

Unum Group
Form 10-Q
August 04, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-Q

(Mark One)

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2010

.. 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
(State or other jurisdiction of incorporation or organization)

62-1598430
(I.R.S. Employer Identification No.)

1 Fountain Square

Chattanooga, Tennessee 37402

(Address of principal executive offices)

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)

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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

326,780,126 shares of the registrant's common stock were outstanding as of July 29, 2010.

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Cautionary Statement Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 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. Forward-looking statements are those not based on historical information, but rather relate to future operations, strategies, financial results, or other developments and 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, intends, projects, goals, objectives, or similar expressions in this document and 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:

Unfavorable economic or business conditions, both domestic and foreign, including the continued financial market disruption.

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

Sustained periods of low interest rates.

Changes in claim incidence and recovery rates 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, and the effectiveness of claims management operations.

Fluctuation in insurance reserve liabilities.

Investment results, including but not limited to, realized investment losses resulting from impairments that differ from our assumptions and historical experience.

Changes in interest rates, credit spreads, and securities prices.

Increased competition from other insurers and financial services companies due to industry consolidation or other factors.

Changes in our financial strength and credit ratings.

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Rating agency actions, state insurance department market conduct examinations and other inquiries, other governmental investigations and actions, and negative media attention.

Effectiveness in managing our operating risks and the implementation of operational improvements and strategic growth initiatives.

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

Lower than projected persistency and lower sales growth.

Changes in accounting standards, practices, or policies.

Effectiveness of our risk management program.

The level and results of litigation.

Currency exchange rates.

Ability of our subsidiaries to pay dividends as a result of regulatory restrictions.

Ability and willingness of reinsurers to meet their obligations.

Changes in assumptions related to intangible assets such as deferred acquisition costs, value of business acquired, and goodwill.

Events or consequences relating to terrorism and acts of war, both domestic and foreign.

Ability to recover our systems and information in the event of a disaster or unanticipated event.

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For further discussion of risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2009.

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.

Table of Contents**PART I****ITEM 1. FINANCIAL STATEMENTS**
CONSOLIDATED BALANCE SHEETS*Unum Group and Subsidiaries*

	June 30 2010	December 31 2009
	(in millions of dollars)	
	(Unaudited)	
Assets		
Investments		
Fixed Maturity Securities - at fair value (amortized cost: \$36,015.0; \$35,905.4)	\$ 39,760.3	\$ 37,914.4
Mortgage Loans	1,421.6	1,404.0
Policy Loans	2,882.4	2,878.0
Other Long-term Investments	401.1	233.5
Short-term Investments	938.1	865.5
Total Investments	45,403.5	43,295.4
Other Assets		
Cash and Bank Deposits	81.3	71.6
Accounts and Premiums Receivable	1,884.6	1,732.4
Reinsurance Recoverable	4,931.7	4,996.9
Accrued Investment Income	744.8	642.5
Deferred Acquisition Costs	2,484.5	2,482.5
Goodwill	200.8	201.6
Property and Equipment	454.1	443.5
Other Assets	606.9	610.6
Total Assets	\$ 56,792.2	\$ 54,477.0

See notes to consolidated financial statements.

Table of Contents**CONSOLIDATED BALANCE SHEETS - Continued****Unum Group and Subsidiaries**

	June 30 2010	December 31 2009
	(in millions of dollars)	
	(Unaudited)	
Liabilities and Stockholders Equity		
Liabilities		
Policy and Contract Benefits	\$ 1,576.2	\$ 1,736.9
Reserves for Future Policy and Contract Benefits	39,559.5	37,740.8
Unearned Premiums	522.1	452.0
Other Policyholders Funds	1,651.0	1,662.3
Income Tax Payable	173.4	114.5
Deferred Income Tax	408.2	273.2
Short-term Debt	225.1	0.0
Long-term Debt	2,266.8	2,549.6
Other Liabilities	1,538.2	1,447.6
Total Liabilities	47,920.5	45,976.9
Commitments and Contingent Liabilities - Note 9		
Stockholders Equity		
Common Stock, \$0.10 par		
Authorized: 725,000,000 shares		
Issued: 364,696,560 and 363,638,314 shares	36.5	36.4
Additional Paid-in Capital	2,607.5	2,587.4
Accumulated Other Comprehensive Income (Loss)		
Net Unrealized Gain on Securities Not Other-Than-Temporarily Impaired	474.3	376.6
Net Unrealized Gain on Securities Other-Than-Temporarily Impaired	2.1	3.0
Net Gain on Cash Flow Hedges	424.7	370.8
Foreign Currency Translation Adjustment	(156.7)	(78.7)
Unrecognized Pension and Postretirement Benefit Costs	(306.5)	(330.7)
Retained Earnings	6,673.8	6,289.5
Treasury Stock - at cost: 37,554,567 shares and 31,829,067 shares	(884.0)	(754.2)
Total Stockholders Equity	8,871.7	8,500.1
Total Liabilities and Stockholders Equity	\$ 56,792.2	\$ 54,477.0

