UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-K

(Mark One)

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2023

☐ **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 001-11294

Unum Group

(Exact name of registrant as specified in its charter)

Delaware	**62-1598430**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1 Fountain Square **Chattanooga, Tennessee**	**37402**
(Address of principal executive offices)	(Zip Code)

(423)294-1011

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which register
Common stock, $0.10 par value	UNM	New York Stock Exchange
6.250% Junior Subordinated Notes due 2058	UNMA	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes [X] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes [X] No [ ]

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

(Check one):

Large Accelerated Filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.			☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the shares of the registrant's common stock held by non-affiliates (based upon the closing price of these shares on the New York Stock Exchange) as of the last business day of the registrant's most recently completed second fiscal quarter was $9.4 billion. As of February 16, 2024, there were 191,518,006 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the information required by Part III of this Form 10-K are incorporated herein by reference from the registrant's definitive proxy statement for its 2024 Annual Meeting of Stockholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, within 120 days after the end of the registrant's fiscal year ended December 31, 2023.

TABLE OF CONTENTS

		Page
	Cautionary Statement Regarding Forward-Looking Statements	1
	PART I	
Item 1.	Business	3
Item 1A.	Risk Factors	22
Item 1B.	Unresolved Staff Comments	34
Item 1C.	Cybersecurity	34
Item 2.	Properties	35
Item 3.	Legal Proceedings	35
Item 4.	Mine Safety Disclosures	36
	PART II	
Item 5.	Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	37
Item 6.	[Reserved]	37
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	38
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	97
Item 8.	Financial Statements and Supplementary Data	104
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	233
Item 9A.	Controls and Procedures	233
Item 9B.	Other Information	235
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	235
	PART III	
Item 10.	Directors, Executive Officers, and Corporate Governance	235
Item 11.	Executive Compensation	235
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	236
Item 13.	Certain Relationships and Related Transactions and Director Independence	237
Item 14.	Principal Accounting Fees and Services	237
	PART IV	
Item 15.	Exhibits and Financial Statement Schedules	238
	Index to Exhibits	248
	Signatures	252

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 Annual Report on Form 10-K (including certain statements in the business description in Item 1, Management's Discussion and Analysis in Item 7, and the consolidated financial statements and related notes in Item 8), 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:

- 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 governmental programs.
- Sustained periods of low interest rates.
- Unfavorable economic or business conditions, both domestic and foreign, that may result in decreases in sales, premiums, or persistency, as well as unfavorable claims activity or unfavorable returns on our investment portfolio.
- The impact of pandemics and other public health issues on our business, financial position, results of operations, liquidity and capital resources, and overall business operations.
- Changes in, or interpretations or enforcement of, laws and regulations.
- A cybersecurity attack or other security breach resulting in compromised data or the unauthorized acquisition of confidential data.
- The failure of our business recovery and incident management processes to resume our business operations in the event of a natural catastrophe, cybersecurity attack, or other event.
- 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.
- Increased competition from other insurers and financial services companies due to industry consolidation, new entrants to our markets, or other factors.
- Ineffectiveness of our derivatives hedging programs due to changes in forecasted cash flows, the economic environment, counterparty risk, ratings downgrades, capital market volatility, changes in interest rates, and/or regulation.
- Changes in our financial strength and credit ratings.
- Actual experience in the broad array of our products that deviates from our assumptions used in pricing, underwriting, and reserving.
- Our ability to hire and retain qualified employees.
- Our ability to develop digital capabilities or execute on our technology systems upgrades or replacements.
- Availability of reinsurance in the market and the ability of our reinsurers to meet their obligations to us.
- Ability to generate sufficient internal liquidity and/or obtain external financing.
- Damage to our reputation due to, among other factors, regulatory investigations, legal proceedings, external events, and/or inadequate or failed internal controls and procedures.
- Disruptions to our business or our ability to leverage data caused by the use and reliance on third party vendors, including vendors providing web and cloud based applications.
- Recoverability and/or realization of the carrying value of our intangible assets, long-lived assets, and deferred tax assets.
- Effectiveness of our risk management program.
- Contingencies and the level and results of litigation.
- Fluctuation in foreign currency exchange rates.

- Our ability to meet environment, social, and governance standards and expectations of investors, regulators, customers, and other stakeholders.

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

ITEM 1. BUSINESS

General

Unum Group, a Delaware general business corporation, and its insurance and non-insurance subsidiaries, which collectively with Unum Group we refer to as the Company, operate in the United States, the United Kingdom, Poland, and, to a limited extent, in certain other countries. The principal operating subsidiaries in the United States are Unum Life Insurance Company of America (Unum America), Provident Life and Accident Insurance Company (Provident), The Paul Revere Life Insurance Company (Paul Revere Life), Colonial Life & Accident Insurance Company, Unum Insurance Company, Starmount Life Insurance Company (Starmount), in the United Kingdom, Unum Limited, and in Poland, Unum Zycie TUiR S.A. (Unum Poland). We are a leading provider of financial protection benefits in the United States and the United Kingdom. Our products include disability, life, accident, critical illness, dental and vision, and other related services. We market our products primarily through the workplace.

We have three principal operating business segments: Unum US, Unum International, and Colonial Life. Our other segments are the Closed Block and Corporate segments. These segments are discussed more fully under "Reporting Segments" included herein in this Item 1.

Business Strategies

The benefits we provide help the working world thrive throughout life's moments and protect people from the financial hardship of illness, injury, or loss of life. As a leading provider of employee benefits, we offer a broad portfolio of products and services through the workplace that provide support when it is needed most.

Specifically, we offer group, individual, voluntary, and dental and vision products as well as provide certain fee-based services. These products and services, which can be sold stand-alone or combined with other coverages, help employers of all sizes attract and retain the talented and capable workforce they need to succeed while protecting the incomes and livelihood of their employees. We believe employer-sponsored benefits are the most effective way to provide workers with access to information and options to protect their financial stability. Working people and their families, particularly those at lower and middle incomes, are perhaps the most vulnerable in today's economy yet are often overlooked by many providers of financial products and services. For many of these workers and families, employer-sponsored benefits are the primary defense against the potentially catastrophic financial impact of death, illness, or injury.

We have established a corporate culture consistent with the social value of our products and services. Because we see important links between the obligations we have to all of our stakeholders, we place a strong emphasis on operating with integrity and contributing to positive change in our communities. Accordingly, we are committed not only to meeting the needs of our customers who depend on us, but also to being accountable for our actions through sound and consistent business practices, a strong internal compliance program, a comprehensive risk management strategy, and an engaged employee workforce.

We believe our disciplined approach to providing financial protection products at the workplace puts us in a position of strength. The products and services we provide have never been more important to employers, employees, and their families. Our strategy remains centered on growing our core businesses through investing and transforming our operations and technology to anticipate and respond to the changing needs of the marketplace, driving enhanced customer experiences and expanding into new adjacent markets through meaningful partnerships and effective deployment of our capital across our portfolio.

We continue to analyze and employ strategies we believe will help us navigate the current environment and allow us to maintain financial flexibility to support the needs of our businesses while also allowing us to return capital to our shareholders. As we have seen in the current environment, we have substantial leverage to inflation and strong labor markets which generate wage and payroll growth. To the extent that our own costs increase as a result of wage inflation, we have the ability to adjust our prices on new and renewing business to reflect these higher costs.

Long-term, we believe that consistent operating results, combined with the implementation of strategic initiatives and the effective deployment of capital, will allow us to meet our financial objectives.

Reporting Segments

Our reporting segments are comprised of the following: Unum US, Unum International, Colonial Life, Closed Block, and Corporate. The percentage of consolidated premium income generated by each reporting segment for the year ended December 31, 2023 is as follows:

Unum US	65.5 %
Unum International	8.2
Colonial Life	17.2
Closed Block	9.1
Total	100.0 %

Financial information is provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein in Item 7 and Note 15 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Unum US Segment

Our Unum US segment is comprised of group disability, group life and accidental death and dismemberment, and supplemental and voluntary lines of business. The group disability line of business includes long-term and short-term disability, medical stop-loss, and fee-based service products. The supplemental and voluntary line of business includes voluntary benefits, individual disability, and dental and vision products. Unum US products are issued primarily by Unum America, Provident, Starmount, and Unum Insurance Company. These products are marketed through our field sales personnel who work in conjunction with independent brokers and consultants. Our market strategy for Unum US is to effectively deliver an integrated offering of employee benefit products in the group core market segment, which we define for Unum US as employee groups with fewer than 2,000 employees, the group large case market segment, and the supplemental and voluntary market segment.

The percentage of Unum US segment premium income generated by each product line during 2023 is as follows:

Group Disability	46.7 %
Group Life and Accidental Death & Dismemberment	28.2
Voluntary Benefits	12.9
Individual Disability	8.0
Dental and Vision	4.2
Total	100.0 %

Group Long-term and Short-term Disability

We sell group long-term and short-term disability products to employers for the benefit of employees.

Group long-term disability provides employees with insurance coverage for loss of income in the event of extended work absences due to sickness or injury. We offer services to employers and insureds to encourage and facilitate rehabilitation, retraining, and re-employment. Most policies begin providing benefits following 90 or 180 day waiting periods and continue providing benefits until the employee reaches a certain age, generally between 65 and 70, or recovers from the disability. The benefits are limited to specified maximums as a percentage of income. Also included in our long-term disability product line is our medical stop-loss product, which is designed to protect self-insured employers if their employees' medical claims exceed certain agreed upon thresholds.

Group short-term disability insurance generally provides coverage from loss of income due to injury or sickness for up to 26 weeks and is limited to specified maximums as a percentage of income. Benefits are typically effective after 0 to 30 days for accidents and after 7 to 30 days for sickness.

Our fee-based services include leave management and administrative services only (ASO) business. Leave management services provide administrative services on behalf of employers to ensure the protected leave eligibility and status for employees are in accordance with applicable laws and regulations. ASO products provide administrative services regarding

claims processing and billing for self-insured customers for which the responsibility for funding claim payments remains with the customer.

Premiums for group long-term and short-term disability are generally based on expected claims of a pool of similar risks plus provisions for administrative expenses, investment income, and profit. In some cases, coverage for large employers will include retrospective experience rating provisions or will be underwritten on an experience-rated basis. Premiums for experience-rated group long-term and short-term disability business are based on the expected experience of the client given its demographics, industry group, and location, adjusted for the credibility of the specific claim experience of the client. Both group long-term and short-term disability are sold primarily on a basis permitting periodic repricing to address the underlying claims experience. Fees for our leave management services and ASO business are generally based on the number of covered employees and an agreed-upon per-employee, per-month rate. Premiums for our medical stop-loss product are generally based on the number of covered employees in self-insured employer groups and their estimated overall health risk plus provisions for administrative expenses, and profit.

We have defined underwriting practices and procedures. If the coverage amount for our disability policies exceeds certain prescribed age and amount limits, we may require a prospective insured to submit evidence of insurability. Our disability policies are typically issued, both at inception and renewal, with rate guarantees. For new group policyholders, the usual rate guarantee is one to three years. For group policies being renewed, the rate guarantee is generally one year, but may be longer. The profitability of the policy depends on the adequacy of the rate during the rate guarantee period. The contracts provide for certain circumstances in which the rate guarantees can be overridden. Our medical stop loss contracts are renewable on an annual basis and rates are not guaranteed beyond one year. There is no requirement for prospective medical stop loss insureds to submit evidence of insurability because coverage levels are determined for the group as a whole.

Profitability of group long-term and short-term disability insurance and our medical stop-loss product is affected by sales, persistency, investment returns, claims experience, and the level of administrative expenses. Morbidity is an important factor in disability claims experience, and many economic and societal factors can affect claim incidence for disability insurance. We routinely make pricing adjustments on our group long-term and short-term disability insurance products, when contractually permitted, which take into account emerging experience and external factors.

Group Life and Accidental Death and Dismemberment

Group life and accidental death and dismemberment products are sold to employers as employee benefit products. Group life consists primarily of renewable term life insurance with the coverages frequently linked to employees' wages and includes a provision for waiver of premium, if disabled. Accidental death and dismemberment consists primarily of an additional benefit amount payable if death or severe injury is attributable to an accident.

Premiums are generally based on expected claims of a pool of similar risks plus provisions for administrative expenses, investment income, and profit. Underwriting practices and rate guarantees are similar to those used for group disability products, and evidence of insurability is required for benefits in excess of a specified limit.

Profitability of group life and accidental death and dismemberment insurance is affected by persistency, investment returns, mortality and other claims experience, and the level of administrative expenses.

Voluntary Benefits

Voluntary benefits products are primarily sold to groups of employees through payroll deduction at the workplace and include accident, disability, life, hospital indemnity, cancer, and critical illness. Products are issued on both a group and individual basis.

Premiums are generally based on assumptions for morbidity, mortality, persistency, administrative expenses, investment income, and profit. We develop our assumptions based on our own experience and published industry tables. Our underwriters evaluate the medical condition of prospective policyholders prior to the issuance of a policy on a simplified basis. Underwriting requirements may be waived for cases that meet certain criteria, including participation levels. Individual voluntary benefits products other than life insurance are offered on a guaranteed renewable basis which allows us to reprice in-force policies, subject to regulatory approval. Group voluntary benefits products are offered primarily on an optionally renewable basis which allows us to reprice or terminate in-force policies.

Profitability of voluntary benefits products is affected by the level of employee participation, persistency, investment returns, mortality and other claims experience, and the level of administrative expenses.

Individual Disability

Individual disability products are offered primarily to multi-life employer groups to supplement their group disability plans and may be funded by the employer, but the policy is owned by the employee and is portable. Individual disability insurance provides the insured with a portion of earned income lost as a result of sickness or injury. The benefits, including the underlying group disability coverage, typically range from 30 percent to 75 percent of the insured's monthly earned income. We provide various options with respect to length of benefit periods, product features, and waiting periods before benefit payments begin, which permit tailoring of the multi-life plan to a specific employer's needs. We also market individual disability policies which include payments for the transfer of business ownership between partners and payments for business overhead expenses, also on a multi-life basis. Individual disability products do not provide for the accumulation of cash values.

Premium rates for individual disability products vary by age, product features, industry, region, and occupation based on assumptions concerning morbidity, mortality, persistency, administrative expenses, investment income, and profit. We develop our assumptions based on our own experience. Our underwriting rules, issue limits, and plan designs reflect risk and the financial circumstances of prospective insureds. Individuals in multi-life groups may be subject to limited medical underwriting. The majority of our individual disability policies are written on a noncancelable basis. Under a noncancelable policy, as long as the insured continues to pay the fixed annual premium for the policy's duration, we cannot cancel the policy or change the premium.

Profitability of individual disability insurance is affected by persistency, investment returns, claims experience, and the level of administrative expenses.

Dental and Vision

Group dental and vision products are sold to employers as employee benefit products. Our group dental products include a variety of insured and self-insured dental care plans including preferred provider organizations and scheduled reimbursement plans. Our group vision products provide coverage that includes a range of both in-network and out-of-network benefits for routine vision services offered either in conjunction with our dental product offerings or as stand-alone coverage.

Premiums for small case group dental and vision products are generally based on expected claims of a pool of similar risks plus a provision for administrative expenses, investment income, and profit. Premiums for large employer groups are underwritten on an experience-rated basis.

Profitability of our dental and vision products is affected by persistency, claims experience, the level of administrative expenses, and to a lesser extent, investment returns.

Unum International Segment

Our Unum International segment includes our operations in the United Kingdom and Poland. Unum UK's business includes insurance for group long-term disability, group life, and supplemental lines of business which include dental, individual disability, and critical illness products. Unum Poland's business primarily includes insurance for individual and group life with accident and health riders. Unum International's products are sold primarily through field sales personnel and independent brokers and consultants. The market strategy for the segment is to offer benefits to employers and employees through the workplace, with a focus on the expansion of the number of employers and employees covered in our Unum UK business, and the growth of the existing Unum Poland business through the incorporation of our benefits and distribution expertise.

The percentage of Unum International segment premium income generated by each product line during 2023 is as follows:

Unum UK	
Group Long-term Disability	48.0 %
Group Life	20.5
Supplemental	17.2
Unum Poland	14.3
Total	100.0 %

Unum UK Group Long-term Disability

Group long-term disability products are sold to employers for the benefit of employees. Group long-term disability provides employees with insurance coverage for loss of income in the event of extended work absences due to sickness or injury. Services are offered to employers and insureds to encourage and facilitate rehabilitation, retraining, and re-employment. Most policies begin providing benefits following 90 or 180 day waiting periods and continue providing benefits until the employee reaches a certain age or reaches the end of the limited period specified in the policy terms. The benefits are limited to specified maximums as a percentage of income.

Premiums for group long-term disability are generally based on expected claims of a pool of similar risks plus provisions for administrative expenses, investment income, and profit. Some cases carry experience rating provisions. Premiums for experience-rated group long-term disability business are based on the expected experience of the client given its demographics, industry group, and location, adjusted for the credibility of the specific claim experience of the client. Policies are sold primarily on a basis permitting periodic repricing to address the underlying claims experience.

We have defined underwriting practices and procedures. If the coverage amount exceeds certain prescribed age and amount limits, we may require a prospective insured to submit evidence of insurability. Policies are typically issued, both at inception and renewal, with rate guarantees. The usual rate guarantee is two years but may vary depending on circumstances. The profitability of the policy is dependent upon the adequacy of the rate during the rate guarantee period. The contracts provide for certain circumstances in which the rate guarantees can be overridden.

Profitability of group long-term disability insurance is affected by sales, persistency, investment returns, claims experience, and the level of administrative expenses. Morbidity is an important factor in disability claims experience. We routinely make pricing adjustments on our group insurance products, when contractually permitted, which take into account emerging experience and external factors.

Unum UK Group Life

Group life products are sold to employers as employee benefit products. Group life consists of two types of products, a renewable term life insurance product and a group dependent life product. The renewable term life product provides a lump sum benefit to the beneficiary upon the death of an employee. The group dependent life product, which we discontinued offering to new customers in 2012, provides an annuity to the beneficiary upon the death of an employee. Both coverages are frequently linked to employees' wages. Premiums for group life are generally based on expected claims of a pool of similar risks plus provisions for administrative expenses, investment income, and profit. Underwriting and rate guarantees are similar to those utilized for Unum UK group long-term disability products.

Profitability of group life is affected by sales, persistency, investment returns, mortality and other claims experience, and the level of administrative expenses.

Unum UK Supplemental

Supplemental products are sold to employers and groups of employees and include group critical illness and group dental products. Group critical illness products provide a lump-sum benefit on the occurrence of a covered critical illness event. Group dental products generally provide fixed benefits based on specified treatments or a portion of the cost of the treatment. Beginning in 2022, supplemental products are no longer actively marketed to individual customers.

Premiums for group critical illness products are generally based on expected claims of a pool of similar risks plus provisions for administrative expenses, investment income, and profit. Underwriting and rate guarantees are similar to those utilized for

Unum UK group long-term disability products. Premiums for group dental products are generally based on expected claims of a pool of similar risks plus provisions for administrative expenses and profit, with minor pricing variation based on the number of covered employees in the group. Profitability of our supplemental products is affected by persistency, investment returns, claims experience, and the level of administrative expenses.

Unum Poland

Unum Poland products, which include both individual and group life products, provide renewable term and whole life insurance with accident and health riders. Premiums are based on expected claims of a pool of similar risks plus provisions for administrative expenses, investment income, and profit. Profitability of our Unum Poland products is affected by persistency, investment returns, mortality and other claims experience, and the level of administrative expenses.

Colonial Life Segment

Our Colonial Life segment includes accident, sickness, and disability products, life products, and cancer and critical illness products. Products are issued primarily by Colonial Life & Accident Insurance Company and marketed to employees, on both a group and an individual basis, at the workplace through an independent contractor agent sales force and brokers. Our market strategy for Colonial Life is to effectively deliver a broad set of voluntary products and services in the public sector market and in the commercial market, with a particular focus on the core commercial market segment, which we define for Colonial Life as accounts with fewer than 1,000 employees.

Our underwriters evaluate the medical condition of prospective policyholders prior to the issuance of a policy on a simplified basis. Underwriting requirements may be waived for cases that meet certain criteria, including participation levels.

The percentage of Colonial Life segment premium income generated by each product line during 2023 is as follows:

Accident, Sickness, and Disability	54.8 %
Life	24.7
Cancer and Critical Illness	20.5
Total	100.0 %

Accident, Sickness, and Disability

The accident, sickness, and disability product line consists of short-term disability plans, accident-only plans providing benefits for injuries on a specified loss basis, and our dental and vision products. It also includes accident and health plans which cover events such as hospital admissions, confinement, and surgeries.

Premiums are generally based on assumptions for morbidity, mortality, persistency, administrative expenses, investment income, and profit. We develop our assumptions based on our own experience and published industry tables. Premiums are primarily individual guaranteed renewable which allows us to change premiums on a state by state basis. A small percentage of the policies are written on a group basis which are offered primarily on an optionally renewable basis which allows us to reprice or terminate in-force policies. Premiums for our dental and vision products are guaranteed renewable with standard industry rates that vary by age and region.
Profitability is affected by the level of employee participation, persistency, investment returns, claims experience, and the level of administrative expenses.

Life

Life products are primarily comprised of universal life, whole life, and term life policies. We discontinued offering universal life policies in 2019.

Premiums are generally based on assumptions for mortality, persistency, administrative expenses, investment income, and profit. We develop our assumptions based on our own experience and published industry tables. Premiums for the individual whole life and term life products are guaranteed for the life of the contract. Premiums for the individual universal life products are flexible and may vary at the individual policyholder level. For the group term life products, we retain the right to change premiums at the account level based on the experience of the account.

Profitability is affected by the level of employee participation, persistency, investment returns, mortality and other claims experience, and the level of administrative expenses.

Cancer and Critical Illness

Cancer policies provide various benefits for the treatment of cancer including hospitalization, surgery, radiation, and chemotherapy. Critical illness policies provide a lump-sum benefit and/or fixed payments on the occurrence of a covered critical illness event.

Premiums are generally based on assumptions for morbidity, mortality, persistency, administrative expenses, investment income, and profit. We develop our assumptions based on our own experience and published industry tables. Premiums are primarily individual guaranteed renewable wherein we have the ability to change premiums on a state by state basis. A small percentage of the policies are written on a group basis and are offered primarily on an optionally renewable basis which allows us to reprice or terminate in-force policies.

Profitability of these products is affected by the level of employee participation, persistency, investment returns, mortality and other claims experience, and the level of administrative expenses.

Closed Block Segment

Our Closed Block segment consists of group and individual long-term care and other insurance products no longer actively marketed. Closed Block segment premium income for 2023 was comprised of approximately 76 percent group and individual long-term care and 24 percent other insurance products.

Group and Individual Long-term Care

We discontinued offering individual long-term care in 2009 and group long-term care in 2012. Group long-term care was previously offered to employers for the benefit of employees. Individual long-term care was previously marketed on a single-life customer basis.

Long-term care insurance pays a benefit upon the loss of two or more activities of daily living and the insured's requirement of standby assistance or cognitive impairment. Payment is generally made on an indemnity basis, regardless of expenses incurred, up to a lifetime maximum. Benefits begin after a waiting period, usually 90 days or less, and are generally paid for a period of three years, six years, or lifetime.

Our long-term care insurance was sold on a guaranteed renewable basis which allows us to reprice in-force policies, subject to regulatory approval. Premium rates for long-term care vary by age and are based on assumptions concerning morbidity, mortality, persistency, administrative expenses, investment income, and profit. Premium rate increases continue to be implemented where needed and where approved by state regulators. We develop our assumptions based on our own claims and persistency experience and published industry tables.

Profitability is affected by premium rate increases, persistency, investment returns, mortality and other claims experience, and the level of administrative expenses.

Other

Other insurance products not actively marketed include individual disability, group pension, individual life and corporate-owned life insurance, reinsurance pools and management operations, and other miscellaneous product lines. The majority of these products have been reinsured, with approximately 85 percent of reserves at December 31, 2023 ceded to other insurance companies.

In December 2020, we entered into the first phase of a reinsurance transaction to reinsure the majority of our Closed Block individual disability products to a third party. In March 2021, we completed the second phase of the reinsurance transaction to reinsure a portion of the remaining Closed Block individual disability business that was not ceded in December 2020. For further discussion on this reinsurance transaction, refer to "Reinsurance" herein in this Item 1, "Executive Summary" and "Segment Results" contained herein in Item 7, and Note 14 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Corporate Segment

Our Corporate segment includes investment income on corporate assets not specifically allocated to a line of business, interest expense on corporate debt, and certain other corporate income and expenses not allocated to a line of business.

Reinsurance

In the normal course of business, we assume reinsurance from and cede reinsurance to other insurance companies. In a reinsurance transaction, a reinsurer agrees to indemnify another insurer for part or all of its liability under a policy or policies it has issued for an agreed upon premium or fee. We undertake reinsurance transactions for both risk management and capital management. If the assuming reinsurer in a reinsurance agreement is unable to meet its obligations, we remain contingently liable. In the event that reinsurers do not meet their obligations under the terms of the reinsurance agreement, reinsurance recoverable balances could become uncollectible. We evaluate the financial condition of reinsurers to whom we cede business and monitor concentration of credit risk to minimize our exposure. We may also require assets to be held in trust, letters of credit, or other acceptable collateral to support reinsurance recoverable balances. The collectability of our reinsurance recoverable is primarily a function of the solvency of the individual reinsurers. Although we have controls to minimize our exposure, the insolvency of a reinsurer or the inability or unwillingness of a reinsurer to comply with the terms of a reinsurance contract could have a material adverse effect on our results of operations.

In general, the maximum amount of life insurance risk retained by our U.S. insurance subsidiaries under group or individual life or group or individual accidental death and dismemberment policies during 2023 was $1 million per covered life per policy. The retention amount remains at $1 million for 2024. For Unum Limited life insurance risk, during 2023 we had reinsurance agreements which provided 75 percent quota share coverage up to £500 thousand per covered life for group dependent life benefits and 25 percent quota share coverage for group lump sum benefits, as well as 100 percent coverage per covered life above that amount. For Unum Limited, during 2024, we have reinsurance agreements which provide 20 percent quota share coverage for group lump sum benefits up to £500 thousand per covered life as well as 100 percent coverage per covered life above that amount. For Unum Limited in both 2023 and 2024, we have reinsured 100 percent of benefits in excess of £2 million for both group dependents and lump sum benefits.

In December 2020, we completed the first phase of a reinsurance transaction, pursuant to which Provident, Paul Revere Life, and Unum America, collectively referred to as "the ceding companies", each entered into separate reinsurance agreements with Commonwealth Annuity and Life Insurance Company (Commonwealth), a subsidiary of Global Atlantic Financial Group, to reinsure on a coinsurance basis effective as of July 1, 2020 approximately 75 percent of the Closed Block individual disability business, primarily direct business written by the ceding companies. In March 2021, we completed the second phase of the reinsurance transaction, pursuant to which the ceding companies and Commonwealth amended and restated their respective reinsurance agreements to reinsure on a coinsurance and modified coinsurance basis, effective as of January 1, 2021, a substantial portion of the remaining Closed Block individual disability business that was not ceded in December 2020, primarily business previously assumed by the ceding companies. Commonwealth established and will maintain collateralized trust accounts for the benefit of the ceding companies to secure its obligations under the reinsurance agreements.

Also in December 2020, Provident Life and Casualty Insurance Company (PLC), also a wholly-owned domestic insurance subsidiary of Unum Group, entered into an agreement with Commonwealth whereby PLC will provide a 12-year volatility cover to Commonwealth for the active life cohort (ALR cohort). On March 31, 2021, PLC and Commonwealth amended and restated this agreement to incorporate the ALR cohort related to the additional business that was reinsured between the ceding companies and Commonwealth as part of the second phase of the transaction. At the end of the 12-year coverage period, Commonwealth will retain the risk for the remaining incidence and claims risk on the ALR cohort of the ceded business. Under this volatility cover, annual settlements will be made equal to the difference between the actual and estimated cash flows and reserve changes during the year. Upon expiration of the 12-year period, a terminal settlement will be made based on the final reserves for the ALR cohort. Due to the nature of the volatility cover, the ALR cohort will be accounted for under the deposit method on a U.S. generally accepted accounting principles (GAAP) basis.

We have global catastrophic reinsurance coverage which covers all Unum Group insurance companies and includes four layers of coverage to limit our exposure under life, accidental death and dismemberment, long-term care, and disability policies in regard to a catastrophic event. Each layer provides coverage for catastrophic events, including most acts of war and any type of terrorism, up to $1 million of coverage per person per policy for each U.S. and Poland line of covered business, and up to £2 million of coverage for each U.K. covered line of business. We have the following coverage for 2024, after a $150 million deductible:

Layer	Coverage Layer *(in millions)*	Percent Coverage	Coverage *(in millions)*
First	$ 100.0	50.0 %	$ 50.0
Second	100.0	55.0	55.0
Third	150.0	55.0	82.5
Fourth	300.0	55.0	165.0
Total Catastrophic Coverage			$ 352.5

In addition to the global catastrophic reinsurance coverage noted above, Unum Limited has additional catastrophic coverage via an arms-length, intercompany reinsurance agreement with Unum America, under similar terms as the global catastrophic treaties. Unum Limited has the following additional coverage for 2024, after a £80 million deductible:

Layer	Coverage Layer *(in millions)*	Percent Coverage	Coverage *(in millions)*
First	£ 40.0	80.0 %	£ 32.0
Second	30.0	40.0	12.0
Total Catastrophic Coverage			£ 44.0

Unum Poland had additional global catastrophic reinsurance coverage of up to 100 million zł per event, or up to 200 million zł for the year, with a maximum retention limit of 1.2 million zł in 2023. Insurable events excluded war, as well as nuclear, chemical, biological and other forms of terrorism. For 2024, Unum Poland has additional global catastrophic reinsurance coverage of up to 100 million zł per event, or up to 200 million zł for the year, with a maximum retention limit of 2.0 million zł. Insurable events include passive war, as well as nuclear, chemical, biological and other forms of terrorism.

Events may occur which limit or eliminate the availability of catastrophic reinsurance coverage in future years.

We have a quota share reinsurance agreement under which we cede certain blocks of Unum US group long-term disability claims. The agreement is on a combination coinsurance with funds withheld and modified coinsurance basis and provides 90 percent quota share reinsurance on the ceded claims. We also have five reinsurance agreements that collectively cede approximately 65 percent of Unum US group life risk up to our per person retention limit for our U.S. insurance subsidiaries. These reinsurance agreements for Unum US group disability and group life allow us to more effectively manage capital in conformity with statutory accounting principles but do not meet insurance risk transfer in accordance with applicable GAAP and therefore are not accounted for as reinsurance in our consolidated GAAP financial statements.

We also cede 20 percent of the risk for certain blocks of recently issued Unum US individual disability policies, as well as some related claims development risk for a limited period of time. The agreement is on a non-proportional modified coinsurance basis with a provision for experience refunds, which we amended effective July 2023 to reduce the quota share from 30 percent to 20 percent.

Unum America cedes certain long-term care business to Fairwind Insurance Company (Fairwind), which is an affiliated captive reinsurance subsidiary (captive reinsurer) domiciled in the United States, with Unum Group as the ultimate parent. This captive reinsurer was established for the limited purpose of reinsuring risks attributable to specified policies issued or reinsured by Unum America in order to effectively manage risks in connection with this business as well as to enhance our capital efficiency. On a consolidated reporting basis for Unum Group, financial statement impacts of our reinsurance arrangements with affiliates are eliminated in accordance with GAAP.

For further discussion of our reinsurance activities, refer to "Risk Factors" contained herein in Item 1A; "Executive Summary," "Consolidated Operating Results," "Segment Results," and "Liquidity and Capital Resources - Cash Available from

Subsidiaries" contained herein in Item 7, and Notes 1, 14, and 18 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Liabilities for Future Policy Benefits

The applicable insurance laws under which insurance companies operate require that they report liabilities for future policy benefits to meet future obligations on their outstanding policies. These liabilities are the amounts which, with the additional premiums to be received and interest thereon compounded annually at certain assumed rates, are calculated to be sufficient to meet the various policy and contract obligations as they mature. These laws specify that the liabilities shall not be less than liabilities calculated using certain specified mortality and morbidity tables, interest rates, and methods of valuation required for statutory accounting.

The liabilities for future policy benefits reported in our financial statements contained herein are calculated in conformity with GAAP and differ from those specified by the laws of the various states and reported in the statutory financial statements of our insurance subsidiaries. These differences result from the use of mortality and morbidity tables and interest assumptions which we believe are more representative of the expected experience for these policies than those required for statutory accounting purposes and also result from differences in actuarial reserving methods.

The assumptions we use to calculate our liabilities are intended to represent an estimate of experience for the period that policy benefits are payable. Some of the key assumptions include the discount rate, the claim resolution rate, the claim incidence rate, and policyholder lapse and mortality. There are also some key assumptions that are applicable only to certain product lines. Cash flow assumptions are reviewed and updated, as needed, at least annually. Assumptions may be updated more frequently, if necessary, based on trending experience and future expectations. On a quarterly basis, cohort level cash flow measures are updated based on the emergence of actual experience.

The change in the liability for future policy benefits, at the original discount rate, as of the beginning of the period, resulting from changes in cash flow assumptions and resulting from the emergence of actual experience from expected experience, is reflected as the 'policy benefits - remeasurement loss (gain)' in the consolidated statements of income. The impact of all other changes in the liability for future policy benefits are reflected as policy benefits in the consolidated statements of income.

For further discussion of our liabilities for future policy benefits, refer to "Risk Factors" contained herein in Item 1A, "Critical Accounting Estimates", and the discussion of segment operating results included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein in Item 7, and Notes 1 and 6 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Investments

Investment activities are an integral part of our business, and profitability is significantly affected by investment results. We segment our invested assets into portfolios that support our various product lines. Generally, our investment strategy for our portfolios is to match the effective asset cash flows and durations with related expected liability cash flows and durations to consistently meet the liability funding requirements of our businesses and to manage interest rate risk. We seek to earn investment income while assuming risk in a prudent and selective manner, subject to the constraints of quality, liquidity, diversification, and regulatory considerations. Our overall investment philosophy is to invest in a portfolio of high quality assets that provide investment returns consistent with that assumed in the pricing of our insurance products. Assets are invested predominately in fixed maturity securities.

We may redistribute investments among our different lines of business or sell selected securities and reinvest the proceeds, when necessary, to adjust the cash flow and/or duration of the asset portfolios to better match the cash flow and duration of the liability portfolios. Asset and liability portfolio modeling is updated on a quarterly basis and is used as part of the overall interest rate risk management strategy. Cash flows from the in-force asset and liability portfolios are projected at current interest rate levels and at levels reflecting an increase and a decrease in interest rates to obtain a range of projected cash flows under the different interest rate scenarios. These results enable us to assess the impact of projected changes in cash flows and duration resulting from potential changes in interest rates. Testing the asset and liability portfolios under various interest rate scenarios enables us to choose what we believe to be the most appropriate investment strategy, as well as to limit the risk of disadvantageous outcomes. Although we test the asset and liability portfolios under various interest rate scenarios as part of our modeling, the majority of our liabilities related to insurance contracts are not interest rate sensitive, and we therefore have minimal exposure to policy withdrawal risk. Our determination of investment strategy relies on long-term measures such as reserve adequacy analysis and the relationship between the portfolio yields supporting our various product lines and the

aggregate discount rate assumptions embedded in the reserves. We also use this analysis in determining hedging strategies and utilizing derivative financial instruments to manage interest rate risk and the risk related to matching duration for our assets and liabilities. We do not use derivative financial instruments for speculative purposes.
Refer to "Risk Factors" contained herein in Item 1A; "Critical Accounting Estimates" and the discussion of investments in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein in Item 7; "Quantitative and Qualitative Disclosures About Market Risk" herein in Item 7A; and Notes 1, 2, 3, and 4 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for information on our investments and derivative financial instruments.

Ratings

AM Best, Fitch Ratings (Fitch), Moody's Investors Service (Moody's), and Standard & Poor's Ratings Services (S&P) are among the third parties that assign issuer credit ratings to Unum Group and financial strength ratings to our insurance subsidiaries. Issuer credit ratings reflect an agency's opinion of the overall financial capacity of a company to meet its senior debt obligations. Financial strength ratings are specific to each individual insurance subsidiary and reflect each rating agency's view of the overall financial strength (capital levels, earnings, growth, investments, business mix, operating performance, and market position) of the insuring entity and its ability to meet its obligations to policyholders. Both the issuer credit ratings and financial strength ratings incorporate quantitative and qualitative analyses by rating agencies and are routinely reviewed and updated on an ongoing basis.

Rating agencies assign an outlook statement of "positive," "negative," or "developing" to indicate an intermediate-term trend in credit fundamentals which could lead to a rating change. "Positive" means that a rating may be raised, "negative" means that a rating may be lowered, and "developing" means that a rating may be raised or lowered with equal probability. Alternatively, a rating may have a "stable" outlook to indicate that the rating is not expected to change.

"Credit watch" or "under review" highlights the potential direction of a short-term or long-term rating. It focuses on identifiable events and short-term trends that cause a rating to be placed under heightened surveillance by a rating agency. Events that may trigger this action include mergers, acquisitions, recapitalizations, regulatory actions, criteria changes, or operating developments. Ratings may be placed on credit watch or under review when an event or a change in an expected trend occurs and additional information is needed to evaluate the current rating level. This status does not mean that a rating change is inevitable, and ratings may change without first being placed on a watch list. A rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Each rating should be evaluated independently of any other rating.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Ratings" contained herein in Item 7 for our current outlook, issuer credit, and financial strength ratings. See also further discussion in "Risk Factors" contained herein in Item 1A.

Competition

There is significant competition among insurance companies for the types of products we sell. We are operating in a dynamic competitive environment of both traditional and non-traditional competitors, with changes in product offerings, enrollment services, and technology solutions. We believe that the principal competitive factors affecting our business are quality of the customer experience regarding service and claims management, integrated product choices, enrollment capabilities, price, financial strength ratings, claims-paying ratings, and a solution to allow customers to comply with the changing laws and regulations related to family medical leave benefits.

Our principal competitors for our products include the largest employee benefit insurance companies as well as regional companies offering specialty products. Some of these companies have more competitive pricing or have higher claims-paying ratings. Some may also have greater financial resources with which to compete.

In the United Kingdom and Poland, where we sell both individual and group products, we compete with a mix of large internationally recognized providers and strong local carriers.

All areas of the employee benefits markets are highly competitive due to the yearly renewable term nature of certain of our products and the large number of insurance companies offering products in this market. As a result, there is a risk that our customers may seek coverage from competitors in lieu of renewing coverage with us. The effect of competition may, as a result, adversely affect the persistency of these and other products, as well as our ability to sell products in the future.

We must attract and retain independent agents and brokers to actively market our products. Strong competition exists among insurers for agents and brokers. We compete with other insurers for sales agents and brokers primarily on the basis of our product offerings, financial strength, support services, and compensation. Sales of our products could be materially adversely affected if we are unsuccessful in attracting and retaining agents and brokers.

For further discussion, refer to "Risk Factors" contained herein in Item 1A.

Regulation

We and our subsidiaries are subject to extensive and comprehensive supervision and regulation in the United States, the United Kingdom, and Poland. The laws and regulations with which we must comply are complex and subject to change. New or existing laws and regulations may become more restrictive or otherwise adversely affect our operations.

Insurance Regulation and Oversight

Our U.S. insurance subsidiaries are subject to regulation and oversight by insurance regulatory authorities in the jurisdictions in which they do business. State insurance regulators in the U.S. generally have broad powers with respect to all aspects of the insurance business, including the power to: license and examine insurance companies; regulate and supervise sales practices and market conduct; license agents and brokers; approve policy forms; approve premium rates and subsequent increases thereon for certain insurance products; establish reserve requirements and solvency standards; place limitations on shareholder dividends; prescribe the form and content of required financial statements and reports; regulate the types and amounts of permitted investments; regulate the use and disclosure of personal information; and regulate reinsurance transactions. Our U.S. insurance subsidiaries are examined periodically by their states of domicile and by other states in which they are licensed to conduct business. The domestic examinations have traditionally emphasized financial matters from the perspective of protection of policyholders, but they can and have covered other subjects that an examining state may be interested in reviewing, such as market conduct issues and reserve adequacy. Examinations by non-domestic states more typically focus on market conduct, such as a review of sales practices, including the content and use of advertising materials and the licensing and appointing of agents and brokers, as well as underwriting, claims, and customer service practices, and identification and handling of unclaimed property to determine compliance with state laws. Our U.S. insurance subsidiaries are also subject to assessments by state insurance guaranty associations to cover the proportional cost of insolvent or failed insurers.

