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Unum Group  
Form 10-Q  
October 29, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549  
FORM 10-Q  
(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended September 30, 2015

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-11294

Unum Group  
(Exact name of registrant as specified in its charter)

Delaware 62-1598430  
(State or other jurisdiction of incorporation or (I.R.S. Employer Identification No.)  
organization)

1 FOUNTAIN SQUARE  
CHATTANOOGA, TENNESSEE 37402  
(Address of principal executive offices) (Zip Code)

423.294.1011  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check one): Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

243,447,405 shares of the registrant's common stock were outstanding as of October 27, 2015.

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### Cautionary Statement Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (the Act) provides a "safe harbor" to encourage companies to provide prospective information, as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. Certain information contained in this Quarterly Report on Form 10-Q (including certain statements in the consolidated financial statements and related notes and Management's Discussion and Analysis), or in any other written or oral statements made by us in communications with the financial community or contained in documents filed with the Securities and Exchange Commission (SEC), may be considered forward-looking statements within the meaning of the Act. Forward-looking statements are those not based on historical information, but rather relate to our outlook, future operations, strategies, financial results, or other developments. Forward-looking statements speak only as of the date made. We undertake no obligation to update these statements, even if made available on our website or otherwise. These statements may be made directly in this document or may be made part of this document by reference to other documents filed by us with the SEC, a practice which is known as "incorporation by reference." You can find many of these statements by looking for words such as "will," "may," "should," "could," "believes," "expects," "anticipates," "estimates," "plans," "assumes," "intends," "projects," "goals," "objectives," or similar expressions in this document or in documents incorporated herein.

These forward-looking statements are subject to numerous assumptions, risks, and uncertainties, many of which are beyond our control. We caution readers that the following factors, in addition to other factors mentioned from time to time, may cause actual results to differ materially from those contemplated by the forward-looking statements:

• Sustained periods of low interest rates.

• Fluctuation in insurance reserve liabilities and claim payments due to changes in claim incidence, recovery rates, mortality and morbidity rates, and policy benefit offsets due to, among other factors, the rate of unemployment and consumer confidence, the emergence of new diseases, epidemics, or pandemics, new trends and developments in medical treatments, the effectiveness of our claims operational processes, and changes in government programs.

• Unfavorable economic or business conditions, both domestic and foreign.

• Legislative, regulatory, or tax changes, both domestic and foreign, including the effect of potential legislation and increased regulation in the current political environment.

• Investment results, including, but not limited to, changes in interest rates, defaults, changes in credit spreads, impairments, and the lack of appropriate investments in the market which can be acquired to match our liabilities.

• The failure of cyber or other information security systems, as well as the occurrence of events unanticipated in our disaster recovery systems.

• Increased competition from other insurers and financial services companies due to industry consolidation, new entrants to our markets, or other factors.

• Changes in our financial strength and credit ratings.

• Damage to our reputation due to, among other factors, regulatory investigations, legal proceedings, external events, and/or inadequate or failed internal controls and procedures.

• Actual experience that deviates from our assumptions used in pricing, underwriting, and reserving.

• Actual persistency and/or sales growth that is higher or lower than projected.

• Changes in demand for our products due to, among other factors, changes in societal attitudes, the rate of unemployment, consumer confidence, and/or legislative and regulatory changes, including healthcare reform.

• Effectiveness of our risk management program.

• Contingencies and the level and results of litigation.

• Availability of reinsurance in the market and the ability of our reinsurers to meet their obligations to us.

• Ineffectiveness of our derivatives hedging programs due to changes in the economic environment, counterparty risk, ratings downgrades, capital market volatility, changes in interest rates, and/or regulation.

• Changes in accounting standards, practices, or policies.

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• Fluctuation in foreign currency exchange rates.

• Ability to generate sufficient internal liquidity and/or obtain external financing.

• Recoverability and/or realization of the carrying value of our intangible assets, long-lived assets, and deferred tax assets.

• Terrorism, both within the U.S. and abroad, ongoing military actions, and heightened security measures in response to these types of threats.

For further discussion of risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see Part 1, Item 1A of our annual report on Form 10-K for the year ended December 31, 2014.