See notes to consolidated financial statements.

Table of Contents**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)****Unum Group and Subsidiaries**

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
(in millions of dollars, except share data)				
Revenue				
Premium Income	\$ 1,849.8	\$ 1,875.9	\$ 3,713.0	\$ 3,748.7
Net Investment Income	629.8	597.6	1,242.8	1,171.3
Realized Investment Gain (Loss)				
Total Other-Than-Temporary Impairment Loss on Fixed Maturity Securities	(10.2)	(55.0)	(10.4)	(128.6)
Other-Than-Temporary Impairment Loss Recognized in Other Comprehensive Income	0.0	6.9	0.0	6.9
Net Impairment Loss Recognized in Earnings	(10.2)	(48.1)	(10.4)	(121.7)
Other Net Realized Investment Gain (Loss)	(19.3)	135.4	6.5	144.4
Net Realized Investment Gain (Loss)	(29.5)	87.3	(3.9)	22.7
Other Income	60.5	67.2	120.3	134.2
Total Revenue	2,510.6	2,628.0	5,072.2	5,076.9
Benefits and Expenses				
Benefits and Change in Reserves for Future Benefits	1,579.6	1,584.2	3,148.5	3,159.9
Commissions	207.8	212.4	426.1	428.6
Interest and Debt Expense	34.1	30.4	67.5	63.0
Deferral of Acquisition Costs	(149.7)	(148.7)	(304.6)	(302.3)
Amortization of Deferred Acquisition Costs	135.9	132.8	277.1	264.6
Compensation Expense	191.4	196.2	388.7	386.3
Other Expenses	203.4	209.5	399.6	415.0
Total Benefits and Expenses	2,202.5	2,216.8	4,402.9	4,415.1
Income Before Income Tax	308.1	411.2	669.3	661.8
Income Tax				
Current	95.2	117.9	170.1	178.3
Deferred	3.2	26.1	59.7	51.4
Total Income Tax	98.4	144.0	229.8	229.7
Net Income	\$ 209.7	\$ 267.2	\$ 439.5	\$ 432.1
Net Income Per Common Share				
Basic	\$ 0.63	\$ 0.81	\$ 1.32	\$ 1.31
Assuming Dilution	\$ 0.63	\$ 0.80	\$ 1.32	\$ 1.30

See notes to consolidated financial statements.

Table of Contents**CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY (UNAUDITED)****Unum Group and Subsidiaries**

	Six Months Ended June 30	
	2010	2009
	(in millions of dollars)	
Common Stock		
Balance at Beginning of Year	\$ 36.4	\$ 36.3
Common Stock Activity	0.1	0.0
Balance at End of Period	36.5	36.3
Additional Paid-in Capital		
Balance at Beginning of Year	2,587.4	2,546.9
Common Stock Activity	20.1	17.7
Balance at End of Period	2,607.5	2,564.6
Accumulated Other Comprehensive Income (Loss)		
Balance at Beginning of Year	341.0	(958.2)
Cumulative Effect of Accounting Principle Change - See Note 2	0.0	(14.3)
All Other Changes During Period	96.9	680.6
Balance at End of Period	437.9	(291.9)
Retained Earnings		
Balance at Beginning of Year	6,289.5	5,527.1
Net Income	439.5	432.1
Dividends to Stockholders (per common share: \$0.165; \$0.15)	(55.2)	(49.9)
Cumulative Effect of Accounting Principle Change - See Note 2	0.0	14.3
Balance at End of Period	6,673.8	5,923.6
Treasury Stock		
Balance at Beginning of Year	(754.2)	(754.2)
Purchases of Treasury Stock	(129.8)	0.0
Balance at End of Period	(884.0)	(754.2)
Total Stockholders Equity at End of Period	\$ 8,871.7	\$ 7,478.4

See notes to consolidated financial statements.