We are also regulated by the U.S. Department of Labor (DOL) on a national basis, primarily for the protection of policyholders. The DOL enforces a comprehensive federal statute that regulates claims paying fiduciary responsibilities and reporting and disclosure requirements for most employee benefit plans.

Our U.K. insurance subsidiary, Unum Limited, is subject to dual regulation by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). The PRA oversees the financial health and stability of financial services firms and is responsible for the prudential regulation and day-to-day supervision of insurance companies. The FCA seeks to protect consumers and oversees the products and practices of financial services companies in the U.K., including insurance companies.

In 2020, an official bill was passed formalizing the withdrawal of the U.K. from the European Union (EU). A deal was reached later in 2020, on the future trading relationship with the EU, which focused primarily on the trading of goods rather than the U.K.'s service sector. A memorandum of understanding on regulatory cooperation was announced in 2021 and signed by the U.K. and the EU in June 2023. The withdrawal did not have a material impact on our U.K. business. The U.K. government is reviewing the regulatory framework of financial services companies and the PRA is consulting with industry on proposed changes. Certain changes have already been finalized, which have improved the solvency position of our U.K. business at December 31, 2023. Additionally, the remaining pending proposals may lead to future changes in the solvency position of our U.K. business. Our Polish business, which is in the EU, was not impacted by the withdrawal.

Our Polish insurance subsidiary, Unum Zycie TUiR, is subject to regulation by the Komisja Nadzoru Finansowego (KNF) of the Financial Supervision Authority (FSA) in Poland. The KNF oversees the financial health and stability of financial services firms and is responsible for the prudential regulation and day-to-day supervision of insurance companies and other financial institutions.

Capital Requirements

Risk-based capital (RBC) standards for U.S. life insurance companies are prescribed by the National Association of Insurance Commissioners (NAIC). The domiciliary states of our U.S. insurance subsidiaries have all adopted a version of the NAIC RBC Model Act, which prescribes a system for assessing the adequacy of statutory capital and surplus for all life and health insurers. The basis of the system is a risk-based formula that applies prescribed factors to the various risk elements in a life and health insurer's business to report a minimum capital requirement proportional to the amount of risk assumed by the insurer. The life and health RBC formula is designed to measure annually (i) the risk of loss from asset defaults and asset value fluctuations, (ii) the risk of loss from adverse mortality and morbidity experience, (iii) the risk of loss from a mismatch in asset and liability cash flows due to changing interest rates, and (iv) business risks. The formula is used as an early warning tool to identify companies that are potentially inadequately capitalized. The formula is intended to be used as a regulatory tool only and is not intended as a means to rank insurers generally.

The NAIC continues to review the state-based solvency regulation framework to identify opportunities to respond to national and international insurance regulatory and solvency developments. The topics of its review include capital requirements, governance and risk management, statutory accounting and financial reporting, and reinsurance. This ongoing review has resulted in changes to U.S. insurance regulation and solvency standards, including those for our U.S. insurance subsidiaries.

All states where our traditional U.S. insurance subsidiaries are domiciled require insurers to conduct, at least annually, an own risk and solvency assessment (ORSA), which is a group-level perspective on the risks of current and future business plans and the sufficiency of capital to support those risks. We file an ORSA summary report annually with the applicable insurance regulators.

The NAIC has also developed a group capital calculation (GCC) intended to be used by U.S. regulators as a tool to assess the risks and financial position of insurance groups, including any non-insurance subsidiaries. The NAIC amended the Model Holding Company Act and Regulation to adopt the GCC and implement an annual GCC filing requirement. Our lead state regulator, the Maine Bureau of Insurance (MBOI), adopted the NAIC GCC standards in 2022 and we subsequently submitted our first GCC report to the MBOI in 2023. These standards have not had an impact on our capital management.

We are also monitoring the International Association of Insurance Supervisors' (IAIS) development of new capital requirements applicable to Internationally Active Insurance Groups (IAIGs). While we are not currently subject to the reforms adopted by the IAIS, they are a factor influencing the substance and timing of the NAIC's activities around capital.

The NAIC and state insurance regulators continue to examine the industry's use of captive insurance companies to transfer insurance risk and reserves required under current regulations. No changes in the use or regulation of captive reinsurers have been proposed by the NAIC, and we are unable to predict the extent of any changes that might be made. Fairwind remains our only captive reinsurer. We expect to continue our strategy of using a captive reinsurer to manage risks while monitoring the NAIC's study and proposed changes in regulations. See "Reinsurance" contained herein in this Item 1 for further discussion.

The PRA has statutory requirements, including capital adequacy and liquidity requirements and minimum solvency margins, to which Unum Limited must adhere as part of the provisions of Solvency II, an EU directive that is part of retained U.K. law pursuant to the European Union (Withdrawal) Act 2018, which prescribes capital requirements and risk management standards. Our U.K. holding company is also subject to the Solvency II requirements relevant to insurance holding companies, while its subsidiaries (the Unum UK Solvency II Group), which includes Unum Limited, are subject to group and individual supervision under Solvency II. The Unum UK Solvency II Group received approval from the U.K. PRA to use its own internal model for calculating regulatory capital and also received approval for certain associated regulatory permissions including transitional relief which applies until January 2032. The U.K. government is reviewing the regulatory framework of financial services companies and the PRA is consulting with the industry on proposed changes. Certain changes have already been finalized, which have improved the solvency position of our U.K. business at December 31, 2023. Additionally, the remaining pending proposals may lead to future changes in the solvency position of our U.K. business. At December 31, 2023, the implementation date for the remaining proposed changes has not yet been finalized.

See further discussion in "Risk Factors" contained herein in Item 1A and "Executive Summary," "Liquidity and Capital Resources" contained herein in Item 7 and Note 18 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Insurance Holding Company Regulation

We and our U.S. insurance subsidiaries (excluding our captive reinsurer) are subject to regulation under the insurance holding company laws in the states in which our insurance subsidiaries are domiciled, which currently include Maine, Massachusetts, New York, South Carolina, and Tennessee. These laws generally require each insurance company that is domiciled in the state and a member of an insurance holding company system to register with the insurance department of that state and to furnish at least annually financial and other information about the operations of companies within the holding company system, including information concerning capital structure, ownership, management, financial condition, and certain intercompany transactions. Transactions between an insurer and affiliates in the holding company system generally must be fair and reasonable and, if material, require prior notice and approval by the domiciliary state insurance regulator.

In addition, such laws and regulations restrict the amount of dividends that may be paid by our insurance subsidiaries to their respective shareholders, including our Company and certain of our intermediate holding company subsidiaries. See further discussion in "Risk Factors" contained herein in Item 1A and "Liquidity and Capital Resources - Cash Available from Subsidiaries" contained herein in Item 7.

The NAIC has adopted the Corporate Governance Annual Disclosure Model Act and the Corporate Governance Annual Disclosure Model Regulation, which require U.S. insurers to disclose detailed information regarding their governance practices. The model act and regulation must be adopted by individual state legislatures and insurance regulators in order to be effective in a particular state. All of the states in which our insurance subsidiaries are domiciled have adopted a requirement to file a corporate governance annual disclosure similar to the model act and regulation.

The laws of most states, including the states in which our insurance subsidiaries are domiciled (or deemed to be commercially domiciled), require regulatory approval of a change in control of an insurance company or its holding company. Where these laws apply to us, there can be no effective change in control of our Company or of any of our insurance subsidiaries unless the person seeking to acquire control has filed a statement containing specified information with the appropriate insurance regulators and has obtained their prior approval of the proposed change. The usual measure for a presumptive change of control pursuant to these laws is the acquisition of 10 percent or more of the voting stock of an insurance company or its holding company, although this presumption is rebuttable. Consequently, a person acquiring 10 percent or more of the voting stock of an insurance company or its holding company without the prior approval of the insurance regulators in the state(s) of domicile of the insurance company(ies) sought to be acquired (or whose holding company is sought to be acquired) will be in violation of these laws. Such a person may also be subject to one or more of the following actions: (i) injunctive action requiring the disposition or seizure of those shares by the applicable insurance regulators; (ii) prohibition of voting of such shares; and (iii) other actions determined by the relevant insurance regulators. Further, many states' insurance laws require that prior notification be given to state insurance regulators of a change in control of a non-domiciled insurance company doing business in the state. These pre-notification statutes do not authorize the state insurance regulators to disapprove the change in control; however, they do authorize regulatory action in the affected state if particular conditions exist, such as undue market concentration. Any future transactions that would constitute a change in control of our Company or of any of our insurance subsidiaries may require prior notification in those states that have adopted pre-notification laws.

These laws may discourage potential acquisition proposals and may delay, deter, or prevent a change in control of our Company, including through transactions, and in particular unsolicited transactions, that some or all of our shareholders might consider to be desirable.

Information Security and Privacy Regulation

A growing number of federal, state, and foreign laws and regulations require companies, including insurance companies, to adopt measures designed to protect the security and privacy of personal information collected during the course of operations. These laws and regulations vary across jurisdictions.

Specifically, state insurance laws govern the collection, use and disclosure of personal information in the context of providing insurance products and services. Certain of our insurance products also are subject to the Health Insurance Portability and Accountability Act, which is enforced by the U.S. Department of Health and Human Services and regulates the disclosure and use of protected health information. Generally, these laws require insurers to give policyholders notice about the insurer’s privacy practices, place restrictions on how the insurer can use and disclose personal information, require the insurer to enact certain cybersecurity measures to protect the data, and obligate insurers to notify individuals and regulators in certain cases when personal data is compromised.

Cybersecurity is an area of significant, and increasing, focus of insurance regulators. For example, the NAIC's Insurance Data Security Model Law (the Cybersecurity Model Law), enacted in over twenty states, requires insurers to implement cybersecurity measures and develop cyber incident response plans. The New York State Department of Financial Services' cybersecurity regulation contains provisions similar to the Cybersecurity Model Law, in addition to more prescriptive cybersecurity obligations.

States are also adopting laws and regulations that govern the collection, processing, storage, and destruction of personal information outside the context of providing insurance products. Several states have enacted comprehensive consumer privacy laws, and other states are considering passing similar laws. Currently, significant portions of our business are exempt from the requirements of these laws, but we cannot be certain that will continue to be the case as additional laws are adopted and existing laws are amended.

The General Data Protection Regulation of the EU and the U.K. General Data Protection Regulation (collectively referred to as "the GDPR") establish the legal framework for our EU and U.K. entities that collect and process information from individuals who reside in the EU and U.K., respectively. The GDPR is a comprehensive set of data protection rules that gives individuals certain rights to their personal data and places obligations on organizations that process personal data.

We continuously monitor federal, state, and foreign legislative and regulatory developments to understand their potential impact on our profitability and resources.

Other Laws and Regulations

We are subject to the U.S. federal laws and regulations generally applicable to public companies, including the rules and regulations of the Securities and Exchange Commission (SEC) and the New York Stock Exchange relating to public reporting and disclosure, accounting and financial reporting, corporate governance, and securities trading. Further, the Sarbanes-Oxley Act of 2002, and rules and regulations adopted under this regulation, have increased the requirements for us and other public companies in these and other areas.

The USA PATRIOT Act of 2001 (Patriot Act) contains anti-money laundering and financial transparency laws and mandates the implementation of various regulations applicable to broker-dealers and other financial services companies, including insurance companies. The Patriot Act seeks to promote cooperation among financial institutions, regulators, and law enforcement entities in identifying parties that may be involved in terrorism or money laundering. Anti-money laundering laws outside of the United States contain some similar provisions. Additionally, other federal laws and regulations, including the Foreign Corrupt Practices Act and regulations issued by the Office of Foreign Assets Control, as well as the U.K.'s Bribery Act of 2010, have increased requirements relating to identifying customers, prohibiting transactions with certain organizations or individuals, watching for and reporting suspicious transactions, responding to requests for information by regulatory authorities and law enforcement agencies, sharing information with other financial institutions, and requiring the implementation and maintenance of internal practices, procedures, and controls.

Enacted in 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) effected comprehensive changes to the regulation of financial services in the United States. Dodd-Frank directed various government agencies and bodies to promulgate regulations implementing the law, many of which remain to be completed.

In June 2023, the SEC approved new listing standards proposed by the New York Stock Exchange to comply with rules adopted by the SEC pursuant to portions of the Dodd-Frank Act that directed the SEC to regulate and require public companies to implement a compensation recovery policy. In accordance with the rules and listing standards, each listed issuer must adopt and disclose a policy, known as a clawback policy, providing for the recovery of any erroneously awarded incentive-based compensation from current and former executive officers in the event of a required accounting restatement due to material noncompliance with financial reporting requirements under the securities laws. The clawback policy would apply to compensation received during the three-year period preceding the date the issuer is required to prepare the accounting restatement. We adopted such a clawback policy in November 2023. We continue to monitor the political, legislative, and regulatory environment, where possible amendments to various provisions of Dodd-Frank are under discussion.

We are subject to income, employment, premium, excise and other taxes related to both our U.S. and our foreign operations. In August 2022, the Inflation Reduction Act (IRA) was signed into law in the U.S. and includes certain corporate tax provisions effective January 1, 2023. It imposed a new 15 percent corporate alternative minimum tax (CAMT) on adjusted financial statement income (AFSI) on corporations that have average AFSI over $1.0 billion in any prior three-year period, starting with years 2020 to 2022. Our company is an applicable corporation, but we do not have a CAMT liability as of December 31, 2023.

We do not expect that any CAMT incurred in the future would impact earnings since it would be offset with a credit toward regular income tax in subsequent years. We continue to monitor the ongoing guidance issued by the United States Treasury. The IRA also imposed a one percent excise tax on the fair market value of corporate stock repurchases effective January 1, 2023.

In 2021, the Finance Act 2021 was enacted in the U.K., which established a U.K. corporate tax rate of 25 percent effective April 1, 2023.

See "Executive Summary" and "Liquidity and Capital Resources" contained herein in Item 7 and Notes 9 and 12 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for discussion of the impact to our financial position and results of operations as a result of these changes.

Federal, foreign, and state tax laws and regulations are subject to change, and any such change could materially impact our federal, foreign, or state taxes and reduce profitability as well as capital levels in our insurance subsidiaries. The Organization for Economic Co-operation and Development has established model rules to ensure a minimum level of tax of 15 percent (Pillar Two) for multinational companies. Several jurisdictions, including the U.K., Poland, and Ireland, have adopted or plan to adopt Pillar Two for tax years after 2023. Legislation enacted thus far as a result of Pillar Two is not expected to materially impact the Company. We continually monitor tax legislative and regulatory developments to understand their potential impact on our profitability.

Regulatory focus on the risks posed by climate change is increasing, with some regulators now requiring that the Company integrate consideration of the risks of climate change into our governance and risk management frameworks, and other regulators attempting to limit the types of factors that can be incorporated into investment decisions. We expect regulatory activity in this area, including the potential for conflicting regulations, to continue.

U.S. and international insurance regulators are also increasing focus on insurers' use of artificial intelligence, automated decision-making technologies, and external consumer data. We continue to monitor any regulatory developments to understand their potential impact on our business.

For further discussion of regulation, refer to "Risk Factors" contained herein in Item 1A.

Geographic Areas

Adjusted operating revenue, which excludes net investment gains and losses, for our Unum International segment was approximately 8 percent of our consolidated adjusted operating revenue in 2023, approximately 7 percent in 2022, and approximately 7 percent in 2021. As of December 31, 2023, total assets equaled approximately 5 percent of consolidated assets and total liabilities equaled approximately 5 percent of consolidated liabilities for our Unum International segment. Fluctuations in the U.S. dollar relative to the local currencies of our Unum International segment will impact our reported operating results. See "Risk Factors" contained herein in Item 1A and "Quantitative and Qualitative Disclosures About Market Risk" contained herein in Item 7A for further discussion of fluctuations in foreign currency exchange rates. See "Reporting Segments" contained herein in this Item 1; "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein in Item 7; and Note 15 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion of Unum International's operating results.

Human Capital Resources

Human Capital

The Company is built on the promise of helping the working world thrive throughout life's moments, an inspiring purpose that requires harnessing the creativity and energy of our employees. As of December 31, 2023, we employed 10,812 employees, of which approximately 10,553 are full-time employees. Approximately 86 percent of our employees are in the United States, and the remaining 14 percent are international.

We have experienced lower voluntary turnover, which, excluding Poland, decreased from 14.9 percent in 2022 to 10 percent in 2023 and remains below the U.S. Bureau of Labor Statistics' voluntary turnover benchmark of 15 percent for the U.S. finance and insurance industry. Recognizing that the marketplace for talent has remained competitive, we continued to make targeted investments during the year to help retain talent in roles experiencing notable market pressure, based on external benchmarks and internal data.

During 2023 we increased both the number of employees on a hybrid office schedule and the number of days those employees would be in an office. Our flexible approach maximizes the benefits of the office, such as networking, learning, and collaborative problem solving, while offering employees the flexibility to design an in-office schedule based on work and life obligations. This approach ensures that we continue to grow, change, and thrive as an enterprise by helping to support a diverse workforce with a focus on employee well-being. Additionally, it supports our commitment to build an inclusive culture, creating diversity in how and where we work. As we continue to gain insights based on our experience, we may continue to adjust our hybrid approach. Our international locations each continue to follow their established strategies based on their local environment.

Compensation and Benefits

We provide compensation and benefits programs which support our employees' health, wealth, and life. In addition to competitive pay, other programs (which vary by country/region) include: annual bonus and employee recognition; stock awards and stock purchase; life, medical, pharmacy, health reimbursement accounts; telehealth and preventive services; dental, vision, voluntary benefits and disability insurance; tuition assistance; 401(k) plan, an industry-leading emergency savings program, financial education and planning support; student debt relief; back-up and emergency care services; employee assistance program and family building resources; digital behavioral health support; paid time off and paid holidays; paid caregiver and parental leave; virtual stress management resources; onsite and virtual fitness memberships and subsidized healthy food options.

Inclusion and Diversity

Our purpose of helping the working world thrive throughout life's moments starts with our workforce. Each of our unique perspectives, experiences and backgrounds equip us to better serve our customers, communities — and each other. We are committed to creating a culture of belonging where employees can bring their full selves to work and add to our diversity of thought. We meet the needs of our customers and maximize innovation by reflecting diversity in our workforce. Of our 10,812 employees, 66 percent identify as female; and 22 percent, excluding Poland, identify as members of an ethnic or racially diverse group.

We embrace the unique talents of every team member and help them reach their full potential by ensuring all employees understand Unum's commitment to inclusion and diversity (I&D). Through our new hire onboarding training, continuous focused learning and leadership development programs, and an array of online resources, our dedicated Office of I&D focuses on driving I&D strategies that create a culture where inclusivity is owned by every employee and leader. We partner with diverse stakeholders to increase awareness and provide guidance that helps operationalize inclusion through resources, programs, and policies that enhance our workforce culture.

Our Inclusion Network plays a critical role in our I&D strategy by helping to identify solutions to inclusion barriers and advance our I&D initiatives. The Inclusion Network includes our I&D Advisory Board, Employee Networks and Inclusion Business Champions. The I&D Advisory Board has oversight of our Employee Networks and provides thought partnership on I&D priorities. This group works collaboratively with leadership, employees, and other stakeholders across the business to create a culture that values diversity, promotes fairness, and ensures inclusion at all levels of the organization. Employee Networks are designed to create connections and build community while advancing belonging and uniqueness across the company. Our current Employee Networks represent the following groups: bePROUD (LGBTQ+); enABLE (Disabilities); UNITEd (Multicultural); upLIFT (Gender Equity); and weSERVE (Military/Veterans). Our Inclusion Business Champions represent each of our functional business areas to link our I&D strategic goals to the day-to-day functions of the business and help execute our I&D commitment into actionable steps that positively impact the business.

As our engagement with the I&D strategy deepens, leaders will endeavor to weave I&D principles into their routine and day-to-day conduct. This effort is continually strengthened by leadership all year round. By adopting a shared sense of duty, leaders play a crucial role in promoting inclusivity at every organizational tier.

Our success is dependent on our capacity to attract, nurture, and retain a diverse array of top-tier talent. We are unwavering in our dedication to incorporating inclusive recruitment strategies throughout the entire organization. We routinely conduct thorough reviews of our selection process, making necessary adjustments to ensure inclusivity across every stage. Collaborating closely with our Office of Inclusion and Diversity, the Talent Acquisition team works diligently to establish strategies that facilitate the retention of diverse talent through internal mobility and a sense of belonging. We actively support our recruiters in obtaining and maintaining certifications in inclusive recruiting. Furthermore, we prioritize ongoing training for

our recruiters and hiring managers, with a specific focus on addressing unconscious bias in the selection process. This training equips them with actionable insights to mitigate bias and promote fairness in our hiring practices.

Our partnerships with various inclusive organizations and associations underscore our dedication to fostering diverse hiring practices at all organizational levels.

Learning and Development

We are committed to supporting the growth and development of our workforce, ensuring employees are engaged and skilled to support not only Unum's growth but also their own.

All employees have one-to-one coaching sessions with their managers. On a quarterly basis, managers summarize conversations with meaningful documentation on key accomplishments, progress toward goals, and other areas of focus, including career development, learning goals, etc. Managers and employees also review next steps to help align activities with company goals. We believe continuous coaching conversations help all employees and managers work more effectively.

Employees have access to a portfolio of skills and career development offerings, including on-demand tools and learning resources, role-based development offerings, and cohort-based leadership development programs. In 2023, we launched Dedicated Learning Time to formally allocate time for employees to participate in learning activities and explore opportunities to grow and develop. This benefit will be widely available in 2024.

We offer numerous tools, resources, and programs to support employee growth and development, including:

- Robust operational training focused on helping employees develop and refine the skills they need to be proficient in their roles.
- Career development resources, tools, and workshops to facilitate robust career conversations and identify learning and development needs and opportunities.
- On-demand skill building resources provide broad access to dynamic skills-based learning content, including offerings through our partnerships with LinkedIn Learning and Coursera.
- Targeted skill development programs prepare employees for emerging and evolving skill demands. Tuition reimbursement benefits are also available to support career growth and specific upskilling and reskilling efforts through formal degree and certification offerings.
- In-role leadership development programs, including the Future Leaders Program (FLP) and Accelerated Leadership Program (ALP), focus on accelerating leadership development and building critical skills for high-potential employees while they remain in their current roles.
- Multi-year rotational programs, including the Actuarial Development Program (ADP), Accounting and Finance Development Program (AFDP) and Professional Development Program (PDP), focus on preparing participants to become future leaders of our company. The ADP and the AFDP focus on developing both leadership and finance-related technical skills, while the PDP focuses primarily on developing leadership combined with broad operational experience.
- People Manager Development offerings including foundational onboarding and learning for new people managers and ongoing learning resources for experienced people leaders at all levels.

We recognize that our employees are an important asset. Therefore, it is imperative that we continue to focus on the growth and development of our workforce in a meaningful way and provide them with the necessary support to achieve their career goals.

Employee Engagement

To ensure our employees are engaged and are effectively delivering on our mission and meeting our customers' needs, we regularly conduct confidential employee surveys to obtain feedback and gain insights from our employees. These surveys are thoughtfully considered and actioned by leadership. We are committed to our employees' growth and development and embrace the diversity of ideas for improvement. In our employee survey conducted in 2023, 9,836 employees responded and approximately 79 percent of those employees indicated favorable engagement and would recommend the company as a great place to work.

Available Information

Our internet website address is www.unum.com. We make available, free of charge, on or through our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after filing such material with the Securities and Exchange Commission.

Information about our Executive Officers

Our executive officers and persons chosen to become executive officers as of the date hereof are listed below. Our executive officers, who are also executive officers of certain of our principal subsidiaries, were appointed by Unum Group's board of directors to serve until their successors are chosen and qualified or until their earlier resignation or removal.

Name	Age	Position
Richard P. McKenney	55	President and Chief Executive Officer and a Director
Steven A. Zabel	55	Executive Vice President, Chief Financial Officer
Elizabeth C. Ahmed	49	Executive Vice President, People and Communications
Timothy G. Arnold	61	Executive Vice President, Voluntary Benefits and President, Colonial Life
Puneet Bhasin	61	Executive Vice President, Chief Information and Digital Officer
Lisa G. Iglesias	58	Executive Vice President, General Counsel
Martha D. Leiper	61	Executive Vice President, Chief Investment Officer
Christopher W. Pyne	54	Executive Vice President, Group Benefits
Mark P. Till	56	Executive Vice President and CEO, Unum International

Mr. McKenney became President in April 2015 and Chief Executive Officer in May 2015. He served as Executive Vice President and Chief Financial Officer from August 2009 until April 2015, having joined the Company in July 2009. Before joining the Company, Mr. McKenney served as Executive Vice President and Chief Financial Officer of Sun Life Financial Inc., an international financial services company, from February 2007, having joined that company as Executive Vice President in September 2006.

Mr. Zabel became Executive Vice President, Chief Financial Officer in July 2019. He previously served as Senior Vice President and President, Closed Block Operations from July 2015 to July 2019 and as Senior Vice President, Chief Risk Officer from August 2013 to July 2015. Prior to joining the Company in August 2013, he served in various senior roles at Genworth Financial, Inc. from 2004, including Senior Vice President of Long-Term Care Insurance, Chief Financial Officer for Insurance Products, and Senior Vice President of Corporate Audit Services.

Ms. Ahmed was named Executive Vice President, People and Communications upon joining the Company in October 2018. She served as Executive Vice President, Chief Human Resources Officer, at AmTrust Financial Services, Inc., a multinational insurance holding company, from May 2015 to October 2018. Prior to that, she served as Vice President of Human Resources at Equity Trust Company, a financial services company, from May 2012 to May 2015, and as Senior Vice President of Human Resources at PNC Bank, a diversified financial services institution, from August 2008 to May 2012.

Mr. Arnold was named Executive Vice President, Voluntary Benefits and President, Colonial Life in February 2020. Prior to that, he served as Executive Vice President, President and Chief Executive Officer, Colonial Life from January 2015, and before that, as Executive Vice President, President, Colonial Life from July 2014. He previously served as Senior Vice President, Sales and Marketing, Colonial Life from August 2012, as Senior Vice President, Chief Operations Officer, Colonial Life from July 2011, and as Senior Vice President, Integrated Underwriting, Unum US from May 2010.

Mr. Bhasin was named Executive Vice President, Chief Information and Digital Officer after joining the Company in March 2018. He served as Executive Vice President, Corporate Operations and Recycling at Waste Management, Inc., a waste management environmental services provider, from November 2015 to March 2017. While at Waste Management, he also served as Senior Vice President, Corporate Operations from November 2014, Chief Information Officer and Senior Vice President, Technology, Logistics and Customer Service from August 2012, and Senior Vice President and Chief Information Officer from December 2009.

Ms. Iglesias was named Executive Vice President, General Counsel upon joining the Company in January 2015. She served as Senior Vice President, General Counsel and Secretary of WellCare Health Plans, Inc., a managed care company, from February 2012 to December 2014, having first joined WellCare in February 2010 as Vice President, Securities and Assistant General Counsel. Prior to that, she served as General Counsel and Corporate Secretary for Nordstrom, Inc., a fashion specialty retailer, from 2007 to 2008.

Ms. Leiper was appointed Executive Vice President, Chief Investment Officer of the Company in October 2019. She joined the Company from USAA, a provider of financial services to the military community, where she served as Senior Vice President, Corporate Finance and Enterprise Money Movement from October 2016 to October 2019 and, before that, as Senior Vice President, Corporate Finance and Investments from May 2015 to September 2016 and Senior Vice President, Chief Investment Officer from May 2010 to May 2015. Ms. Leiper previously worked at Unum Group as Senior Vice President and Deputy Chief Investment Officer from January 2006 to May 2010.

Mr. Pyne was named Executive Vice President, Group Benefits in February 2020. He previously served as Senior Vice President, Growth Operations and Distribution from June 2018 to January 2020 and as Senior Vice President, Sales and Client Management from June 2011 to June 2018. Before that, Mr. Pyne held positions of increasing responsibility within the Company's U.S. distribution organization, including Vice President, Sales from January 2011 to May 2011 and Vice President, Managing Director from January 2008 to December 2010.

Mr. Till was named Executive Vice President and CEO, Unum International in April 2021, having served as Executive Vice President and CEO Designate, Unum International after joining the Company in February 2021. He served as Managing Director, Platform Solutions at Aegon, an international financial services organization, in the U.K. (Aegon UK) from July 2020 to January 2021. While at Aegon UK, Mr. Till also served as Managing Director, Digital Solutions from May 2018 to July 2020, as Chief Distribution and Marketing Officer from June 2016 to May 2018, and as Managing Director, Customer Value Management from September 2015 to June 2016. He previously served as Head of Personal Investing and Marketing Director for Fidelity International from January 2012 to February 2015.

ITEM 1A. RISK FACTORS

Overview

We face a wide range of risks, and our continued success depends on our ability to identify and appropriately manage our risk exposures. Discussed below are factors that may adversely affect our business, results of operations, or financial condition. Any one or more of the following factors may cause our actual results for various financial reporting periods to differ materially from those expressed in any forward-looking statements made by or on behalf of the Company, including those in this document or made by us elsewhere, such as in earnings release investor calls, investor conference presentations, or press releases. See "Cautionary Statement Regarding Forward-Looking Statements" contained herein on page 1.

Insurance Risks

We provide a broad array of disability, long-term care, group life, and voluntary insurance products that are affected by many factors, and changes in any of those factors may adversely affect our results of operations, financial condition, or liquidity.

Disability Insurance

Disability insurance may be affected by a number of social, economic, governmental, competitive, and other factors. Changes in societal attitudes, such as work ethic, motivation, or stability, can significantly affect the demand for and underwriting results from disability products.

Both economic and societal factors can affect claim incidence and recoveries for disability insurance. Claim incidence and claim recovery rates may be influenced by, among other factors, the rate of unemployment and consumer confidence. Claim incidence and claim recovery rates may also be influenced by the emergence of new infectious diseases or illnesses. Claim durations may be extended by medical improvements which could extend life expectancies. The relationship between these and other factors and overall incidence is very complex and will vary due to contract design features and the degree of expertise within the insuring organization to price, underwrite, and adjudicate the claims.

Within the group disability market, pricing and renewal actions can be taken in response to higher claim rates and higher administrative expenses. However, these actions take time to implement, and there is a risk that the market will not sustain increased prices. In addition, changes in economic and external conditions may not manifest themselves in claims experience for an extended period of time. The pricing actions available in the individual disability market differ among product classes. Our individual noncancelable disability policies, in which the policy is guaranteed to be renewable through the life of the policy at a fixed premium, do not permit us to adjust premiums on our in-force business. Guaranteed renewable contracts that are not noncancelable can be repriced to reflect adverse experience, but rate changes cannot be implemented as quickly as in the group disability market.

Long-term Care Insurance

Long-term care insurance can be affected by a number of demographic, medical, economic, governmental, competitive, and other factors. Because long-term care insurance is a relatively new product for the insurance industry and is long-duration in nature, there is not as much historical data as is available for our other products, especially at advanced ages. This creates a level of uncertainty in properly pricing the product and using appropriate assumptions when establishing reserves. Long-term care insurance is guaranteed renewable and can be repriced to reflect adverse experience, but the repricing is subject to regulatory approval by our states of domicile and may also be subject to approval by jurisdictions in which our policyholders reside. The rate approval process can affect the length of time in which the repricing can be implemented, if at all, and the rate increases ultimately approved may be unfavorable relative to assumptions used to establish our reserves. We monitor our own experience and industry studies concerning morbidity, mortality, and policyholder terminations to understand emerging trends. Changes in actual experience relative to our expectations may adversely affect our profitability and reserves. To the extent mortality improves for the general population, and life expectancies increase, the period for which a claimant receives long-term care benefits may lengthen and the associated impact of advanced aging of policyholders may cause an increase in claims incidence. Medical advances may continue to have an impact on claim incidence and duration, both favorable and unfavorable. Due to the long duration of the product, the timing and/or amount of our investment cash flows are difficult to match to those of our maturing liabilities.

Group Life Insurance

Group life insurance may be affected by the characteristics of the employees insured, the amount of insurance employees may elect voluntarily, our risk selection process, our ability to retain employer groups with favorable risk characteristics, the geographical concentration of employees, and mortality rates. Claim incidence may also be influenced by unexpected catastrophic events such as terrorist attacks, natural disasters, and pandemic health events, which may also affect the cost of and availability of reinsurance coverage. Within the group life market, pricing and renewal actions can be taken in response to higher claim rates and higher administrative expenses. However, these actions take time to implement, and there is a risk that the market will not sustain increased prices.

Voluntary Products

Voluntary products sold in the workplace may be affected by the characteristics of the employees insured, the level of employee participation and the amount of insurance the employees elect, our risk selection process, and our ability to retain employer groups with favorable risk characteristics. A portion of our voluntary life insurance products include interest sensitive forms of insurance which contain a guaranteed minimum interest crediting rate. It is possible that our investment returns could be lower than the guaranteed crediting rate. While a significant portion of our non-life contracts are optionally renewable, some are guaranteed renewable and can be repriced to reflect adverse experience, but rate changes cannot be implemented as quickly as for group disability and group life products.

Actual experience may differ from our reserve and deferred acquisition costs (DAC) assumptions which may adversely affect our results of operations or financial condition.

Historical results may not be indicative of future performance due to, among other things, changes in our mix of business, repricing of certain lines of business, or any number of economic cyclical effects on our business. Reserves, whether calculated under GAAP or statutory accounting principles, do not represent an exact calculation of future benefit liabilities but are instead estimates made by us using reserve assumptions that are used in our actuarial and statistical procedures. Certain of these GAAP reserve assumptions are also utilized in determining the amortization pattern for DAC. Actual experience may differ from our assumptions which would affect our earnings in current and future periods as a result of changes in reserves and DAC. There can be no assurance that our reserves will be sufficient to fund our future liabilities in all circumstances. Future loss development may require reserves to be increased, which would adversely affect earnings in current or future periods. Life

expectancies may increase, which could lengthen the time a claimant receives disability or long-term care benefits and could result in a change in mortality assumptions and an increase in reserves for these and other long-tailed products. Adjustments to reserve or DAC amounts may also be required in the event of changes from the assumptions regarding future claim incidence rates, claim resolution rates, policyholder lapses, mortality, premium rate increases, claim costs, policy benefit offsets, including those for social security and other government-based welfare benefits, and interest rates used in calculating the reserve amount, which could have a material adverse effect on our results of operations or financial condition.

We have assets which may not be fully recoverable or realizable, which could adversely affect our results of operations or financial condition.

If our business does not perform well or as initially anticipated in our assumptions, we may be required to accelerate amortization or recognize an impairment loss on intangible assets or long-lived assets or to establish a valuation allowance against the deferred income tax asset.

We have intangible assets such as value of business acquired (VOBA) and goodwill. VOBA is amortized based primarily upon expected future premium income of the related insurance policies. Recoverability testing for VOBA is performed on an annual basis. Insurance contracts are grouped on a basis consistent with our manner of acquiring, servicing, and measuring profitability of the contracts. If recoverability testing indicates that VOBA is not recoverable, the deficiency is charged to expense. See Note 1 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for additional discussion.

Goodwill is not amortized, but on an annual basis, or more frequently if necessary, we review the carrying amount of goodwill for indications of impairment, considering in that review the financial performance and other relevant factors. In accordance with accounting guidance, we test for impairment at either the operating segment level or one level below. In addition, certain events including, but not limited to, a significant adverse change in legal factors or the business environment, an adverse action by a regulator or rating agency, or unanticipated competition would cause us to review goodwill for impairment more frequently than annually.

Long-lived assets, including assets such as real estate, right-of-use assets, and information technology software, also may require impairment testing to determine whether changes in circumstances indicate that we may be unable to recover the carrying amount.

We assess our deferred tax assets to determine if they are realizable. Factors in our determination include the performance of the business, including the ability to generate future taxable income and the fair value of our investment portfolio. Significant declines in the fair value of our investments could result in the recognition of a valuation allowance on our deferred tax asset. If based on available information, it is more likely than not that the deferred income tax asset will not be realized, a valuation allowance is established.

Charges such as accelerated amortization, impairment losses, or the establishment of valuation allowances could have a material adverse effect on our results of operations or financial condition.

See "Critical Accounting Estimates" included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein in Item 7 and Note 15 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion.

Market and Credit Risks

Sustained periods of low interest rates in the long-term investment market may adversely affect our reported net investment income and the discount rates used in pricing our insurance products and projecting our pension obligations, which may adversely affect our results of operations or financial condition.

Declines in interest rates or sustained periods of low interest rates and yields on fixed income investments may cause the rates of return on our investment portfolio to decrease more than expected, leading to lower net investment income than assumed in the pricing for our insurance products. An interest, or discount, rate is used in determining pricing for our insurance products. If the discount rate assumed in our pricing is higher than our future investment returns, our invested assets may not earn enough investment income to support our future claim payments.

Another interest, or discount, rate is used in calculating reserves. We set our GAAP reserve discount rate assumptions each period based on a yield that is reflective of an upper-medium grade fixed-income instrument, which is generally equivalent to a single-A interest rate matched to the duration of our insurance liabilities. A decline in the single-A interest rate could have a material adverse effect on our financial statements.

We are also required to perform annual statutory adequacy testing that considers multiple interest rate scenarios, to ensure our statutory reserves continue to meet statutory requirements, which could require us to increase our statutory reserves and/or contribute additional capital to our insurance subsidiaries.

Our net periodic benefit costs and the value of our benefit obligations for our pension plans are determined based on a set of economic and demographic assumptions that represent our best estimate of future expected experience. Major assumptions used in accounting for these plans include the expected discount (interest) rate and the long-term rate of return on plan assets. We set the discount rate assumption at the measurement date for each of our plans to reflect the yield of a portfolio of high quality fixed income corporate debt instruments matched against the timing and amounts of projected future benefits. A change in the discount rate impacts the present value of benefit obligations and our costs. Our expectations for the future investment returns on plan assets are based on a combination of historical market performance, current market conditions, and future capital market assumptions obtained from external consultants and economists. The actual rate of return on plan assets is determined based on the fair value of the plan assets at the beginning and end of the measurement period. Increases or decreases in long-term interest rates as well as equity market volatility will impact the fair value of our plan assets and may result in a decrease in the funded status of our pension plans and/or increased pension costs, which may adversely affect our results of operations, financial condition, or liquidity.

Unfavorable economic or market conditions may result in lower sales, lower premium growth and persistency, higher claims incidence, unfavorable mortality, longer claims duration, and higher expenses which may adversely affect our results of operations or financial condition.

We are affected by conditions in the capital markets and the general economy, primarily in the United States, the United Kingdom, Poland, and to a lesser extent, the broader global financial markets. Negative developments in the capital markets and/or the general economy could adversely affect our business, including our investment portfolio, and results of operations.

Factors such as unemployment levels, consumer confidence levels, consumer spending, business investment, government spending, the volatility and strength of the capital markets, inflation, pandemics, and the threat of terrorism all affect the business and economic environment and, ultimately, the amount and profitability of our businesses. In particular, high levels of inflation could result in higher expenses and negatively affect the discretionary spending of our customers, which could result in lower sales. More generally, given the nature of our products, in an economic environment characterized by higher unemployment, lower personal income, reduced consumer spending, and lower corporate earnings and investment, new product sales may be adversely affected. Our premium growth may also be negatively impacted by lower premium growth from existing customers due to lower salary growth and lower growth in the number of employees covered under an existing policy. In addition, during such periods we may experience higher claims incidence, longer claims duration, and/or an increase in policy lapses, any of which could have a material adverse effect on our results of operations or financial condition.

In addition to interest rate risk as previously discussed, we are exposed to other risks related to our investment portfolio which may adversely affect our results of operations, financial condition, or liquidity.

Default Risk

Our investment portfolio consists primarily of fixed maturity securities. These securities are issued by both domestic and foreign entities and are backed either by collateral or the credit of the underlying issuer. Factors such as an economic downturn or political change in the country of the issuer, a regulatory change pertaining to the issuer's industry, a significant deterioration in the cash flows of the issuer, unforeseen accounting irregularities or fraud committed by the issuer, widening risk spreads, ratings downgrades, a change in the issuer's marketplace or business prospects, or other events that adversely affect the issuers of these securities may result in the issuer defaulting on its obligations.

Our mortgage loan portfolio has default risk. Events or developments, such as economic conditions that impact the ability of tenants to pay their rents or limit the availability of refinancing, may have a negative effect on our mortgage loan portfolio. Events or developments that have a negative effect on any particular geographic region or sector may have a greater adverse effect on an investment portfolio to the extent that the portfolio is concentrated in that region or sector.

A default results in the recognition of an impairment loss on the investment. A default may also adversely affect our ability to collect principal and interest due to us. The probability of credit downgrades and defaults increases when the fixed income markets experience periods of volatility and illiquidity.

