

Stability you can count on

Choose a company that's committed to financial strength.

Colonial Life is an industry leader with a secure future. For 75 years, we've helped America's workers preserve and protect the vitally important things they've worked so hard to build.

Colonial Life operates as a stand-alone business of Unum, a Fortune 500 company and market leader in voluntary benefits, such as disability, critical illness and life insurance. Our entire operation — customer call centers, underwriting, claims processing, product development and marketing activities — is managed independently at our headquarters in Columbia, S.C.

Strong financial background

Colonial Life has a long tradition of consistent, profitable financial performance, prudent investment strategies and financial integrity. The results are evident in the quality of our investment portfolio and the ongoing strength of our balance sheet.

We take pride in the overall financial strength of our company, and we want you to know about our:

- Consistently strong industry ratings.
- Strong investment portfolio.
- Long-term profitable growth.

We go above and beyond to meet our obligations to customers. Our financial position remains solid and well-positioned to serve customers' needs and deliver on promises now and in the future.

Fast facts about Colonial Life

- Headquartered in Columbia, S.C.
- Founded in 1939.
- 1,100 employees.
- Approximately 7,500-member independent contractor sales organization nationwide.
- Approximately 6,000 active Colonial Life-contracted brokers.
- Offers a broad portfolio of group and individual personal insurance products, including disability, accident, life, cancer, critical illness and hospital confinement indemnity coverage.
- Continues to be a leader in benefits communication and education, enrollment and customer service.
- Operates in 49 states, the District of Columbia and Puerto Rico. In New York, similar products and services, if approved, are underwritten by a Colonial Life affiliate, The Paul Revere Life Insurance Company.
- Serves more than 80,000 businesses and organizations.¹
- More than 3 million policies in force.¹
- Received "Readers' Choice" awards in four categories relevant to its business: best at working with brokers, best consumer-driven health care products, best prepared for health care reform and technology company that makes my life the easiest.²
- Repeatedly named one of the best large companies to work for in S.C. since 2006.³

¹ Colonial Life & Accident Insurance Company corporate records as of year-end 2013.

² Benefits Selling Magazine, November 2013.

³ SC BIZ and the South Carolina Chamber of Commerce, "Best Places to Work in South Carolina," research conducted by Best Companies Group.

Consistently strong industry ratings⁴

While the ultimate judge of an insurance company is the customer, independent rating agencies also judge, or rate, insurance companies. These ratings can help you determine the financial strength and liquidity of a company. Unum's primary subsidiaries⁵ consistently earn strong financial strength ratings from the four major rating agencies.

<p>A.M. Best Company</p> <table border="0"> <tr><td>Colonial Life</td><td>A Excellent</td></tr> <tr><td>Unum Life</td><td>A Excellent</td></tr> <tr><td>First Unum Life</td><td>A Excellent</td></tr> <tr><td>Provident Life and Accident</td><td>A Excellent</td></tr> <tr><td>Provident Life and Casualty</td><td>A Excellent</td></tr> <tr><td>Paul Revere Life</td><td>A Excellent</td></tr> </table> <p><i>Ratings from "A" to "C" also may be enhanced with a double plus (++), plus (+) or minus (-) to indicate whether credit quality is near the top or bottom of a category.</i></p>	Colonial Life	A Excellent	Unum Life	A Excellent	First Unum Life	A Excellent	Provident Life and Accident	A Excellent	Provident Life and Casualty	A Excellent	Paul Revere Life	A Excellent	<p>A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations.</p>	<p>A.M. Best Financial Strength Ratings</p> <p>Secure Ratings</p> <table border="0"> <tr><td>A++, A+</td><td>Superior</td></tr> <tr><td>A, A-</td><td>Excellent</td></tr> <tr><td>B++, B+</td><td>Good</td></tr> </table> <p>Vulnerable Ratings</p> <table border="0"> <tr><td>B, B-</td><td>Fair</td></tr> <tr><td>C++, C+</td><td>Marginal</td></tr> <tr><td>C, C-</td><td>Weak</td></tr> <tr><td>D</td><td>Poor</td></tr> <tr><td>E</td><td>Under Regulatory Supervision</td></tr> <tr><td>F</td><td>In Liquidation</td></tr> <tr><td>S</td><td>Suspended</td></tr> </table>	A++, A+	Superior	A, A-	Excellent	B++, B+	Good	B, B-	Fair	C++, C+	Marginal	C, C-	Weak	D	Poor	E	Under Regulatory Supervision	F	In Liquidation	S	Suspended
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⁴ Industry ratings are not a warranty of an insurer's financial strength, current or future ability to meet its obligations to policyholders nor a recommendation of a specific policy form, contract, rate or claim practice. In addition, industry ratings do not address the suitability of a particular insurance policy or contract for a specific purpose or purchaser.

⁵ Unum's primary subsidiaries are Unum Life Insurance Company of America, Provident Life and Accident Insurance Company, Provident Life and Casualty Insurance Company, The Paul Revere Life Insurance Company, Colonial Life & Accident Insurance Company, and First Unum Life Insurance Company.

Strong investment portfolio

Colonial Life's investment program is characterized by a long-term view and prudent management of financial risk. The foremost requirement of Colonial Life's investment program is that the ability to meet policyholder commitments cannot be impaired by investment results. Therefore, we manage our assets in a manner that ensures we meet this basic responsibility during all economic conditions.