Table of Contents**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)****Unum Group and Subsidiaries**

	Six Months Ended June 30	
	2010	2009
	(in millions of dollars)	
Cash Flows from Operating Activities		
Net Income	\$ 439.5	\$ 432.1
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Change in Receivables	43.5	65.6
Change in Deferred Acquisition Costs	(27.5)	(37.7)
Change in Insurance Reserves and Liabilities	339.8	276.9
Change in Income Taxes	125.5	66.8
Change in Other Accrued Liabilities	(58.9)	(104.0)
Non-cash Adjustments to Net Investment Income	(236.4)	(123.2)
Net Realized Investment (Gain) Loss	3.9	(22.7)
Depreciation	37.0	36.1
Other, Net	2.0	18.2
Net Cash Provided by Operating Activities	668.4	608.1
Cash Flows from Investing Activities		
Proceeds from Sales of Available-for-Sale Securities	550.4	624.1
Proceeds from Maturities of Available-for-Sale Securities	1,327.1	467.8
Proceeds from Sales and Maturities of Other Investments	63.6	143.2
Purchase of Available-for-Sale Securities	(2,080.7)	(1,723.4)
Purchase of Other Investments	(106.9)	(90.4)
Net (Purchases) Sales of Short-term Investments	(42.8)	220.0
Other, Net	(139.8)	(47.9)
Net Cash Used by Investing Activities	(429.1)	(406.6)
Cash Flows from Financing Activities		
Net Short-term Debt Repayments	0.0	(145.5)
Long-term Debt Repayments	(57.7)	(8.8)
Issuance of Common Stock	8.7	1.7
Dividends Paid to Stockholders	(55.2)	(49.9)
Purchases of Treasury Stock	(127.6)	0.0
Other, Net	2.3	(0.5)
Net Cash Used by Financing Activities	(229.5)	(203.0)
Effect of Foreign Exchange Rate Changes on Cash	(0.1)	0.3
Net Increase (Decrease) in Cash and Bank Deposits	9.7	(1.2)
Cash and Bank Deposits at Beginning of Year	71.6	49.9
Cash and Bank Deposits at End of Period	\$ 81.3	\$ 48.7

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See notes to consolidated financial statements.

Table of Contents**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)****Unum Group and Subsidiaries**

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009	2010	2009
	(in millions of dollars)			
Net Income	\$ 209.7	\$ 267.2	\$ 439.5	\$ 432.1
Other Comprehensive Income (Loss)				
Change in Net Unrealized Gains and Losses on Securities Before Reclassification Adjustment:				
Change in Net Unrealized Gains and Losses on Securities Not Other-Than-Temporarily Impaired (net of tax expense of \$440.0; \$694.8; \$597.2; \$564.1)	823.1	1,315.3	1,129.1	1,062.7
Change in Net Unrealized Gains and Losses on Securities Other-Than-Temporarily Impaired (net of tax benefit of \$0.5; \$0.6; \$0.5; \$0.6)	(0.9)	(1.2)	(0.9)	(1.2)
Total Change in Net Unrealized Gains and Losses on Securities Before Reclassification Adjustment (net of tax expense of \$439.5; \$694.2; \$596.7; \$563.5)	822.2	1,314.1	1,128.2	1,061.5
Reclassification Adjustment for Net Realized Investment (Gain) Loss (net of tax expense (benefit) of \$(0.6); \$(18.8); \$0.7; \$(49.7))	0.4	34.9	(1.8)	92.3
Change in Net Gain on Cash Flow Hedges (net of tax expense (benefit) of \$36.1; \$(36.8); \$28.9; \$(42.5))	67.9	(80.3)	53.9	(91.0)
Change in Adjustment to Reserves for Future Policy and Contract Benefits, Net of Reinsurance and Other (net of tax benefit of \$453.4; \$317.1; \$543.0; \$272.6)	(845.4)	(603.4)	(1,029.6)	(508.6)
Change in Foreign Currency Translation Adjustment (net of tax benefit of \$0.0; \$0.4; \$0.0; \$0.4)	(15.7)	135.1	(78.0)	116.9
Change in Unrecognized Pension and Postretirement Benefit Costs (net of tax expense (benefit) of \$3.0; \$2.0; \$(5.5); \$5.4)	5.6	2.0	24.2	9.5
Total Other Comprehensive Income	35.0	802.4	96.9	680.6
Comprehensive Income	\$ 244.7	\$ 1,069.6	\$ 536.4	\$ 1,112.7