Credit Spread Risk

Our exposure to credit spreads, which is the yield above comparable U.S. Treasury securities, primarily relates to market price and cash flow variability associated with changes in credit spreads. A widening of credit spreads may unfavorably impact the net unrealized gain or loss position of the investment portfolio and may adversely impact liquidity. Credit spread tightening may reduce net investment income associated with new purchases of fixed income securities.

Valuation Risk

We report our fixed maturity securities and certain other financial instruments at fair value. Valuations may include inputs and assumptions that are less observable or require greater estimation, particularly during periods of market disruption, resulting in values which may be less than the value at which the investments may ultimately be sold. Further, rapidly changing and unprecedented credit and equity market conditions could materially impact the valuation of securities as reported in our financial statements, and the period to period changes in value could vary significantly. Decreases in value may have a material adverse effect on our results of operations or financial condition.

We evaluate our investment portfolio for credit losses. There can be no assurance that we have accurately assessed the level of credit losses taken. Additional credit losses may need to be taken in the future, and historical trends may not be indicative of future credit losses. Any event reducing the value of our securities may have a material adverse effect on our business, results of operations, or financial condition.

Market Timing and Liquidity Risk

While we attempt to match our asset cash flows and durations with expected liability cash flows and durations to meet the funding requirements of our business, there may at times be a lack of appropriate investments in the market which can be acquired. In particular, due to the long duration of our long-term care product, the timing of our investment cash flows do not match those of our maturing liabilities. In addition, we may, in certain circumstances, need to sell investments due to changes in regulatory or capital requirements, changes in tax laws, rating agency decisions, and/or unexpected changes in liquidity needs. There may also be a limited market for certain of our investments, such as our private equity partnerships, private placement fixed maturity securities, mortgage loans, and policy loans, which makes them more illiquid. In periods of market volatility or disruption, other of our securities may also experience reduced liquidity. If events occur wherein we need to sell securities in an unfavorable interest rate or credit environment or need to quickly sell securities which are illiquid, market prices may be lower than what we might realize under normal circumstances, with a resulting adverse effect on our results of operations, financial condition, or liquidity.

The effectiveness and utilization of our hedging programs may be affected by changes in forecasted cash flows, the economic environment, changes in interest rates, capital market volatility, non-performance by our counterparties, changes in the level of required collateral, or regulation, which may adversely affect our results of operations, financial condition, or liquidity.

We use derivative financial instruments to help us manage various risks related to our business operations including interest rate risk, risk related to matching duration for our assets and liabilities, foreign currency risk, credit risk, and equity risk. Factors associated with derivative financial instruments could adversely affect our results of operations, financial condition, or liquidity. Ineffectiveness of our hedges due to changes in expected future events, such as the risk created by uncertainty in the economic environment, changes in forecasted cash flows, or if our counterparties fail or refuse to honor their obligations under these derivative instruments, may have a material adverse effect on our results of operations or financial condition. Capital market turmoil may result in an increase in the risk of non-performance by our counterparties, many of which are financial institutions. Non-performance by our counterparties may force us to unwind hedges, and we may be unable to replace the hedge, thereby leaving the risk unhedged. Under the terms of our hedging contracts, we are required to post collateral and to maintain a certain level of collateral, which may adversely affect our liquidity and could subject us to the credit risk of the counterparty to the extent it holds such collateral. Sustained periods of elevated interest rates may require a higher level of collateral to be posted to our counterparties, which also may have an adverse effect on our liquidity. Changes in regulations may have an adverse effect on our ability to execute hedging strategies due to the increased economic cost of derivatives, primarily as a result of more restrictive collateral requirements.

Reinsurance may not be available or affordable, or reinsurers may be unwilling or unable to meet their obligations under our reinsurance contracts, which may adversely affect our results of operations or financial condition.

As part of our overall risk management and capital management strategies, we purchase reinsurance for certain risks underwritten by our various businesses. We also utilize reinsurance to exit certain lines of business. Market conditions beyond our control determine the availability and cost of reinsurance. Any decrease in the amount of reinsurance will increase our risk of loss and may impact the level of capital requirements for our insurance subsidiaries, and any increase in the cost of reinsurance will, absent a decrease in the amount of reinsurance, reduce our results of operations. Accordingly, we may be forced to incur additional expenses for reinsurance or may be unable to obtain sufficient reinsurance on acceptable terms, which may adversely affect our ability to write future business, result in the assumption of more risk with respect to the policies we issue, and increase our capital requirements. The collectability of our reinsurance recoverable is primarily a function of the solvency of the individual reinsurers. We cannot provide assurance that our reinsurers will pay the reinsurance recoverables owed to us or that they will pay these recoverables on a timely basis. The insolvency of a reinsurer or the inability or unwillingness of a reinsurer to comply with the terms of a reinsurance contract may have an adverse effect on our results of operations or financial condition.

Currency translation could materially impact our reported operating results.

The functional currency of our U.K. and Polish operations is the British pound sterling and the Polish zloty, respectively. Fluctuations in exchange rates impact our reported financial results, which may be unfavorably affected when the functional currency weakens. However, it is important to distinguish between translating and converting foreign currency. Except for a limited number of transactions, we do not actually convert our functional currency into dollars. As a result, we view foreign currency translation as a financial reporting item and not a reflection of operations or profitability in the U.K or Poland.

See "Liability for Future Policy Benefits" contained herein in Item 1, "Critical Accounting Estimates" included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein in Item 7, "Interest Rate Risk" contained herein in Item 7A, and Notes 1, 2, 3, 4, and 11 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion.

Public Health Risks

Pandemics and other public health issues can negatively impact certain aspects of our business and, depending on severity and duration, could have a material adverse effect on our financial position, results of operations, liquidity and capital resources, and overall business operations.

If economic conditions worsen as a result of a pandemic or other public health issue, that may adversely affect the financial condition of current or potential customers, which may result in lower sales or other negative impacts to customer purchasing patterns. If we experience unfavorable developments related to our revenues, benefits, or expenses, we may correspondingly experience adverse impacts to our overall future profitability and growth, which may alter the timing and magnitude of our plans for overall business growth. In addition, these unfavorable developments may result in the impairment or write-off of certain assets such as premiums receivable, goodwill, property and equipment, VOBA, and right-of-use assets, or the establishment of a valuation allowance regarding the realization of our deferred tax assets.

If economic conditions worsen as a result of a pandemic or other public health issue, that may also result in the inability for companies to make interest and principal payments on their debt securities or mortgage loans that we hold for investment purposes. Accordingly, although we maintain a disciplined approach regarding our overall investment strategy, we may still incur significant losses that can result in a decline in net investment income and/or material increases in credit losses on our investment portfolio. With respect to commercial real estate, there could be potential impacts to estimates of expected losses resulting from lower underlying values, reflecting current market conditions at that time.

Although we have access to significant amounts of liquidity, which include a credit facility and our facility agreement for contingent issuance of senior notes, Federal Home Loan Bank (FHLB) arrangements, and the ability to liquidate certain investments, it may be insufficient or even inaccessible if we are not in compliance with required covenants under our borrowing arrangements or if the associated lenders are unable to provide funds. In addition, if investment markets become illiquid or severely impaired, we may be unable to liquidate our investments in a timely and advantageous manner.

From an operational perspective, our employees, sales associates, brokers, and distribution partners, as well as the workforces of our vendors, service providers, and counterparties, may be adversely affected by a pandemic or other public health issue,

including government-mandated shutdowns, requests or orders for employees to work remotely, and other social distancing measures. These measures could result in an adverse impact on our ability to conduct our business, including our ability to sell our policies and our ability to adjudicate and pay claims in a timely manner. Additionally, our hybrid work environment may expose us to various additional risks such as elevated cybersecurity vulnerability resulting from the wide-scale remote usage of our company networks and related risks to the effectiveness of our internal controls over financial reporting.

There is no guarantee that processes we have developed in order to adapt to the COVID-19 pandemic would succeed in allowing us to adapt to any future pandemic or other public health issue, which may have materially different characteristics than the COVID-19 pandemic.

To the extent pandemics or other public health issues adversely affect our business, financial position, results of operations, liquidity and capital resources, and overall business operations, it may also have the effect of heightening many of the other risks disclosed herein in this Item 1A "Risk Factors".

See "Executive Summary", "Segment Operating Results", and "Liquidity and Capital Resources" included herein in Part 2, Item 7 under "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional discussion.

General Risks

We and our insurance subsidiaries are subject to extensive supervision and regulation. Changes in laws and regulations that affect our industry or findings from examinations and investigations may affect the cost or demand for our products, increase capital and reserving requirements for our insurance subsidiaries, and adversely affect our profitability, liquidity, or growth.

Our insurance subsidiaries are subject to extensive supervision and regulation in the United States and abroad. The primary purpose of insurance regulation is to protect policyholders, not stockholders. To that end, regulatory authorities, including state insurance departments in the United States, the PRA in the United Kingdom, and the KNF in Poland have broad administrative powers over many aspects of the insurance business, including requiring various licenses, permits, authorizations, or accreditations, which our insurance subsidiaries may not be able to obtain or maintain, or may be able to do so only at great cost. In addition, we and our insurance subsidiaries may not be able to comply fully with, or obtain appropriate exemptions from, the wide variety of laws and regulations applicable to insurance companies and insurance holding companies. These laws and regulations can be complex and subject to differing interpretations and are regularly re-examined. Existing or future laws and regulations, and the manner in which they are interpreted or applied, may become more restrictive or otherwise adversely affect our operations. For example, they may restrict or prohibit the payment of dividends by our subsidiaries to us, restrict transactions between subsidiaries and/or between us and our subsidiaries, and may require contributions of capital by us to our insurance subsidiaries even if we are otherwise in compliance with stated requirements. Failure to comply with or to obtain appropriate exemptions under any applicable laws or regulations could result in restrictions on the ability of our insurance subsidiaries to do business in one or more of the jurisdictions in which they operate and could result in fines and other sanctions, which may have a material adverse effect on our business or results of operations.

Regulatory examinations or investigations could result in, among other things, an increase to reserving requirements, changes in our claims handling or other business practices, changes in procedures for the identification and payment to the states of benefits and other property that is not claimed by the owners, changes in the use and oversight of reinsurance, changes in governance and other oversight procedures, assessments by tax authorities or other governing agencies, fines, and other administrative action, which could injure our reputation, adversely affect our issuer credit ratings and financial strength ratings, place us at a competitive disadvantage in marketing or administering our products, impair our ability to sell or retain insurance policies, and/or have a material adverse effect on our results of operations or financial condition.

It is possible that there will be heightened oversight of insurers by regulatory authorities in the jurisdictions in which our insurance subsidiaries are domiciled and operate. We cannot predict specific proposals that might be adopted, or what impact, if any, such proposals or, if enacted, such laws, could have on our business, results of operations, or financial condition. For instance, the NAIC or state regulators may adopt further revisions to statutory reserving standards or the RBC formula, the PRA may revise its capital adequacy requirements and minimum solvency margins, the IAIS may adopt capital requirements to which we could be subject, or rating agencies may incorporate higher capital thresholds into their quantitative analyses, thus requiring additional capital contributions by us to our insurance subsidiaries. Increased financial services regulation, which could include activities undertaken by the NAIC and regulatory authorities in the U.K., Poland, and the EU may impose greater quantitative requirements, supervisory review, and disclosure requirements and may impact the business strategies, capital requirements, and profitability of our insurance subsidiaries. The U.K. government is reviewing the regulatory framework of

financial services companies and the PRA is consulting with the industry on proposed changes. Certain changes have already been finalized, which have improved the solvency position of our U.K. business at December 31, 2023. Additionally, the remaining pending proposals may lead to future changes in the solvency position of our U.K. business. The U.K.'s Financial Ombudsman Service, which was established to help settle disputes between consumers and businesses providing financial services, and the FCA, which has rule-making, investigative, and enforcement powers to protect consumers, may hamper our ability to do business, which could have a material adverse effect on our U.K. operations.

Our financial statements are subject to the application of generally accepted accounting principles, in the United States, the United Kingdom, and Poland, which are periodically revised and/or expanded. Accordingly, we are required to adopt new or revised accounting standards issued by recognized authoritative bodies within these countries, which may also be influenced by the International Accounting Standards Board. Future accounting standards we adopt will change current accounting and disclosure requirements applicable to our financial statements. Such changes could have a material effect on our reported results of operations and financial condition and may impact the perception of our business by external stakeholders including the rating agencies that assign the issuer credit rating on Unum Group.

We use an affiliated captive reinsurer for the limited purpose of reinsuring risks attributable to specified policies issued or reinsured by one of our insurance subsidiaries in order to effectively manage risks in connection with certain blocks of our business as well as to enhance our capital efficiency. If we were required to discontinue use of the captive reinsurer or to alter the structure of the captive reinsurance arrangement, our ability to maintain current RBC ratios and/or our capital deployment activities could be adversely affected.

Changes in U.S. programs such as healthcare reform, the continued emergence of paid family and medical leave legislation, and financial services sector reform may compete with or diminish the need or demand for our products, particularly as it may affect our ability to sell our products through employers or in the workplace. The U.S. social security disability insurance program may not be sustainable, which may adversely affect the level of our disability claim payments and reserves. Legislative changes related to pension funding requirements could negatively impact our cash flows from operations and our profitability.

Changes in tax laws and other regulations or interpretations of such laws or regulations could unfavorably impact our corporate taxes. In addition, changes in tax laws could make some of our products less attractive to consumers.

Changes in privacy, cybersecurity, and artificial intelligence laws and regulations may result in cost increases as a result of system implementations, administrative processes, effects of potential noncompliance, and limitations or constraints of our business models.

Changes in laws governing oversight and management of climate change risk may subject us to increased costs.

Most group long-term and short-term disability plans we administer are governed by the Employee Retirement Income Security Act (ERISA). Changes to ERISA enacted by Congress or through judicial interpretations may adversely affect the risk to us of managing employee benefit plans, increase the premiums associated with such plans, and ultimately affect their affordability and our profitability.

The insurance departments in jurisdictions wherein our insurance subsidiaries conduct business may limit our ability to obtain rate increases under guaranteed renewable contracts or could require changes in rates and/or benefits to meet minimum loss ratio requirements which could negatively impact the profitability of our products. Many regulatory and governmental bodies have the authority to review our products and business practices and those of our agents and employees. These regulatory or governmental bodies may bring regulatory or other legal actions against us if, in their view, our practices are improper. These actions could result in substantial fines or restrictions on our business activities and could have a material adverse effect on our business or results of operations. Determination by regulatory authorities that we have engaged in improper conduct may also adversely affect our defense of various lawsuits.

Competition may adversely affect our market share or profitability.

All of our businesses are highly competitive. We believe that the principal competitive factors affecting our business are the quality of our customer's experience regarding service and claims management, integrated product choices, enrollment capabilities, price, financial strength ratings, claims-paying ratings, and a solution to allow customers to comply with the changing laws and regulations related to family medical leave benefits. We compete for new product sales, the retention of existing business, and the ability to attract and retain independent agents and brokers to market our products, all of which affect our profitability. All areas of the employee benefits markets are highly competitive due to the yearly renewable term nature of

the group products and the large number of insurance companies offering products in this market. There is a risk that our customers may be able to obtain more favorable terms or improved technology solutions from competitors in lieu of renewing coverage with us, particularly if industry pricing levels do not align with our view of adequate premium rates. We are operating in a dynamic competitive environment of both traditional and non-traditional competitors, with changes in product offerings, enrollment capabilities, and technology solutions. The level and intensity of competition may also grow due to existing competitors becoming more aggressive, and an increase in merger and acquisition activity which may result in larger competitors with greater financial resources. There are many insurance companies which actively compete with us in our lines of business, and there is no assurance that we will be able to compete effectively against these companies and new competitors in the future.

A decrease in our financial strength or issuer credit ratings may adversely affect our competitive position, our ability to hedge our risks, and our cost of capital or ability to raise capital, which may adversely affect our results of operations, financial condition, or liquidity.

We compete based in part on the financial strength ratings provided by rating agencies. Although we maintain an ongoing dialogue with the rating agencies that assign financial strength ratings to our insurance subsidiaries, the rating agencies may revise the criteria that are used to evaluate the financial strength of our insurance subsidiaries which could lead to placing our rating on "credit watch" or "under review" and ultimately lead to a downgrade. A downgrade of our financial strength ratings may adversely affect us and could potentially, among other things, adversely affect our relationships with distributors of our products and services and retention of our sales force, negatively impact persistency and new sales, and generally adversely affect our ability to compete. A downgrade in the issuer credit rating assigned to Unum Group can be expected to adversely affect our cost of capital and our ability to raise additional capital. If we are downgraded significantly, ratings triggers in our derivatives financial instrument contracts may result in our counterparties enforcing their option to terminate the derivative contracts. Such an event may have a material adverse effect on our financial condition or our ability to hedge our risks.

Events that damage our reputation may adversely affect our business, results of operations, or financial condition.

There are many events which may harm our reputation, including, but not limited to, those discussed in this Item 1A regarding regulatory investigations, legal proceedings, social issues, and cyber or other information security incidents.

In addition, being in the business of insurance, we are paid to accept certain risks. Those who conduct business on our behalf, including executive officers and members of management, sales managers, investment professionals, and to some extent, independent agents and brokers, do so in part by making decisions that involve exposing us to risk. These include decisions such as maintaining effective underwriting and pricing discipline, maintaining effective claim management and customer service performance, managing our investment portfolio and derivatives trading activities, delivering effective technology solutions, complying with established sales practices, executing our capital management strategy, exiting a line of business and/or pursuing strategic growth initiatives, and other decisions. Although we employ controls and procedures designed to monitor business decisions and prevent us from taking excessive risks or unintentionally failing to comply with internal policies and practices such that errors occur, there can be no assurance that these controls and procedures will be effective. If our employees and business associates take excessive risks and/or fail to comply with internal policies and practices, the impact of those events may damage our market position and reputation.

Depending on the severity of the damage to our reputation, we may be unable to effectively compete for new products or retain our existing business, which could adversely affect our results of operations or financial condition. Damage to our reputation may also hinder our ability to raise new capital and/or increase our cost of capital.

Litigation and contingencies are common in our businesses and may result in financial losses and/or harm to our reputation.

We are, and in the future may be, defendants in a number of litigation matters, and the outcome of this litigation is uncertain. Some of these proceedings have been brought on behalf of various alleged classes of complainants. Plaintiffs in class action and other lawsuits against us may seek very large and/or indeterminate amounts, including punitive and treble damages. An estimated loss is accrued when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. An adverse outcome in one or more of these actions may, depending on the nature, scope, and amount of the ruling, materially and adversely affect our results of operations or financial condition, encourage other litigation, and limit our ability to write new business, particularly if the adverse outcomes negatively impact certain of our ratings.

As part of our normal operations in managing claims, we are engaged in claim litigation where disputes arise as a result of a denial or termination of benefits. Typically those lawsuits are filed on behalf of a single claimant or policyholder, and in some of these individual actions punitive damages are sought, such as claims alleging bad faith in the handling of insurance claims. For our general claim litigation, we maintain reserves based on experience to satisfy judgments and settlements in the normal course. We expect that the ultimate liability, if any, with respect to general claim litigation, after consideration of the reserves maintained, will not be material to our financial condition. Nevertheless, given the inherent unpredictability of litigation, it is possible that an adverse outcome in certain claim litigation involving punitive damages may, from time to time, have a material adverse effect on our results of operations. We are unable to estimate a range of reasonably possible punitive losses.

Our actions to incorporate environmental, social, and governance standards may not meet expectations of investors, regulators, customers, employees, and other stakeholders.

Investors, regulators, current and prospective customers, employees, and other stakeholders may evaluate our business according to certain environmental, social, and governance (ESG) standards and expectations. To help monitor and meet stakeholder expectations, we developed a corporate sustainability strategic framework. Our framework aims to create long-term value for stakeholders by implementing strategically aligned business practices that incorporate ESG factors, with a focus on accelerating our efforts around responsible investments, inclusive products and services, and reducing environmental impact. We include ESG considerations in fundamental analysis of our investments because we believe these considerations are important for analyzing the long-term risk-reward characteristics of an investment. As our framework matures and we continue to integrate ESG standards in coordination with other business priorities, our ESG-related efforts may not prove completely effective or may not satisfy our key stakeholders. Additionally, national and local governments and regulators have proposed and are likely to continue to propose new ESG-related rules that would apply to our business, including regulations focused on increased disclosures and management of investment portfolios. Such regulations may require the development of new processes and controls that may be complex and result in increases in expenses to ensure compliance, or they may run counter to our corporate sustainability strategic framework, conflict with other regulations that apply to us, or cause us to forgo business opportunities. Stakeholder ESG-related expectations may increase in the short, medium, and long term and may affect our business, and they may also subject us to scrutiny leading to operational, reputational, or legal challenges.

See "Liability for Future Policy Benefits", "Competition", "Regulation" and "Ratings" contained herein in Item 1, "Executive Summary" and "Critical Accounting Estimates" included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein in Item 7, and Notes 1, 6, 9, and 16 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion.

Operational Risks

A cyber attack or other security breach could disrupt our operations, result in compromised data, the unauthorized disclosure or loss of confidential data, damage our reputation or relationships, and expose us to significant financial and legal liability, which may adversely affect our business, results of operations, or financial condition.

We store confidential information about our business and our policyholders, employees, agents, and others on our information technology systems, including proprietary and personally identifiable information. As part of our normal business operations, we use this information and engage third-party providers, including outsourcing, cloud computing, and other business partners, that store, access, process, and transmit such information on our behalf. We devote significant resources and employ security measures to help protect our information technology systems and confidential information, and we have programs in place to detect, contain, and respond to information security incidents. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time, we and our third-party providers may be unable to anticipate these techniques or implement adequate preventative measures. In addition, hardware, software, or applications we develop or procure from third parties or through open source solutions may contain defects in design or manufacture or other problems that could unexpectedly compromise our information security. Unauthorized parties, whether within or outside our company, may disrupt or gain access to our systems, or those of third parties with whom we do business, through human error, misfeasance, fraud, trickery, or other forms of deceit, including break-ins, use of stolen credentials, social engineering, phishing, or other cyber attacks, computer viruses, malicious codes, and similar means of unauthorized and destructive tampering. Specifically, we have seen an increase in the number and sophistication of phishing attacks that seek access to our systems through emails sent to our employees. We have taken action to provide additional training to increase awareness of the potential for these attacks among our workforce.

We and our third-party providers have experienced and likely will continue to experience information security incidents from time to time. Although known incidents have not had a material effect on our business or financial condition, there is no

assurance that our security systems and measures will be able to prevent, mitigate, or remediate future incidents that could have such an effect. A successful penetration or circumvention of the security of our information technology systems, or those of third parties with whom we do business, including a ransomware attack that locks or freezes systems until the payment of a ransom, could cause serious negative consequences for us, including significant disruption of our operations, unauthorized disclosure or loss of confidential information, harm to our brand or reputation, loss of customers and revenues, violations of privacy and other laws, and exposure to litigation, monetary damages, regulatory enforcement proceedings, fines, and potentially criminal proceedings and penalties. If we are unaware of the incident for some time after it occurs, our exposure could increase. In addition, the costs to address or remediate systems disruptions or security threats or vulnerabilities, whether before or after an incident, could be significant. As we continue to build our digital capabilities and focus on enhancing the customer experience, the amount of information that we retain and share with third parties, as well as our reliance on them, is likely to grow, increasing the cost to prevent data security breaches and the cost and potential consequences of such breaches. An information technology systems failure could also interfere with our ability to comply with financial reporting and other regulatory requirements, exposing us to potential disciplinary action by regulators. Further, successful cyber attacks at other large financial institutions or other market participants, whether or not we are affected, could lead to a general loss of customer and investor confidence in financial institutions that could negatively affect us.

Although we have insurance against some cyber risks and attacks, we may be subject to litigation and financial losses that exceed our policy limits, are subject to deductibles or are not covered under any of our current insurance policies.

The failure of our business recovery and incident management processes to resume our business operations in the event of a natural catastrophe, cyber attack, or other event could adversely affect our profitability, results of operations, or financial condition.

In the event of a disaster such as a natural catastrophe, an epidemic/pandemic, a cyber attack, cyber security breach or other information technology systems failure, a terrorist attack, or war, unanticipated problems with our disaster recovery systems could have a material adverse impact on our ability to conduct business and on our results of operations and financial condition, particularly if those problems affect our information technology systems and destroy valuable data or result in a significant failure of our internal control environment. In addition, in the event that a significant number of our employees were unavailable in the event of a disaster, our ability to effectively conduct business could be severely compromised.

The failure of our information technology and/or disaster recovery processes or systems for any reason could cause significant interruptions or malfunctions in our or our customers' operations and result in the loss, theft, or failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to our customers. Such a failure could harm our reputation, subject us to regulatory sanctions, legal claims, and increased expenses, and lead to a loss of customers and revenues.

We may be unable to hire and retain qualified employees which may adversely affect our business, results of operations, or financial condition.

The talent and contributions of our employees are critical to meeting our business needs. Our future success depends on our ability to hire and retain qualified personnel. In recent periods we have experienced increased competition for qualified talent and higher turnover compared to our historical experience, as many employees seek higher wages, new careers, or choose to exit the workforce entirely. The greater opportunities for fully remote or hybrid working arrangements have contributed to this trend, as many employees are no longer limited to employers located in their local area. We have taken steps to address this challenge, including updating compensation structures, allowing for more hybrid or remote working arrangements, and taking advantage of opportunities to recruit highly skilled employees from other employers. However, any prolonged stress on our ability to retain or recruit employees may result in increased labor costs and could adversely affect our ability to conduct and manage our business.

Our failure to develop digital capabilities or to effectively execute upgrades to or replacements of information technology systems could impair our ability to deliver on our growth initiatives or administer our business, which may adversely affect our business, results of operations, or financial condition.

Our business plans increasingly rely on digital capabilities to meet or surpass customer expectations, simplify our operations, and deliver innovative product and service offerings. If we are unable to effectively develop and offer digital capabilities that enhance our customers' experience, we may not fully achieve our strategic growth initiatives and may also experience the loss of existing business. Although we believe we have information technology systems which adequately support our business needs, we continually upgrade our existing information technology systems and acquire or develop new systems to keep pace

with the rapidly changing business and technology environment. There are risks involved with upgrading or replacing information technology systems, including, but not limited to, data loss, data errors, and disruption to our operations. We seek to monitor and control our exposure to the risks arising out of these activities through our risk control framework which encompasses a variety of reporting systems, internal controls, management review processes, and other mechanisms.

Unum Group depends on funds from its subsidiaries to meet its obligations and pay dividends. The ability of our subsidiaries to transfer funds to Unum Group may be impaired by adverse financial results or a change in capital requirements. Accordingly, internal sources of capital and liquidity may not always be sufficient. If we need to seek external capital, adverse market conditions may affect our access to capital or our cost of capital.

Unum Group is a holding company for insurance and other subsidiaries and has limited operations of its own. Our insurance subsidiaries are subject to insurance laws and regulatory limitations on the payment of dividends and on other transfers of funds or other assets to affiliates, including to Unum Group. The level of earnings and capital in our subsidiaries, as well as business conditions and rating agency considerations, could impact our insurance and other subsidiaries' ability to pay dividends or to make other transfers of funds to Unum Group, which could impair our ability to pay dividends to Unum Group's common stockholders, meet our debt and other payment obligations, and/or repurchase shares of Unum Group's common stock. The use of funds held by Unum Group as consideration in any acquisition could affect our capital plan and render those funds unavailable for other corporate purposes.

A change in demand for our insurance products or an increase in the incidence of new claims or the duration of existing claims could negatively impact our cash flows from operations. Deterioration in the credit market, which could delay our ability to sell our positions in certain of our fixed maturity securities in a timely manner, could also negatively impact our cash flows. Regulatory changes such as those discussed herein in this Item 1A may impose higher capital or reserve requirements on our insurance subsidiaries, increase collateral requirements for certain of our derivatives transactions, and/or implement other requirements which could unfavorably affect our liquidity. Without sufficient liquidity, our ability to maintain and grow our operations would be limited. If our internal sources of liquidity prove to be insufficient, we may be unable to successfully obtain additional financing and capital on favorable terms, or at all, which may adversely affect us.

If our financial results are unfavorable, we may need to increase our capital in order to maintain our credit ratings or satisfy regulatory requirements. Maintaining appropriate levels of statutory surplus is considered important not only by us but by insurance regulatory authorities in the U.S., the PRA in the U.K., the KNF in Poland, and the rating agencies that rate insurers' claims-paying abilities and financial strength. Failure to maintain certain levels of statutory surplus could result in increased regulatory scrutiny, action by regulatory authorities, or a downgrade by the rating agencies. Need for additional capital may limit a subsidiary's ability to distribute funds to our holding companies.

Obtaining financing for even a small amount of capital could be challenging in unfavorable market conditions and during periods of economic uncertainty. The markets may exert downward pressure on availability of liquidity and credit capacity for certain issuers. The availability of financing will depend on a variety of factors such as market conditions, the general availability of credit, the overall availability of credit to the financial services industry, our credit ratings and credit capacity, and the possibility that customers or lenders could develop a negative perception of our financial prospects. Similarly, our access to funds may be impaired if regulatory authorities or rating agencies take negative actions against us. Raising capital in unfavorable market conditions could increase our interest expense or negatively impact our shareholders through increased dilution of their common stock in Unum Group.

We maintain our credit facility as a potential source of liquidity. Our right to borrow funds under this facility is subject to financial covenants, negative covenants, and events of default. Our ability to borrow under this facility is also subject to the continued willingness and ability of the lenders to provide funds. Our failure to comply with the covenants in the credit facility or the failure of lenders to fund their lending commitments would restrict our ability to access the facility when needed, with a resulting adverse effect on our results of operations, financial condition, or liquidity.

The use and reliance on third-party vendors, including vendors providing web and cloud-based applications, may disrupt our business, and impact our ability to leverage data.

We utilize third-party vendors to provide certain business support services. The reliance on these third-party vendors exposes us to the risk that we cannot control the information systems, facilities, or networks of such third-party vendors. We employ substantial third-party risk management measures designed to mitigate this risk, which include, but are not limited to, security and vulnerability assessments of these third-party vendors as well as robust contractual protections. However, if the information systems, facilities, or networks of a third-party vendor are disrupted, damaged, or fail, we are at risk of being

unable to meet legal, regulatory, financial or customer obligations. We could also be adversely affected by a third-party vendor who fails to provide contracted services. In this case, this could lead to lower sales, increased costs, and a disruption to our business operations or damage our reputation. Lastly, as certain third-party vendors may conduct operations outside of the U.S., political and military events in foreign jurisdictions could have an adverse effect on our operations.

Our risk management program may leave us exposed to unidentified or unanticipated risk, which could negatively affect our business.

We have devoted significant resources to develop our enterprise risk management program, which has the objective of managing our strategic, market, credit, public health, insurance, and operations risks, which ultimately impact our reputational risk. However, our program may not be comprehensive, and our methods for monitoring and managing risk may not fully predict or mitigate future exposures. In this case, there may be a negative impact to our business, results of operations, or financial condition.

See "Regulation" contained herein in Item 1,"Critical Accounting Estimates" and "Liquidity and Capital Resources" included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein in Item 7, "Quantitative and Qualitative Disclosures About Market Risk" contained herein in Item 7A, and Notes 10, 16, and 18 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 1C. CYBERSECURITY

We take our responsibility for the privacy and security of the information our customers share with us seriously. Through our cybersecurity program, we constantly watch for threats to our systems and make real-time adjustments to our defenses to protect customer data and minimize service disruptions.

We identify and assess cybersecurity risks on an ongoing basis by maintaining a cybersecurity program that involves a defense-in-depth approach with multiple layers of security controls to protect our environment. We have invested in and deployed a security operating model involving people, processes, and technology that is designed to protect against potential and known cybersecurity risks and threats. Our cybersecurity program involves collaboration with partners, including financial industry groups, to understand and incorporate best practices and engage in cybersecurity threat intelligence sharing. Our security operations team includes internal threat hunters, such as cybersecurity engineers and analysts, who are working directly with third parties to monitor the threat landscape. Alerts from monitoring are analyzed by our security teams for preemptive engagement to avoid or minimize the impact of potential cyber threats. Additional cybersecurity tools are used to detect and block malicious attacks, as well as to govern identity and access management, in each case to avoid or minimize risks of unauthorized access to systems and data.

We utilize an internal global incident management team, comprised of executive and senior management-level personnel, that is responsible for oversight of our business resiliency and cybersecurity incident response programs. Within our information security organization, our cybersecurity incident response team works closely with the business resiliency team across business continuity, disaster recovery, and crisis management functions to plan, prepare, and practice response to simulated cybersecurity incident scenarios for response readiness. In the event of a cybersecurity incident, our incident response team would assess whether to engage the support of law enforcement or other third parties. In addition to our cybersecurity incident response team, we have retainers with leading incident response organizations to augment response activities, if needed. We also conduct one or more annual cybersecurity incident response tabletop exercises with senior management and third-party experts to test our incident response plan and enhance our readiness for a potential cybersecurity incident.

Additionally, we engage an external firm to conduct an annual System and Organization Controls 2 Type 2 examination of certain cybersecurity controls, and additional third parties are engaged, as needed, to perform risk assessments, penetration testing, and other services related to cybersecurity. We rely on third-party cybersecurity software tools and services to enhance many of our cybersecurity functions, such as incident logging, network monitoring, security operations, and data loss prevention, among others. Additionally, we carry cybersecurity insurance to help reduce financial risk posed by cybersecurity incidents.

Cybersecurity risks associated with third-party service providers are managed in accordance with our Third-Party Risk Management (TPRM) program. Components of this program include cybersecurity due diligence and review of contractual terms with third parties that access our network or sensitive information. The TPRM program works to conduct appropriate

review of all new third parties and performs ongoing monitoring of our existing relationships based on the risk presented by the third party.

As part of our cybersecurity program, we perform an annual cybersecurity risk assessment to evaluate our cybersecurity program and related controls. The cybersecurity risk assessment follows the guidelines published by the National Institute of Standards and Technology, which are aimed at identifying and determining the potential impact of threats and vulnerabilities and assessing the controls in place to mitigate those threats and vulnerabilities. Risks from cybersecurity threats have not materially affected, and are not reasonably likely to materially affect, our business strategy, operations, or financial condition.

Management's role in assessing and managing cybersecurity risks is led by our Chief Information Security Officer (CISO), who is a senior vice president and officer of the Company. As of the date of this report, our CISO has over twenty years of experience in information security leadership, including leading threat and vulnerability management, cybersecurity operations and cybersecurity defense, cybersecurity incident response, and technology risk management. He holds a bachelor's degree in computer science and several professional qualifications, including Certified Information Systems Security Professional and Information Systems Security Management Professional. The responsibilities of prevention, detection, mitigation, and remediation of cybersecurity incidents are allocated across the CISO's organization, and each organizational unit reports risks and incidents to the CISO, who in turn informs other senior management of cybersecurity incidents that may be material to the company.

Our cybersecurity program is overseen by the Information Security Committee (ISC), a cross-functional management committee whose membership include the CISO, Chief Risk Officer (CRO), Chief Technology Officer, Chief Compliance Officer, and others. Members of the ISC possess substantial experience in risk management, finance, and information security. The ISC is responsible for ensuring that the cybersecurity strategy and program align with our overall risk strategy. Our TPRM program is overseen by the Corporate Operational Risk Committee (CORC), a cross-functional management team whose membership includes leaders from our third-party risk management, corporate services, compliance, sourcing, information technology, and business resiliency teams. The CORC is responsible for ensuring risks to our non-insurance operational functions, including those related to third-party vendors, are identified and managed within our risk appetite, and that our TPRM program and strategy align with our overall business objectives.

The CORC and the ISC both report risks to our Executive Risk Management Committee (ERMC), which is comprised of senior management from our corporate functions and business segments and is responsible for overseeing our enterprise-wide risk management program. The ERMC is chaired by the CRO, who maintains a direct line of communication with the Risk and Finance Committee (RFC) of our board of directors.

The RFC is the board committee that oversees our cybersecurity risk management. Our CISO makes quarterly reports to the RFC about material cybersecurity risks, updates to the cybersecurity program, metrics that evaluate the effectiveness of the cybersecurity program, material cybersecurity incidents and remediation plans. The RFC also receives timely reports from the CISO when there are significant cybersecurity incidents or updates to the cybersecurity risk assessment. The board of directors also takes an active role in overseeing cybersecurity risk, including receiving an annual report from the CISO that provides an overview of the status and effectiveness of our cybersecurity risk management program and participating in cybersecurity incident response tabletop exercises.

See "Quantitative and Qualitative Disclosures About Market Risk" contained herein in Item 7A for further information. Also see "Risk Factors" included in Item 1A for additional information regarding cybersecurity risk.

ITEM 2. PROPERTIES

As of December 31, 2023, we owned office space comprised of five campuses located in Chattanooga, Tennessee; Portland, Maine; Columbia, South Carolina; Baton Rouge, Louisiana; and Dorking in the United Kingdom. In addition, as of December 31, 2023, we leased office space in various locations throughout the United States, the United Kingdom, Ireland, and Poland. Substantially all of the properties owned or leased are used by one or more of our five reporting segments, depending on the location. We believe our properties and facilities are suitable and adequate for current operations.

ITEM 3. LEGAL PROCEEDINGS

Refer to Note 16 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for information on legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Common stock of Unum Group is traded on the New York Stock Exchange. The stock symbol is UNM. Quarterly dividends declared and paid per share of common stock are as follows:

2023		
4th Quarter	$	0.365
3rd Quarter		0.365
2nd Quarter		0.330
1st Quarter		0.330
2022		
4th Quarter	$	0.330
3rd Quarter		0.330
2nd Quarter		0.300
1st Quarter		0.300

Our board of directors has the authority to declare cash dividends on shares of our common stock. In determining dividends, the board takes into account a number of factors including our financial condition and results of operations, regulatory limitations on the payment of dividends from subsidiaries, cash requirements, general economic conditions, and other factors the board may deem relevant. For information on restrictions relating to our subsidiaries' ability to pay dividends to Unum Group and certain of its intermediate holding company subsidiaries, see "Liquidity and Capital Resources - Cash Available from Subsidiaries" contained herein in Item 7 and Note 18 of the "Notes to Consolidated Financial Statements" contained herein in Item 8. For information relating to compensation plans under which Unum Group's equity securities are authorized for issuance, see Item 12 contained herein.

As of February 16, 2024, there were 7,501 registered holders of common stock.

The following table provides information about our share repurchase activity for the fourth quarter of 2023.

	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share (1)	(c) Total Number of Shares Purchased as Part of Publicly Announced Program (2)	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (2)
October 1 - October 31, 2023	—	$ —	—	$ 75,931,571
November 1 - November 30, 2023	1,746,634	43.47	1,746,634	1,575
December 1 - December 31, 2023	—	—	—	—
Total	1,746,634		1,746,634	

(1) Excludes the cost of commissions and excise taxes.

(2) In December 2022, our board of directors authorized the repurchase of up to $200.0 million of Unum Group's outstanding common stock beginning January 1, 2023. In February 2023, our board of directors authorized an increase to this share repurchase program such that we were then authorized to repurchase up to $250.0 million of Unum Group's outstanding common stock. This share repurchase program expired on December 31, 2023. In October 2023, our board of directors authorized the repurchase of up to $500.0 million of Unum Group's outstanding common stock beginning on January 1, 2024. The repurchase program authorized in October 2023 has no scheduled termination date.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion and analysis presented in this section should be read in conjunction with the "Cautionary Statement Regarding Forward-Looking Statements" included below the Table of Contents, "Risk Factors" included herein Item 1A, and the Consolidated Financial Statements and notes thereto included in Item 8.

Prior financial information has been adjusted to reflect our modified retrospective adoption, effective January 1, 2023, of the Accounting Standards Update (ASU) 2018-12, related to targeted improvements to the accounting for long-duration contracts. Changes from this ASU were applied as of January 1, 2021, also referred to as the transition date. See Note 1 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

TABLE OF CONTENTS

	Page
Executive Summary	39
Reconciliation of Non-GAAP and Other Financial Measures	42
Critical Accounting Estimates	46
Consolidated Operating Results	56
Segment Results	58
Unum US Segment	59
Unum International Segment	68
Colonial Life Segment	74
Closed Block Segment	77
Corporate Segment	81
Investments	82
Liquidity and Capital Resources	88

Executive Summary

2023 Operating Performance and Capital Management

For 2023, we reported net income of $1,283.8 million, or $6.50 per diluted common share, compared to net income of $1,407.2 million, or $6.96 per diluted common share, in 2022.

Included in our results for 2023 are:

- A net investment loss of $36.0 million before tax and $28.2 million after tax, or $0.14 per diluted common share;
- Amortization of the cost of reinsurance of $44.1 million before tax and $34.8 million after tax, or $0.18 per diluted common share;
- Non-contemporaneous reinsurance of $34.8 million before tax and $27.5 million after tax or $0.14 per diluted common share; and
- A net reserve increase related to assumption updates of $177.2 million before tax and $139.3 million after tax, or $0.70 per diluted common share.