All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

## Unum Group and Subsidiaries

	September 30 2015	December 31 2014
	(in millions of dollars)	
		As Adjusted
Assets		
Investments		
Fixed Maturity Securities - at fair value (amortized cost: \$39,738.1; \$38,803.4)	\$44,401.5	\$45,064.9
Mortgage Loans	1,925.9	1,856.6
Policy Loans	3,406.0	3,306.6
Other Long-term Investments	590.2	545.0
Short-term Investments	598.1	974.3
Total Investments	50,921.7	51,747.4
Other Assets		
Cash and Bank Deposits	109.3	102.5
Accounts and Premiums Receivable	1,621.2	1,634.7
Reinsurance Recoverable	4,770.6	4,906.4
Accrued Investment Income	698.4	696.1
Deferred Acquisition Costs	1,960.9	1,901.3
Goodwill	232.1	198.7
Property and Equipment	529.6	531.7
Income Tax Receivable	—	69.5
Other Assets	660.0	661.9
Total Assets	\$61,503.8	\$62,450.2

See notes to consolidated financial statements.

## CONSOLIDATED BALANCE SHEETS (UNAUDITED) - Continued

## Unum Group and Subsidiaries

	September 30 2015	December 31 2014
	(in millions of dollars)	
		As Adjusted
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Policy and Contract Benefits	\$ 1,505.6	\$ 1,529.3
Reserves for Future Policy and Contract Benefits	44,544.9	45,929.4
Unearned Premiums	452.8	396.6
Other Policyholders' Funds	1,656.7	1,657.8
Income Tax Payable	5.7	—
Deferred Income Tax	73.4	62.0
Short-term Debt	506.1	151.9
Long-term Debt	2,217.1	2,628.7
Payables for Collateral on Investments	410.4	73.8
Other Liabilities	1,550.0	1,498.8
<b>Total Liabilities</b>	<b>52,922.7</b>	<b>53,928.3</b>
<b>Commitments and Contingent Liabilities - Note 10</b>		
<b>Stockholders' Equity</b>		
Common Stock, \$0.10 par		
Authorized: 725,000,000 shares		
Issued: 302,386,463 and 301,834,556 shares	30.2	30.2
Additional Paid-in Capital	2,239.2	2,221.2
Accumulated Other Comprehensive Income	22.0	166.4
Retained Earnings	7,814.1	7,302.3
Treasury Stock - at cost: 58,964,507 and 49,524,849 shares	(1,524.4	) (1,198.2
<b>Total Stockholders' Equity</b>	<b>8,581.1</b>	<b>8,521.9</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$61,503.8</b>	<b>\$62,450.2</b>

See notes to consolidated financial statements.



## CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

## Unum Group and Subsidiaries

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
	(in millions of dollars, except share data)			
	As Adjusted		As Adjusted	
Revenue				
Premium Income	\$2,020.8	\$1,947.2	\$6,044.6	\$5,829.3
Net Investment Income	612.1	611.3	1,844.8	1,859.5
Realized Investment Gain (Loss)				
Other-Than-Temporary Impairment Loss on Fixed Maturity Securities	(9.4	) —	(22.0	) —
Net Realized Investment Gain (Loss), Excluding Other-Than-Temporary Impairment Loss on Fixed Maturity Securities	(17.2	) 1.2	(19.1	) 33.4
Net Realized Investment Gain (Loss)	(26.6	) 1.2	(41.1	) 33.4
Other Income	51.5	54.6	160.6	163.3
Total Revenue	2,657.8	2,614.3	8,008.9	7,885.5
Benefits and Expenses				
Benefits and Change in Reserves for Future Benefits	1,690.9	1,653.6	5,047.6	4,938.3
Commissions	246.3	232.0	747.8	697.2
Interest and Debt Expense	38.1	38.4	113.9	129.0
Deferral of Acquisition Costs	(139.4	) (127.8	) (425.1	) (381.6
Amortization of Deferred Acquisition Costs	117.0	107.9	375.4	332.9
Compensation Expense	205.9	206.1	624.0	607.1
Other Expenses	200.1	187.1	603.6	566.0
Total Benefits and Expenses	2,358.9	2,297.3	7,087.2	6,888.9
Income Before Income Tax	298.9	317.0	921.7	996.6
Income Tax				
Current	95.1	66.8	241.6	191.2
Deferred	—	31.1	39.1	121.1
Total Income Tax	95.1	97.9	280.7	312.3
Net Income	\$203.8	\$219.1	\$641.0	\$684.3
Net Income Per Common Share				
Basic	\$0.83	\$0.86	\$2.58	\$2.67
Assuming Dilution	\$0.83	\$0.86	\$2.57	\$2.66

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Unum Group and Subsidiaries

	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
	(in millions of dollars)			
		As Adjusted		As Adjusted
Net Income	\$203.8	\$219.1	\$641.0	\$