See notes to consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Unum Group and Subsidiaries

June 30, 2010

Note 1 - Basis of Presentation

The accompanying consolidated financial statements of Unum Group and its subsidiaries (the Company) have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. For further information, refer to the consolidated financial statements and footnotes included in our annual report on Form 10-K for the year ended December 31, 2009.

In our opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Interim results are not necessarily indicative of full year performance.

In connection with our preparation of the consolidated financial statements, we evaluated events that occurred subsequent to June 30, 2010 for recognition or disclosure in our financial statements and notes to our financial statements.

Note 2 - Accounting Developments

Accounting Updates Adopted during the First Six Months of 2010:

Accounting Standards Codification (ASC) 810 Consolidation

In June 2009, the Financial Accounting Standards Board (FASB) issued an update to require a qualitative rather than a quantitative analysis to determine the primary beneficiary of a variable interest entity and require enhanced disclosures about an enterprise's involvement with a variable interest entity. We adopted this update effective January 1, 2010. The adoption of this update had no effect on our financial position or results of operations.

ASC 820 Fair Value Measurements and Disclosures

In January 2010, the FASB issued an update to require a number of additional disclosures regarding fair value measurements. Specifically, the update requires a reporting entity to disclose the amounts of significant transfers between Level 1 and Level 2 of the three tier fair value hierarchy and the reasons for these transfers, as well as the reasons for any transfers in or out of Level 3, effective for annual and interim periods beginning after December 15, 2009. The update also requires information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances, and settlements on a gross basis, effective for annual and interim periods beginning after December 15, 2010. We adopted this update in its entirety, including early adoption of the additional Level 3 information, effective January 1, 2010. The adoption of this update expanded our disclosures but had no effect on our financial position or results of operations.

ASC 860 Transfers and Servicing

In June 2009, the FASB issued an update to eliminate the exceptions for qualifying special-purpose entities from the consolidation guidance and eliminate the exception that permitted sale accounting for certain mortgage securitizations when a transferor has not surrendered control over the transferred financial assets. In addition, this update clarifies certain requirements for financial assets that are eligible for sale accounting and requires enhanced disclosures about the risks that a transferor continues to be exposed to because of its continuing involvement in transferred financial assets. We adopted this update effective January 1, 2010. The adoption of this update had no effect on our financial position or results of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

June 30, 2010

Note 2 - Accounting Developments - Continued

Accounting Updates Adopted during the First Six Months of 2009:

ASC 320 Investments - Debt and Equity Securities

In April 2009, the FASB issued a new accounting standard, now included in ASC 320, which amends the other-than-temporary impairment guidance for debt securities and expands and increases the frequency of previously existing disclosures for other-than-temporary impairments. The measure of impairment remains fair value. Under the standard, an other-than-temporary impairment must be recognized in earnings for a debt security in an unrealized loss position when an entity either (a) has the intent to sell the debt security or (b) more likely than not will be required to sell the debt security before its anticipated recovery.

The amount of impairment recognized is equal to the difference between amortized cost and fair value. For all debt securities in unrealized loss positions that do not meet either of these two criteria, the standard requires that an entity analyze its ability to recover the amortized cost by comparing the present value of cash flows with the amortized cost of the security. If the present value of our best estimate of cash flows expected to be collected is less than the amortized cost of the security, an other-than-temporary impairment is recorded. The impairment loss is separated into two components, the portion of the impairment related to credit and the portion related to factors other than credit. The credit-related portion of an other-than-temporary impairment, which is the difference between the amortized cost of the security and the present value of cash flows expected to be collected, is recognized in earnings. Other-than-temporary impairments related to factors other than credit are charged to earnings if it is unlikely that the fair value of the security will recover prior to its disposal. Otherwise, non-credit-related other-than-temporary impairments are charged to other comprehensive income, net of tax. We adopted this standard effective April 1, 2009. The cumulative effect of applying the provisions of this standard increased the April 1, 2009 opening balance of retained earnings \$14.3 million, net of tax of \$7.7 million, with a corresponding adjustment to accumulated other comprehensive income (loss).