Included in our results for 2022 are:

- A net investment loss of $15.7 million before tax and $12.2 million after tax, or $0.07 per diluted common share;
- Amortization of the cost of reinsurance of $50.3 million before tax and $39.7 million after tax, or $0.20 per diluted common share;
- Non-contemporaneous reinsurance of $34.4 million before tax and $27.2 million after tax or $0.13 per diluted common share; and
- A net reserve decrease related to assumption updates of $243.3 million before tax and $192.1 million after tax, or $0.96 per diluted common share.

Excluding these items, after-tax adjusted operating income for 2023 was $1,513.6 million, or $7.66 per diluted common share compared to $1,294.2 million, or $6.40 per diluted common share for 2022. See "Reconciliation of Non-GAAP and Other Financial Measures" contained herein in this Item 7 for a reconciliation of these items.

Our Unum US segment reported income before income tax and net investment gains and losses of $1,484.3 million in 2023 compared to $1,143.4 million in 2022, which include the reserve assumption updates that occurred during the third quarters of 2023 and 2022. Excluding these items, our Unum US segment reported adjusted operating income of $1,355.5 million in 2023 compared to $972.6 million in 2022, due to favorable benefits experience primarily in our group product lines and an increase in premium income, partially offset by higher operating expenses and lower net investment income. The benefit ratio, excluding the reserve assumption updates, for our Unum US segment for 2023 was 59.8 percent, compared to 66.3 percent in 2022. Unum US sales increased 15.1 percent in 2023 compared to 2022.

Our Unum International segment reported income before income tax and net investment gains and losses of $140.2 million in 2023 compared to $141.6 million in 2022, which include the reserve assumption updates during the third quarters of 2023 and 2022. Excluding these items, our Unum International segment reported adjusted operating income, as measured in U.S. dollars, of $158.1 million in 2023 compared to $134.0 million in 2022. As measured in local currency, our Unum UK line of business reported adjusted operating income, which excludes the reserve assumption updates, of £124.6 million in 2023 compared to £109.0 million in 2022 due to favorable benefits experience in the group long-term disability product line and higher premium income, partially offset by lower net investment income and higher operating expenses. The benefit ratio for our Unum UK line of business, excluding the reserve assumption updates, was 69.0 percent in 2023 compared to 79.3 percent in 2022. Unum International sales, as measured in U.S. dollars, increased 27.8 percent in 2023 compared to 2022. Unum UK sales, as measured in local currency, increased 18.6 percent in 2023 compared to 2022.

Our Colonial Life segment reported income before income tax and net investment gains and losses of $480.8 million in 2023 compared to $468.1 million in 2022, which include the reserve assumption updates during the third quarters of 2023 and 2022. Excluding these items, our Colonial Life segment reported adjusted operating income of $400.1 million in 2023 compared to $412.9 million in 2022, primarily due to higher amortization of deferred acquisition costs and operating expenses, partially offset by higher premium income and favorable benefit experience. The benefit ratio, excluding the reserve assumption updates, for Colonial Life was 50.9 percent in 2023 compared to 51.8 percent in 2022. Colonial Life sales increased 6.2 percent in 2023 compared to 2022.

Our Closed Block segment reported a loss before income tax and net investment gains and losses of $282.8 million in 2023 compared to income before income tax and net investment gains and losses of $176.9 million in 2022, which include the amortization of the cost of reinsurance and the impact of non-contemporaneous reinsurance related to the Closed Block individual disability reinsurance transaction, as well as the reserve assumption updates. Excluding these items, our Closed Block segment reported adjusted operating income of $164.9 million in 2023 compared to $251.9 million in 2022. The net premium ratio for long-term care increased to 93.5 percent at December 31, 2023 from 85.1 percent at December 31, 2022. The interest adjusted loss ratio for long-term care, excluding reserve assumption updates, was unfavorable during 2023 compared to 2022.

A rising interest rate environment could positively impact our yields on new investments, but could also create unrealized losses in our current holdings. Alternatively, a declining interest rate environment could negatively impact our yields on new investments, but could also reduce unrealized losses in our current holdings. As of December 31, 2023, we do not hold any securities with a decline in fair value below amortized cost which we intend to sell nor any securities for which it is more likely than not that we will be required to sell before recovery in amortized cost. The net unrealized loss on our fixed maturity securities was $1.6 billion and $3.0 billion at December 31, 2023 and 2022, respectively, with the decrease due primarily to a decrease in corporate bond spreads and to a lesser extent the portfolio repositioning that we executed in the third quarter of 2023. The earned book yield on our investment portfolio decreased to 4.45 percent for 2023 compared to a yield of 4.57 percent for 2022.

Additionally, a rising interest rate environment could result in reserve decreases while a declining interest rate environment could result in reserve increases, specific to our liability for future policy benefits, as the reserve discount rate assumptions used in the calculation of our liability are updated at each reporting date using a yield that is reflective of an upper-medium grade fixed income instrument, which is generally equivalent to a single-A interest rate matched to the duration of certain of our insurance liabilities. The change in discount rate assumptions on the liability for future policy benefits, net of reinsurance, due primarily to the decrease in credit spreads during 2023, resulted in an increase to the liability for future policy benefits, net of reinsurance, of approximately $1.2 billion.

We believe our capital and financial positions are strong. At December 31, 2023, the RBC ratio for our traditional U.S. insurance subsidiaries, calculated on a weighted average basis using the NAIC Company Action Level formula, was approximately 415 percent, which is in line with our expectations. We repurchased 5.7 million shares of Unum Group common stock under our share repurchase program, at a cost of approximately $252 million, including commissions and excise tax, during 2023. In December 2023, we retired 115.0 million shares of our treasury stock with a total cost of $3,642.5 million. Our weighted average common shares outstanding, assuming dilution, equaled 197.6 million and 202.1 million for 2023 and 2022, respectively. As of December 31, 2023, Unum Group and our intermediate holding companies had available holding company liquidity of $1,650 million that was held primarily in bank deposits, commercial paper, money market funds, corporate bonds, municipal bonds, and asset backed securities.

2023, 2022, and 2021 Reserve Assumption Updates

During the third quarters of 2023, 2022, and 2021, we completed our annual cash flow assumption review and updated certain of our assumptions used to develop the liability for future policy benefits. For more information see "Critical Accounting Estimates" included herein in this Item 7 as well as Note 6 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Inflation Reduction Act

In August 2022, the Inflation Reduction Act (IRA) was signed into law in the U.S. and includes certain corporate tax provisions effective January 1, 2023. The IRA imposes a new 15 percent corporate alternative minimum tax (CAMT) on adjusted financial statement income (AFSI) on corporations that have average AFSI over $1.0 billion in any prior three-year period, starting with years 2020 to 2022. Our company is an applicable corporation. We have not recorded any CAMT as of December 31, 2023. We do not expect that any CAMT incurred would impact earnings since it would be offset with a credit toward regular income tax in subsequent years. The IRA also imposes a one percent excise tax on fair market value of corporate stock repurchases after December 31, 2022. This excise tax is recorded as part of the cost basis of treasury stock and is assessed on the fair market value of stock purchases, reduced by the fair value of any shares issued during the period. We have recorded $1.9 million of excise tax in stockholders' equity, as part of the cost basis of treasury stock in 2023.

Impairment Loss on Internal-Use Software

During the third quarter of 2021, we recognized an impairment loss of $12.1 million before tax, or $9.6 million after tax, for previously capitalized internal-use software that we no longer plan to utilize. We determined that this internal-use software would no longer be developed in order to focus our efforts on the development of software that better supports our long-term strategic goals. For further information related to the impairment loss on internal-use software, see Note 15 of the "Notes to Consolidated Financial Statements" contained in Item 8.

Impairment Losses on Right-of-Use (ROU) Asset

During the second quarter of 2021, we recognized an impairment loss of $13.9 million before tax, or $11.0 million after tax, on the ROU asset related to one of our operating leases for office space that we do not plan to continue using to support our general operations. The impairment loss was recorded as a result of a decrease in the fair value of the ROU asset compared to its carrying value. For further information related to the impairment loss on the ROU asset, see Note 17 of the "Notes to Consolidated Financial Statements" contained in Item 8.

U.K. Tax Law Change

In June 2021, the Finance Act 2021 was enacted, resulting in a U.K. tax rate increase from 19 percent to 25 percent, effective April 1, 2023, which resulted in $23.6 million of additional tax expense in operating earnings for the revaluation of our deferred tax assets and liabilities in 2021.

Closed Block Individual Disability Reinsurance Transaction

In December 2020, we completed the first phase of a reinsurance transaction, pursuant to which Provident Life and Accident Insurance Company, The Paul Revere Life Insurance Company, and Unum Life Insurance Company of America, wholly-owned domestic insurance subsidiaries of Unum Group, and collectively referred to as "the ceding companies", each entered into separate reinsurance agreements with Commonwealth Annuity and Life Insurance Company (Commonwealth), to reinsure on a coinsurance basis effective as of July 1, 2020, approximately 75 percent of the Closed Block individual disability business, primarily direct business written by the ceding companies. On March 31, 2021, we completed the second phase of the reinsurance transaction, pursuant to which the ceding companies and Commonwealth amended and restated their respective reinsurance agreements to reinsure on a coinsurance and modified coinsurance basis effective as of January 1, 2021, a substantial portion of the remaining Closed Block individual disability business that was not ceded in December 2020, primarily business previously assumed by the ceding companies.

In December 2020, Provident Life and Casualty Insurance Company (PLC), also a wholly-owned domestic insurance subsidiary of Unum Group, entered into an agreement with Commonwealth whereby PLC will provide a 12-year volatility cover to Commonwealth for the active life cohort (ALR cohort). On March 31, 2021, PLC and Commonwealth amended and restated this agreement to incorporate the ALR cohort related to the additional business that was reinsured between the ceding companies and Commonwealth as part of the second phase of the transaction. As part of the amended and restated volatility cover, PLC received a payment from Commonwealth of approximately $18 million.

In connection with the second phase of the reinsurance transaction, Commonwealth paid a total ceding commission to the ceding companies of $18.2 million. The ceding companies transferred assets of $767.0 million, which consisted primarily of cash and fixed maturity securities. In addition, we recognized the following in 2021 related to the second phase:

- Net realized investment gains totaling $67.6 million, or $53.4 million after tax, related to the transfer of investments.
- Transaction costs totaling $6.2 million, or $5.0 million after tax.
- Reinsurance recoverable of $1,132.5 million related to the policies on claim status (DLR cohort).
- A reduction to the cost of reinsurance, or prepaid reinsurance premium, of $99.4 million related to the DLR cohort.
- Deposit asset of $5.0 million related to the ALR cohort.
- Payable of $307.2 million related to the portfolio of invested assets associated with the business ceded on a modified coinsurance basis.

We amortized the cost of reinsurance related to both Phase 1 and Phase 2 of $44.1 million or $34.8 million after tax in 2023, $50.3 million or $39.7 million after tax in 2022, and $69.8 million or $55.1 million after tax in 2021.

We released approximately $200 million of capital during the first quarter of 2021. See "Reinsurance" contained herein in Item 1, "Segment Results" contained herein in Item 7, and Note 14 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion on the impacts related to this reinsurance transaction.

Consolidated Company Outlook for 2024

We believe our strategy of providing financial protection products at the workplace puts us in a position of strength. We continue to fulfill our corporate purpose of helping the working world thrive throughout life's moments by providing excellent service to people at their time of need. Our strategy remains centered on growing our core businesses, through investing and transforming our operations and technology to anticipate and respond to the changing needs of our customers, expanding into new adjacent markets through meaningful partnerships and effective deployment of our capital across our portfolio.

In 2023, we experienced increased earnings driven by the underlying strength of our business and expect positive operating trends in our core businesses to continue in 2024. The products and services we provide deliver significant value to employers, employees and their families, and we believe this will help drive sales and premium growth in 2024.

A rising interest rate environment could continue to positively impact yields on new investments, but could also continue to create unrealized losses in our current holdings. A declining interest rate environment could negatively impact our yields on new investments but could also reduce unrealized losses in our current holdings. We also may continue to experience further volatility in miscellaneous investment income primarily related to changes in partnership net asset values as well as bond calls.

As part of our discipline in pricing and reserving, we continuously monitor emerging claim trends and interest rates. We will continue to take appropriate pricing actions on new business and renewals that are reflective of the current environment and may continue to utilize derivative financial instruments to manage interest rate risk.

Our business is well-diversified by geography within our markets, industry exposures and case size, and we continue to analyze and employ strategies that we believe will help us navigate the current environment. These strategies allow us to maintain financial flexibility to support the needs of our businesses, while also returning capital to our shareholders. We have strong core businesses that have a track record of generating significant free cash flow, and we will continue to invest in our operations and expand into adjacent markets where we can best leverage our expertise and capabilities to capture market growth opportunities as those opportunities emerge. We believe that consistent operating results, combined with the implementation of strategic initiatives and the effective deployment of capital, will allow us to meet our financial objectives.

Further discussion is included in "Reconciliation of Non-GAAP and Other Financial Measures," "Consolidated Operating Results," "Segment Results," "Investments," and "Liquidity and Capital Resources" contained herein in this Item 7 and in the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Reconciliation of Non-GAAP and Other Financial Measures

We analyze our performance using non-GAAP financial measures. A non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with U.S generally accepted accounting principles (GAAP). The non-GAAP financial measure of "after-tax adjusted operating income" differs from net income as presented in our consolidated operating results and income statements prepared in accordance with GAAP due to the exclusion of investment gains or losses, the amortization of the cost of reinsurance, the impact of non-contemporaneous reinsurance, and reserve assumption updates as well as certain other items as specified in the reconciliations below. Investment gains or losses primarily include realized investment gains or losses, expected investment credit losses, and gains or losses on derivatives. We believe after-tax adjusted operating income is a better performance measure and better indicator of the profitability and underlying trends in our business.

Investment gains or losses depend on market conditions and do not necessarily relate to decisions regarding the underlying business of our segments. Our investment focus is on investment income to support our insurance liabilities as opposed to the generation of investment gains or losses. Although we may experience investment gains or losses which will affect future earnings levels, a long-term focus is necessary to maintain profitability over the life of the business since our underlying business is long-term in nature, and we need to earn the interest rates assumed in calculating our liabilities.

Cash flow assumptions used to calculate our liability for future policy benefits are reviewed at least annually and updated, as needed, with the resulting impact reflected in net income. While the effects of these assumption updates are recorded in the

reporting period in which the review is completed, these updates reflect experience emergence and changes to expectations spanning multiple periods. We believe that by excluding the impact of reserve assumption updates we are providing a more comparable and consistent view of our quarterly results.

We exited a substantial portion of our Closed Block individual disability product line through the two phases of the reinsurance transaction that were executed in December 2020 and March 2021. As a result, we exclude the amortization of the cost of reinsurance that we recognized upon the exit of the business related to the policies on claim status as well as the impact of non-contemporaneous reinsurance that resulted from the adoption of ASU 2018-12. Due to the execution of the second phase of the reinsurance transaction occurring after January 1, 2021, the transition date of ASU 2018-12, in accordance with the provisions of the ASU related to non-contemporaneous reinsurance, we were required to establish the ceded reserves using an upper-medium grade fixed-income instrument as of the reinsurance transaction date in March 2021 which resulted in higher ceded reserves compared to that which was reported historically. However, the direct reserves for the block reinsured in the second phase were calculated using the original discount rate utilized as of the transition date. Both the direct and ceded reserves are then remeasured at each reporting period using a current discount rate reflective of an upper-medium grade fixed-income instrument, with the changes recognized in OCI. While the total equity impact is neutral, the different original discount rates utilized for direct and ceded reserves result in disproportionate earnings impacts. The impact of non-contemporaneous reinsurance will fluctuate depending on the magnitude of reserve changes during the period. We believe that the exclusion of these items provides a better view of our results from our ongoing businesses.

We may at other times exclude certain other items from our discussion of financial ratios and metrics in order to enhance the understanding and comparability of our operational performance and the underlying fundamentals, but this exclusion is not an indication that similar items may not recur and does not replace net income or net loss as a measure of our overall profitability.

See "Executive Summary" contained herein in Item 7 and Notes 3, 6, 9, 10, 14, 15, and 17 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion regarding the items specified in the reconciliations below.

A reconciliation of GAAP financial measures to our non-GAAP financial measures is as follows:

	Year Ended December 31					
	2023		2022		2021	
	(in millions)	per share *	(in millions)	per share *	(in millions)	per share *
Net Income	$ 1,283.8	$ 6.50	$ 1,407.2	$ 6.96	$ 981.0	$ 4.79
Excluding:						
Net Investment Gains and Losses						
Net Realized Investment Gain Related to Reinsurance Transaction (net of tax expense of $—; $—; $14.2)	—	—	—	—	53.4	0.26
Net Investment Gain (Loss), Other (net of tax expense (benefit) of $(7.8); $(3.5); $1.9)	(28.2)	(0.14)	(12.2)	(0.07)	7.2	0.03
Total Net Investment Gain (Loss)	(28.2)	(0.14)	(12.2)	(0.07)	60.6	0.29
Items Related to Closed Block Individual Disability Reinsurance Transaction						
Amortization of the Cost of Reinsurance (net of tax benefit of $9.3; $10.6; $14.7)	(34.8)	(0.18)	(39.7)	(0.20)	(55.1)	(0.27)
Non-Contemporaneous Reinsurance (net of tax benefit of $7.3; $7.2; $7.0)	(27.5)	(0.14)	(27.2)	(0.13)	(25.9)	(0.12)
Transaction Costs (net of tax benefit of $—; $—; $1.2)	—	—	—	—	(5.0)	(0.02)
Total Items Related to Closed Block Individual Disability Reinsurance Transaction	(62.3)	(0.32)	(66.9)	(0.33)	(86.0)	(0.41)
Reserve Assumption Updates (net of tax expense (benefit) of $(37.9); $51.2; $49.1)	(139.3)	(0.70)	192.1	0.96	185.9	0.91
Impairment Loss on Internal-Use Software (net of tax benefit of $—; $—; $2.5)	—	—	—	—	(9.6)	(0.05)
Cost Related to Early Retirement of Debt (net of tax benefit of $—; $—; $14.1)	—	—	—	—	(53.2)	(0.26)
Impairment Loss on ROU Asset (net of tax benefit of $—; $—; $2.9)	—	—	—	—	(11.0)	(0.05)
Impact of U.K. Tax Rate Increase	—	—	—	—	(23.6)	(0.12)
After-tax Adjusted Operating Income	$ 1,513.6	$ 7.66	$ 1,294.2	$ 6.40	$ 917.9	$ 4.48

* Assuming Dilution

We measure and analyze our segment performance on the basis of "adjusted operating revenue" and "adjusted operating income" or "adjusted operating loss," which differ from total revenue and income before income tax as presented in our consolidated statements of income due to the exclusion of investment gains and losses, the amortization of the cost of reinsurance, the impact of non-contemporaneous reinsurance, reserve assumption updates, as well as certain other items as specified in the reconciliations below. These performance measures are in accordance with GAAP guidance for segment reporting, but they should not be viewed as a substitute for total revenue, income before income tax, net income, or net loss.

A reconciliation of total revenue to "adjusted operating revenue" and income before income tax to "adjusted operating income" is as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Total Revenue	$ 12,385.9	$ 11,984.1	$ 12,007.8
Excluding:			
Net Investment Gain (Loss)	(36.0)	(15.7)	76.7
Adjusted Operating Revenue	$ 12,421.9	$ 11,999.8	$ 11,931.1
Income Before Income Tax	$ 1,640.1	$ 1,750.0	$ 1,260.6
Excluding:			
Net Investment Gains and Losses			
Net Realized Investment Gain Related to Reinsurance Transaction	—	—	67.6
Net Investment Gain (Loss), Other	(36.0)	(15.7)	9.1
Total Net Investment Gain (Loss)	(36.0)	(15.7)	76.7
Items Related to Closed Block Individual Disability Reinsurance Transaction			
Amortization of the Cost of Reinsurance	(44.1)	(50.3)	(69.8)
Non-Contemporaneous Reinsurance	(34.8)	(34.4)	(32.9)
Transaction Costs	—	—	(6.2)
Total Items Related to Closed Block Individual Disability Reinsurance Transaction	(78.9)	(84.7)	(108.9)
Reserve Assumption Updates	(177.2)	243.3	235.0
Impairment Loss on Internal-Use Software	—	—	(12.1)
Cost Related to Early Retirement of Debt	—	—	(67.3)
Impairment Loss on ROU Asset	—	—	(13.9)
Adjusted Operating Income	$ 1,932.2	$ 1,607.1	$ 1,151.1

Critical Accounting Estimates

We prepare our financial statements in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect amounts reported in our financial statements and accompanying notes. Estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed in our financial statements.

The accounting estimates deemed to be most critical to our financial position and results of operations are those related to the liability for future policy benefits, valuation of investments, pension and postretirement benefit plans, income taxes, and contingent liabilities. For additional information, refer to our significant accounting policies in Note 1 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Liability for Future Policy Benefits

Liabilities for future policy benefits represent the cost of claims that we estimate we will eventually pay to our policyholders and the related expenses for our non interest-sensitive products. Liability for future policy benefits includes policy liabilities for claims not yet incurred and for claims that have been incurred or are estimated to have been incurred but not yet reported to us. Liability for future policy benefits equaled $40.0 billion and $38.6 billion at December 31, 2023 and 2022, or approximately 74.6 percent and 73.6 percent of our total liabilities, respectively. Liability for future policy benefits ceded to reinsurers was $7.8 billion and $8.1 billion at December 31, 2023 and 2022, respectively, and are reported as a reinsurance recoverable in our consolidated balance sheets.

Liabilities for future policy benefits are initially established in the same period in which we issue a policy, and equal the difference between projected future policy benefits and projected future premiums, allowing a margin for expenses and profit. The liabilities for future policy benefits build up and release over time, based on the emergence of cash flows, including premiums received and claims paid, and updated expectations for future cash flows.

Liabilities for future policy benefits are updated at each reporting date to reflect changes in the liability based on policy development over time, emerging experience, and any assumption updates required to maintain the best estimate basis for expected future cash flows as required by GAAP. These future policy benefit liabilities are based on actual known facts regarding the liability, such as the benefits available under the applicable policy, the covered benefit period, the age, and, as appropriate, the occupation and cause of disability of the claimant, as well as assumptions derived from our actual historical experience and expected future changes in experience for factors such as the claim duration, claim administration expenses, discount rate, policy benefit offsets, including those for social security and other government-based welfare benefits. The liability for future policy benefits also includes the liabilities for incurred claims.

Future policy benefit liabilities primarily relate to our traditional long-duration products which include our group, individual disability and certain of our voluntary benefits products in our Unum US segment; group, individual disability and life products in our Unum International segment; certain of our voluntary benefits products in our Colonial Life segment; and long-term care and certain of our other products in our Closed Block segment.

In calculating the liability for future policy benefits, our long-duration contracts are grouped into cohorts by product type and contract issue year. Liabilities for future policy benefits for claims not yet incurred are generally determined using the net premium model as prescribed by GAAP. At each reporting period, the liability for future policy benefits is remeasured at the current discount rate with the change recorded in other comprehensive income.

The calculation of the liability for future policy benefits involves numerous assumptions including discount rate, lapses, mortality, and morbidity. Certain product lines may utilize additional assumptions in calculating the liability for future policy benefits in addition to those listed above such as premium rate increases for long-term care, benefit offsets for Unum US long-term disability, claim costs for Unum US voluntary benefits and Colonial Life, and inflation-linked benefits for Unum UK group disability and group life. Claim costs capture the combined effect of the incidence rate, the expected level of benefit to be paid, and the claim resolution rate. Cash flow assumptions are reviewed and updated, as needed, at least annually. Assumptions may be updated more frequently, if necessary, based on trending experience.

On a quarterly basis, cohort level cash flow measures are updated based on the emergence of actual experience. The updated cash flows, based on experience emergence and any assumption updates, are used to determine the updated net premiums, the portion of the gross premium required to provide for all benefits and expenses, excluding acquisition costs or any costs that are required to be charged to expense as incurred. The updated net premium ratio is used to calculate the updated liability for

future policy benefits as of the beginning of year, at the original discount rate. To the extent the present value of future benefits and expenses exceeds the present value of future gross premiums, an immediate charge is recognized in net income, such that net premiums are set equal to gross premiums. Future policy benefit liabilities are floored at zero at the cohort level in situations where the liabilities for future policy benefits are less than zero. The change in the liability for future policy benefits, at the original discount rate, as of the beginning of the period, resulting from cash flow changes is reflected as the change in benefits - remeasurement gain or loss in the consolidated statements of income. The impact of all other changes in the liability for future policy benefits are reflected as policy benefits in the consolidated statements of income.

Key Assumptions

The calculation of the liability for future policy benefits involves numerous assumptions, but the primary assumptions used to calculate the liability are (1) the discount rate, (2) the claim resolution rate, (3) the claim incidence rate, and (4) policyholder lapse and mortality:

1. The *discount rate*, which is used in calculating the liability for future policy benefits, is the interest rate that we use to discount future cash flows including premium and claim payments to determine the present value. A higher discount rate produces a lower reserve. If the discount rate is higher than our future investment returns, our invested assets will not earn enough investment income to support our future claim payments. The original discount rates are initially set at the transition date of ASU 2018-12, which was January 1, 2021, for policies originally issued on or before the transition date, or at the policy issuance date, for policies issued after the transition date. For policies issued after the transition date, the original discount rate assumptions reflect an upper-medium grade (low-credit risk) fixed-income instrument yield based on the currency in which the liabilities are assumed. For all cohorts, the liability is then remeasured at each reporting period using the current discount rate reflective of an upper-medium grade fixed-income instrument. We primarily utilize a forward curve which is derived from the underlying spot curve using interpolation to develop an ultimate forward rate.

2. The *claim resolution rate* is the probability that a disability or long-term care claim will close due to recovery or death of the insured and it is used to estimate how long benefits will be paid for a claim. Estimated resolution rates that are set too high will result in liabilities that are lower than they need to be to pay the claim benefits over time. Claim resolution assumptions involve many factors, including the cause of disability, the policyholder's age, the type of contractual benefits provided, and the time since initial disability. We primarily use our own claim experience to develop our claim resolution assumptions. These assumptions are established for the probability of death and the probability of recovery from disability. Our studies incorporate actual claim resolution experience over a number of years and consider any observed trends over the study period. We also consider any expected future changes in claim resolution experience.

3. The *incidence rate* is the rate at which new claims are submitted to us. The incidence rate is affected by many factors, including the age of the insured, the insured's occupation or industry, the benefit plan design, and certain external factors such as consumer confidence and levels of unemployment. We establish our incidence assumption using a historical review of actual incidence results along with an outlook of future incidence expectations.

4. *Policyholder lapse and mortality assumption*s reflect the probability that insureds' coverage is discontinued due to lapsation or death of the insured. For our life insurance products, mortality assumptions also reflect the probability that a benefit payment occurs. These rates are affected by many factors, including the age of the insured, the insured's occupation or industry, the benefit plan design, and the length of time from policy or certificate issue to valuation date. We establish our mortality and lapse assumptions using a historical review of actual results along with an outlook of future expectations.

Establishing liability for future policy benefit assumptions is complex and involves many factors. Liabilities for future policy benefits, particularly for policies offering insurance coverage for long-term disabilities and long-term care, are dependent on numerous assumptions other than just those presented in the preceding discussion. The impact of internal and external events, such as changes in claims operational procedures, economic trends such as the rate of unemployment and the level of consumer confidence, the emergence of new diseases, new trends and developments in medical treatments, and legal trends and legislative changes, including changes to social security and other government-based welfare benefits programs which provide policy benefit offsets, among other factors, will influence claim incidence rates, claim resolution rates, and claim costs. In addition, for policies offering coverage for disability or long-term care at advanced ages, the level and pattern of mortality rates at advanced ages will impact overall benefit costs. Reserve assumptions differ by product line and by policy type within a product line. Additionally, in any period and over time, our actual experience may have a positive or negative variance from our long-

term assumptions, either singularly or collectively, and these variances may offset each other. We review our assumptions at least annually with a long-term view of our expected experience over the life of a block of business rather than test just one or a few assumptions independently that may be aberrant over a short period of time. Based on this review, we update our assumptions to reflect our current best estimates. Therefore, while it is possible to evaluate the sensitivity of overall results in our liability for future policy benefits based upon a change in each individual assumption, the actual impacts of changes to a variety of underlying assumptions must be considered in the aggregate by product line in order to judge the overall potential implications to the liability for future policy benefits. The following sections present the impacts of our most recent cash flow assumption reviews and an overview of our trend analysis for key assumptions and the results of variability in our assumptions, in aggregate, for the liabilities for future policy benefits which we believe are reasonably possible to have a material impact on our future financial results if actual claims yield a materially different amount than what we currently expect and have reserved for, either favorable or unfavorable.

Cash Flow Assumption Review

Our cash flow assumption reviews during the years ended December 31, 2023, 2022, and 2021 resulted in the following impacts to income before income tax as a result of updating certain assumptions related to the liability for future policy benefits:

	December 31		
	2023	2022	2021
	(in millions of dollars)		
Cash Flow Assumption Update Impacts to Income Before Income Tax			
Unum US			
Group Disability	$ 121.0	$ 121.0	$ 215.0
Group Life and Accidental Death and Dismemberment	—	34.0	—
Individual Disability	(2.6)	(1.2)	4.5
Voluntary Benefits	10.4	17.0	12.2
Total Unum US	128.8	170.8	231.7
Unum International	(17.9)	7.6	4.2
Colonial Life	80.7	55.2	23.5
Closed Block			
Long-term Care	(368.1)	2.9	(24.4)
Closed Block - All Other	(0.7)	6.8	—
Total Closed Block	(368.8)	9.7	(24.4)
Total	$ (177.2)	$ 243.3	$ 235.0

2023 Significant Cash Flow Assumption Updates:

The cash flow assumption updates in our Unum US group long-term disability product line reduced our liability for future policy benefits by $121.0 million, due primarily to sustained improvement in claim recovery trends since our last assumption update.

The cash flow assumption updates in our Colonial Life segment reduced our liability for future policy benefits by $80.7 million, due primarily to improvement in certain of our claim cost assumptions and increased policyholder lapse rates since our last assumption update.

The cash flow assumption updates in our Closed Block segment were primarily driven by the long-term care product line which increased our liability for future policy benefits by $368.1 million, due primarily to lower expectations for active policy lapse and mortality assumptions, partially offset by an increase to expected future premium rate increases.

2022 Significant Cash Flow Assumption Updates:

The cash flow assumption updates in our Unum US group long-term disability product line and our waiver of premium benefits for our Unum US group life product line reduced our liability for future policy benefits by $121.0 million and $34.0 million, respectively, due primarily to sustained improvement in claim recovery trends since our last assumption update, partially offset by lower social security benefit offsets for our group long-term disability product line.

The cash flow assumption updates in our Colonial Life segment reduced our liability for future policy benefits by $55.2 million, due primarily to improvement in certain of our claim cost assumptions since our most recent assumption update.

The cash flow assumption updates in our Closed Block segment were primarily driven by the all other product line. The impact to income before income tax for this product line was $6.8 million and related to the small block of retained individual disability business. However, there were also updates to the mortality assumptions for the advanced age portion of our individual disability claimant population which was included in the block ceded as a part of the Closed Block individual disability reinsurance transaction with Commonwealth Annuity and Life Insurance Company. We increased our liability for future policy benefits by $196.0 million as a result of the assumption updates related to the ceded advanced age claimant block with a corresponding increase in our consolidated balance sheet as a reinsurance recoverable.

2021 Significant Cash Flow Assumption Updates:

The cash flow assumption updates in our Unum US group long-term disability product line reduced our liability for future policy benefits by $215.0 million, due primarily to sustained improvement in claim recovery trends since our last assumption update.

Trends in Key Assumptions

Generally, we do not expect our mortality and morbidity claim incidence trends or our persistency trends to change significantly in the short-term, and to the extent that these trends do change, we expect those changes to be gradual over a longer period of time. We have historically experienced an increase in our group long-term disability morbidity claim incidence trends during and following a recessionary period and believe claim incidence trends may continue to somewhat follow general economic conditions and demographics of the general workforce.

The long-term discount rates underlying our liabilities are reflective of rates based on the issue year of the cohort or rates underlying the liabilities at transition to the updated accounting basis as prescribed by ASU 2018-12. The discount rate assumption for new cohorts, after the transition date, is based on the interest rate of an upper-medium grade fixed-income instrument for that cohort period.

Our claim resolution rate assumption used in determining the liability for future policy benefits is our expectation of the resolution rate we will experience over the life of the block of business and will vary from actual experience in any one period, both favorably and unfavorably. Claim resolution rates are very sensitive to operational and environmental changes and have a greater chance of significant variability in a shorter period of time than our other reserve assumptions. These rates are reviewed on a quarterly basis for the death and recovery components separately. While claim resolution rates in our Unum US group long-term disability product line have shown some variability over the last several years, they have exhibited an increasing trend.

Sensitivity Analysis

We monitor our key assumptions and test the sensitivity of our liability for future policy benefits under a range of scenarios. This sensitivity analysis is completed at least annually and was last completed as of December 31, 2023 for our product lines with a higher level of estimation uncertainty and utilizes the liability for future policy benefits valued at the original discount rate. See "Quantitative and Qualitative Disclosures about Market Risk" contained herein in Item 3 for information regarding the sensitivity of the current discount rate used to remeasure the liability for future policy benefits at each reporting date.

In our estimation, scenarios based on certain variations in each of our assumptions for our Unum US group long-term disability product line could produce a change of approximately $100 million which represents 1.9 percent of our Unum US group disability liability for future policy benefits balance. Of the assumptions impacting the estimated change in the liability for future policy benefits, the largest contributor is the claim resolution rate for which we assumed a change of approximately 10 percent.

In our estimation, scenarios based on certain possible variations in each of our assumptions for our Colonial Life segment could produce a change of approximately $60 million which represents 3.0 percent of our Colonial Life liability for future policy benefits balance. Of the assumptions impacting the estimated change in the liability for future policy benefits, the largest contributor is the claim costs, for which we assumed a change of approximately 10 percent.

We also consider variability in our assumptions related to the long-term care liability for future policy benefits. In our estimation, scenarios based on certain variations in each of our assumptions could produce potential results as illustrated in the chart below. The liability for future policy benefits for long-term care is based upon a number of key assumptions, and each assumption has various factors which may impact the long-term outcome. Key assumptions with respect to active policy lapses and mortality, claim incidence and resolutions, and future premium rate increases must incorporate extended views of expectations for many years into the future. The liability for future policy benefits is highly sensitive to these estimates. Key assumptions and related impacts are also heavily interrelated in both their outcome and in their effects on the liability for future policy benefits. For example, changes in the view of morbidity and mortality might be mitigated by either potential future premium rate increases and/or morbidity improvements due to general improvement in health and/or medical breakthroughs. There is a potentially wide range of outcomes for each assumption and in totality. As a result, and given the size of the long-term care liability for future policy benefits in relation to the total liability for future policy benefits, our sensitivity analysis for long-term care reflects the potential impact to the present value of gross liability cash flows for future policy benefits for updates to our key assumptions. The sensitivity analysis related to our key assumptions for the long-term care liability for future policy benefits is as shown below. The impact of changes to these assumptions would partially be reflected in the period in which the assumptions are updated and partially across future periods. Given the significant changes in certain assumptions, the below sensitivity analysis was completed as of the beginning of the third quarter of 2023 at which point the most recent assumption update review occurred.

		PV Gross LFPB Cash Flows[1]	
Long-Term Care Cash Flow Assumptions	Sensitivity	Unfavorable	Favorable
		(in millions of dollars)	
Active Policy Lapses and Mortality	7.5 %	$ 470	$ 440
Claim Incidence	3.0 %	400	410
Claim Resolutions	2.0 %	290	280
Morbidity/Mortality Improvement[2]	No Improvement/2x	1,050	1,080
Future Unapproved Premium Rate Increases	10.0 %	150	150

[1]Present value of cash flows specific to the LFPB at original discount rate, except using gross premiums instead of net premiums.

[2]Unfavorable scenario reflects no future improvement. Favorable scenario reflects improvement rates, from the valuation date forward, twice as high as baseline.

The impact to current period liability for future benefits would be smaller in magnitude than the present value of gross liability for future policy benefits cash flows due to the updating of the net premium ratio. The current period liability for future policy benefits impact may be asymmetrical (i.e. larger for the unfavorable scenario) for some sensitivities if the assumption update causes the net premium ratio to be capped at 100 percent for any given cohort.

We believe that these sensitivities provide a reasonable estimate of the possible changes in liability for future policy benefit balances for those product lines where we believe it is possible that variability in the assumptions, in the aggregate, could result in a material impact on our liability for future policy benefit levels, but we record our liability for future policy benefits based on our long-term best estimate for our cohorts and these assumptions are reviewed and updated annually to reflect the current best estimates. Product lines that have long-term claim payout periods have a greater potential for significant variability in claim costs, either positive or negative. We closely monitor emerging experience and use these results to inform our view of long-term assumptions.

Fair Value of Investments

All of our fixed maturity securities, which are classified as available-for-sale, and all of our unrestricted equity securities are reported at fair value. Our derivative financial instruments, including certain derivative instruments embedded in other contracts, are reported as either assets or liabilities and measured at fair value. We report our investments in private equity partnerships at our share of the partnerships' net asset value or its equivalent (NAV), as a practical expedient for fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and therefore represents an exit price, not an entry price. The exit price objective applies regardless of our intent and/or ability to sell the asset or transfer the liability at the measurement date. We generally use valuation techniques consistent with the market approach, and to a lesser extent, the income approach. The market approach uses prices and other relevant information from market transactions involving identical or comparable assets or liabilities and the income approach converts future amounts, such as cash flows or earnings, to a single present value amount, or a discounted amount. We believe the market approach valuation technique provides more observable data than the income approach, considering the types of investments we hold.

The degree of judgment utilized in measuring the fair value of financial instruments generally correlates to the level of pricing observability. Financial instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices in active markets generally have more pricing observability and less judgment utilized in measuring fair value. The market sources from which we obtain or derive the fair values of our assets and liabilities carried at market value include quoted market prices for actual trades, price quotes from third party pricing vendors, price quotes we obtain from outside brokers, discounted cash flow, and observable prices for similar publicly traded or privately traded issues that incorporate the credit quality and industry sector of the issuer. Our fair value measurements could differ significantly based on the valuation technique and available inputs.

Inputs to valuation techniques refer broadly to the assumptions that market participants use in pricing assets or liabilities, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value and/or the risk inherent in the inputs to the valuation technique. We use observable and unobservable inputs in measuring the fair value of our financial instruments. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are developed based on the best information available in the circumstances, and reflect our evaluation of the assumptions market participants would use in pricing the asset or liability.

Certain of our investments do not have readily determinable market prices and/or observable inputs or may at times be affected by the lack of market liquidity. For these securities, we use internally prepared valuations, including valuations based on estimates of future profitability, to estimate the fair value. Additionally, we may obtain prices from independent third-party brokers to aid in establishing valuations for certain of these securities. Key assumptions used by us to determine fair value for these securities include risk-free interest rates, risk premiums, performance of underlying collateral (if any), and other factors involving significant assumptions which may or may not reflect those of an active market.

As of December 31, 2023, approximately 11.6 percent of our fixed maturity securities were categorized as Level 1, 88 percent as Level 2, and 0.4 percent as Level 3. Level 1 is the highest category of the three-level fair value hierarchy classification wherein inputs are unadjusted and represent quoted prices in active markets for identical assets or liabilities. The Level 2 category includes assets or liabilities valued using inputs (other than those included in the Level 1 category) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life. The Level 3 category is the lowest category of the fair value hierarchy and reflects the judgment of management regarding what market participants would use in pricing assets or liabilities at the measurement date using unobservable inputs to extrapolate an estimated fair value.

Rapidly changing credit and equity market conditions can materially impact the valuation of securities, and the period to period changes in value can vary significantly.

