last year?

Response: That's a great question. And what I look at and the team looks at over time as one indicator of our pricing is our sales close ratios. So, if I look back over the last 36 months, our sales close ratios ran in the first 24 months of those 36 months, roughly around 10% and now they are down to 9%. That being one pretty good indicator, there is nothing to suggest that we were taking market share disproportionately in this period of time.

Sun

Profit (Net income after tax):

Line of Business	3Q10 Profit ($000,000)	3Q09 Profit ($000,000)
Employee Benefits Group (U.S.)	$33	$22

EP/Sales

Line of Business	3Q10 EP ($000,000)	3Q10 Sales ($000,000)	3Q09 EP ($000,000)	3Q09 Sales ($000,000)
Employee Benefits Group (U.S.)	$489	$98	$477	$90

Notable Statements

Nothing specific to the employee benefits group

Summary

Company	Earnings	Sales	EP
Prudential	**Not reported by line of business**	**Dis: $26M (↓54.4%)** **Life: $23M (↑58.5%)**	**Dis: $287M (↓5.3%)** **Life: $945M (↑6.3%)**
Unum	**LTD/STD: $77.8M(↑3.7%)** **Life/AD&D: $52.8M (↑5.6%)** **Limited: $47.2M (↓19.6%)** **Colonial: $74.5M (↑5.8%)**	**U.S Brokerage** **LTD: $21.1M(↑1.9%)** **STD: $11.5M(↓17%)** **Life: $24.5M(↓12.5%)** **AD&D: $2.6M(↓10.3%)** **Vol: $54.2M(↑20.4%)** **Unum Limited** **LTD: $14.5M(↑7.4%)** **Life: $14.0M(↓18.2%)** **Colonial** **Acc/Dis: $53.6M(↑6.8%)** **Life: $14.7M (↓10.4)** **Can/CI:$12M(↑1%)**	**U.S. Brokerage** **LTD: $404.9M (↓5.3%)** **STD: $108.7M (↓1.2%)** **Life: $273.0M (↑2.3%)** **AD&D: $27.0M (↑1.5%)** **Vol: $397.0M(↑3.3%)** **Unum Limited** **LTD: $108M (↓11.2%)** **Life: $39.5M (↑16.8%)** **Colonial** **Acc/Dis: $166.1M (↑6.3%)** **Life: $43.4M (↑5.6%)** **Can/CI:$59.8M(↑6.4%)**
RSL	**Group: $73.1M(↓2.2%)**	**Dis: $23.1M(↓6.4%)** **Life: $17.9M(↑64%)**	**Dis: $135M (flat)** **Life: $97.9M (↑2.2%)**
Standard	**Group: $94.3M (↑11.9)**	**LTD: $23.4M (↑9.9%)** **STD: $7.1M (↓22%)** **Life/AD&D: $24.9M (↑9.7%)**	**LTD: $200.6M (↓1.2%)** **STD: $50.8M (↓1.2%)** **Life/AD&D: $210.9M (↑4.3%)**
Aetna	**Group: $34.6M(↑3.9%)**	**Group:N/A**	**Group: $501.7M (↓5.1%)**
Principal	**Specialty Benefits: $24.7M (↓6.5%)**	**Dis: $11.2M (↑5.7%)** **Life:$10.3M (↓8%)**	**Dis: $66.1M (↓8%)** **Life: $77.2M (↓6.8%)**
Cigna	**Group Dis & Life: $60M(↓6%)**	**N/A**	**Dis: $295M (↑13.9%)** **Life: $300M (↓7.7%)**
Assurant	**Employee Benefit: $16.9M(↑47.9%)**	**LTD/STD: $7.7M(↓27%)** **Life: $6.4M (↓2%)**	**LTD/STD: $120.5M (↑16.5%)** **Life: $48.1M (↑2.3%)**
Met	**Not reported by line of business**	**Not reported by line of business**	**Non-Med: $1,471M (↑1.6%)** **Life: $1,775M (↑2.1%)**
Hartford	**Group: $58M (↓51.7%)**	**Dis: $37M (↓34%)** **Life: $58M (↓6.5%)**	**Dis: $472M (flat)** **Life: $513M (↓3%)**
Lincoln	**Dis: $4.0M(↓77%)** **Life: $4.8M(↓70%)**	**Dis: $28.3M(↓26.5%)** **Life: $23.4M (↓24%)**	**Dis: $181.9M (↑5.1%)** **Life: $157.2M (↑11.4%)**
Sun	**U.S. Employee Benefits Group: $33M (↑50%)**	**U.S. Employee Benefits Group: $98M (↑8.9%)**	**U.S. Employee Benefits Group: $489M (↑2.5%)**