ASC 815 Derivatives and Hedging

In March 2008, the FASB issued a new accounting standard, now included in ASC 815, to provide additional guidance intended to improve financial reporting about derivative instruments and hedging activities. This standard requires enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. We adopted this standard effective January 1, 2009. This standard expanded our disclosures but had no effect on our financial position or results of operations.

ASC 820 Fair Value Measurements and Disclosures

In April 2009, the FASB issued a new accounting standard, now included in ASC 820, to provide additional guidance for estimating fair value but reemphasized that the objective of fair value measurement remained an exit price. This standard provides guidance for determining whether there has been a significant decrease in the volume and level of activity in the market and provides factors for companies to consider in identifying transactions that are not orderly. The standard also discusses the necessity of adjustments to transaction or quoted prices to estimate fair value when it is determined that there has been a significant decrease in the volume and level of activity or that the transaction is not orderly. We adopted this standard effective April 1, 2009. This standard expanded our disclosures but had no effect on our financial position or results of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Unum Group and Subsidiaries

June 30, 2010

Note 2 - Accounting Developments - Continued

ASC 825 Financial Instruments

In April 2009, the FASB issued a new accounting standard, now included in ASC 825, which requires companies to disclose the fair value of certain financial instruments in interim financial statements. This standard also requires companies to disclose the method or methods and significant assumptions used to estimate the fair value of financial instruments and to discuss changes, if any, in those methods or assumptions during the period. We adopted this standard effective April 1, 2009. This standard expanded our disclosures but had no effect on our financial position or results of operations.

ASC 855 Subsequent Events

In May 2009, the FASB issued a new accounting standard, now included in ASC 855, to provide subsequent events guidance. This topic was previously addressed only in the auditing literature, and is largely similar to the auditing guidance with limited exceptions which are not intended to result in significant changes in practice. We adopted this standard effective June 30, 2009. The FASB issued an update in February 2010 to remove the requirement, for certain entities, to disclose the date through which subsequent events have been evaluated. This standard and update had no effect on our financial position or results of operations.

Accounting Updates Outstanding:

ASC 310 Receivables

In July 2010, the FASB issued an update to require additional disclosures regarding the credit quality of financing receivables, including credit risk exposure and the allowance for credit losses. The objective is to enhance financial statement users' understanding of an entity's credit risk associated with its financing receivables, the entity's assessment of that risk in estimating its allowance for credit losses, and the changes and the reason for changes in the allowance for credit losses. Disclosures around the entity's credit risk exposure, as well as its assessment of risk in estimating its allowance for credit losses, are effective for annual and interim periods ending on or after December 15, 2010, while disclosures around changes in the allowance for credit losses and the reason for those changes are effective for interim and annual reporting periods beginning on or after December 15, 2010. The adoption of this update will expand our disclosures for financing receivables, primarily our investments in mortgage loans, but will have no effect on our financial position or results of operations.

Table of Contents**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued****Unum Group and Subsidiaries****June 30, 2010****Note 3 - Fair Values of Financial Instruments**

Presented as follows are the carrying amounts and fair values of financial instruments. The carrying values of financial instruments such as short-term investments, cash and bank deposits, accounts and premiums receivable, and accrued investment income approximate fair value due to the short-term nature of the instruments. As such, these financial instruments are not included in the following chart.

	June 30, 2010		December 31, 2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in millions of dollars)			
Assets				
Fixed Maturity Securities	\$ 39,760.3	\$ 39,760.3	\$ 37,914.4	\$ 37,914.4
Mortgage Loans	1,421.6	1,544.3	1,404.0	1,402.5
Policy Loans	2,882.4	2,946.1	2,878.0	2,907.7
Other Long-term Investments				
Derivatives	136.6	136.6	81.1	81.1
Equity Securities	8.9	8.9	1.5	1.5
Miscellaneous Long-term Investments	255.6	255.6	150.9	150.9
Liabilities				
Policyholders Funds				
Deferred Annuity Products	\$ 668.2	\$ 668.2	\$ 684.0	\$ 684.0
Supplementary Contracts without Life Contingencies	482.7	482.7	445.6	445.6
Short-term Debt	225.1			