See "Quantitative and Qualitative Disclosures about Market Risk" for information regarding the sensitivity of the estimated fair value for fixed maturity securities contained herein in Item 7A. See Note 2 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Investment Credit Losses

One of the significant estimates related to investments is our credit loss valuation. In determining when a decline in fair value below amortized cost of a fixed maturity security represents a credit loss, we evaluate the following factors:

- Whether we expect to recover the entire amortized cost basis of the security
- Whether we intend to sell the security or will be required to sell the security before the recovery of its amortized cost basis
- Whether the security is current as to principal and interest payments
- The significance of the decline in value
- Current and future business prospects and trends of earnings
- The valuation of the security's underlying collateral
- Relevant industry conditions and trends relative to their historical cycles
- Market conditions
- Rating agency and governmental actions
- Bid and offering prices and the level of trading activity
- Adverse changes in estimated cash flows for securitized investments
- Changes in fair value subsequent to the balance sheet date
- Any other key measures for the related security

We evaluate available information, including the factors noted above, both positive and negative, in reaching our conclusions. In particular, we also consider the strength of the issuer's balance sheet, its debt obligations and near term funding requirements, cash flow and liquidity, the profitability of its core businesses, the availability of marketable assets which could be sold to increase liquidity, its industry fundamentals and regulatory environment, and its access to capital markets. Although all available and applicable factors are considered in our analysis, our expectation of recovering the entire amortized cost basis of the security, whether we intend to sell the security, whether it is more likely than not we will be required to sell the security before recovery of its amortized cost, and whether the security is current on principal and interest payments are the most critical factors in determining whether a credit loss is possible. The significance of the decline in value is also an important factor, but we generally do not record a credit loss based solely on this factor, since often other more relevant factors will impact our evaluation of a security.

While determining whether a credit loss exists is a judgmental area, we utilize a formal, well-defined, and disciplined process to monitor and evaluate our fixed income investment portfolio, supported by issuer specific research and documentation as of the end of each period. The process results in a thorough evaluation of investments and the recording of credit losses on a timely basis for investments determined to have credit loss.

We use a comprehensive rating system to evaluate the investment and credit risk of our mortgage loans and to identify specific properties for inspection and reevaluation. We estimate an allowance for credit losses that we expect to incur over the life of our mortgage loans using a probability of default method. For each loan, we estimate the probability that the loan will default before its maturity (probability of default) and the amount of the loss if the loan defaults (loss given default). These two factors result in an expected loss percentage that is applied to the amortized cost of each loan to determine the expected credit loss. Mortgage loans are reported at amortized cost less the allowance for expected credit losses with the change in expected credit losses recognized as an investment gain or loss in our consolidated statements of income.

There are a number of significant risks inherent in the process of monitoring our investments for credit losses and determining when and if a credit loss exists. These risks and uncertainties include the following possibilities:

- The assessment of a borrower's ability to meet its contractual obligations will change.
- The economic outlook, either domestic or foreign, may be less favorable or may have a more significant impact on the borrower than anticipated, and as such, the investment may not recover in value.
- New information may become available concerning the security, such as disclosure of accounting irregularities, fraud, or corporate governance issues.
- Significant changes in credit spreads may occur in the related industry.
- Significant increases in interest rates may occur and may not return to levels similar to when securities were initially purchased.
- Adverse rating agency actions may occur.

See Notes 1 and 3 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Pension and Postretirement Benefit Plans

We sponsor several defined benefit pension and other postretirement benefit (OPEB) plans for our employees, including non-qualified pension plans. The U.S. qualified and non-qualified defined benefit pension plans comprise the majority of our total benefit obligation and benefit cost. We maintain a separate defined benefit plan for eligible employees in our U.K. operation. The U.S. defined benefit pension plans were closed to new entrants on December 31, 2013, the OPEB plan was closed to new entrants on December 31, 2012, and the U.K. plan was closed to new entrants on December 31, 2002.

Assumptions

Our net periodic benefit costs and the value of our benefit obligations for these plans are determined based on a set of economic and demographic assumptions that represent our best estimate of future expected experience. Major assumptions used in accounting for these plans include the expected discount (interest) rate, the long-term rate of return on plan assets, and mortality rates. We also use, as applicable, expected increases in compensation levels and a weighted average annual rate of increase in the per capita cost of covered benefits, which reflects a health care cost trend rate, and the U.K. plan also uses expected cost of living increases to plan benefits.

The assumptions chosen for our pension and OPEB plans are reviewed annually, using a December 31 measurement date for each of our plans unless we are required to perform an interim remeasurement. The discount rate, expected long-term rate of return, and mortality rate assumptions have the most significant effect on our net periodic benefit costs associated with these plans. In addition to the effect of changes in our assumptions, the net periodic cost or benefit obligation under our pension and OPEB plans may change due to factors such as plan amendments, actual experience being different from our assumptions, special benefits to terminated employees, and/or changes in benefits provided under the plans.

- *Discount rate* - This interest assumption is based on the yield derived from a portfolio of high quality fixed income corporate debt instruments that reasonably match the timing and amounts of projected future benefits for each of our retirement-related benefit plans. The rate is determined at the measurement date.

- *Long-term rate of return* - This assumption is selected from a range of probable return outcomes from an analysis of the asset portfolio. The market-related value as it relates to our estimate of long-term rate of return equals the fair value of plan assets, determined as of the measurement date. The return on plan assets recognizes all asset gains and losses, including changes in fair value, through the measurement date. Our expectations for the future investment returns of the asset categories are based on a combination of historical market performance, evaluations of investment forecasts obtained from external consultants and economists, and current market yields. The expected return for the total portfolio is calculated based on the plan's strategic asset allocation. The actual rate of return on plan assets is determined based on the fair value of the plan assets at the beginning and the end of the period, adjusted for contributions and benefit payments. A lower long-term rate of return on plan assets increases our net periodic benefit cost.

  Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews. Risk tolerance is established through consideration of plan liabilities, plan funded status, and corporate financial condition. We believe our investment portfolios are well diversified by asset class and sector, with no undue risk concentrations in any one category. See Note 11 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion of the investment portfolios for our plans.

- *Mortality rate* - This assumption reflects our best estimate, as of the measurement date, of the life expectancies of plan participants in order to determine the expected length of time for benefit payments. We derive our assumptions from industry mortality tables.

The weighted average assumptions used in the measurement of our net periodic benefit costs for the years ended December 31 are as follows:

	Pension Benefits					
	U.S. Plans		U.K. Plan		OPEB	
Assumption	2024	2023	2024	2023	2024	2023
Discount Rate	5.40 %	5.70 %	4.50 %	4.80 %	5.40 %	5.70 %
Expected Long-term Rate of Return on Plan Assets	7.25 %	7.25 %	6.50 %	6.70 %	5.75 %	5.75 %

The following illustrates the sensitivity of the below items to a 50 basis point change in the discount rate or the expected long-term rate of return on plan assets:

($ in millions)	At or for the Year Ended December 31, 2023			
Assumption	Change	Net Periodic Benefit Cost, Before Tax	Benefit Obligation	Stockholders' Equity, After Tax
Discount Rate	+ 50 bp	$ (2.6)	$ (103.4)	$ 81.4
Discount Rate	- 50 bp	2.5	113.1	(89.1)
Expected Long-term Rate of Return on Plan Assets	+ 50 bp	(7.1)	N/A	N/A
Expected Long-term Rate of Return on Plan Assets	- 50 bp	7.1	N/A	N/A

Benefit Obligation and Fair Value of Plan Assets

During 2023, the fair value of plan assets in our U.S. qualified defined benefit pension plan decreased from $1,308.3 million to $1,295.9 million, or 0.9 percent, due to benefits and expenses paid, mostly offset by a favorable return on assets which resulted in a gain of approximately 11.1 percent. During 2023, the fair value of plan assets in our U.K. plan decreased from £116.3 million to £114.2 million, or 1.8 percent, due primarily to the payment of benefits, mostly offset by a favorable return on assets which resulted in a gain of approximately 2.1 percent. Although our rate of return on plan assets for 2023 differed from our assumptions used in the measurement of our net periodic benefit costs, we believe our assumptions appropriately reflect the impact of the current economic environment and our expectations for the future investment returns based on the plan's asset allocation.

As of December 31, 2023, our pension and OPEB plans have an aggregate unrecognized net actuarial loss of $584.0 million and an unrecognized prior service credit of $1.5 million, which together represent the cumulative liability and asset gains and losses as well as the portion of prior service credits that have not been recognized in pension expense. The unrecognized net actuarial loss for our pension plans, which is $605.2 million at December 31, 2023, will be amortized over the average remaining life expectancy of the plan, which is approximately 24 years for the U.S. plans and 27 years for the U.K. plan, to the extent that it exceeds the 10 percent corridor, as described below. The unrecognized net actuarial gain of $21.2 million for our OPEB plan will be amortized over the average remaining life expectancy of the plan, estimated at twelve years, to the extent the gain is outside of the corridor. The corridor for the pension and OPEB plans is established based on the greater of 10 percent of the plan assets or 10 percent of the benefit obligation. At December 31, 2023, $352.7 million of the actuarial loss was outside of the corridor for the U.S. plans and £61.1 million was outside of the corridor for the U.K. plan. At December 31, 2023, $13.3 million of the actuarial gain was outside of the corridor for the OPEB plan.

The amortization of the unrecognized actuarial gain or loss and the unrecognized prior service credit is a component of our net periodic benefit cost and equaled $7.0 million, $15.5 million, and $22.4 million in 2023, 2022, and 2021, respectively.

The U.S. qualified defined benefit pension plan was in an underfunded position of $116.2 million and $118.7 million at December 31, 2023 and December 31, 2022, respectively. This year-over-year change was due primarily to a favorable return on plan assets, mostly offset by the increase in the benefit obligation due to the decrease in discount rate.

The U.K. plan was in an underfunded position of £21.2 million and £14.4 million at December 31, 2023 and 2022, respectively. This year-over-year change was primarily driven by the increase in the benefit obligation due to the decrease in discount rate and unfavorable plan experience, partially offset by a favorable return on plan assets.

The fair value of plan assets in our OPEB plan was $8.2 million and $8.5 million at December 31, 2023 and 2022, respectively. These assets represent life insurance contracts to fund the life insurance benefit portion of our OPEB plan. Our OPEB plan

represents a non-vested, non-guaranteed obligation, and current regulations do not require specific funding levels for these benefits, which are comprised of retiree life, medical, and dental benefits. It is our practice to use general assets to pay medical and dental claims as they come due in lieu of utilizing plan assets for the medical and dental benefit portions of our OPEB plan.

See Note 11 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion.

Income Taxes

We provide for federal, state, and foreign income taxes currently payable, as well as those deferred due to temporary differences between the financial reporting and tax bases of assets and liabilities. Our accounting for income taxes represents our best estimate of various events and transactions. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws in a multitude of jurisdictions, both domestic and foreign. The amount of income taxes we pay is subject to ongoing audits in various jurisdictions, and a material assessment by a governing tax authority could affect profitability.

We record a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized. Significant judgment is required in determining valuation allowances. In evaluating the ability to recover deferred tax assets, we consider all available positive and negative evidence including past operating results, the existence of cumulative losses in the most recent years, forecasted earnings, future taxable income, and prudent and feasible tax planning strategies. We consider our investment strategies when evaluating the ability to recover deferred tax assets on unrealized losses on investments. In the event we determine that we more likely than not will not be able to realize all or part of our deferred tax assets in the future, an increase to the valuation allowance is recorded in the period such determination is made. Likewise, if it is later determined that it is more likely than not that those deferred tax assets will be realized, the previously provided valuation allowance is reversed.

In establishing a liability for unrecognized tax benefits, assumptions are made in determining whether, and to what extent, a tax position may be sustained. GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in income tax returns. The evaluation of a tax position is a two step process. The first step is to determine whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. The second step is to measure a position that satisfies the recognition threshold at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more likely than not threshold but that now satisfy the recognition threshold are recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more likely than not recognition threshold are derecognized in the first subsequent financial reporting period in which that threshold is no longer met. If a previously recognized tax position is settled for an amount that is different from the amount initially measured, the difference will be recognized as a tax benefit or expense in the period the settlement is effective.

Changes in tax laws, tax regulations, or interpretations of such laws or regulations, could have an impact on our provision for income tax and our effective tax rate, which could significantly affect the amounts reported in our financial statements.

See "Regulation" contained herein in Item 1. See Note 9 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Contingent Liabilities

On a quarterly basis, we review relevant information with respect to litigation and contingencies to be reflected in our consolidated financial statements. An estimated loss is accrued when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. It is possible that our results of operations or cash flows in a particular period could be materially affected by an ultimate unfavorable outcome of pending litigation or regulatory matters depending, in part, on our results of operations or cash flows for the particular period. See Note 16 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Accounting Developments

For information on new accounting standards and the impact, if any, on our financial position or results of operations, see Note 1 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Consolidated Operating Results

(in millions of dollars)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Revenue					
Premium Income	$ 10,046.0	4.5 %	$ 9,616.5	1.5 %	$ 9,475.0
Net Investment Income	2,096.7	(1.2)	2,122.2	(4.1)	2,213.2
Net Investment Gain (Loss)	(36.0)	129.3	(15.7)	(120.5)	76.7
Other Income	279.2	6.9	261.1	7.5	242.9
Total Revenue	12,385.9	3.4	11,984.1	(0.2)	12,007.8
Benefits and Expenses					
Policy Benefits	7,311.9	(3.1)	7,542.1	(7.0)	8,113.3
Policy Benefits - Remeasurement Gain	(54.8)	(90.0)	(547.5)	(2.2)	(559.9)
Commissions	1,170.1	7.7	1,086.4	4.7	1,038.1
Interest and Debt Expense	194.8	3.3	188.5	1.9	185.0
Cost Related to Early Retirement of Debt	—	(100.0)	4.2	(93.8)	67.3
Deferral of Acquisition Costs	(632.2)	13.5	(556.9)	6.4	(523.2)
Amortization of Deferred Acquisition Costs	481.4	14.3	421.1	(6.9)	452.1
Compensation Expense	1,162.6	6.7	1,089.5	11.7	975.2
Other Expenses	1,112.0	10.5	1,006.7	0.7	999.3
Total Benefits and Expenses	10,745.8	5.0	10,234.1	(4.8)	10,747.2
Income Before Income Tax	1,640.1	(6.3)	1,750.0	38.8	1,260.6
Income Tax	356.3	3.9	342.8	22.6	279.6
Net Income	$ 1,283.8	(8.8)	$ 1,407.2	43.4	$ 981.0

Fluctuations in exchange rates, particularly between the British pound sterling and the U.S. dollar for our U.K. operations, have an effect on our consolidated financial results. In periods when the pound weakens relative to the preceding period, translating pounds into dollars decreases current period results relative to the prior period. In periods when the pound strengthens, translating pounds into dollars increases current period results relative to the prior period.

The weighted average pound/dollar exchange rate for our Unum UK line of business was 1.243, 1.221, and 1.378 for 2023, 2022, and 2021, respectively. If the 2022 and 2021 results for our U.K. operations had been translated at the 2023 weighted average exchange rate, our adjusted operating revenue would have been approximately $5 million higher and $73 million lower in 2022 and 2021, respectively. Additionally, our adjusted operating income would have been approximately $2 million higher and $10 million lower in 2022 and 2021, respectively. However, it is important to distinguish between translating and converting foreign currency. Except for a limited number of transactions, we do not actually convert pounds into dollars. As a result, we view foreign currency translation as a financial reporting item and not a reflection of operations or profitability in the U.K.

We reported year-over-year premium growth in 2023 and 2022 in each of our principal operating business segments, primarily due to in-force block growth and higher overall sales. Premium income continues to decline, as expected, in our Closed Block segment.

Net investment income was lower in 2023, relative to 2022, due to lower miscellaneous investment income, primarily related to smaller increases in the NAV on our private equity partnerships, and lower investment income from inflation index-linked bonds held by Unum UK, partially offset by a higher level of invested assets and an increased yield on invested assets. Net investment income was lower in 2022, relative to 2021, due to lower miscellaneous investment income and a decline in the

yield on invested assets, partially offset by higher investment income from inflation index-linked bonds held by Unum UK and a higher level of invested assets.

Credit losses on fixed maturity securities of $2.2 million were recognized in net investment gains and losses in 2023 compared to $4.6 million and $9.3 million in 2022 and 2021, respectively. During the third quarter of 2023, we sold over $700 million of shorter duration bonds in our long-term care portfolio and reinvested the proceeds in higher quality, higher yielding, and longer duration bonds that better match our liability cash flows. We realized approximately $35 million of investment losses as a result of these sales. Also included in net investment gains and losses were changes in the fair value of an embedded derivative in a modified coinsurance arrangement, which resulted in gains of $12.4 million, $16.2 million, and $9.7 million in 2023, 2022, and 2021, respectively. The changes in the embedded derivative are primarily driven by movements in credit spreads in the overall investment market. Included in the net investment gains and losses in 2021 was a net realized investment gain of $67.6 million related to the transfer of investments in the Closed Block individual disability reinsurance transaction. See Notes 3 and 4 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion.

Other income is primarily comprised of fee-based service products in the Unum US segment, which include leave management services and administrative services only business, and the underlying results and associated net investment income of certain assumed blocks of reinsured business in the Closed Block segment.

Overall benefits experience was favorable in 2023 relative to 2022 and 2021 with a consolidated benefit ratio of 72.2 percent in 2023, compared to 72.7 percent and 79.7 percent in 2022 and 2021, respectively. Excluding the impacts of the reserve assumption updates and non-contemporaneous reinsurance, the consolidated benefit ratios were 70.1 percent, 74.9 percent, and 81.9 percent in 2023, 2022, and 2021, respectively. For further discussion on the reserve assumption updates and non-contemporaneous reinsurance, see the "Executive Summary" contained herein in this Item 7 and Notes 1, 6 and 15 of the "Notes to Consolidated Financial Statements" contained herein in Item 8. The underlying benefits experience for each of our operating business segments is discussed more fully in "Segment Results" contained herein in this Item 7.

Commissions and the deferral of acquisition costs were higher in 2023 compared to 2022 driven primarily by higher overall sales and in-force block growth in our principal operating segments. The increase in the amortization of deferred acquisition costs in 2023 compared to 2022 is due primarily to increased growth in the level of the deferred asset and the impact of policyholder lapses in our Colonial Life segment and in our Unum US supplemental and voluntary product lines. Commissions and the deferral of acquisition costs were higher in 2022 compared to 2021 driven primarily by higher sales in our Colonial Life segment and Unum US supplemental and voluntary product line. Also contributing to the year-over-year growth in commissions during 2022 was in-force block growth and favorable persistency in our Unum US group disability product line. The amortization of deferred acquisition costs was lower in 2022 compared to 2021 due primarily to a decrease in the average amortization period in our Unum US group disability and group life and accidental death and dismemberment product lines that occurred in 2021, partially offset by higher policyholder lapses in our Colonial Life accident, sickness, and disability product line.

In 2022, cost related to early retirement of debt includes costs associated with the redemption of $350.0 million aggregate principal amount of our 4.000% senior notes due 2024 and costs related to the retirement of $14.0 million aggregate liquidation amount of the 7.405% capital securities due 2038 issued by Provident Financing Trust I (the Trust), which resulted in the reduction of a corresponding principal amount of our 7.405% junior subordinated debt securities due 2038 then held by the Trust. In 2021, cost related to early retirement of debt includes costs associated with the purchase and retirement of $500.0 million aggregate principal amount of our 4.500% senior notes due 2025. See Note 10 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further information.

We reported year-over-year increases in other expenses and compensation expense, on a combined basis, in both 2023 and 2022 due primarily to increases in employee-related costs, operational investments in our business, and growth in our fee-based service products, partially offset by a reduction in the amortization of the cost of reinsurance.

Our effective income tax rate for 2023 was 21.7 percent, compared to 19.6 percent in 2022 and 22.2 percent in 2021. Our 2023 effective tax rate was generally consistent with the U.S. statutory rate. Our 2022 effective tax rate differed from the U.S. statutory rate due to the foreign tax rate differential. Our 2021 effective tax rate differed from the U.S. statutory rate due to unfavorable impacts of the U.K. tax rate increase enacted in 2021. See Note 9 in the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion.

Consolidated Sales Results

Shown below are sales results for our three principal operating business segments.

(in millions)

	Year Ended December 31								
	2023		% Change		2022		% Change		2021
Unum US	$	1,283.8	15.1	%	$	1,115.3	18.4	%	$ 941.7
Unum International	$	170.9	27.8	%	$	133.7	26.4	%	$ 105.8
Colonial Life	$	539.6	6.2	%	$	508.1	5.9	%	$ 479.8

Sales shown in the preceding chart generally represent the annualized premium income on new sales which we expect to receive and report as premium income during the next 12 months following or beginning in the initial quarter in which the sale is reported, depending on the effective date of the new sale. Sales do not correspond to premium income reported as revenue in accordance with GAAP. This is because new annualized sales premiums reflect current sales performance and what we expect to recognize as premium income over a 12 month period, while premium income reported in our financial statements is reported on an "as earned" basis rather than an annualized basis and also includes renewals and persistency of in-force policies written in prior years as well as current new sales.

Sales, persistency of the existing block of business, employment and salary growth, and the effectiveness of a renewal program are indicators of growth in premium income. Trends in new sales, as well as existing market share, also indicate the potential for growth in our respective markets and the level of market acceptance of price levels and new product offerings. Sales results may fluctuate significantly due to case size and timing of sales submissions.

See "Segment Results" as follows for a discussion of sales by segment.

Segment Results

Our reporting segments are comprised of the following: Unum US, Unum International, Colonial Life, Closed Block, and Corporate. Financial information for each of our reporting segments is as follows.

In describing our results, we may at times note certain items and exclude the impact on financial ratios and metrics to enhance the understanding and comparability of our operational performance and the underlying fundamentals, but this exclusion is not an indication that similar items may not recur. We also measure and analyze our segment performance on the basis of "adjusted operating revenue" and "adjusted operating income" or "adjusted operating loss", which differ from total revenue and income before income tax as presented in our consolidated statements of income due to the exclusion of investment gains and losses and certain other items. These performance measures are in accordance with GAAP guidance for segment reporting, but they should not be viewed as a substitute for total revenue, income before income tax, or net income. See "Reconciliation of Non-GAAP Financial Measures" contained herein in this Item 7.

Unum US Segment

The Unum US segment is comprised of the group disability, group life and accidental death and dismemberment, and supplemental and voluntary lines of business. The group disability line of business includes long-term and short-term disability, medical stop-loss, and fee-based service products. The supplemental and voluntary line of business includes voluntary benefits, individual disability, and dental and vision products.

Unum US Operating Results

Shown below are financial results for the Unum US segment. In the sections following, financial results and key ratios are also presented for the major lines of business within the segment.

(in millions of dollars, except ratios)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Adjusted Operating Revenue					
Premium Income	$ 6,579.2	5.2 %	$ 6,251.4	3.0 %	$ 6,072.0
Net Investment Income	639.9	(5.4)	676.3	(6.3)	721.6
Other Income	220.5	12.3	196.3	15.5	170.0
Total	7,439.6	4.4	7,124.0	2.3	6,963.6
Benefits and Expenses					
Policy Benefits	4,221.2	(4.7)	4,429.6	(10.3)	4,936.0
Policy Benefits - Remeasurement Gain	(412.7)	(10.0)	(458.7)	(9.3)	(505.7)
Commissions	664.4	8.1	614.4	5.3	583.4
Deferral of Acquisition Costs	(314.7)	15.2	(273.1)	5.9	(257.8)
Amortization of Deferred Acquisition Costs	267.6	11.1	240.9	(15.7)	285.9
Other Expenses	1,529.5	7.1	1,427.5	10.6	1,291.2
Total	5,955.3	(0.4)	5,980.6	(5.6)	6,333.0
Income Before Income Tax and Net Investment Gains and Losses	1,484.3	29.8	1,143.4	81.3	630.6
Reserve Assumption Updates	(128.8)	(24.6)	(170.8)	(26.3)	(231.7)
Adjusted Operating Income	$ 1,355.5	39.4	$ 972.6	143.8	$ 398.9
Operating Ratios (% of Premium Income):					
Benefit Ratio[1]	59.8 %		66.3 %		76.8 %
Other Expense Ratio[2]	22.5 %		22.2 %		20.7 %
Income Ratio	22.6 %		18.3 %		10.4 %
Adjusted Operating Income Ratio	20.6 %		15.6 %		6.6 %

[1]Excludes the reserve assumption updates that occurred during the third quarters of 2023, 2022, and 2021.

[2]Ratio of Other Expenses to Premium Income plus Unum US Group Disability Other Income, which is primarily related to fee-based services.

Unum US Group Disability Operating Results

Shown below are financial results and key performance indicators for Unum US group disability.

(in millions of dollars, except ratios)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Adjusted Operating Revenue					
Premium Income					
Group Long-term Disability	$ 2,057.2	7.6 %	$ 1,911.7	4.6 %	$ 1,827.8
Group Short-term Disability	1,012.3	9.3	926.3	7.2	864.0
Total Premium Income	3,069.5	8.2	2,838.0	5.4	2,691.8
Net Investment Income	324.8	(7.0)	349.1	(8.0)	379.6
Other Income	211.6	10.3	191.8	15.8	165.7
Total	3,605.9	6.7	3,378.9	4.4	3,237.1
Benefits and Expenses					
Policy Benefits	2,018.3	(5.8)	2,142.8	(9.0)	2,355.8
Policy Benefits - Remeasurement Gain	(325.1)	(9.8)	(360.4)	(18.9)	(444.3)
Commissions	230.5	9.1	211.3	5.8	199.8
Deferral of Acquisition Costs	(60.2)	13.4	(53.1)	6.6	(49.8)
Amortization of Deferred Acquisition Costs	57.6	8.7	53.0	(37.1)	84.2
Other Expenses	936.1	8.6	862.3	11.4	773.9
Total	2,857.2	—	2,855.9	(2.2)	2,919.6
Income Before Income Tax and Net Investment Gains and Losses	748.7	43.2	523.0	64.7	317.5
Reserve Assumption Updates	(121.0)	—	(121.0)	(43.7)	(215.0)
Adjusted Operating Income	$ 627.7	56.1	$ 402.0	N.M.	$ 102.5
Operating Ratios (% of Premium Income):					
Benefit Ratio[1]	59.1 %		67.1 %		79.0 %
Other Expense Ratio[2]	28.5 %		28.5 %		27.1 %
Income Ratio	24.4 %		18.4 %		11.8 %
Adjusted Operating Income Ratio	20.4 %		14.2 %		3.8 %
Persistency:					
Group Long-term Disability	90.8 %		90.7 %		89.6 %
Group Short-term Disability	88.9 %		88.9 %		87.4 %

[1]Excludes the reserve assumption updates that occurred during the third quarters of 2023, 2022, and 2021.

[2]Ratio of Other Expenses to Premium Income plus Other Income, which is primarily related to fee-based services.

N.M. = not a meaningful percentage

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Premium income was higher compared to 2022, driven primarily by in-force block growth and higher sales. Net investment income was lower compared to 2022 primarily due to a lower level of invested assets. Other income increased relative to 2022 due to growth in our fee-based service products.

The benefit ratio, excluding the impacts of the reserve assumption updates, was favorable compared to 2022 due primarily to lower claim incidence, favorable recoveries, and favorable discount rate impacts on new claims in our group long-term disability product line. New claims for our group products are established using the discount rate based on an upper-medium grade fixed-income instrument, which is generally equivalent to a single-A interest rate, as of the policy issuance or policy renewal date. As a result, the higher discount rates on new claims compared to 2022 contributed to the favorable benefits experience during 2023.

Commissions and the deferral of acquisition costs were higher compared to 2022 due primarily to in-force block growth and higher sales. The amortization of deferred acquisition costs was higher compared to 2022 due to growth in the level of the deferred asset. The other expense ratio, which includes other income that is primarily related to fee-based service products, was consistent compared to 2022.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Premium income increased compared to 2021, driven primarily by in-force block growth and favorable persistency. Net investment income was lower compared to 2021 due to lower miscellaneous investment income, a decrease in the yield on invested assets, and a lower level of invested assets. Other income increased relative to 2021 due primarily to continued growth in our fee-based service products.

The benefit ratio, excluding the impacts of the reserve assumption updates, was favorable compared to 2021 due primarily to lower claims incidence in both the group short-term and long-term disability product lines as well as favorable claim recoveries in our group long-term disability product line.

Commissions were higher compared to 2021 due primarily to in-force block growth and favorable persistency. The deferral of acquisition costs was higher compared to 2021 due primarily to higher sales. The amortization of deferred acquisition costs was lower compared to 2021 due primarily to a decrease in the average amortization period that occurred in 2021. The other expense ratio increased compared to 2021 due primarily to increases in employee-related costs and an increase in operational investments in our business, particularly related to our growing fee-based service business.

Unum US Group Life and Accidental Death and Dismemberment Operating Results

Shown below are financial results and key performance indicators for Unum US group life and accidental death and dismemberment.

(in millions of dollars, except ratios)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Adjusted Operating Revenue					
Premium Income					
Group Life	$ 1,679.0	0.6 %	$ 1,669.1	1.7 %	$ 1,641.9
Accidental Death & Dismemberment	175.5	1.0	173.7	5.2	165.1
Total Premium Income	1,854.5	0.6	1,842.8	2.0	1,807.0
Net Investment Income	90.1	(10.2)	100.3	(3.6)	104.0
Other Income	1.0	(37.5)	1.6	(5.9)	1.7
Total	1,945.6	—	1,944.7	1.7	1,912.7
Benefits and Expenses					
Policy Benefits	1,384.8	(6.7)	1,484.2	(14.2)	1,730.8
Policy Benefits - Remeasurement Loss (Gain)	(37.1)	(45.7)	(68.3)	N.M.	4.0
Commissions	155.9	3.7	150.4	3.9	144.7
Deferral of Acquisition Costs	(38.6)	3.5	(37.3)	3.3	(36.1)
Amortization of Deferred Acquisition Costs	39.0	(6.9)	41.9	(28.5)	58.6
Other Expenses	229.9	(0.5)	231.1	8.1	213.8
Total	1,733.9	(3.8)	1,802.0	(14.8)	2,115.8
Income (Loss) Before Income Tax and Net Investment Gains and Losses	211.7	48.4	142.7	170.3	(203.1)
Reserve Assumption Update	—	100.0	(34.0)	(100.0)	—
Adjusted Operating Income (Loss)	$ 211.7	94.8	$ 108.7	153.5	$ (203.1)
Operating Ratios (% of Premium Income):					
Benefit Ratio[1]	72.7 %		78.7 %		96.0 %
Other Expense Ratio	12.4 %		12.5 %		11.8 %
Income Ratio			7.7 %		
Adjusted Operating Income (Loss) Ratio	11.4 %		5.9 %		(11.2)%
Persistency:					
Group Life	89.6 %		88.9 %		89.7 %
Accidental Death & Dismemberment	88.7 %		87.9 %		89.1 %

[1]Excludes the reserve assumption update that occurred during the third quarter of 2022.

N.M. = not a meaningful percentage

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Premium income was higher compared to 2022 due primarily to higher sales and favorable persistency. Net investment income was lower compared to 2022 due to a decrease in the level of invested assets and lower miscellaneous investment income, partially offset by an increase in the yield on invested assets.

The benefit ratio, excluding the impact of the reserve assumption update in 2022, was favorable compared to 2022 due primarily to lower mortality, resulting primarily from lessening impacts of COVID-19 on our insured population.

Commissions were higher compared to 2022 due primarily to higher sales. The deferral of acquisition costs and the amortization of deferred acquisition costs were generally consistent compared to 2022. The other expense ratio was generally consistent compared to 2022.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Premium income was higher compared to 2021 driven by in-force block growth, partially offset by lower persistency. Net investment income was lower compared to 2021 due to lower miscellaneous investment income, partially offset by an increase in the level of invested assets and an increase in the yield on invested assets.

The benefit ratio, excluding the impact of the reserve assumption update, was favorable compared to 2021 largely due to lower mortality in the group life product line, resulting primarily from lessening impacts of COVID-19 on our insured population.

Commissions were higher compared to 2021 due primarily to in-force block growth. The deferral of acquisition costs was generally consistent compared to 2021. The amortization of deferred acquisition costs was lower compared to 2021 due primarily to a decrease in the average amortization period that occurred in 2021. The other expense ratio increased compared to 2021 due primarily to an increase in employee-related costs and operational investments in our business.

Unum US Supplemental and Voluntary Operating Results

Shown below are financial results and key performance indicators for Unum US supplemental and voluntary product lines.

(in millions of dollars, except ratios)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Adjusted Operating Revenue					
Premium Income					
Voluntary Benefits	$ 850.1	2.0 %	$ 833.7	(0.8) %	$ 840.7
Individual Disability	527.0	14.3	461.1	0.3	459.8
Dental and Vision	278.1	0.8	275.8	1.1	272.7
Total Premium Income	1,655.2	5.4	1,570.6	(0.2)	1,573.2
Net Investment Income	225.0	(0.8)	226.9	(4.7)	238.0
Other Income	7.9	172.4	2.9	11.5	2.6
Total	1,888.1	4.9	1,800.4	(0.7)	1,813.8
Benefits and Expenses					
Policy Benefits	818.1	1.9	802.6	(5.5)	849.4
Policy Benefits - Remeasurement Gain	(50.5)	68.3	(30.0)	(54.1)	(65.4)
Commissions	278.0	10.0	252.7	5.8	238.9
Deferral of Acquisition Costs	(215.9)	18.2	(182.7)	6.3	(171.9)
Amortization of Deferred Acquisition Costs	171.0	17.1	146.0	2.0	143.1
Other Expenses	363.5	8.8	334.1	10.1	303.5
Total	1,364.2	3.1	1,322.7	1.9	1,297.6
Income Before Income Tax and Net Investment Gains and Losses	523.9	9.7	477.7	(7.5)	516.2
Reserve Assumption Updates - Voluntary Benefits	(10.4)	(38.8)	(17.0)	39.3	(12.2)
Reserve Assumption Updates - Individual Disability	2.6	116.7	1.2	126.7	(4.5)
Adjusted Operating Income	$ 516.1	11.7	$ 461.9	(7.5)	$ 499.5
Operating Ratios (% of Premium Income):					
Benefit Ratios:					
Voluntary Benefits[1]	39.8 %		43.6 %		46.5 %
Individual Disability[1]	44.3 %		49.3 %		46.0 %
Dental and Vision	73.1 %		71.6 %		72.6 %
Other Expense Ratio	22.0 %		21.3 %		19.3 %
Income Ratio	31.7 %		30.4 %		32.8 %
Adjusted Operating Income Ratio	31.2 %		29.4 %		31.8 %
Persistency:					
Voluntary Benefits	75.5 %		75.8 %		75.8 %
Individual Disability	89.0 %		89.5 %		89.7 %
Dental and Vision	77.1 %		79.9 %		86.0 %

[1]Excludes the reserve assumption updates that occurred during the third quarters of 2023, 2022, and 2021.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Premium income was higher compared to 2022 due primarily to higher sales across all product lines as well as the partial recapture of a previously ceded block of business in the individual disability product line, partially offset by a lower persistency across all product lines. Net investment income was generally consistent compared to 2022 with a decline in the yield on invested assets and lower miscellaneous investment income, mostly offset by an increase in the level of invested assets. Other income was higher compared to 2022 due primarily to a net gain on the partial recapture of a previously ceded block of business in the individual disability product line.

The benefit ratio for voluntary benefits, excluding the impacts of the reserve assumption updates, was favorable compared to 2022 due primarily to the impact of policyholder lapses in the disability product line and lower mortality in the life product line. The benefit ratio for the individual disability product line, excluding the impacts of the reserve assumption updates, was favorable compared to 2022 due primarily to higher mortality and lower claims incidence. The benefit ratio for the dental and vision product line was unfavorable compared to 2022 due primarily to higher claims incidence.

Commissions and the deferral of acquisition costs were higher compared to 2022 due primarily to higher sales in the individual disability and voluntary benefits product lines. The amortization of deferred acquisition costs was higher compared to 2022 due to growth in the level of the deferred asset and the impact of the policyholder lapses in the voluntary benefits product line. The other expense ratio increased compared to 2022 due primarily to an increase in employee-related costs and an increase in operational investments in our business.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Premium income was generally consistent with 2021, with a decline in the voluntary benefits product line, mostly offset by growth in the individual disability and dental and vision product lines. Net investment income decreased compared to 2021 due primarily to lower miscellaneous investment income and a decrease in the level of invested assets.

The benefit ratio for voluntary benefits, excluding the impacts of the reserve assumption updates, was favorable compared to 2021 due to favorable experience in most products, including within the life product line resulting primarily from lessening impacts of COVID-19 on our insured population. The benefit ratio for the individual disability product line, excluding the impacts of the reserve assumption updates, was unfavorable compared to 2021 due primarily to a change in estimate related to the unearned premium reserve in the fourth quarter of 2022 as well as higher average benefit size. The benefit ratio for the dental and vision product line was favorable compared to 2021 due primarily to lower claims incidence.

Commissions and the deferral of acquisition costs were higher compared to 2021 due primarily to higher sales in the individual disability and voluntary benefits product lines. The amortization of deferred acquisition costs was generally consistent compared to 2021. The other expense ratio increased compared to 2021 due primarily to an increase in employee-related costs, a net loss recognized in the fourth quarter of 2022 on the recapture of a block of business in the voluntary benefits product line, and an increase in operational investments in our business, partially offset by a decrease in the allowance for expected credit losses on premium receivable balances.

Sales

(in millions of dollars)

	Year Ended December 31								
	2023		% Change		2022		% Change		2021
Sales by Product									
Group Disability and Group Life and AD&D									
Group Long-term Disability	$	292.7	(0.9)	%	$	295.3	42.9	%	$ 206.6
Group Short-term Disability		229.5	24.5			184.3	29.2		142.7
Group Life and AD&D		305.4	31.4			232.4	3.8		223.8
Subtotal		827.6	16.2			712.0	24.2		573.1
Supplemental and Voluntary									
Voluntary Benefits		263.2	10.3			238.7	3.2		231.2
Individual Disability		108.9	19.9			90.8	21.1		75.0
Dental and Vision		84.1	14.0			73.8	18.3		62.4
Subtotal		456.2	13.1			403.3	9.4		368.6
Total Sales	$	1,283.8	15.1		$	1,115.3	18.4		$ 941.7
Sales by Market Sector									
Group Disability and Group Life and AD&D									
Core Market (< 2,000 employees)	$	521.3	13.9	%	$	457.5	23.1	%	$ 371.5
Large Case Market		306.3	20.4			254.5	26.2		201.6
Subtotal		827.6	16.2			712.0	24.2		573.1
Supplemental and Voluntary		456.2	13.1			403.3	9.4		368.6
Total Sales	$	1,283.8	15.1		$	1,115.3	18.4		$ 941.7

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Group sales increased compared to 2022 primarily due to higher sales to new customers in both the large case market and the core market, which we define as employee groups with fewer than 2,000 employees. The sales mix in the group market sector for 2023 was approximately 63 percent core market and 37 percent large case market.

Voluntary benefits sales increased compared to 2022 due to higher sales to new and existing customers in both the large case and core markets. Individual disability sales, which are primarily concentrated in the multi-life market, increased compared to 2022 due to higher sales to both new and existing customers. Dental and vision sales increased compared to 2022 driven by higher sales to new customers.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Group sales increased compared to 2021 due to higher sales to new and existing customers in both the large case market and the core market. The sales mix in the group market sector for 2022 was approximately 63 percent core market and 37 percent large case market.

Voluntary benefits sales increased compared to 2021 primarily due to higher sales to existing customers in the core market and higher sales to new customers in the large case market. Individual disability sales increased compared to 2021 due to higher sales to both new and existing customers. Dental and vision sales increased compared to 2021 driven by higher sales to both new and existing customers.

Goodwill

We had total goodwill of $280.0 million for the Unum US segment at December 31, 2023, none of which is currently believed to be at risk for future impairment.

Segment Outlook

We remain committed to offering consumers a broad set of financial protection benefit products at the worksite. During 2024, we will continue to invest in a unique customer experience defined by simplicity, empathy, and deep industry expertise through the increased utilization of digital capabilities and technology to enhance enrollment, underwriting, the client administration experience, and claims processing. In addition, we will focus on strategically driven sales by enhancing the connectivity, alignment, and support for brokers and technology partners. With respect to smaller employers, we will continue to provide a comprehensive set of consumer-focused products, enhance our distribution model, and utilize our digital tools to bring industry leading enrollment capabilities and a fully integrated customer experience. Our differentiated offerings and market leading leave management services provide substantial growth opportunities, particularly with larger employers, and stronger persistency in our core products. We believe our active client management, integrated customer experience across our product lines, and strong risk management, will enable us to continue to grow our market over the long-term.

We expect strong adjusted operating income in 2024 with continued premium growth and claim experience in line with 2023. We expect premium growth to be driven by improved persistency in most lines as well as continued strong sales momentum. We expect the group disability market to remain competitive which may impact our pricing and renewal premium levels. We expect favorable group disability claim experience to continue in 2024, driven by strong operational performance. We also expect group life and voluntary benefits claim experience to be mostly stable. We expect a stable operating expense ratio as our investments in our people and capabilities are offset by efficiencies gained from our strategic initiatives.