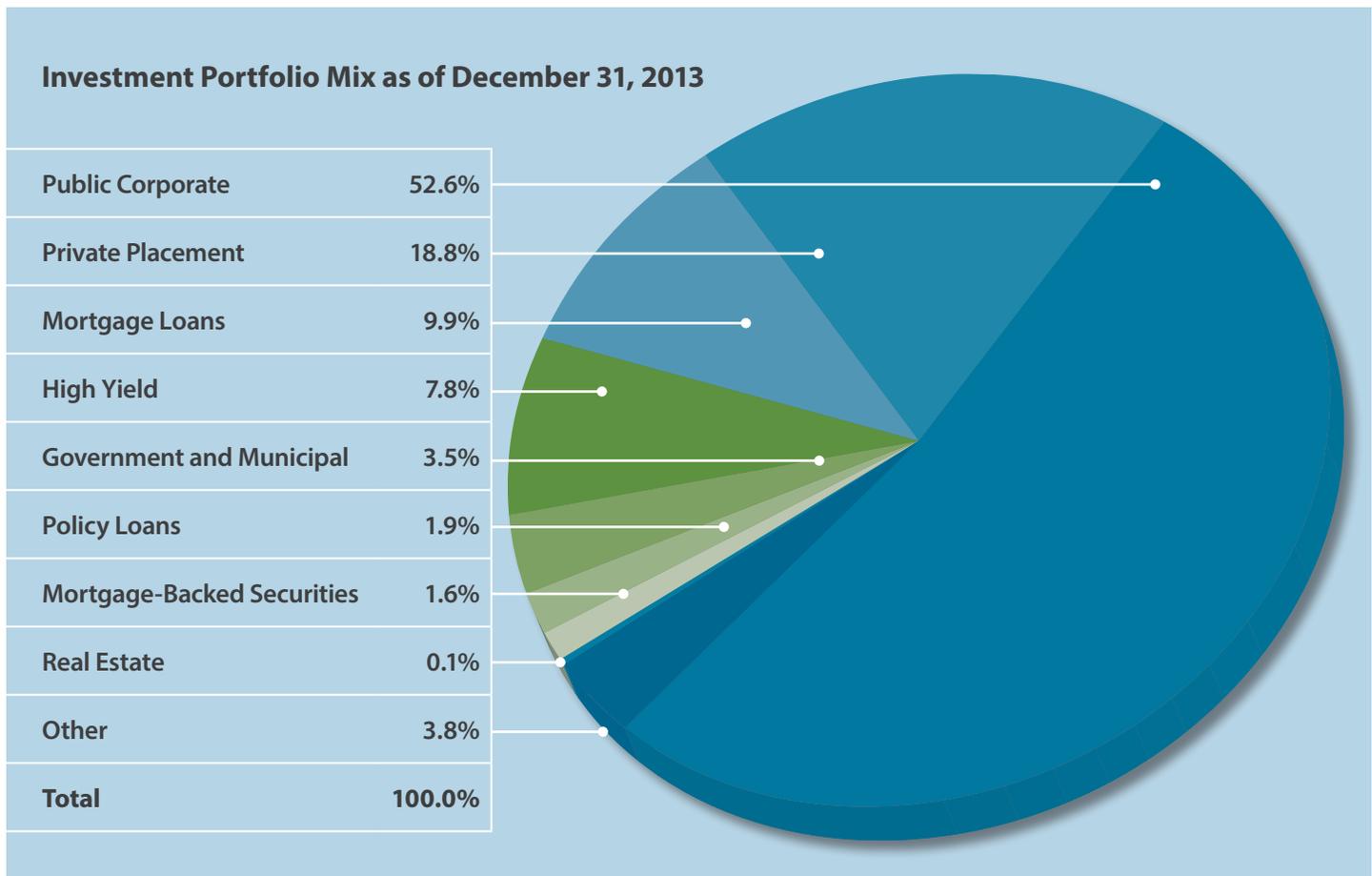
Colonial Life has a strong investment portfolio invested in diverse markets and securities, which reduces the effect of unexpected events on the total investment program.

Colonial Life's portfolio as of December 31, 2013, had limited exposure to potentially risky investments, such as commercial real estate and commercial mortgages.

- Approximately 84 percent invested in bonds.
- Less than 1 percent invested in real estate.
- Approximately 10 percent invested in commercial mortgages, consistent with the industry average.⁶

Investment portfolio mix

Colonial Life's investments are positioned to support the long-term strength of the company and its strategy of sustainable growth.



⁶ Source: A.M. Best Company year-end 2012 Best's Aggregates & Averages.

Long-term profitable growth

A history of prudent investment strategies and financial integrity has enabled Colonial Life to sustain long-term growth to benefit policyholders. Our practice of investing in quality securities has resulted in a 16 percent average compound annual growth rate in statutory assets since the company was founded.

Assets and liabilities should be managed to complement one another to minimize balance sheet risk. Therefore, asset quality, as well as the effective management of assets and liabilities, are vital indicators of an insurance company's financial strength.

- Since 1939:
 - Statutory premiums have grown at an average compound annual growth rate of 14 percent.
 - Colonial Life's statutory assets have grown at an average compound annual growth rate of 16 percent.
 - Total statutory liabilities have grown at an average compound annual growth rate of 17 percent.
- Over the last 10 years, policyholder reserves, which are approximately 93 percent of liabilities, have grown at an average compound annual growth rate of 7 percent.

We are proud of our long-term record of consistent growth that helps guarantee our ability to meet current and future policyholder commitments.

Count on Colonial Life

The quality of our investment portfolio and the strength of our balance sheet are important factors in our ability to sustain overall strength in the marketplace. We are committed to providing affordable insurance products that can help America's workers during challenging times.