A rising interest rate environment could continue to positively impact our yields on new investments but could also continue to create further unrealized losses in our current holdings. A declining interest rate environment could negatively impact yields on new investments but could also reduce unrealized losses in our current holdings. Our net investment income may continue to be impacted by volatility in miscellaneous investment income.

As part of our discipline in pricing and reserving, we continuously monitor emerging claim trends and interest rates. We will continue to take appropriate pricing actions on new business and renewals that are reflective of the current environment.

We continuously monitor key indicators to assess our risks and adjust our business plans accordingly.

Unum International Segment

The Unum International segment is comprised of our operations in both the United Kingdom and Poland. Our Unum UK products include insurance for group long-term disability, group life, and supplemental lines of business, which includes dental, individual disability, and critical illness products. Our Unum Poland products include insurance for individual and group life with accident and health riders. Unum International's products are sold primarily through field sales personnel and independent brokers and consultants.

Operating Results

Shown below are financial results and key performance indicators for the Unum International segment.

(in millions of dollars, except ratios)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Adjusted Operating Revenue					
Premium Income					
Unum UK					
Group Long-term Disability	$ 396.1	5.1 %	$ 376.9	(6.2) %	$ 401.9
Group Life	169.3	22.5	138.2	23.1	112.3
Supplemental	141.5	24.1	114.0	1.2	112.6
Unum Poland	118.3	31.9	89.7	(0.6)	90.2
Total Premium Income	825.2	14.8	718.8	0.3	717.0
Net Investment Income	137.2	(19.3)	170.1	28.2	132.7
Other Income	1.6	77.8	0.9	50.0	0.6
Total	964.0	8.3	889.8	4.6	850.3
Benefits and Expenses					
Policy Benefits	581.4	11.5	521.6	(6.0)	555.0
Policy Benefits - Remeasurement Loss (Gain)	(1.6)	(105.7)	28.0	N.M.	(2.0)
Commissions	72.5	28.8	56.3	4.1	54.1
Deferral of Acquisition Costs	(14.6)	21.7	(12.0)	(6.3)	(12.8)
Amortization of Deferred Acquisition Costs	8.4	2.4	8.2	17.1	7.0
Other Expenses	177.7	21.6	146.1	5.0	139.1
Total	823.8	10.1	748.2	1.1	740.4
Income Before Income Tax and Net Investment Gains and Losses	140.2	(1.0)	141.6	28.8	109.9
Reserve Assumption Updates	17.9	N.M.	(7.6)	81.0	(4.2)
Adjusted Operating Income	$ 158.1	18.0	$ 134.0	26.8	$ 105.7

N.M. = not a meaningful percentage

Foreign Currency Translation

The functional currencies of Unum UK and Unum Poland are the British pound sterling and Polish zloty, respectively. Premium income, net investment income, claims, and expenses are received or paid in the functional currency, and we hold functional currency-denominated assets to support functional currency-denominated policy liabilities. We translate functional currency-denominated financial statement items into dollars for our consolidated financial reporting. We translate income statement items using an average exchange rate for the reporting period, and we translate balance sheet items using the exchange rate at the end of the period. We report unrealized foreign currency translation gains and losses in accumulated other comprehensive income (loss) in our consolidated balance sheets.

Fluctuations in exchange rates impact Unum International's reported financial results and our consolidated financial results. In periods when the functional currency strengthens relative to the preceding period, translation increases current period results relative to the prior period. In periods when the functional currency weakens, translation decreases current period results relative to the prior period.

Unum UK Operating Results

Shown below are financial results and key performance indicators for the Unum UK product lines in functional currency.

(in millions of pounds, except ratios)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Adjusted Operating Revenue					
Premium Income					
Group Long-term Disability	£ 318.5	4.6 %	£ 304.6	4.3 %	£ 292.0
Group Life	136.1	21.2	112.3	37.5	81.7
Supplemental	113.7	23.2	92.3	12.8	81.8
Total Premium Income	568.3	11.6	509.2	11.8	455.5
Net Investment Income	102.4	(22.4)	131.9	44.9	91.0
Other Income	0.2	100.0	0.1	—	0.1
Total	670.9	4.6	641.2	17.3	546.6
Benefits and Expenses					
Policy Benefits	409.8	8.8	376.5	3.8	362.8
Policy Benefits - Remeasurement Loss (Gain)	(1.3)	(105.9)	21.9	N.M.	1.7
Commissions	37.4	17.6	31.8	10.8	28.7
Deferral of Acquisition Costs	(3.9)	(7.1)	(4.2)	(2.3)	(4.3)
Amortization of Deferred Acquisition Costs	5.2	(1.9)	5.3	17.8	4.5
Other Expenses	115.4	20.7	95.6	16.9	81.8
Total	562.6	6.8	526.9	10.9	475.2
Income Before Income Tax and Net Investment Gains and Losses	108.3	(5.2)	114.3	60.1	71.4
Reserve Assumption Updates	16.3	N.M.	(5.3)	(100.0)	—
Adjusted Operating Income	£ 124.6	14.3	£ 109.0	52.7	£ 71.4
Weighted Average Pound/Dollar Exchange Rate	1.243		1.221		1.378
Operating Ratios (% of Premium Income):					
Benefit Ratio[1]	69.0 %		79.3 %		80.0 %
Other Expense Ratio	20.3 %		18.8 %		18.0 %
Income Ratio	19.1 %		22.4 %		
Adjusted Operating Income Ratio	21.9 %		21.4 %		15.7 %
Persistency:					
Group Long-term Disability	92.5 %		85.1 %		89.3 %
Group Life	83.0 %		87.9 %		86.5 %
Supplemental	91.7 %		92.8 %		90.9 %

[1]Excludes the reserve assumption updates that occurred during the third quarters of 2023 and 2022.

N.M. = not a meaningful percentage

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Premium income was higher compared to 2022 primarily due to in-force block growth and sales growth in the group life and supplemental product lines.

Net investment income was lower compared to 2022 due to lower investment income from inflation index-linked bonds. Our investments in inflation index-linked bonds support the claim liabilities associated with certain group policies that provide for inflation-linked increases in policy benefits. The change in net investment income attributable to these index-linked bonds is partially offset by a change in policy benefits related to the inflation index-linked group long-term disability and group life policies.

The benefit ratio, excluding the reserve assumption updates, was favorable relative to 2022 due to favorable claim incidence, favorable claim resolutions, higher discount rates on new claims in the group long-term disability product line, and lower inflation-linked experience in benefits. This favorability was partially offset by higher incidence in the supplemental product line and higher mortality in the group life product line.

Commissions increased relative to 2022 due primarily to in-force block growth and higher sales. The deferral of acquisition costs and the amortization of deferred acquisition costs were generally consistent relative to 2022. The other expense ratio was higher relative to 2022 due to an increase in employee-related costs and operational investments in the business.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Premium income was higher compared to 2021 primarily due to in-force block growth and sales growth in the group life product line.

Net investment income was higher compared to 2021 due to higher investment income from inflation index-linked bonds.

The benefit ratio, excluding the reserve assumption updates, was favorable relative to 2021 due to lower mortality in the group life product line and higher discount rates on new claims in the group long-term disability product line, partially offset by higher inflation-linked experience for our group life and group long-term disability products and higher claims incidence in the supplemental product line and in the group long-term disability product line.

Commissions increased relative to 2021 due primarily to in-force block growth. The deferral of acquisition costs and the amortization of deferred acquisition costs were generally consistent relative to 2021. The other expense ratio was higher relative to 2021 due to an increase in employee-related costs and operational investments in the business.

Sales

(in millions of dollars and pounds)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Unum International Sales by Product					
Unum UK					
Group Long-term Disability	$ 48.3	11.5 %	$ 43.3	4.6 %	$ 41.4
Group Life	61.4	10.6	55.5	77.3	31.3
Supplemental	28.0	63.7	17.1	0.6	17.0
Unum Poland	33.2	86.5	17.8	10.6	16.1
Total Sales	$ 170.9	27.8	$ 133.7	26.4	$ 105.8
Unum International Sales by Market Sector					
Unum UK					
Group Long-term Disability and Group Life					
Core Market (< 500 employees)	$ 51.2	19.9 %	$ 42.7	2.9 %	$ 41.5
Large Case Market	58.5	4.3	56.1	79.8	31.2
Subtotal	109.7	11.0	98.8	35.9	72.7
Supplemental	28.0	63.7	17.1	0.6	17.0
Unum Poland	33.2	86.5	17.8	10.6	16.1
Total Sales	$ 170.9	27.8	$ 133.7	26.4	$ 105.8
Unum UK Sales by Product					
Group Long-term Disability	£ 38.8	12.5 %	£ 34.5	15.0 %	£ 30.0
Group Life	49.4	8.8	45.4	99.1	22.8
Supplemental	22.6	67.4	13.5	9.8	12.3
Total Sales	£ 110.8	18.6	£ 93.4	43.5	£ 65.1
Unum UK Sales by Market Sector					
Group Long-term Disability and Group Life					
Core Market (< 500 employees)	£ 41.2	19.8 %	£ 34.4	13.9 %	£ 30.2
Large Case Market	47.0	3.3	45.5	101.3	22.6
Subtotal	88.2	10.4	79.9	51.3	52.8
Supplemental	22.6	67.4	13.5	9.8	12.3
Total Sales	£ 110.8	18.6	£ 93.4	43.5	£ 65.1

The following discussion of sales results relates only to our Unum UK product lines and is based on functional currency.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Group long-term disability sales increased compared to 2022 driven by higher sales to new customers in the core market, which we define as employee groups with fewer than 500 employees, and an increase in sales to new and existing customers in the large case market.

Group life sales increased compared to 2022 driven by higher sales to new and existing customers in the core market, and higher sales to existing customers in the large case market.

Supplemental sales increased compared to 2022 due primarily to higher sales in the group critical illness and dental product lines.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Group long-term disability sales increased compared to 2021 driven by higher sales to new customers in the large case market and existing customers in the core market, partially offset by lower sales to new customers in the core market.

Group life sales increased compared to 2021 driven primarily by higher sales to new customers in both the large case and core markets.

Supplemental sales increased compared to 2021 due primarily to higher sales in the dental product line, partially offset by lower sales in the group critical illness product line.

Goodwill

We had total goodwill of $42.2 million for the Unum International segment at December 31, 2023, of which, $37.4 million is attributed to the Unum UK reporting unit and $4.8 million is attributed to the Unum Poland reporting unit, none of which is currently believed to be at risk for future impairment.

Segment Outlook

We are committed to driving growth in the Unum International segment and will build on the capabilities that we believe will generate growth and profitability in our businesses over the long term. In 2024, we will focus on scaling our business and broadening our international portfolio. For our Unum UK line of business, achieving growth remains a priority, and we will continue to focus on delivering a best in class health and wellbeing service to improve retention of our key customers and drive growth across our product offerings. We will also accelerate premium growth by focusing on both the broker experience and customer engagement, while maintaining our disciplined approach to pricing. Within our Unum Poland line of business, we will drive growth by expanding our distribution and the direct to employer channel. We will also continue to invest in digital capabilities, technology, and product enhancements which we believe will drive sustainable growth over the long term.

In 2024, we expect sales and premium growth to continue, alongside stable claim experience. We recognize that 2023 earnings benefited from inflation linked income, which we expect will continue to decrease in 2024 and could pressure earnings growth. We may see impacts to net investment income and fluctuations in our benefit ratio as inflation continues to moderate. We continuously monitor key indicators to assess our risks and adjust our business plans accordingly.

Colonial Life Segment

The Colonial Life segment includes insurance for accident, sickness, and disability products, which includes dental and vision products, life products, and cancer and critical illness products. These products are marketed to employees, on both a group and an individual basis, at the workplace through an independent contractor agent sales force and brokers.

Operating Results

Shown below are financial results and key performance indicators for the Colonial Life segment.

(in millions of dollars, except ratios)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Adjusted Operating Revenue					
Premium Income					
Accident, Sickness, and Disability	$ 946.1	(0.3) %	$ 948.9	(0.5) %	$ 953.3
Life	426.5	6.3	401.1	4.3	384.7
Cancer and Critical Illness	353.5	0.4	352.0	(0.1)	352.2
Total Premium Income	1,726.1	1.4	1,702.0	0.7	1,690.2
Net Investment Income	153.5	0.5	152.7	(11.2)	172.0
Other Income	1.2	9.1	1.1	10.0	1.0
Total	1,880.8	1.3	1,855.8	(0.4)	1,863.2
Benefits and Expenses					
Policy Benefits	877.1	(5.3)	926.6	(4.5)	969.8
Policy Benefits - Remeasurement Gain	(79.0)	(21.4)	(100.5)	73.0	(58.1)
Commissions	359.4	5.7	340.0	6.2	320.1
Deferral of Acquisition Costs	(302.9)	11.4	(271.8)	7.6	(252.6)
Amortization of Deferred Acquisition Costs	205.4	19.4	172.0	8.0	159.2
Other Expenses	340.0	5.8	321.4	8.2	297.0
Total	1,400.0	0.9	1,387.7	(3.3)	1,435.4
Income Before Income Tax and Net Investment Gains and Losses	480.8	2.7	468.1	9.4	427.8
Reserve Assumption Updates	(80.7)	46.2	(55.2)	134.9	(23.5)
Adjusted Operating Income	$ 400.1	(3.1)	$ 412.9	2.1	$ 404.3
Operating Ratios (% of Premium Income):					
Benefit Ratio[1]	50.9 %		51.8 %		55.3 %
Other Expense Ratio	19.7 %		18.9 %		17.6 %
Income Ratio	27.9 %		27.5 %		25.3 %
Adjusted Operating Income Ratio	23.2 %		24.3 %		23.9 %
Persistency:					
Accident, Sickness, and Disability	73.6 %		73.3 %		75.4 %
Life	85.1 %		84.5 %		85.5 %
Cancer and Critical Illness	82.4 %		82.3 %		82.4 %

[1]Excludes the reserve assumption updates that occurred during the third quarters of 2023, 2022, and 2021.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Premium income was favorable compared to 2022 due to higher prior period sales, particularly in the life product line, and favorable persistency. Net investment income was generally consistent in 2023 compared to 2022 with an increase in the level of invested assets and an increase in the yield on invested assets, mostly offset by lower miscellaneous investment income.

The benefit ratio, excluding the impacts of the reserve assumption updates, was favorable relative to 2022 due primarily to lower claim costs in the cancer and critical illness product line and favorable mortality experience as a result of lessening impacts of COVID-19 on our insured population in the life product line, partially offset by an increase in reserves due to model refinements in the life product line.

Commissions and the deferral of acquisition costs were higher compared to 2022 due to higher prior period sales. The amortization of deferred acquisition costs was higher compared to 2022 primarily due to growth in the level of the deferred asset and the impact of the policyholder lapses. The other expense ratio was higher relative to 2022 due primarily to an increase in employee-related costs and an increase in operational investments in our business.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Premium income was favorable compared to 2021 due to higher prior period sales, partially offset by lower overall persistency. Net investment income was lower in 2022 compared to 2021 due to lower miscellaneous investment income and a decline in the yield on invested assets, partially offset by an increase in the level of invested assets.

The benefit ratio, excluding the impacts of the reserve assumption updates, was favorable relative to 2021 across all product lines, including the life product line as a result of the lessening impacts of COVID-19 on our insured population.

Commissions and the deferral of acquisition costs were higher compared to 2021 due to higher prior period sales. The amortization of deferred acquisition costs was higher compared to 2021 due to higher policyholder lapses primarily in the accident, sickness, and disability product line. The other expense ratio was higher relative to 2021 due primarily to an increase in the operational investments in our business, an increase in employee-related costs, and a decrease in the allowance for expected credit losses during 2021 that did not recur in 2022.

Sales

(in millions of dollars)

	Year Ended December 31								
	2023		% Change		2022		% Change		2021
Sales by Product									
Accident, Sickness, and Disability	$ 329.5		6.1	%	$ 310.6		4.3	%	$ 297.9
Life	132.1		8.7		121.5		9.5		111.0
Cancer and Critical Illness	78.0		2.6		76.0		7.2		70.9
Total Sales	$ 539.6		6.2		$ 508.1		5.9		$ 479.8
Sales by Market Sector									
Commercial									
Core Market (< 1,000 employees)	$ 347.4		4.5	%	$ 332.4		6.1	%	$ 313.2
Large Case Market	62.3		7.2		58.1		(15.2)		68.5
Subtotal	409.7		4.9		390.5		2.3		381.7
Public Sector	129.9		10.5		117.6		19.9		98.1
Total Sales	$ 539.6		6.2		$ 508.1		5.9		$ 479.8

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

During 2023, we have seen an increase in sales for each of our product lines relative to 2022. Commercial market sales increased compared to 2022 driven by higher sales to new and existing customers in the core market, which we define as accounts with fewer than 1,000 employees, and higher sales to new and existing customers in the large case market. Public sector market sales increased compared to 2022 due to higher sales to existing customers.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

During 2022, we saw an increase in sales for each of our product lines relative to 2021. Commercial market sales increased compared to 2021 driven by higher sales to existing customers in the core market partially offset by lower sales to new and existing customers in the large case market. Public sector market sales increased compared to 2021 due to higher sales to both new and existing customers.

Goodwill

We had goodwill of $27.7 million at December 31, 2023, none of which is currently believed to be at risk for future impairment.

Segment Outlook

We remain committed to providing employees and their families with simple, modern, and personal benefit solutions. During 2024, we will continue to utilize our strong distribution system of independent agents, benefit counselors and broker partnerships. We will also continue to invest in solutions and digital capabilities to expand our reach and effectiveness, driving growth and improving productivity while enhancing the customer experience. In 2024, we will continue to bring an enhanced engagement and enrollment platform to market, enabling deeper connections with employees through the enrollment process as well as maintaining stronger relationships throughout the customer lifecycle. We believe our distribution system, customer service capabilities, digital and virtual tools, and ability to serve all market sizes position us well for future growth.

In 2024, we expect strong growth in adjusted operating income for the full year with sales and premium growth increasing from the prior year. We expect improved claim experience in 2024 but could continue to experience some level of claims volatility. While we believe our underlying profitability will remain strong, current economic conditions and increasing competition in the voluntary workplace market are risks to achievement of our business plans. We continuously monitor key indicators to assess our risks and adjust our business plans accordingly.

Closed Block Segment

The Closed Block segment consists of group and individual long-term care and other insurance products no longer actively marketed. We discontinued offering individual long-term care in 2009 and group long-term care in 2012. Other insurance products include individual disability, group pension, individual life and corporate-owned life insurance, reinsurance pools and management operations, and other miscellaneous product lines.

Operating Results

Shown below are financial results and key performance indicators for the Closed Block segment.

(in millions of dollars, except ratios)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Adjusted Operating Revenue					
Premium Income					
Long-term Care	$ 696.0	(0.2) %	$ 697.4	(1.0) %	$ 704.3
All Other	219.5	(11.1)	246.9	(15.3)	291.5
Total Premium Income	915.5	(3.0)	944.3	(5.2)	995.8
Net Investment Income	1,066.3	(0.4)	1,070.6	(7.6)	1,159.0
Other Income	52.6	(9.3)	58.0	(10.9)	65.1
Total	2,034.4	(1.9)	2,072.9	(6.6)	2,219.9
Benefits and Expenses					
Policy Benefits	1,632.2	(1.9)	1,664.3	0.7	1,652.5
Policy Benefits - Remeasurement Loss (Gain)	438.5	N.M.	(16.3)	N.M.	5.9
Commissions	73.8	(2.5)	75.7	(6.0)	80.5
Other Expenses	172.7	0.2	172.3	(11.3)	194.2
Total	2,317.2	22.2	1,896.0	(1.9)	1,933.1
Income (Loss) Before Income Tax and Net Investment Gains and Losses	(282.8)	N.M.	176.9	(38.3)	286.8
Amortization of the Cost of Reinsurance	44.1	(12.3)	50.3	(27.9)	69.8
Non-Contemporaneous Reinsurance	34.8	1.2	34.4	4.6	32.9
Transaction Costs Related to Closed Block Individual Disability Reinsurance Transaction	—	—	—	(100.0)	6.2
Reserve Assumption Updates - Long-term Care	368.1	N.M.	(2.9)	(111.9)	24.4
Reserve Assumption Updates - All Other	0.7	110.3	(6.8)	(100.0)	—
Adjusted Operating Income	$ 164.9	(34.5)	$ 251.9	(40.0)	$ 420.1
Long-term Care Ratios:					
Net Premium Ratio	93.5 %		85.1 %		85.9 %
Interest Adjusted Loss Ratio[1]	97.9 %		84.0 %		78.4 %
Operating Ratios (% of Premium Income):					
Other Expense Ratio[2]	14.0 %		12.9 %		11.9 %
Income (Loss) Ratio	(30.9)%		18.7 %		28.8 %
Adjusted Operating Income Ratio	18.0 %		26.7 %		42.2 %
Persistency:					
Long-term Care	95.6 %		95.7 %		95.6 %

[1]Excludes the long-term care reserve assumption updates that occurred during the third quarters of 2023, 2022, and 2021.

[2]Excludes amortization of the cost of reinsurance. Also excluded are transaction costs related to the second phase of the Closed Block individual disability reinsurance transaction that occurred during the first quarter of 2021.

N.M. = not a meaningful percentage

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Premium income for long-term care was generally consistent with 2022. Premium income for our "All Other" product line continues to decline as expected due to policyholder lapses.

Net investment income was generally consistent relative to 2022 due to lower miscellaneous investment income, primarily related to smaller increases in the NAV on our private equity partnerships, and a decline in the yield on invested assets, mostly offset by an increase in the level of invested assets.

Other income primarily includes the underlying results and associated net investment income of certain assumed blocks of business.

The net premium ratio for long-term care increased to 93.5 percent at December 31, 2023 from 85.1 percent at December 31, 2022 due primarily to the impacts of the reserve assumption updates in the third quarter of 2023 and higher claim incidence. The interest adjusted loss ratio for long-term care, excluding the reserve assumption updates, was unfavorable compared to 2022 driven primarily by higher claim incidence as well as impacts from the change in the net premium ratio resulting from the reserve assumption updates in the third quarter of 2023.

The other expense ratio, excluding the amortization of the cost of reinsurance related to the Closed Block individual disability reinsurance transaction, was higher than 2022 due primarily to a decline in the expense allowance related to the ceded block of individual disability business and an increase in employee-related costs.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Premium income for long-term care decreased compared to 2021 due to policy terminations, partially offset by rate increases. Premium income for our "All Other" product line continues to decline as expected due to policyholder lapses.

Net investment income was lower relative to 2021 primarily due to lower miscellaneous investment income, partially related to smaller increases in the NAV on our private equity partnerships, and a decline in the yield on invested assets, partially offset by an increase in the level of invested assets.

The net premium ratios for long-term care at December 31, 2022 and 2021 were generally consistent. The interest adjusted loss ratio for long-term care, excluding the reserve assumption updates, was less favorable compared to 2021 driven primarily by higher claim incidence.

The other expense ratio, excluding certain transaction costs incurred and the amortization of the cost of reinsurance related to the Closed Block individual disability reinsurance transaction, was higher than 2021 due primarily to a decline in expense allowances related to the ceded block of individual disability business.

Individual Disability Reinsurance Transaction

As shown in the chart above, we exclude from income before income tax and net investment gains and losses, the amortization of the cost of reinsurance and the impact of non-contemporaneous reinsurance related to the Closed Block individual disability reinsurance transaction, where we ceded a significant portion of this business. As a result of the execution of the second phase of the reinsurance transaction occurring after January 1, 2021, the transition date of ASU 2018-12, in accordance with the provisions of the ASU related to non-contemporaneous reinsurance, we were required to establish the ceded reserves using an upper-medium grade fixed-income instrument as of the reinsurance transaction date in March 2021 which resulted in higher ceded reserves compared to that which was reported historically. However, the direct reserves for the block reinsured in the second phase were calculated using the original discount rate utilized as of the transition date. Both the direct and ceded reserves are then remeasured at each reporting period using a current discount rate reflective of an upper-medium grade fixed-income instrument, with the changes recognized in OCI. While the total equity impact is neutral, the different original discount rates utilized for direct and ceded reserves result in disproportionate earnings impacts. The impact of non-contemporaneous reinsurance will fluctuate depending on the magnitude of reserve changes during the period. The increase in the effects of non-contemporaneous reinsurance treatment in 2023 compared to 2022 is due to favorable experience in this block which resulted in a larger net change in reserves in 2023 compared to the same periods of 2022. The increase in the effects of non-contemporaneous reinsurance treatment in 2022 compared to 2021 is due primarily to the timing of the second phase of the reinsurance transaction, which drove a larger net change in reserves in 2022 as 2021 only had three quarters that included non-contemporaneous reinsurance earnings impacts.

Due to the increase in ceded reserves for the second phase of the reinsurance transaction as part of our adoption of ASU 2018-12, the cost of reinsurance decreased which results in a decrease in the amortization of the cost of reinsurance. The cost of reinsurance continues to be amortized over a period of approximately 22 years, on a declining trajectory generally consistent with the expected run-off pattern of the ceded reserves.

Segment Outlook

We will continue to execute on our well-defined strategy of implementing long-term care premium rate increases, efficient capital management, improved financial analysis, and operational effectiveness. We will continue to explore structural options to enhance financial flexibility. We continue to file requests with various state insurance departments for premium rate increases on certain of our individual and group long-term care policies which reflect assumptions as of the date of filings. In states for which a rate increase is submitted and approved, we routinely provide customers options for coverage changes or other approaches that might fit their current financial and insurance needs. Despite continued anticipated premium rate increases in our long-term care business, we expect overall premium income and adjusted operating revenue to decline over the long term as these closed blocks of business wind down. We will likely experience volatility in net investment income due to fluctuations of miscellaneous investment income, driven by the allocation towards alternative assets, primarily private equity partnership investments, in the long-term care product line portfolio. We record changes in our share of the NAV of the partnerships in net investment income. We receive financial information related to our investments in partnerships and generally record investment income on a one-quarter lag in accordance with our accounting policy. As these net asset values are volatile and can fluctuate materially with changes in market economic conditions, there may possibly be significant movements up or down in future periods as conditions change. We continuously monitor key indicators to assess our risks and adjust our business plans, including utilization of derivative financial instruments to manage interest rate risk.

Profitability of our long-tailed products is affected by claims experience related to mortality and morbidity, resolutions, investment returns, premium rate increases, and persistency. The net premium ratio represents the ratio of future expected benefits and related expenses to future expected gross premiums using the original discount rate. The long-term care benefits experience may continue to have quarterly volatility, particularly in the near term as our claim block matures and as we continue the implementation of premium rate increases. Claim resolution rates which reflect the probability that a disability or long-term care claim will close due to recovery or death of the insureds, are very sensitive to operational and external factors and can be volatile. Our claim resolution rate assumption used in determining reserves is our expectation of the resolution rate we will experience over the life of the block of business and will vary from actual experience in any one period. It is possible that variability in any of our reserve assumptions, including, but not limited to, mortality, morbidity, resolutions, premium rate increases, benefit change elections, and persistency, could result in a material impact to our reserves.

As a result of the execution of the reinsurance transaction related to our Closed Block individual disability line of business, we have fully ceded a significant portion of this business. We expect that earnings will continue to be impacted by the amortization of the cost of reinsurance and the impacts from non-contemporaneous reinsurance, but we anticipate these impacts will decline over time with the run-off pattern of the reserves.

Corporate Segment

The Corporate segment includes investment income on corporate assets not specifically allocated to a line of business, interest expense on corporate debt, and certain other corporate income and expenses not allocated to a line of business.

Operating Results

(in millions of dollars)

	Year Ended December 31				
	2023	% Change	2022	% Change	2021
Adjusted Operating Revenue					
Net Investment Income	$ 99.8	90.1 %	$ 52.5	88.2 %	$ 27.9
Other Income	3.3	(31.3)	4.8	(22.6)	6.2
Total	103.1	79.9	57.3	68.0	34.1
Interest, Debt, and Other Expenses	249.5	12.6	221.6	(27.4)	305.3
Loss Before Income Tax and Net Investment Gains and Losses	(146.4)	(10.9)	(164.3)	(39.4)	(271.2)
Impairment Loss on Internal-Use Software	—	—	—	(100.0)	12.1
Cost Related to Early Retirement of Debt	—	—	—	(100.0)	67.3
Impairment Loss on ROU Asset	—	—	—	(100.0)	13.9
Adjusted Operating Loss	$ (146.4)	(10.9)	$ (164.3)	(7.6)	$ (177.9)

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Adjusted operating loss decreased in 2023 relative to 2022, due primarily to higher net investment income, which was driven by an increase in the yield on invested assets, partially offset by higher pension expenses.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Adjusted operating loss, which excludes the items listed above, decreased in 2022 relative to 2021, due primarily to higher net investment income, which resulted from an increase in the yield on invested assets and lower pension expenses, partially offset by an increase in employee-related costs and an increase in interest and debt expenses.

See "Executive Summary" contained herein in this Item 7 and Notes 10, 15 and 17 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion on the impairment loss on internal-use software, costs related to the early retirement of debt, and the ROU asset impairment.

Segment Outlook

We expect to continue to generate excess capital on an annual basis through the statutory earnings in our insurance subsidiaries and believe we are well positioned with flexibility to preserve our capital strength while also returning capital to our shareholders. We may experience volatility in net investment income due to changes in the prevailing interest rates as well as both the composition and level of invested assets.

Investments

Overview

Our investment portfolio is well diversified by type of investment and industry sector. We have established an investment strategy that we believe will provide for adequate cash flows from operations and allow us to hold our securities through periods where significant decreases in fair value occur. We believe our emphasis on risk management in our investment portfolio has positioned us well and generally reduced the volatility in our results.

We and our insurance subsidiaries each have a formal investment policy that includes overall quality and diversification objectives and establishes asset class, investment rating, single issuer, and derivative limits for the entity. We also have formal enterprise investment guidelines that set forth aggregate limits by asset class and investment rating across all entities. The majority of our investments are in investment-grade publicly traded securities. This ensures the desired liquidity and preserves the capital value of our portfolios. Due to the long-term nature of our insurance liabilities, we are also able to invest in less liquid investments to obtain additional returns within the limits of our investment policy. The asset mix guidelines and limits are reviewed and approved by the risk and finance committee of Unum Group's board of directors as they relate to Unum Group and the enterprise as a whole, and by the boards of directors of our insurance subsidiaries as they relate to the respective entities. We review our policies and guidelines annually, or more frequently if deemed necessary, and recommend adjustments as appropriate.

See "Critical Accounting Estimates" contained herein in this Item 7 for further discussion of our valuation of investments.

Closed Block Individual Disability Reinsurance Transaction

We exited a substantial portion of our Closed Block individual disability product line through the two phases of a reinsurance transaction that were executed in December 2020 and March 2021. As part of the second phase, we transferred fixed maturity securities of $226.8 million on an amortized cost basis and $293.7 million on a fair value basis, and recorded a total realized investment gain from the transfer of these securities, including a related net gain from cash flow hedges, of $67.6 million. Although we transferred a significant portion of our fixed maturity security portfolio as part of this transaction, the overall credit profile of our remaining portfolio was not changed. See "Executive Summary" contained herein in this Item 7 for further information on the reinsurance transaction.

Fixed Maturity Securities

The fair values and associated unrealized gains and losses of our fixed maturity securities portfolio, by industry classification, are as follows:

Fixed Maturity Securities - By Industry Classification
As of December 31, 2023

(in millions of dollars)

Classification	Fair Value	Net Unrealized Gain (Loss)	Fair Value with Gross Unrealized Loss	Gross Unrealized Loss	Fair Value with Gross Unrealized Gain	Gross Unrealized Gain
Basic Industry	$ 2,558.0	$ (105.5)	$ 1,643.4	$ 165.5	$ 914.6	$ 60.0
Capital Goods	3,344.6	(69.3)	1,871.0	183.9	1,473.6	114.6
Communications	2,264.9	(45.8)	1,050.0	164.4	1,214.9	118.6
Consumer Cyclical	1,433.9	(63.0)	946.5	100.4	487.4	37.4
Consumer Non-Cyclical	6,404.3	(286.7)	3,765.2	492.5	2,639.1	205.8
Energy	2,611.5	32.2	1,099.3	92.4	1,512.2	124.6
Financial Institutions	3,858.7	(301.5)	2,984.3	351.2	874.4	49.7
Mortgage/Asset-Backed	644.1	(13.9)	377.0	24.0	267.1	10.1
Sovereigns	890.7	(91.4)	462.8	121.2	427.9	29.8
Technology	1,506.9	(102.3)	1,227.2	120.8	279.7	18.5
Transportation	1,691.5	(94.0)	1,115.7	136.6	575.8	42.6
U.S. Government Agencies and Municipalities	4,303.2	(356.7)	2,479.2	517.3	1,824.0	160.6
Public Utilities	5,321.6	(76.6)	2,094.3	293.7	3,227.3	217.1
Total	$ 36,833.9	$ (1,574.5)	$ 21,115.9	$ 2,763.9	$ 15,718.0	$ 1,189.4

The following two tables show the length of time our investment-grade and below-investment-grade fixed maturity securities portfolios had been in a gross unrealized loss position as of December 31, 2023 and at the end of the prior four quarters. The relationships of the current fair value to amortized cost are not necessarily indicative of the fair value to amortized cost relationships for the securities throughout the entire time that the securities have been in an unrealized loss position nor are they necessarily indicative of the relationships after December 31, 2023. The decrease in the unrealized loss on fixed maturity securities during 2023 was due primarily to a decrease in corporate bond spreads and to a lesser extent the portfolio repositioning that we executed in the third quarter of 2023.

Unrealized Loss on Investment-Grade Fixed Maturity Securities
Length of Time in Unrealized Loss Position

(in millions of dollars)

	2023				2022
	December 31	September 30	June 30	March 31	December 31
Fair Value < 100% >= 70% of Amortized Cost					
<= 90 days	$ 8.3	$ 242.2	$ 89.7	$ 38.2	$ 63.0
> 90 <= 180 days	3.5	152.4	45.9	14.2	316.6
> 180 <= 270 days	16.4	79.2	21.0	169.2	614.5
> 270 days <= 1 year	18.9	5.5	234.9	461.9	1,126.6
> 1 year <= 2 years	1,536.4	2,307.7	2,203.2	1,678.1	484.0
> 2 years <= 3 years	675.6	195.4	58.3	64.8	19.2
> 3 years	22.4	6.8	2.1	1.9	—
Sub-total	2,281.5	2,989.2	2,655.1	2,428.3	2,623.9
Fair Value < 70% >= 40% of Amortized Cost					
<= 90 days	—	—	28.2	—	10.6
> 90 <= 180 days	—	—	—	5.5	—
> 180 <= 270 days	—	—	10.0	—	28.5
> 270 days <= 1 year	—	34.9	—	24.1	320.2
> 1 year <= 2 years	99.5	1,180.0	547.0	367.1	532.7
> 2 years <= 3 years	232.3	157.5	58.1	51.7	29.6
> 3 years	22.0	15.7	—	—	—
Sub-total	353.8	1,388.1	643.3	448.4	921.6
Fair Value <= 40% of Amortized Cost					
> 1 year <= 2 years	22.3	26.7	16.5	—	—
> 2 years <= 3 years	2.7	—	—	—	—
Sub-total	25.0	26.7	16.5	—	—
Total	$ 2,660.3	$ 4,404.0	$ 3,314.9	$ 2,876.7	$ 3,545.5

Unrealized Loss on Below-Investment-Grade Fixed Maturity Securities
Length of Time in Unrealized Loss Position

(in millions of dollars)

	2023				2022
	December 31	September 30	June 30	March 31	December 31
Fair Value < 100% >= 70% of Amortized Cost					
<= 90 days	$ 0.3	$ 3.7	$ 2.7	$ 1.5	$ 1.8
> 90 <= 180 days	—	2.4	1.2	—	12.6
> 180 <= 270 days	0.2	1.4	—	6.3	39.1
> 270 days <= 1 year	0.1	—	5.8	31.8	84.7
> 1 year <= 2 years	51.6	106.7	112.2	82.9	17.5
> 2 years <= 3 years	7.3	3.9	—	—	0.5
> 3 years	0.1	2.7	2.9	2.5	2.7
Sub-total	59.6	120.8	124.8	125.0	158.9
Fair Value < 70% >= 40% of Amortized Cost					
> 270 days <= 1 year	—	—	—	—	7.6
> 1 year <= 2 years	26.4	27.7	1.3	—	1.3
> 2 years <= 3 years	—	—	—	—	5.1
> 3 years	12.9	15.1	13.8	13.7	9.6
Sub-total	39.3	42.8	15.1	13.7	23.6
Fair Value <= 40% of Amortized Cost					
> 270 days <= 1 year	—	—	0.1	—	—
> 1 year <= 2 years	4.5	10.5	9.5	11.2	—
> 3 years	0.2	0.2	0.2	—	—
Sub-total	4.7	10.7	9.8	11.2	—
Total	$ 103.6	$ 174.3	$ 149.7	$ 149.9	$ 182.5

At December 31, 2023, we held 28 investment-grade fixed maturity securities with a gross unrealized loss of $10.0 million or greater as shown in the chart below.

Gross Unrealized Losses $10 Million or Greater on Investment-Grade Fixed Maturity Securities

As of December 31, 2023

(in millions of dollars)

Classification	Fair Value	Gross Unrealized Loss	Number of Issuers
Basic Industry	$ 215.7	$ (44.7)	4
Capital Goods	44.6	(12.0)	1
Communications	248.9	(55.6)	4
Consumer Cyclical	78.1	(19.0)	1
Consumer Non-Cyclical	164.8	(39.2)	3
Financial Institutions	534.7	(64.0)	5
Sovereigns	439.9	(112.7)	2
Technology	56.8	(11.7)	1
Transportation	45.9	(13.6)	1
U.S. Government Agencies and Municipalities	30.1	(10.3)	1
Public Utilities	276.2	(71.2)	5
Total	$ 2,135.7	$ (454.0)	28

At December 31, 2023, we held one below investment-grade fixed maturity security with a gross unrealized loss greater than $10.0 million. The security is a utilities company and had a fair value of $27.3 million and a gross unrealized loss of $18.1 million.

Unrealized losses on investment-grade fixed maturity securities principally relate to changes in interest rates or changes in market or sector credit spreads which occurred subsequent to the acquisition of the securities. Below-investment-grade fixed maturity securities are generally more likely to develop credit concerns than investment-grade securities. At December 31, 2023, the unrealized losses in our below-investment-grade fixed maturity securities were generally due to higher interest rates, wider credit spreads in certain industries or sectors and, to a lesser extent, credit concerns related to specific securities. For each specific security in an unrealized loss position, we believe that there are positive factors which mitigate credit concerns and that the securities for which we have not recorded a credit loss will recover in value. We have the ability and intent to continue to hold these securities to recovery of amortized cost and believe that no credit losses have occurred.

We had no individual net investment losses of $10.0 million or greater from credit losses or sales of fixed maturity securities during year ended 2023. During 2022, we recognized a realized loss of $12.6 million on the sale of securities of a pharmaceutical company that was impacted by an adverse ruling surrounding a patent held for its largest drug. We had no other individual investment losses of $10.0 million or greater from credit losses or sales of fixed maturity securities during the years ended 2022 and 2021.

During the third quarter of 2023, we took the opportunity to sell over $700 million of shorter duration bonds in our long-term care portfolio and reinvest the proceeds in higher quality, higher yielding, and longer duration bonds that better match our liability cash flows. Although this activity did not result in any individual losses of $10.0 million or greater, it did result in a total of $35 million in net investment losses but will be accretive to net investment income in future quarters.

As of December 31, 2023, the amortized cost, net of allowance, for credit losses and fair value of our below-investment-grade fixed maturity securities was $1,572.3 million and $1,489.0 million, respectively, and our below-investment-grade fixed maturity securities as a percentage of our total investment portfolio decreased from 4.6 percent at December 31, 2022 to 3.3 percent at December 31, 2023 on a fair value basis. Below-investment-grade securities are inherently riskier than investment-grade securities since the risk of default by the issuer, by definition and as exhibited by bond rating, is higher. Also, the secondary market for certain below-investment-grade issues can be highly illiquid. Additional downgrades may occur, but we do not anticipate any liquidity problems resulting from our investments in below-investment-grade securities, nor do we expect these investments to adversely affect our ability to hold our other investments to maturity.

Fixed Maturity Securities - Foreign Exposure

Our investments in issuers in foreign countries are chosen for specific portfolio management purposes, including asset and liability management and portfolio diversification across geographic lines and sectors to minimize non-market risks. In our approach to investing in fixed maturity securities, specific investments within foreign countries and industry sectors are evaluated for their market position and specific strengths and potential weaknesses. For each security, we consider the political, legal, and financial environment of the sovereign entity in which an issuer is domiciled and operates. The country of domicile is based on consideration of the issuer's headquarters, in addition to location of the assets and the country in which the majority of sales and earnings are derived. We do not have exposure to foreign currency risk, as the cash flows from these investments are either denominated in currencies or hedged into currencies to match the related liabilities. We continually evaluate our foreign investment risk exposure.

Mortgage Loans

The carrying value of our mortgage loan po rtfolio was $2,318.2 million and $2,435.4 million at December 31, 2023 and 2022, respectively. Our investments in mortgage loans are carried at amortized cost less an allowance for expected credit losses which was $10.2 million and $9.3 million at December 31, 2023 and 2022, respectively. Our mortgage loan portfolio is comprised entirely of commercial mortgage loans. Our mortgage loan portfolio is well diversified geographically and among property types.

Due to conservative underwriting, the incidence of problem mortgage loans and foreclosure activity continues to be low. Other than our allowance for expected credit losses, we held no specifically identified impaired mortgage loans at December 31, 2023 or 2022. See Notes 1 and 3 in the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion of our mortgage loan portfolio and the allowance for expected credit losses.

Private Equity Partnerships

The carrying value of our investments in private equity partnerships was $1,326.2 million and $1,194.3 million at December 31, 2023 and 2022, respectively. These partnerships are passive in nature and represent funds that are primarily invested in private credit, private equity, and real assets. The carrying value of the partnerships is based on our share of the partnership's NAV and changes in the carrying value are recorded as a component of net investment income. We receive financial information related to our investments in partnerships and generally record investment income on a one-quarter lag in accordance with our accounting policy. We recorded net investment income totaling $78.1 million, $110.1 million, and $165.4 million for the years ended December 31, 2023, 2022, and 2021, respectively. The majority of our investments in partnerships are not redeemable. Distributions received from the funds arise from income generated by the underlying investments as well as the liquidation of the underlying investments. There is generally not a public market for these investments. We had $803.1 million of commitments for additional investments in the partnerships at December 31, 2023 which may or may not be funded. See Note 2 in the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion of our private equity partnerships.

Derivative Financial Instruments

We use derivative financial instruments primarily to manage interest rate risk, risk related to matching duration for our assets and liabilities, foreign currency risk, credit risk, and equity risk. Historically, we have utilized current and forward interest rate swaps, current and forward currency swaps, forward benchmark interest rate locks, currency forward contracts, forward contracts on specific fixed income securities, credit default swaps, and total return swaps. During 2023, we entered into $1,778.0 million of notional forward U.S. Treasury interest rate locks in our long-term care product line to manage our reinvestment risk. Credit exposure on derivatives is limited to the value of those contracts in a net gain position, including accrued interest receivable less collateral held. Our credit exposure on derivatives was $1.6 million at December 31, 2023. The carrying value of fixed maturity securities and cash collateral received from our counterparties was $26.3 million and $11.1 million, respectively, at December 31, 2023. The carrying value of fixed maturity securities posted as collateral to our counterparties was $39.8 million at December 31, 2023. We believe that our credit risk is mitigated by our use of multiple counterparties, all of which have an investment-grade credit rating, and by our use of cross-collateralization agreements. See Note 4 in the "Notes to Consolidated Financial Statements" contained herein in Item 1 for further discussion of our derivatives.

Other

We did not have exposure to non-current investments, defined as invested assets which are delinquent as to interest and/or principal payments at December 31, 2023 or 2022.

See Notes 3 and 4 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion of our investments and our derivative financial instruments.

Liquidity and Capital Resources

Overview

Our liquidity requirements are met primarily by cash flows provided from operations, principally in our insurance subsidiaries. Premium and investment income, as well as maturities and sales of invested assets, provide the primary sources of cash. Debt and/or securities offerings provide additional sources of liquidity. Cash is applied to the payment of policy benefits, costs of acquiring new business (principally commissions), operating expenses, and taxes, as well as purchases of new investments.

We have established an investment strategy that we believe will provide for adequate cash flows from operations. We attempt to match our asset cash flows and durations with expected liability cash flows and durations to meet the funding requirements of our business. However, deterioration in the credit market may delay our ability to sell our positions in certain of our fixed maturity securities in a timely manner and adversely impact the price we receive for such securities, which may negatively impact our cash flows. Furthermore, if we experience defaults on securities held in the investment portfolios of our insurance subsidiaries, this will negatively impact statutory capital, which could reduce our insurance subsidiaries' capacity to pay dividends to our holding companies. A reduction in dividends to our holding companies could force us to seek external financing to avoid impairing our ability to pay dividends to our stockholders or meet our debt and other payment obligations.

Our policy benefits are primarily in the form of claim payments, and we have minimal exposure to the policy withdrawal risk associated with deposit products such as individual life policies or annuities. A decrease in demand for our insurance products or an increase in the incidence of new claims or the duration of existing claims could negatively impact our cash flows from operations. However, our historical pattern of benefits paid to revenues is generally consistent, even during cycles of economic downturns, which serves to minimize liquidity risk.

The liquidity requirements of the holding company Unum Group include common stock dividends, interest and debt service, and ongoing investments in our businesses. Unum Group's liquidity requirements are met by assets held by Unum Group and our intermediate holding companies, dividends from primarily our insurance subsidiaries, and issuance of common stock, debt, or other capital securities and borrowings from our existing credit facility, as needed. As of December 31, 2023, Unum Group and our intermediate holding companies had available holding company liquidity of $1,650.0 million that was held primarily in bank deposits, commercial paper, money market funds, corporate bonds, municipal bonds, and asset backed securities. No significant restrictions exist on our ability to use or access funds in any of our U.S. or foreign intermediate holding companies. Dividends repatriated from our foreign subsidiaries are eligible for 100 percent exemption from U.S. income tax but may be subject to withholding tax and/or tax on foreign currency gain or loss.

As part of our capital deployment strategy, we may repurchase shares of Unum Group's common stock, as authorized by our board of directors. The timing and amount of repurchase activity is based on market conditions and other considerations, including the level of available cash, alternative uses for cash, and our stock price. During the twelve months ended December 31, 2023, we repurchased 5.7 million shares at a cost of $250.0 million excluding commissions and excise tax.

Our board of directors has authorized the following repurchase programs:

	October 2023 Authorization	December 2022 Authorization[1]	October 2021 Authorization
		(in millions)	
Effective Date	January 1, 2024	January 1, 2023	October 25, 2021
Expiration Date	None	December 31, 2023	December 31, 2022
Authorized Repurchase Amount	$ 500.0	$ 250.0	$ 250.0
Shares Repurchased Under Repurchase Program	$ —	$ 250.0	$ 250.0
Remaining Repurchase Amount at December 31, 2023	Not yet effective	$ —	$ —

[1]In February 2023, the December 2022 program was modified to increase the authorized repurchase amount from $200.0 million to $250.0 million.

See Note 12 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Closed Block Individual Disability Reinsurance Transaction

In December 2020, we completed the first phase of a reinsurance transaction, pursuant to which Provident, Paul Revere, and Unum America, wholly-owned domestic insurance subsidiaries of Unum Group and collectively referred to as "the ceding companies", each entered into separate reinsurance agreements with Commonwealth to reinsure, on a coinsurance basis effective as of July 1, 2020, approximately 75 percent of the Closed Block individual disability insurance business, primarily direct business written by the ceding companies. In March 2021, we completed the second phase of the reinsurance transaction, pursuant to which the ceding companies and Commonwealth amended and restated their respective reinsurance agreements to reinsure on a coinsurance and modified coinsurance basis effective as of January 1, 2021, a substantial portion of the remaining Closed Block individual disability business that was not ceded in December 2020, primarily business previously assumed by the ceding companies. Commonwealth established and will maintain collateralized trust accounts for the benefit of the ceding companies to secure its obligations under the reinsurance agreements.

In connection with the second phase of the reinsurance transaction, Commonwealth paid a total ceding commission to the ceding companies of $18.2 million. The ceding companies transferred assets of $767.0 million, which consisted primarily of cash and fixed maturity securities. We released approximately $200 million of capital during the first quarter of 2021 as a result of the closing of the second phase of the transaction.

See "Reinsurance" contained herein in Item 1, "Segment Results" contained herein in Item 7, and Note 14 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion on the impacts related to this reinsurance transaction.

Cash Available from Subsidiaries

Unum Group and certain of its intermediate holding company subsidiaries depend on payments from subsidiaries to pay dividends to stockholders, to pay debt obligations, and/or to pay expenses. These payments by our insurance and non-insurance subsidiaries may take the form of dividends, operating and investment management fees, and/or interest payments on loans from the parent to a subsidiary.

Restrictions under applicable state insurance laws limit the amount of dividends that can be paid to a parent company from its insurance subsidiaries in any 12-month period without prior approval by regulatory authorities. For life insurance companies domiciled in the U.S., that limitation generally equals, depending on the state of domicile, either ten percent of an insurer's statutory surplus with respect to policyholders as of the preceding year end or the statutory net gain from operations, excluding realized capital gains and losses, of the preceding year. The payment of dividends to a parent company from a life insurance subsidiary is generally further limited to the amount of unassigned funds.

In connection with a financial examination of Unum America, which closed at the end of the second quarter of 2020, the Maine Bureau of Insurance (MBOI) concluded that Unum America's long-term care statutory reserves were deficient by $2,100.0 million as of December 31, 2018, the financial statement date of the examination period. The amount reserves are deficient may increase or decrease over time based on changes in assumed reinvestment rates, policyholder inventories, premium rate increase activity, and the underlying growth in the locked in statutory reserve basis as well as updates to other long term actuarial assumptions. The MBOI granted permission to Unum America on May 1, 2020, to phase in the additional statutory reserves over seven years beginning with year-end 2020 and ending with year-end 2026. The calculation of the premium deficiency reserve (PDR) reflects specific assumptions set by MBOI and results in significant margin above Unum America's best estimate assumptions. As of December 31, 2023, the PDR calculated under the basis resulting from the MBOI examination has been fully recognized. The phase in amounts for 2023, 2022, and 2021 were funded using cash flows from operations and capital contributions from Unum Group. Our long-term care reserves and financial results reported under generally accepted accounting principles were not affected by the MBOI's examination conclusion. Additional information regarding the Unum America PDR is as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Premium Deficiency Reserve			
Gross Premium Deficiency Reserve[1]	$ 1,604	$ 2,851	$ 2,977
Cumulative Gross Premium Deficiency Reserve Recognized	1,604	1,191	667
Remaining Premium Deficiency Reserve to be Recognized	$ —	$ 1,660	$ 2,310

[1]The gross PDR decreased by $1,247 million during 2023 due primarily to changes in the assumed reinvestment rate as well as premium rate increase activity. The gross PDR decreased by $126 million during 2022 due primarily to premium rate increase activity and underlying growth in the locked-in statutory reserve basis. The gross PDR increased by $687 million during 2021 due primarily to changes in the assumed reinvestment rate. The increase for 2021 was from a gross PDR of $2,290 million as of December 31, 2020, which was an increase from the original $2,100 million reserve deficiency as of December 31, 2018.

Unum America cedes blocks of long-term care business to Fairwind Insurance Company (Fairwind), which is an affiliated captive reinsurance subsidiary domiciled in the United States. The ability of Fairwind to pay dividends to Unum Group will depend on its satisfaction of applicable regulatory requirements and on the performance of the business reinsured by Fairwind. Fairwind did not pay dividends in 2023. During 2023, Unum Group made $600.0 million in capital contributions to Fairwind. We do not expect to make capital contributions to Fairwind during 2024.

The ability of Unum Group and certain of its intermediate holding company subsidiaries to continue to receive dividends from their insurance subsidiaries also depends on additional factors such as RBC ratios and capital adequacy and/or solvency requirements, funding growth objectives at an affiliate level, and maintaining appropriate capital adequacy ratios to support desired ratings. The RBC ratios for our U.S. insurance subsidiaries at December 31, 2023 are in line with our expectations and are significantly above the level that would require state regulatory action.

Unum Group and/or certain of its intermediate holding company subsidiaries may also receive dividends from our U.K. subsidiaries, the payment of which may be subject to applicable insurance company regulations and capital guidance in the U.K. Unum Limited is subject to the requirements of Solvency II, a European Union (EU) directive that is part of retained UK law pursuant to the European Union (Withdrawal) Act 2018, which prescribes capital requirements and risk management standards for the European insurance industry. Our U.K. holding company is also subject to the Solvency II requirements relevant to insurance holding companies while, together with certain of its subsidiaries including Unum Limited, the group (the Unum UK Solvency II Group) is subject to group supervision under Solvency II. The Unum UK Solvency II Group received approval from the U.K. Prudential Regulation Authority (PRA) to use its own internal model for calculating regulatory capital and also received approval for certain associated regulatory permissions including transitional relief as the Solvency II capital regime continues to be implemented. In connection with the U.K.'s exit from the EU, the U.K. government is reviewing the regulatory framework of financial services companies and the PRA is consulting with industry on proposed changes. Certain changes have already been finalized, which have improved the solvency position of our U.K. business at December 31, 2023. Additionally, the remaining pending proposals may lead to future changes in the solvency position of our U.K. business.

The payment of dividends to the parent company from our subsidiaries also requires the approval of the individual subsidiary's board of directors.

The amount available during 2023 for the payment of ordinary dividends from Unum Group's traditional U.S. insurance subsidiaries, which excludes Fairwind, was approximately $991 million. During 2023, we declared and paid in cash $1,440.6 million in dividends, of which $655.0 million was considered an extraordinary dividend. During 2023, Unum Limited declared and paid dividends of £65.0 million to Unum Group through our U.K holding company, Unum European Holding Company Limited.

During 2024, we intend to maintain a level of capital in our insurance subsidiaries above the applicable capital adequacy requirements and minimum solvency margins. As a result of our consideration of overall capitalization needs, we may not utilize the entire amount of dividends available in 2024, which are based on applicable restrictions under current law. Approximately $1,289 million is available, without prior approval by regulatory authorities, during 2024 for the payment of dividends from Unum Group's traditional U.S. insurance subsidiaries, which excludes our captive reinsurer. Approximately £140 million is available to be distributable from Unum Limited during 2024. The actual amount distributable during 2024 will depend on experience, including the impact of market movements, and is subject to local requirements, as well as regulatory and other business considerations.

Insurance regulatory restrictions do not limit the amount of dividends available for distribution from non-insurance subsidiaries except where the non-insurance subsidiaries are held directly or indirectly by an insurance subsidiary and only indirectly by Unum Group, which does not apply to our current entity structure.

Funding for Employee Benefit Plans

During the twelve months ended December 31, 2023, we made contributions of $74.0 million and £4.6 million to our U.S. and U.K. defined contribution plans, respectively, and expect to make contributions of approximately $78 million and £5 million during 2024. We had no regulatory contribution requirements for our U.S. and U.K. qualified defined benefit pension plans and made no voluntary contributions during the twelve months ended December 31, 2023. We do not expect to have regulatory contribution requirements for our U.S. and U.K. qualified defined benefit pension plans in 2024, but we reserve the right to make voluntary contributions during 2024. We have met all minimum pension funding requirements set forth by the Employee Retirement Income Security Act. We have estimated our future funding requirements under the Pension Protection Act of 2006 and under applicable U.K. law and do not believe that any future funding requirements will cause a material adverse effect on our liquidity. See Note 11 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion of our employee benefit plans.

Debt, Term Loan Facility, Credit Facilities and Other Sources of Liquidity

There are no significant financial covenants associated with any of our debt obligations other than those described below. We continually monitor our debt covenants to ensure we remain in compliance. We have not observed any current trends that would cause a breach of any debt covenants.

Maturities, Purchases, and Retirement of Debt

In September 2022, pursuant to privately negotiated transactions, we purchased, and the Provident Financing Trust I (the Trust) retired, $14.0 million aggregate liquidation amount of the Trust's 7.405% capital securities due 2038, which resulted in the reduction of a corresponding principal amount of our 7.405% junior subordinated debt securities due 2038 then held by the Trust. We incurred costs of $1.2 million related to the early retirement of the junior subordinated debt securities.

In August 2022, we redeemed $350.0 million aggregate principal amount of our 4.000% senior notes due 2024, for which we incurred costs of $3.0 million.

In June 2021, we purchased and retired $500.0 million aggregate principal amount of our 4.500% senior notes due 2025, for which we incurred costs of $67.3 million related to the early retirement of debt.

Issuance of Debt

In June 2021, we issued $600.0 million of 4.125% senior notes due 2051. The notes are callable at or above par and rank equally in the right of payment with all of our other unsecured and unsubordinated debt.

Term Loan Facility

In August 2022, we entered into a five-year $350.0 million senior unsecured delayed draw term loan facility with a syndicate of lenders. Also in August 2022, we drew the entire amount of the term loan facility, which is scheduled to mature in August 2027. Amounts due under the term loan facility incur interest based on the prime rate, the federal funds rate or the Secured Overnight Financing Rate (SOFR). The proceeds from the term loan facility were used to redeem $350.0 million aggregate principal amount of our 4.000% senior notes due 2024.

Borrowings under the term loan facility are subject to financial covenants, negative covenants, and events of default that are customary. The two primary financial covenants include limitations based on our leverage ratio and consolidated net worth. We are also subject to covenants that limit subsidiary indebtedness.

Facility Agreement for Contingent Issuance of Senior Notes

We have a 20-year facility agreement with a Delaware trust (the P-Caps Trust) that gives us the right to issue and to sell to the trust, on one or more occasions, up to $400.0 million of 4.046% senior notes in exchange for U.S. Treasury securities held by the trust. These senior notes will not be issued unless and until the issuance right is exercised. The exercise of the issuance right triggers recognition of the senior notes on our consolidated balance sheets. As the amount we receive upon exercise of the issuance right is contingent upon the value of the U.S. Treasury securities, a decline in the value of the U.S. Treasury securities reduces the amount we would receive upon exercise of the issuance right. We may also direct the trust to grant the right to exercise the issuance right with respect to all or a designated amount of the senior notes to one or more assignees (who are our consolidated subsidiaries or persons to whom we have an obligation). We pay a semi-annual facility fee to the trust at a rate of 2.225% per year on the unexercised portion of the maximum amount of senior notes that we could issue and sell to the trust and we reimburse the trust for its expenses.

The issuance right will be exercised automatically in full upon our failure to make certain payments to the trust, such as paying the facility fee or reimbursing the trust for its expenses, if the failure to pay is not cured within 30 days, or upon certain bankruptcy events involving the company. We are also required to exercise the issuance right in full if our consolidated stockholders’ equity, excluding accumulated other comprehensive income, falls below $2.0 billion, subject to adjustment from time to time in certain cases, and upon certain other events described in the facility agreement.

Prior to any involuntary exercise of the issuance right, we have the right to repurchase any or all of the 4.046% senior notes then held by the trust in exchange for U.S. Treasury securities. We may redeem any outstanding 4.046% senior notes, in whole or in part, prior to their maturity. Prior to February 15, 2041, the redemption price will equal the greater of par or a make-whole redemption price. On or after February 15, 2041, any outstanding 4.046% senior notes may be redeemed at par.

For more information, see Note 10 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion of this agreement.

Credit Facilities

In April 2022, we amended and restated our existing credit agreement providing for a five-year $500.0 million senior unsecured revolving credit facility with a syndicate of lenders which is currently scheduled to expire in April 2027. We may request that the lenders’ aggregate commitments of $500.0 million under the facility be increased by up to an additional $200.0 million. Certain of our traditional U.S. life insurance subsidiaries, Unum Life Insurance Company of America, Provident Life and Accident Insurance Company, and Colonial Life & Accident Insurance Company, may also borrow under the credit facility, and we can elect to add additional insurance subsidiaries to the facility at any later date. Any obligation of a subsidiary under the credit facility is several only and not joint and is subject to an unconditional guarantee by Unum Group. We may also request, on up to two occasions, that the lenders' commitment termination dates be extended by one year. The credit facility also provides for the issuance of letters of credit subject to certain terms and limitations. The credit facility provides for borrowings at an interest rate based on the prime rate, the federal funds rate or the SOFR. At December 31, 2023, there were no borrowed amounts outstanding under the credit facility and letters of credit totaling $0.4 million had been issued.

We also have a five-year, £75 million senior unsecured standby letter of credit facility with a different syndicate of lenders, pursuant to which a syndicated letter of credit was issued in favor of Unum Limited (as beneficiary), our U.K. insurance subsidiary, and is available for drawings up to £75 million until its scheduled expiration in July 2026. The credit facility provides for borrowings at an interest rate based on the prime rate or the federal funds rate. In December 2023, we entered into a new five-year, £75 million senior standby letter of credit facility pursuant to which a standby letter of credit was issued in favor of Unum Limited (as beneficiary), our U.K. insurance subsidiary, and is available for drawings up to £75.0 million until its scheduled expiration in December 2028. In connection with and as security for the December 2023 senior standby letter of credit facility, we granted to the issuer of the standby letter of credit the right to exercise, if an event of default has occurred and is continuing, the issuance right in our 20-year facility agreement with the P-Caps Trust, up to a maximum of $200.0 million. The credit facility provides for borrowings at an interest rate based on the Sterling Overnight Index Average rate. No amounts have been borrowed under the credit facilities or letters of credit. If drawings are made in the future, we may elect to borrow such amounts from the lenders pursuant to term loans made under the credit facilities.

Borrowings under the credit facilities are subject to financial covenants, negative covenants, and events of default that are customary. The two primary financial covenants include limitations based on our leverage ratio and consolidated net worth. We are also subject to covenants that limit subsidiary indebtedness.

See Note 10 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for additional information on our debt.

Shelf Registration

We maintain a shelf registration with the Securities and Exchange Commission to issue various types of securities, including common stock, preferred stock, debt securities, depository shares, stock purchase contracts, units and warrants. The shelf registration enables us to raise funds from the offering of any securities covered by the shelf registration as well as any combination thereof, subject to market conditions and our capital needs.

Cash Requirements

As previously discussed, cash is applied primarily to the payment of policy benefits, costs of acquiring new business (principally commissions), operating expenses, and taxes, as well as purchases of investments. We have established an investment strategy that we believe will provide for adequate cash flows from operations to meet cash payment requirements. Summarized below are our estimated material cash requirements, both in the short-term (within 12 months) and the long-term (beyond 12 months) resulting from contractual obligations as of December 31, 2023:

- Policyholder liabilities, which exclude the effect of change in discount rate assumptions and therefore differs from the amount shown in the consolidated balance sheet, totaled $46,672.3 million, of which $4,397.3 million is estimated to be paid in 2024. We also maintain reinsurance agreements for which the recoverable under those agreements totaled $13,092.3 million of which $1,358.3 million is estimated to offset related policyholder liability payments in 2024. Policyholder liabilities and the related reinsurance recoverable represent the projected payout of the current in-force policyholder liabilities and the expected cash inflows from reinsurers for liabilities ceded and therefore incorporate uncertainties as to the timing and amount of claim payments. We utilize extensive liability modeling to project future cash flows from the in-force business. The primary assumptions used to project future cash flows are discount rate, claim resolution rate, incidence rate, and policyholder lapse and mortality. These cash flows are discounted to determine the current value of the projected claim payments. The timing and amount of payments on policyholder liabilities may vary significantly over time.
- Payments related to our long-term debt and our facility agreements, which include contractual principal and interest payments and therefore exceeds the amount shown in the consolidated balance sheets, totaled $6,536.4 million, of which $196.4 million in interest payments is estimated to be paid in 2024.
- Investment commitments which represent commitments we have made to purchase or fund investments including privately placed fixed maturity securities, commercial mortgage loans, and private equity partnerships totaled $925.2 million, all of which is estimated to be paid in 2024 based on the expiration date of the commitments. The timing of the fulfillment of certain of these commitments cannot be estimated, therefore the settlements of these obligations are reflected in amounts estimated to be paid in 2024. These commitments may or may not be funded and are therefore not recorded on our consolidated balance sheets.

- Pensions and OPEB which includes commitments related to our defined benefit pension and postretirement plans for our employees, including our non-qualified pension plan, totaled $599.4 million, of which $20.0 million is estimated to be paid in 2024. Pension plan obligations, other than the non-qualified plan, represent our contributions to the pension plans and are projected based on the expected future minimum contributions as required under current U.S. and U.K. legislative funding requirements. Non-qualified pension plan and other postretirement benefit obligations represent the expected benefit payments related to these plans which we expect to pay, as incurred, from our general assets.
- Amounts owed to reinsurers totaled $484.5 million of which $119.0 million is estimated to be paid in 2024.
- Payables for general operating expenses and deferred compensation liabilities totaled $441.7 million of which $318.1 million is estimated to be paid in 2024.
- Obligations to return advances received from the FHLB and to return unrestricted cash collateral to our securities lending and derivative counterparties totaled $138.7 million of which $113.1 million is estimated to be repaid in 2024.
- Commissions due totaled $141.3 million all of which is estimated to be paid in 2024.
- We also have obligations with outside parties for computer data processing services, software maintenance agreements, and consulting services of $125.7 million, of which $59.4 million is estimated to be paid in 2024.
- Operating lease payments representing the amount of undiscounted minimum lease payments due totaled $71.6 million of which $19.2 million is estimated to be paid in 2024.

See "Critical Accounting Estimates" contained herein in this Item 7 and Notes 3, 4, 6, 10, 11, 14, and 17 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for additional information on our various commitments and obligations.

Transfers of Financial Assets

Our investment policy permits us to lend f ixed maturity securities to unaffiliated financial institutions in short-term securities lending agreements, which increases our investment income with minimal risk. We account for all of our securities lending agreements and repurchase agreements as secured borrowings. As of December 31, 2023, we held $63.1 million of cash collateral from securities lending agreements. The average balance for securities lending agreements which were collateralized by cash during the year ended December 31, 2023 was $87.4 million, and the maximum amount outstanding at any month end was $134.4 million. In addition, at December 31, 2023, we had $12.5 million of off-balance sheet securities lending agreements which were collateralized by securities that we were neither permitted to sell nor control. The average balance of these off-balance sheet transactions during the year ended December 31, 2023 was $28.5 million, and the maximum amount outstanding at any month end w as $65.5 million.

To manage our cash position more efficiently, we may enter into securities repurchase agreements with unaffiliated financial institutions. We generally use securities repurchase agreements as a means to finance the purchase of invested assets or for short-term general business purposes until projected cash flows become available from our operations or existing investments. We had no securities repurchase agreements outstanding at December 31, 2023 , nor did we utilize any securities repurchase agreements during 2023. Our use of securities repurchase agreements and securities lending agreements can fluctuate during any given period and will depend on our liquidity position, the availability of long-term investments that meet our purchasing criteria, and our general business needs.

Certain of our U.S. insurance subsidiaries are members of regional FHLBs. As of December 31, 2023, we owned $15.7 million of FHLB common stock and had outstanding advances of $64.5 million from the regional FHLBs which were used for the purpose of investing in either short-term investments or fixed maturity securities. As of December 31, 2023, we have additional borrowing capacity of approximately $935.3 million from the FHLBs.

See Note 3 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for additional information.

Consolidated Cash Flows

(in millions of dollars)

	Year Ended December 31		
	2023	2022	2021
Net Cash Provided by Operating Activities	$ 1,202.8	$ 1,418.7	$ 1,387.5
Net Cash Used by Investing Activities	(725.9)	(955.9)	(1,340.6)
Net Cash Used by Financing Activities	(450.1)	(418.6)	(168.9)
Net Change in Cash and Bank Deposits	$ 26.8	$ 44.2	$ (122.0)

Operating Cash Flows

Operating cash flows are primarily attributable to the receipt of premium and investment income, offset by payments of claims, commissions, expenses, and income taxes. Premium income growth is dependent not only on new sales, but on policy renewals and growth of existing business, renewal price increases, and persistency. Investment income growth is dependent on the growth in the underlying assets supporting our insurance liabilities and capital and on the earned yield. The level of commissions and operating expenses is attributable to the level of sales and the first year acquisition expenses associated with new business as well as the maintenance of existing business. The level of paid claims is affected partially by the growth and aging of the block of business and also by the general economy, as previously discussed in the operating results by segment.

The operating cash flows for 2021 included $456.8 million of cash paid to the reinsurer related to the second phase of the Closed Block individual disability reinsurance transaction. See "Executive Summary" contained herein in this Item 7 and Note 14 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for additional information on the Closed Block individual disability reinsurance transaction.

Investing Cash Flows

Investing cash inflows consist primarily of the proceeds from the sales and maturities of investments. Investing cash outflows consist primarily of payments for purchases of investments. Our investment strategy is to match the cash flows and durations of our assets with the cash flows and durations of our liabilities to meet the funding requirements of our business. When market opportunities arise, we may sell selected securities and reinvest the proceeds to improve the yield and credit quality of our portfolio. We may at times also sell selected securities and reinvest the proceeds to improve the duration matching of our assets and liabilities and/or re-balance our portfolio. As a result, sales before maturity may vary from period to period. The sale and purchase of short-term investments is influenced by proceeds received from FHLB funding advances, issuance of debt, our securities lending program, and by the amount of cash which is at times held in short-term investments to facilitate the availability of cash to fund the purchase of appropriate long-term investments, repay maturing debt, and/or to fund our capital deployment program.

During the third quarter of 2023, we sold over $700.0 million of shorter duration bonds in our long-term care portfolio and reinvested the proceeds in higher quality, higher yielding, and longer duration bonds that better match our liability cash flows. As a result of this activity, both sales and purchases of fixed maturity securities increased during 2023 compared to 2022.

See Note 3 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further information.

Financing Cash Flows

Financing cash flows consist primarily of borrowings and repayments of debt, dividends paid to stockholders, repurchases of common stock, cash transferred related to the active life cohort volatility agreement with Commonwealth, and policyholders' account deposits and withdrawals.

Cash used to repurchase shares of Unum Group's common stock during 2023, 2022, and 2021 was $250.1 million, $200.1 million, and $50.0 million, respectively. In connection with the repurchases made during 2023, we recognized $1.9 million of excise tax which has not been settled as of December 31, 2023. During 2023, 2022, and 2021 we paid dividends of $277.1 million, $254.2 million, and $239.4 million, respectively, to holders of Unum Group's common stock.

During 2022, we purchased, and the Trust retired, $14.0 million aggregate liquidation amount of our 7.405% capital securities due 2038, for which we paid an additional $1.2 million in cash associated with the early retirement of this debt.

During 2022, we entered into a five-year $350.0 million senior unsecured delayed draw term loan facility with a syndicate of lenders. Also in 2022, we drew the entire amount of the term loan facility, for which we received total proceeds of $349.2 million, and used the proceeds to redeem $350.0 million aggregate principal amount of our 4.000% senior notes due 2024, for which we paid an additional $2.4 million in cash associated with the early retirement of this debt.

During 2021, we issued $600.0 million of 4.125% senior notes due 2051 and received total proceeds of $588.1 million.

Also during 2021, we purchased and retired $500.0 million aggregate principal amount of our 4.500% senior notes due 2025, for which we paid an additional $62.8 million in cash associated with the early retirement of this debt.

See "Debt, Term Loan Facility, Credit Facilities and Other Sources of Liquidity" contained herein in this Item 7, and Notes 10, 12, and 14 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further information.

Ratings

AM Best, Fitch, Moody's, and S&P are among the third parties that assign issuer credit ratings to Unum Group and financial strength ratings to our insurance subsidiaries. We compete based in part on the financial strength ratings provided by rating agencies. A downgrade of our financial strength ratings can be expected to adversely affect us and could potentially, among other things, adversely affect our relationships with distributors of our products and services and retention of our sales force, negatively impact persistency and new sales, particularly large case group sales and individual sales, and generally adversely affect our ability to compete. A downgrade in the issuer credit rating assigned to Unum Group can be expected to adversely affect our cost of capital or our ability to raise additional capital.

The table below reflects the outlook as well as the senior unsecured debt ratings for Unum Group and the financial strength ratings for each of our traditional insurance subsidiaries as of the date of this filing.

	AM Best	Fitch	Moody's	S&P
Outlook	Stable	Stable	Stable	Stable
Senior Unsecured Debt Ratings	bbb+	BBB	Baa3	BBB
Financial Strength Ratings				
Provident Life and Accident Insurance Company	A	A	A3	A
Unum Life Insurance Company of America	A	A	A3	A
First Unum Life Insurance Company	A	A	A3	A
Colonial Life & Accident Insurance Company	A	A	A3	A
The Paul Revere Life Insurance Company	A	A	A3	A
Unum Insurance Company	A	A	A3	NR
Provident Life and Casualty Insurance Company	A	A	NR	NR
Starmount Life Insurance Company	A	NR	NR	NR
Unum Limited	NR	NR	NR	A-

NR = not rated

We maintain an ongoing dialogue with the four rating agencies that evaluate us in order to inform them of progress we are making regarding our strategic objectives and financial plans as well as other pertinent issues. A significant component of our communications involves our annual review meeting with each of the four agencies. We hold other meetings throughout the year regarding our business, including, but not limited to, quarterly updates.

In August 2023, AM Best upgraded its long-term issuer credit rating to bbb+ from bbb and also affirmed its financial strength ratings for our domestic insurance subsidiaries. The credit rating upgrade reflects improved risk-adjusted capitalization, stable asset quality, strong financial flexibility, and enhanced liquidity. Following the upgrade, the outlook for the long-term issuer credit rating was revised to stable from positive, while the outlook for financial strength rating remains stable.

In November 2023, Fitch Ratings upgraded the insurer financial strength rating for our domestic subsidiaries to A from A- and credit ratings, including the senior debt rating, to BBB from BBB-. The credit rating upgrade reflects improved balance sheet fundamentals, including capital metrics, while profitability returned towards pre-pandemic levels. Following the upgrade, the outlook for the long-term issuer credit rating and financial strength rating was revised to stable from positive.

There have been no other changes in the rating agencies' outlooks or ratings during 2023 or in 2024 prior to the date of this filing.

Agency ratings are not directed toward the holders of our securities and are not recommendations to buy, sell, or hold our securities. Each rating is subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be regarded as an independent assessment, not conditional on any other rating. Given the dynamic nature of the ratings process, changes by these or other rating agencies may or may not occur in the near-term. We have ongoing dialogue with the rating agencies concerning our insurance risk profile, our financial flexibility, our operating performance, and the quality of our investment portfolios. The rating agencies provide specific criteria and, depending on our performance relative to the criteria, will determine future negative or positive rating agency actions.

See "Ratings" contained herein in Item 1 and "Risk Factors" contained herein in Item 1A for further discussion.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to various market risk exposures, including interest rate risk and foreign exchange rate risk. The following discussion regarding our risk management activities includes forward-looking statements that involve risk and uncertainties. Estimates of future performance and economic conditions are reflected assuming certain changes in market rates and prices were to occur (sensitivity analysis). Caution should be used in evaluating our overall market risk from the information presented below, as actual results may differ. See "Risk Factors" contained herein in Item 1A, "Investments" contained herein in Item 7, and Notes 2, 3, and 4 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for further discussion of the qualitative aspects of market risk, including derivative financial instrument activity.

Prior financial information has been adjusted to reflect our modified retrospective adoption, effective January 1, 2023, of the Accounting Standards Update (ASU) 2018-12, related to targeted improvements to the accounting for long-duration contracts. Changes from this ASU were applied as of January 1, 2021, also referred to as the transition date. See Note 1 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

Interest Rate Risk

Our exposure to interest rate changes results from our holdings of financial instruments such as fixed rate investments, derivatives, and interest sensitive liabilities. Fixed rate investments include fixed maturity securities, mortgage loans, policy loans, and short-term investments. Fixed maturity securities include U.S. and foreign government bonds, securities issued by government agencies, public utility bonds, corporate bonds, mortgage-backed securities, and redeemable preferred stock, all of which are subject to risk resulting from interest rate fluctuations. Certain of our financial instruments, such as fixed maturity securities and derivatives, are carried at fair value in our consolidated balance sheets. The fair value of these financial instruments may be adversely affected by changes in interest rates. A rise in interest rates may further increase the net unrealized loss related to these financial instruments, but may improve our ability to earn higher rates of return on new purchases of fixed maturity securities. Conversely, a decline in interest rates may decrease the net unrealized loss, but new securities may be purchased at lower rates of return. Although changes in fair value of fixed maturity securities and derivatives due to changes in interest rates may impact amounts reported in our consolidated balance sheets, these changes will not cause an economic gain or loss unless we sell investments, terminate derivative positions, determine that an investment is impaired, or determine that a derivative instrument is no longer an effective hedge.

Other fixed rate investments, such as policy loans and mortgage loans, are carried at unpaid balances and amortized cost less the allowance for expected credit losses, respectively, rather than fair value in our consolidated balance sheets. These investments may have fair values substantially higher or lower than the carrying values reflected in our balance sheets. A change in interest rates could impact our financial position if we sold our mortgage loan investments at times of low market value. A change in interest rates would not impact our financial position at repayment of policy loans, as ultimately the cash surrender values or death benefits would be reduced for the carrying value of any outstanding policy loans. Carrying amounts for short-term investments approximate fair value, and we believe we have minimal interest rate risk exposure from these investments.

We believe that the risk of being forced to liquidate investments or terminate derivative positions is minimal, primarily due to the level of capital at our insurance subsidiaries, the level of cash and marketable securities at our holding companies, and our investment strategy which we believe provides for adequate cash flows to meet the funding requirements of our business. We may in certain circumstances, however, need to sell investments due to changes in regulatory or capital requirements, changes in tax laws, rating agency decisions, and/or unexpected changes in liquidity needs.

Although our policy benefits are primarily in the form of claim payments and we therefore have minimal exposure to the policy withdrawal risk associated with deposit products such as individual life policies or annuities, the fair values of liabilities under all insurance contracts are taken into consideration in our overall management of interest rate risk, which minimizes exposure to changing interest rates through the matching of investment cash flows with amounts due under insurance contracts. Changes in interest rates and individuals' behavior affect the amount and timing of asset and liability cash flows. We actively monitor our asset and liability cash flow match and our asset and liability duration match to manage interest rate risk. Due to the long duration of our long-term care product, the timing of our investment cash flows do not match those of our maturing liabilities. We model and test asset and liability portfolios to improve interest rate risk management and net yields. Testing the asset and liability portfolios under various interest rate and economic scenarios enables us to choose what we believe to be the most appropriate investment strategy, as well as to limit the risk of disadvantageous outcomes. We use this analysis in determining hedging strategies and utilizing derivative financial instruments. We may use current and forward interest rate swaps, options on forward interest rate swaps, and forward treasury locks to hedge interest rate risks and to match asset durations and cash flows with corresponding liabilities.

Debt is not carried at fair value in our consolidated balance sheets. If we modify or replace existing debt instruments at current market rates, we may incur a gain or loss on the transaction. We believe our debt-related risk to changes in interest rates is relatively minimal.

We measure our insurance liabilities and financial instruments' market risk related to changes in interest rates using a sensitivity analysis. This analysis estimates potential changes in fair values as of December 31, 2023 and 2022 based on a hypothetical immediate increase of 100 basis points in interest rates from year end levels. The selection of a 100 basis point immediate parallel change in interest rates should not be construed as our prediction of future market events, but only as an illustration of the potential effect of such an event.

The hypothetical potential changes in fair value of our insurance liabilities and financial instruments at December 31, 2023 and 2022 are shown as follows:

(in millions of dollars)	December 31, 2023			
	Notional Amount of Derivatives	Fair Value (FV)[2]	Hypothetical FV + 100 BP[2]	Hypothetical Change in FV[2]
Assets				
Fixed Maturity Securities[1]		$ 36,833.9	$ 33,842.1	$ (2,991.8)
Mortgage Loans		2,070.7	1,957.7	(113.0)
Policy Loans, Net of Reinsurance Ceded		373.8	347.8	(26.0)
Reinsurance Recoverable[2]		9,108.4	8,179.2	(929.2)
Liabilities				
Liability for Future Policy Benefits[2]		$ (40,009.4)	$ (35,456.1)	$ 4,553.3
Long-term Debt		(3,227.9)	(2,978.4)	249.5
Derivatives[1]				
Swaps	$ 1,026.2	$ 14.2	$ 16.4	$ 2.2
Forwards	1,957.5	(30.5)	(242.4)	(211.9)
Embedded Derivative in Modified Coinsurance Arrangement		(1.5)	3.2	4.7

(in millions of dollars)	December 31, 2022			
	Notional Amount of Derivatives	Fair Value[2]	Hypothetical FV + 100 BP[2]	Hypothetical Change in FV[2]
Assets				
Fixed Maturity Securities[1]		$ 34,840.8	$ 32,158.6	$ (2,682.2)
Mortgage Loans		2,159.5	2,034.3	(125.2)
Policy Loans, Net of Reinsurance Ceded		364.5	339.0	(25.5)
Reinsurance Recoverable[2]		9,608.0	8,714.1	(893.9)
Liabilities				
Liability for Future Policy Benefits[2]		$ (38,577.1)	$ (34,562.8)	$ 4,014.3
Long-term Debt		(3,072.0)	(2,681.3)	390.7
Derivatives[1]				
Swaps	$ 935.6	$ 58.0	$ 55.9	$ (2.1)
Forwards	818.3	(42.9)	(129.7)	(86.8)
Embedded Derivative in Modified Coinsurance Arrangement		(13.9)	(9.5)	4.4

[1]These financial instruments are carried at fair value in our consolidated balance sheets. Changes in fair value resulting from changes in interest rates may affect the fair value at which the item is reported in our consolidated balance sheets. The corresponding offsetting change is reported in other comprehensive income or loss, net of income tax, except for changes in the fair value of derivatives accounted for as fair value hedges or derivatives not designated as hedging instruments, together with the payment of periodic fees, if applicable, which are recognized in the same income statement line item as the hedged item during the period of change in fair value.

[2] The adoption of ASU 2018-12 required an update of the discount rate assumptions related to our liability for future policy benefits at each reporting date using a yield that is reflective of an upper-medium grade fixed-income instrument, which is generally equivalent to a single-A interest rate matched to the duration of certain of our insurance liabilities. As such, the

value of certain of our insurance liabilities may be adversely affected by changes in the single-A interest rate environment which could impact the valuation of our liability for future policy benefits and related reinsurance recoverable.

The effect of a change in interest rates on asset prices was determined using a duration implied methodology for the fixed maturity securities whereby the duration of each security was used to estimate the change in price for the security assuming an increase of 100 basis points in interest rates. These hypothetical prices were compared to the actual prices for the period to compute the overall change in market value. The changes in the fair values shown in the chart above for all other items were determined using discounted cash flow analyses. Because we actively manage our investments and liabilities, actual changes could differ from those estimated above.

Our overall investment philosophy is to invest in a portfolio of high quality assets that provide investment returns consistent with that assumed in the pricing of our insurance products. Assets are invested predominately in fixed maturity securities. We estimate that we will have approximately $1.5 billion of investable cash flows in 2024. Assuming interest rates and credit spreads remain constant throughout 2025 at the January 2024 market levels, our net investment income would increase by an immaterial amount in both 2024 and 2025 as a result of the investment of cash flows at levels above our current portfolio rate. This interest rate scenario does not give consideration to the effect of other factors which could impact these results, such as changes in the bond market and changes in hedging strategies and positions, nor does it consider the potential change to our discount rate reserve assumptions and any mitigating factors such as pricing adjustments.

See "Critical Accounting Estimates" contained herein in Item 7 for further information concerning our pension and post-retirement benefit plans.

Foreign Currency Risk

The functional currency of our U.K. operations is the British pound sterling. The functional currency of our operations in Poland is the Polish zloty. We are exposed to foreign currency risk arising from fluctuations in the British pound sterling and Polish zloty to U.S. dollar exchange rates primarily as they relate to the translation of the financial results of our U.K. and Polish operations. Fluctuations in exchange rates impact reported financial results. We do not hedge against the possible impact of this risk. Because we do not actually convert our functional currency into dollars except for a limited number of transactions, we view foreign currency translation as a financial reporting issue and not a reflection of operations or profitability in our U.K. or Polish operations.

Assuming the pound to dollar exchange rate decreased 10 percent from the December 31, 2023 and 2022 levels, stockholders' equity as reported in U.S. dollars would have been lower by approximately $61 million and $66 million, respectively. Assuming the pound to dollar average exchange rate decreased 10 percent from the actual average exchange rates for 2023 and 2022, adjusted operating income, as reported in U.S. dollars, would have decreased approximately $14 million in each year. Our Polish operations are currently not a significant portion of our overall operations and any changes in the dollar exchange rate would not represent a material impact to our reported financial results in U.S. dollars.

Dividends paid by Unum Limited are paid to our U.K. holding company. When these funds are repatriated to our U.S. holding company, we are subject to foreign currency risk as the value of the dividend, when converted into U.S. dollars, is dependent upon the foreign exchange rate at the time of conversion.

We are also exposed to foreign currency risk related to certain foreign investment securities denominated in local currencies. We use foreign currency interest rate swaps to hedge or minimize the foreign exchange risk associated with these instruments.

See "Risk Factors" contained herein in Item 1A and "Consolidated Operating Results" and "Unum International Segment" contained herein in Item 7 for further information concerning foreign currency translation.

Risk Management

Effectively taking and managing risks is essential to the success of our Company. To facilitate this effort, we have a formal Enterprise Risk Management (ERM) program, with a framework comprising the following key components:

- Risk-aware culture and governance
- Risk appetite
- Risk identification and prioritization
- Risk and capital modeling
- Risk management activities
- Risk reporting

Our ERM framework is the ongoing system of people, processes, and tools across our Company under which we intend to function consistently and collectively to identify and assess risks and opportunities, to manage all material risks within our risk appetite, and to contribute to strategic decision making. With the goal of maximizing shareholder value, the primary objectives of our ERM framework are to support Unum Group in meeting its operational and financial objectives, maintaining liquidity, optimizing capital, protecting franchise value, and operational resilience.

Risk-Aware Culture and Governance

We employ a risk management model under which risk-based decisions are made daily on a local level. To achieve long-term success, we believe risk management must be the responsibility of all employees. The individual and collective decisions of our employees play a key role in successfully managing our overall risk profile. We strive for a culture of integrity, commitment, and accountability and we believe these values allow our employees to feel comfortable identifying issues as well as taking ownership for addressing potential problems.

Our employees have an obligation to report issues that they believe will have a material financial, operational, reputational, or regulatory impact to the Company. We offer several channels for employees to report their issues or concerns and encourage employees to use the channel that is most appropriate for their situation. We recommend that an employee initially discuss their concerns with their manager; however, if that channel is not appropriate an employee may use any of the other reporting channels available. By employing various approaches, we have established a culture that supports candid discussion and reporting of risks, and empowers our employees to take ownership for risk management.

Our culture is reinforced by our system of risk governance. We employ a multi-layered risk control system as depicted below:

1st Line: Own and Manage	2nd Line: Oversee	3rd Line: Independent Assurance
Business processes and procedures employed throughout the Company through which management assumes and monitors significant risks	Governing bodies chartered with oversight of activities within the 1st and 2nd lines of defense, mitigation of substantial exposures, and management of emerging risks	Independent assurance on the effectiveness of governance, risk management, and internal control performed by internal audit and the board of directors

Business units are primarily responsible for managing their principal risks. Our risk committees and other governing bodies serve as risk control functions responsible for providing risk oversight, or the second line of risk control. Our internal audit team provides periodic independent reviews and assurance activities serving as our third line of risk control.

In addition, our board has an active role, as a whole and through its committees, in overseeing management of our risks. The board is responsible for the oversight of strategic risk and regularly reviews information regarding our capital, liquidity, and operations, as well as the risks associated with each. The risk and finance committee of the board is responsible for oversight of our risk management process, including financial risk, operational risk, and any other risk not specifically assigned to another board committee. It also is responsible for oversight of risks associated with investments, capital and financing plans and activities, and related financial matters, including matters pertaining to our Closed Block segment. The risk and finance committee also oversees risks arising under our information security and business resiliency programs, including cybersecurity, disaster recovery, and business continuity risks, although other committees oversee cyber-related operational risks as necessary to carry out their responsibilities. The audit committee of the board is responsible for oversight of risks relating to financial reporting risk and certain operational risks. The human capital committee of the board is responsible for oversight of risks relating to human capital management, including our compensation plans and programs. The regulatory compliance committee

of the board is responsible for oversight of risks related to regulatory, compliance, policy, and legal matters, both current and emerging, and whether of a local, state, federal, or international nature. While each of these committees is responsible for evaluating certain risks and overseeing the management of such risks, the entire board is regularly informed through committee reports about such risks in addition to the risk information it receives directly.

Our executive risk management committee is responsible for overseeing our enterprise-wide risk management program. The chief risk officer, who is a member of the executive risk management committee, has primary responsibility for our ERM program and is supported by management committees and other governing bodies. These committees are responsible for identifying, measuring, reporting, and managing strategic insurance and operational risks within their respective areas, consistent with enterprise risk management guidance.

Risk Appetite

Our risk appetite, as set forth in a risk appetite statement, reflects acceptable boundaries for the risks we are willing to assume and the acceptable boundaries for uncertainty in achieving our strategic objectives. The risk appetite statement defines our approach to risk taking and guides decision making as to the amount and types of risks we assume in fulfilling our purpose and advancing our strategy.

We regularly use assessment techniques that are suitable for the specific nature of the risk being assessed. The discussion is at the enterprise level and often qualitative and principles based. Quantitative specifications are made where possible, generally regarding aggregate capital metrics. Business segments align with the risk appetite through process, policies, and operating procedures and through monitoring of operational metrics. Appropriate, specific quantitative boundaries are used to establish and measure against risk appetite articulated in the statement.

Key measures of our risk profile are monitored against risk tolerances and limits on a quarterly basis and are communicated to their respective governing body. For risks falling outside of our risk tolerance and limits, the respective governing body assesses the appropriate risk response, including implementation of remediation plans or corrective actions. Collectively, management is responsible for monitoring its adherence to the risk appetite statement throughout its operations and in accordance with the ERM framework.

Risk Identification and Prioritization

Risk identification and prioritization is an ongoing process, whereby we identify and assess our risk positions and exposures, including notable risk events. Additionally, we identify emerging risks and analyze how material future risks might affect us. Knowing the potential risks we face allows us to monitor and manage their potential effects including adjusting our strategies as appropriate and holding capital levels which provide financial flexibility. Business process owners, supported by the ERM program, have primary responsibility for identifying and prioritizing risks within their respective areas.

We face a wide range of risks, and our continued success depends on our ability to identify and appropriately manage our risk exposures. For additional information on certain risks that may adversely affect our business, operating results, or financial condition see "Cautionary Statement Regarding Forward-Looking Statements" contained herein on page 1 and "Risk Factors" contained herein in Item 1A.

Risk Modeling and Controls

We assess material risks, including how they affect us and how individual risks interrelate, to provide valuable information to management in order that they may effectively manage our risks. We use qualitative and quantitative approaches to assess existing and emerging risks and to develop mitigating strategies to limit our exposure to both.
We utilize stress testing and scenario analysis for risk management and to shape our business, financial, and strategic planning activities. Both are key components of our risk appetite policy and play an important role in monitoring, assessing, managing, and mitigating our primary risk exposures.

In particular, stress testing of our capital and liquidity management strategies enables us to identify areas of high exposure, assess mitigating actions, develop contingency plans, and guide decisions around our target capital and liquidity levels. For example, we periodically perform stress tests on certain categories of assets or liabilities to support development of capital and liquidity risk contingency plans. These tests help ensure that we have a buffer to support our operations in uncertain times and financial flexibility to respond to market opportunities. Stress testing is also central to reserve adequacy testing, cash flow testing, and asset and liability management.

In addition, we aim to constantly improve our capital modeling techniques and methodologies that are used to determine a level of capital that is commensurate with our risk profile and to ensure compliance with evolving regulatory and rating agency requirements. Our capital modeling reflects appropriate aggregation of risks and diversification benefits resulting from our mix of products and business units.

Our internal capital modeling and allocation aids us in making significant business decisions including strategic planning, capital management, risk limit determination, reinsurance purchases, hedging activities, asset allocation, pricing, and corporate development.

Risk Management Activities

We accept and manage market, credit, insurance, operational and strategic risks in accordance with our corporate strategy, investment policy, and annual business plans. The following fundamental principles are embedded in our risk management efforts across our Company.

- We believe in the benefits of specialization and a focused business strategy. We seek profitable risk-taking in areas where we have established risk management skills and capabilities.
- We seek to manage our exposure to insurance risk through a combination of prudent underwriting with effective risk selection, maintaining pricing discipline, sound reserving practices, claims operational effectiveness, and selective use of reinsurance. Detailed underwriting guidelines and claim policies are tools used to manage our insurance risk exposure. We also monitor exposures against internally prescribed limits, and we diversify to reduce potential concentration risk and volatility.
- We maintain a detailed set of investment policies and guidelines, including fundamental credit analysis, that are used to manage our credit risk exposure and diversify our risks across asset classes and issuers.
- We value the importance of managing cyber-related risks, and have policies and procedures in place to help protect against insider trading and allow for timely disclosure of material cybersecurity events.
- Finally, we foster a risk-aware culture that embeds our corporate values and our code of conduct in our daily operations and preserves our reputation with customers and other key stakeholders. We monitor a composite set of operational risk metrics that measure operating effectiveness from the customer perspective.

Risk Reporting

Regular internal and external risk reporting is an integral part of our ERM framework. Internally, ERM reports are a standard part of our quarterly senior management and board meetings. The reports summarize our existing and emerging risk exposures, as well as report against the tolerances and limits defined by our risk appetite policy.

Externally, we are subject to a number of regulatory and rating agency risk examinations, and risk reports are often included. Annually, we file our Own Risk and Solvency Assessment (ORSA) summary report with the applicable insurance regulators for our U.S. insurance subsidiaries. This report provides strong evidence of the strengths of our ERM framework, measurement approaches, key assumptions utilized in assessing our risks, and prospective solvency assessments under both normal and stressed conditions. See "Regulation" contained herein in Item 1 for additional information regarding the ORSA.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm	105
PCAOB ID: 42	
Financial Statements at December 31, 2023 and 2022 and for the Years Ended December 31, 2023, 2022 and 2021:	107
Consolidated Balance Sheets	107
Consolidated Statements of Income	109
Consolidated Statements of Comprehensive Income	110
Consolidated Statements of Stockholders' Equity	111
Consolidated Statements of Cash Flows	112
Notes to Consolidated Financial Statements	113
Note 1 - Significant Accounting Policies	113
Note 2 - Fair Values of Financial Instruments	131
Note 3 - Investments	148
Note 4 - Derivative Financial Instruments	162
Note 5 - Accumulated Other Comprehensive Income	171
Note 6 - Liability for Future Policy Benefits	173
Note 7 - Policyholders' Account Balances	192
Note 8 - Deferred Acquisition Costs	198
Note 9 - Income Tax	200
Note 10 - Debt	203
Note 11 - Employee Benefit Plans	205
Note 12 - Stockholders' Equity and Earnings Per Common Share	215
Note 13 - Stock-Based Compensation	217
Note 14 - Reinsurance	221
Note 15 - Segment Information	222
Note 16 - Commitments and Contingent Liabilities	228
Note 17 - Leases	228
Note 18 - Statutory Financial Information	230

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Unum Group

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Unum Group and Subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedules listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 20, 2024 expressed an unqualified opinion thereon.

Adoption of ASU No. 2018-12

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for long-duration contracts in each of the three years in the period ended December 31, 2023 due to the adoption of ASU No. 2018-12, *Financial Services - Insurance (Topic 944), Targeted Improvements to the Accounting for Long-Duration Contracts.*

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Long-Term Care Liability for Future Policy Benefits

Description of the Matter

The Company's liability for individual and group long-term care future policy benefits is $16.6 billion of the $40.0 billion of Future Policy Benefits on the consolidated balance sheet as of December 31, 2023.

The liability for future policy benefits related to long-term care insurance contracts is based on estimates of how much the Company will need to pay for future benefits and the amount of premiums to be collected from policyholders for these policy features. As described in Note 1 and Note 6 to the consolidated financial statements, there is significant uncertainty in estimating this liability given the extended period over which claims are paid and sensitivity of the estimate to assumptions, including morbidity, mortality, claims incidence and resolutions, active policy lapses, and future premium rate increases.

Auditing the long-term care liability for future policy benefits was complex due to the highly judgmental nature of the significant assumptions, including morbidity, mortality, claims incidence and resolutions, active policy lapses, and future premium rate increases, used in the measurement process. The significant judgment and the sensitivity of the estimate to these assumptions can have a material effect on the valuation of the liability.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company’s internal controls over the long-term care liability for future benefits process, including controls over the review and approval of assumptions which incorporate the Company’s most recent experience.

To test the long-term care liability for future policy benefits we performed audit procedures, with the assistance of our actuarial specialists, that included, among others, an evaluation of the methodologies applied by management’s actuarial specialists with those methods used in prior periods. We evaluated the significant assumptions used by management in determining the liability for future policy benefits by comparing the significant assumptions, including expected morbidity, mortality, claims incidence and resolutions, active policy lapses, and future premium rate increases to historical assumptions, prior actual experience, policyholder experience studies performed by management, available industry information, observable market data, or management’s estimates of prospective changes in these assumptions. In addition, we performed a review of the historical results of the development of the estimate, assessed management’s annual reserve assumption study, and performed an independent recalculation of the liability for future policy benefits for a sample of contracts which we compared to the actuarial model used by management.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 1999.

Chattanooga, Tennessee
February 20, 2024

CONSOLIDATED BALANCE SHEETS

Unum Group and Subsidiaries

	December 31	
	2023	2022
	(in millions of dollars)	
		As Adjusted
Assets		
Investments		
Fixed Maturity Securities - at fair value (amortized cost of $ 38,410.6; $37,825.2; allowance for credit losses of $2.2; $—)	$ 36,833.9	$ 34,840.8
Mortgage Loans (net of allowance for credit losses of $ 10.2; $9.3)	2,318.2	2,435.4
Policy Loans	3,620.2	3,601.2
Other Long-term Investments	1,579.4	1,440.1
Short-term Investments	1,610.7	1,394.8
Total Investments	45,962.4	43,712.3
Other Assets		
Cash and Bank Deposits	146.0	119.2
Accounts and Premiums Receivable (net of allowance for credit losses of $ 29.5; $32.5)	1,543.7	1,482.1
Reinsurance Recoverable (net of allowance for credit losses of $ 1.7; $1.7)	9,108.4	9,608.0
Accrued Investment Income	633.9	615.0
Deferred Acquisition Costs	2,714.5	2,560.0
Goodwill	349.9	347.6
Property and Equipment	485.3	451.7
Deferred Income Tax	649.4	586.0
Other Assets	1,661.7	1,666.6
Total Assets	$ 63,255.2	$ 61,148.5

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS - Continued

Unum Group and Subsidiaries

	December 31	
	2023	2022
	(in millions of dollars)	
		As Adjusted
Liabilities and Stockholders' Equity		
Liabilities		
Future Policy Benefits	$ 40,009.4	$ 38,577.1
Policyholders' Account Balances	5,667.7	5,740.2
Unearned Premiums	380.2	365.5
Other Policyholders' Funds	1,615.7	1,750.4
Income Tax Payable	190.0	190.9
Deferred Income Tax	27.0	25.2
Short-term Debt	—	2.0
Long-term Debt	3,430.4	3,427.8
Other Liabilities	2,283.4	2,334.4
Total Liabilities	53,603.8	52,413.5
Commitments and Contingent Liabilities - Note 16		
Stockholders' Equity		
Common Stock, $0.10 par		
Authorized: 725,000,000 shares		
Issued: 194,588,625 and 308,306,490 shares	19.4	30.8
Additional Paid-in Capital	1,547.8	2,441.0
Accumulated Other Comprehensive Loss	(3,308.0)	(3,448.3)
Retained Earnings	11,431.5	13,141.3
Treasury Stock - at cost: 1,216,528 and 110,551,977 shares	(39.3)	(3,429.8)
Total Stockholders' Equity	9,651.4	8,735.0
Total Liabilities and Stockholders' Equity	$ 63,255.2	$ 61,148.5

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Unum Group and Subsidiaries

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars, except share data)		
		As Adjusted	
Revenue			
Premium Income	$ 10,046.0	$ 9,616.5	$ 9,475.0
Net Investment Income	2,096.7	2,122.2	2,213.2
Net Investment Gain (Loss)	(36.0)	(15.7)	76.7
Other Income	279.2	261.1	242.9
Total Revenue	12,385.9	11,984.1	12,007.8
Benefits and Expenses			
Policy Benefits	7,311.9	7,542.1	8,113.3
Policy Benefits - Remeasurement Gain	(54.8)	(547.5)	(559.9)
Commissions	1,170.1	1,086.4	1,038.1
Interest and Debt Expense	194.8	188.5	185.0
Cost Related to Early Retirement of Debt	—	4.2	67.3
Deferral of Acquisition Costs	(632.2)	(556.9)	(523.2)
Amortization of Deferred Acquisition Costs	481.4	421.1	452.1
Compensation Expense	1,162.6	1,089.5	975.2
Other Expenses	1,112.0	1,006.7	999.3
Total Benefits and Expenses	10,745.8	10,234.1	10,747.2
Income Before Income Tax	1,640.1	1,750.0	1,260.6
Income Tax Expense (Benefit)			
Current	452.0	473.5	212.8
Deferred	(95.7)	(130.7)	66.8
Total Income Tax Expense	356.3	342.8	279.6
Net Income	$ 1,283.8	$ 1,407.2	$ 981.0
Net Income Per Common Share			
Basic	$ 6.53	$ 7.01	$ 4.80
Assuming Dilution	$ 6.50	$ 6.96	$ 4.79

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unum Group and Subsidiaries

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
		As Adjusted	
Net Income	$ 1,283.8	$ 1,407.2	$ 981.0
Other Comprehensive Income			
Change in Net Unrealized Gain (Loss) on Securities (net of tax expense (benefit) of $300.6; $(1,890.8); $(346.9))	1,109.3	(7,042.8)	(1,301.4)
Change in the Effect of Discount Rate Assumptions on the Liability for Future Policy Benefits, Net of Reinsurance (net of tax expense (benefit) of $(256.5); $2,385.1; $622.8)	(962.3)	8,884.6	2,361.8
Change in Net Loss on Hedges (net of tax benefit of $ 17.0; $19.2; $9.8)	(64.1)	(71.4)	(36.0)
Change in Foreign Currency Translation Adjustment (net of tax expense (benefit) of $0.9; $(0.1); $4.2)	69.0	(116.0)	(12.8)
Change in Unrecognized Pension and Postretirement Benefit Costs (net of tax expense (benefit) of $(2.7); $18.9; $42.1)	(11.6)	61.9	134.0
Total Other Comprehensive Income	140.3	1,716.3	1,145.6
Comprehensive Income	$ 1,424.1	$ 3,123.5	$ 2,126.6

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Unum Group and Subsidiaries

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
		As Adjusted	
Common Stock			
Balance at Beginning of Year	$ 30.8	$ 30.7	$ 30.7
Common Stock Activity	0.1	0.1	—
Retirement of Treasury Stock	(11.5)	—	—
Balance at End of Year	19.4	30.8	30.7
Additional Paid-in Capital			
Balance at Beginning of Year	2,441.0	2,408.1	2,376.2
Common Stock Activity	21.3	32.9	31.9
Retirement of Treasury Stock	(914.5)	—	—
Balance at End of Year	1,547.8	2,441.0	2,408.1
Accumulated Other Comprehensive Loss			
Balance at Beginning of Year, as Adjusted	(3,448.3)	(5,164.6)	(6,310.2)
Other Comprehensive Income	140.3	1,716.3	1,145.6
Balance at End of Year	(3,308.0)	(3,448.3)	(5,164.6)
Retained Earnings			
Balance at Beginning of Year, as Adjusted	13,141.3	11,989.4	11,249.0
Net Income	1,283.8	1,407.2	981.0
Dividends to Stockholders (per common share: $ 1.39; $1.26; $1.17)	(277.1)	(255.3)	(240.6)
Retirement of Treasury Stock	(2,716.5)	—	—
Balance at End of Year	11,431.5	13,141.3	11,989.4
Treasury Stock			
Balance at Beginning of Year	(3,429.8)	(3,229.7)	(3,179.7)
Repurchases of Common Stock	(252.0)	(200.1)	(50.0)
Retirement of Treasury Stock	3,642.5	—	—
Balance at End of Year	(39.3)	(3,429.8)	(3,229.7)
Total Stockholders' Equity at End of Year	$ 9,651.4	$ 8,735.0	$ 6,033.9

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unum Group and Subsidiaries

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
		As Adjusted	
Cash Flows from Operating Activities			
Net Income	$ 1,283.8	$ 1,407.2	$ 981.0
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
Change in Receivables	602.7	590.6	676.1
Change in Deferred Acquisition Costs	(150.8)	(135.8)	(71.1)
Change in Insurance Liabilities	(313.2)	(244.7)	37.7
Change in Income Taxes	(84.3)	(31.3)	335.3
Change in Other Accrued Liabilities	(74.8)	(113.9)	11.3
Non-cash Components of Net Investment Income	(240.3)	(247.0)	(254.7)
Net Investment (Gain) Loss	36.0	15.7	(76.7)
Depreciation	108.8	110.5	119.8
Cash Related to Reinsurance Transaction	—	—	(456.8)
Amortization of the Cost of Reinsurance	44.1	50.3	69.8
Other, Net	(9.2)	17.1	15.8
Net Cash Provided by Operating Activities	1,202.8	1,418.7	1,387.5
Cash Flows from Investing Activities			
Proceeds from Sales of Fixed Maturity Securities	1,062.7	559.5	442.5
Proceeds from Maturities of Fixed Maturity Securities	1,578.1	1,532.5	2,611.4
Proceeds from Sales and Maturities of Other Investments	360.0	445.9	403.1
Purchase of Fixed Maturity Securities	(2,991.4)	(2,835.3)	(4,106.3)
Purchase of Other Investments	(361.2)	(482.9)	(606.8)
Net Sales (Purchases) of Short-term Investments	(141.0)	(22.6)	76.5
Net Decrease in Payables for Collateral on Investments	(98.3)	(50.8)	(50.7)
Net Purchases of Property and Equipment	(134.8)	(102.2)	(110.3)
Net Cash Used by Investing Activities	(725.9)	(955.9)	(1,340.6)
Cash Flows from Financing Activities			
Short-term Debt Repayment	(2.0)	—	—
Issuance of Long-term Debt	—	349.2	588.1
Long-term Debt Repayment	—	(364.0)	(500.0)
Cost Related to Early Retirement of Debt	—	(3.6)	(62.8)
Issuance of Common Stock	5.2	4.0	3.4
Repurchase of Common Stock	(250.1)	(200.1)	(50.0)
Dividends Paid to Stockholders	(277.1)	(254.2)	(239.4)
Proceeds from Policyholders' Account Deposits	143.4	119.8	128.1
Payments for Policyholders' Account Withdrawals	(87.0)	(72.0)	(80.7)
Cash Received Related to Active Life Volatility Cover Agreement	18.6	5.2	40.4
Other, Net	(1.1)	(2.9)	4.0
Net Cash Used by Financing Activities	(450.1)	(418.6)	(168.9)
Net Increase (Decrease) in Cash and Bank Deposits	26.8	44.2	(122.0)
Cash and Bank Deposits at Beginning of Year	119.2	75.0	197.0
Cash and Bank Deposits at End of Year	$ 146.0	$ 119.2	$ 75.0

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unum Group and Subsidiaries

Note 1 - Significant Accounting Policies

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). Such accounting principles differ from statutory accounting principles (see Note 18). Intercompany transactions have been eliminated.

Description of Business: We are a leading provider of financial protection benefits in the United States, the United Kingdom, and Poland. Our products include disability, life, accident, critical illness, dental and vision, and other solutions based services. We market our products primarily through the workplace.

We have three principal operating business segments: Unum US, Unum International, and Colonial Life. Our other reporting segments are Closed Block and Corporate. See Note 15 for further discussion of our operating segments.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

In accordance with standard practice, we regularly review the methodology used in the development of all key estimates. As a result of this review, in 2022, we updated our estimate of the unearned premium reserve for certain of our product lines to utilize a gross unearned premium reserve rather than a net unearned premium reserve. The effect of this change in estimate was to decrease 2022 premium income by $13.4 million and decrease commissions by $ 1.0 million. This resulted in a decrease to net income of $9.8 million and a decrease to both basic and diluted earnings per share by $ 0.05.

Fixed Maturity Securities: Fixed maturity securities include long-term bonds and redeemable preferred stocks. Our fixed maturity securities are classified as available-for-sale and reported at fair value. Changes in the fair value of available-for-sale fixed maturity securities, except for amounts related to impairment and credit losses recognized in earnings, are reported as a component of other comprehensive income, net of income tax. Realized investment gains or losses are based upon specific identification of the investments sold.

Interest income is recorded as part of net investment income when earned, using an effective yield method giving effect to amortization of premium and accretion of discount. Included within fixed maturity securities are mortgage-backed and asset-backed securities. We recognize investment income on these securities using a constant effective yield based on projected prepayments of the underlying loans and the estimated economic life of the securities. Actual prepayment experience is reviewed periodically, and effective yields are recalculated when differences arise between prepayments originally projected and the actual prepayments received and currently projected. The effective yield is recalculated on a retrospective basis, and the adjustment is reflected in net investment income. For fixed maturity securities on which collection of investment income is uncertain, we discontinue the accrual of investment income and recognize investment income when interest and dividends are received. Payment terms specified for fixed maturity securities may include a prepayment penalty for unscheduled payoff of the investment. Prepayment penalties are recognized as investment income when received.

In determining when a decline in fair value below amortized cost of a fixed maturity security is a credit loss, we evaluate available information, both positive and negative, in reaching our conclusions. In particular, we consider the strength of the issuer's balance sheet, its debt obligations and near-term funding requirements, cash flow and liquidity, the profitability of its core businesses, the availability of marketable assets which could be sold to increase liquidity, its industry fundamentals and regulatory environment, and its access to capital markets. Although all available and applicable factors are considered in our analysis, our expectation of recovering the entire amortized cost basis of the security, whether we intend to sell the security, whether it is more likely than not that we will be required to sell the security before recovery of its amortized cost, and whether the security is current on principal and interest payments are the most critical factors in determining whether impairments represent credit losses. The significance of the decline in value is also an important factor, but we generally do not record an impairment loss based solely on this factor, since often other more relevant factors will impact our evaluation of a security.

For securities with a decline in fair value below amortized cost which we intend to sell or more likely than not will be required to sell before recovery in value, the amortized cost of the investment is written down to fair value through earnings, and an impairment loss is recognized in the current period. For securities that we believe are impaired and which we do not intend to sell and it is not more likely than not that we will be required to sell before recovery in value, we calculate an allowance for credit losses recognized in earnings which generally represents the difference between the amortized cost of the security and the

Note 1 - Significant Accounting Policies - Continued

present value of our best estimate of cash flows expected to be collected, discounted using the effective interest rate implicit in the security at the date of acquisition and limited by the difference between amortized cost and fair value of the security. For fixed maturity securities for which we have recognized an allowance for credit loss through earnings, if through subsequent evaluation there is a significant increase in expected cash flows, the allowance is reduced and is recognized as a reduction to credit losses in the current period. When an allowance for credit losses on a fixed maturity security is recognized, we designate non-accrual status for those securities. We reverse all previously accrued interest through interest income and use a cash basis method for recognizing any future payments received. See Notes 2 and 3.

Mortgage Loans: Mortgage loans are generally held for investment and are carried at amortized cost less an allowance for expected credit losses. Interest income is accrued on the principal amount of the loan based on the loan's contractual interest rate. Prepayment penalties are recognized as investment income when received. For mortgage loans on which collection of interest income is uncertain, we discontinue the accrual of interest and recognize it in the period when an interest payment is received. We typically do not resume the accrual of interest on mortgage loans on nonaccrual status until there are significant improvements in the underlying financial condition of the borrower. We consider a loan to be delinquent if full payment is not received in accordance with the contractual terms of the loan.

We evaluate each of our mortgage loans individually for impairment and assign an internal credit quality rating based on a comprehensive rating system used to evaluate the credit risk of the loan. Although all available and applicable factors are considered in our analysis, loan-to-value and debt service coverage ratios are the most critical factors in determining impairment. We estimate an allowance for credit losses that we expect to incur over the life of our mortgage loans using a probability of default method. For each loan, we estimate the probability that the loan will default before its maturity (probability of default) and the amount of the loss if the loan defaults (loss given default). These two factors result in an expected loss percentage that is applied to the amortized cost of each loan to determine the expected credit loss. As we are typically the original underwriter of the mortgage loans, the amortized cost generally equals the principal amount of the loan. We measure losses on defaults of our mortgage loans as the excess amortized cost of the mortgage loan over the fair value of the underlying collateral in the event that we foreclose on the loan or over the expected future cash flows of the loan if we retain the mortgage loan until payoff. We do not purchase mortgage loans with existing credit impairments.

In estimating the probability of default, we consider historical experience, current market conditions, and reasonable and supportable forecasts about the future market conditions. We utilize our historical loan experience in combination with a large third-party industry database for a period of time that aligns with the average life of our loans based on the maturity dates of the loans and prepayment experience. Our model utilizes an industry database of the historical loss experience based on our actual portfolio characteristics such as loan-to-value, debt service coverage, collateral type, geography, and late payment history. In addition, because we actively manage our portfolio, we may extend the term of a loan in certain situations and will accordingly extend the maturity date in the estimate of probability of default. In estimating the loss given default, we primarily consider the type and value of collateral and secondarily the expected liquidation costs and time to recovery.

The primary market factors that we consider in our forecast of future market conditions are gross domestic product, unemployment rates, interest rates, inflation, commercial real estate values, household formation, and retail sales. We also forecast certain loan specific factors such as growth in the fair value and net operating income of collateral by property type. We include our estimate of these factors over a two-year period and for the remainder of the loans' estimated lives, adjusted for estimated prepayments. Past the two-year forecast period, we revert to the historical assumptions ratably by the end of the fifth year of the loan after which we utilize only historical assumptions.

We utilize various scenarios to estimate our allowance for expected losses ranging from a base case scenario that reflects normal market conditions to a severe case scenario that reflects adverse market conditions. We will adjust our allowance each period to utilize the scenario or weighting of the scenarios that best reflects our view of current market conditions. Additions and reductions to our allowance for credit losses on mortgage loans are reported as a component of net investment gains and losses. See Note 3.

Policy Loans: Policy loans are presented at the unpaid balances directly related to policyholders. Interest income is accrued on the principal amount of the loan based on the loan's contractual interest rate. Included in policy loans are $3,322.5 million and $3,312.5 million of policy loans ceded to reinsurers at December 31, 2023 and 2022, respectively.

Note 1 - Significant Accounting Policies - Continued

Other Long-term Investments: Other long-term investments are comprised primarily of private equity partnerships, real estate, perpetual preferred stock, common stock, and tax credit partnerships.

Our investments in private equity partnerships are passive in nature and represent funds that are primarily invested in private credit, private equity, and real assets. We account for our investments in these partnerships using either the equity method or at fair value through net income depending on the level of ownership and the degree of our influence over partnership operating and financial policies. For investments in partnerships accounted for under the equity method, we report our investments at our share of the partnership's net asset value (NAV) and record our portion of partnership earnings as a component of net investment income. For investments in partnerships accounted for at fair value through net income, we also report our investments at our share of the partnership's NAV as a practical expedient for fair value with increases or decreases recorded as a component of net investment income. Distributions received from the funds arise from income generated by the underlying investments as well as the liquidation of the underlying investments and there is generally not a public market for these investments.

Investment real estate is primarily comprised of property held for the production of income and property held for sale. Property held for the production of income is carried at cost less accumulated depreciation and any write-downs to fair value for impairment losses. Depreciation is recorded on a straight-line basis over the estimated useful life of the asset. A review for impairment is made whenever events or circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized when the carrying value of the property exceeds the expected undiscounted cash flows generated from the property, at which point the carrying value is written down to an estimated fair value. Real estate held for sale is carried at the lower of depreciated cost or fair value less estimated selling costs and is not further depreciated once classified as such.

Our perpetual preferred stocks are valued at fair value, based on quoted market prices, where available. For preferred stocks not actively traded, fair values are estimated using values obtained from independent pricing services. Our investments in common stock are valued at fair value. Our shares of Federal Home Loan Bank (FHLB) common stock are carried at cost, which approximates fair value.

Tax credit partnerships in which we have invested were formed for the purpose of investing in the construction and rehabilitation of low-income housing. Because the partnerships are structured such that there is no return of principal, the primary sources of investment return from our tax credit partnerships are tax credits and tax benefits derived from passive losses on the investments, both of which may exhibit variability over the life of the investment. These partnerships are accounted for using either the proportional or the effective yield method, depending primarily on whether the tax credits are guaranteed through a letter of credit, a tax indemnity agreement, or another similar arrangement. Tax credits received from these partnerships are reported in our consolidated statements of income as either a reduction of premium tax or a reduction of income tax. The amortization of the principal amount invested in these partnerships is reported as a component of either premium tax or income tax.

See Notes 2 and 3 for further discussion of our other long-term investments.

Short-term Investments: Short-term investments are carried at cost. Short-term investments include investments maturing within one year of purchase, such as corporate commercial paper and Treasury bills, bank term deposits, and other cash accounts and cash equivalents earning interest.

Cash and Bank Deposits: Cash and bank deposits include cash on hand and non-interest bearing cash and deposit accounts.

Derivative Financial Instruments: Derivative financial instruments (including certain derivative instruments embedded in other contracts) are recognized as either other long-term investments or other liabilities in our consolidated balance sheets and are reported at fair value. The accounting for a derivative depends on whether it has been designated and qualifies as part of a hedging relationship, and further, on the type of hedging relationship. To qualify for hedge accounting, at the inception of the hedging transaction, we formally document the risk management objective and strategy for undertaking the hedging transaction, as well as the designation of the hedge as either a fair value hedge or a cash flow hedge. Included in this documentation is how the hedging instrument is expected to hedge the designated risk(s) related to specific assets or liabilities on the balance sheet or to specific forecasted transactions as well as a description of the method that will be used to retrospectively and prospectively assess the hedging instrument's effectiveness.

Note 1 - Significant Accounting Policies - Continued

A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk(s) of the hedged item. Hedge effectiveness is formally assessed at inception and periodically throughout the life of the designated hedging relationship, using qualitative and quantitative methods. Qualitative methods include comparison of critical terms of the derivative to the hedged item. Quantitative methods include regression or other statistical analysis of changes in fair value or cash flows associated with the hedge relationship.

Changes in the fair value of a derivative designated as a fair value hedge and changes in the fair value of the hedged item attributable to the risk being hedged are recognized in earnings as a component of net investment gain or loss during the period of change in fair value. For gains or losses on the derivative instrument that are excluded from the assessment of hedge effectiveness, those gains and losses are recognized in other comprehensive income or loss and amortized into earnings in the same income statement line as the related hedged item. The gain or loss on the termination of a fair value hedge is recognized in earnings as a component of net investment gain or loss during the period in which the termination occurs. When interest rate swaps are used in hedge accounting relationships, periodic settlements are recorded in the same income statement line as the related settlements of the hedged items.

Changes in the fair value of a derivative designated as a cash flow hedge are reported in other comprehensive income and reclassified into earnings and reported on the same income statement line item as the hedged item and in the same period or periods during which the hedged item affects earnings. The gain or loss on the termination of an effective cash flow hedge is reported in other comprehensive income and reclassified into earnings and reported on the same income statement line item as the hedged item and in the same period or periods during which the hedged item affects earnings.

Gains or losses on the termination of ineffective fair value or cash flow hedges are reported in earnings as a component of net investment gain or loss. In the event a hedged item is disposed of or the anticipated transaction being hedged is no longer likely to occur, we will terminate the related derivative and recognize the gain or loss on termination in current earnings as a component of net investment gain or loss. In the event a hedged item is disposed of subsequent to the termination of the hedging transaction, we reclassify any remaining gain or loss on the hedge out of accumulated other comprehensive income into earnings as a component of the same income statement line item wherein we report the gain or loss on disposition of the hedged item.

For a derivative not designated as a hedging instrument, changes in the fair value of the derivative, together with the payment of periodic fees, if applicable, are recognized in the same income statement line item as the hedged item during the period of change in fair value.

Cash flows related to derivative contracts are included in the consolidated statements of cash flows, coinciding with the timing of the hedged item. Cash inflows are included as a component of proceeds from sales and maturities of other investments. Cash outflows are included as a component of purchases of other investments.

In our consolidated balance sheets, we do not offset fair value amounts recognized for derivatives executed with the same counterparty under a master netting agreement and fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral arising from those master netting agreements. See Notes 2, 3, and 4.

Fair Value Measurement: Certain assets and liabilities are reported at fair value in our consolidated balance sheets and in our notes to our consolidated financial statements. We define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, fair value represents an exit price, not an entry price. The exit price objective applies regardless of our intent and/or ability to sell the asset or transfer the liability at the measurement date. Assets or liabilities with readily available actively quoted prices or for which fair value can be measured from actively quoted prices in active markets generally have more pricing observability and less judgment utilized in measuring fair value. When actively quoted prices are not available, fair values are based on quoted prices in markets that are not active, quoted prices for similar but not identical assets or liabilities, or other observable inputs. If observable inputs are not available, unobservable inputs and/or adjustments to observable inputs requiring management judgment are used to determine fair value. We categorize our assets and liabilities measured at estimated fair value into a three-level hierarchy, based on the significance of the inputs. The fair value hierarchy gives the highest priority to inputs which are unadjusted and represent quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). See Note 2.

Note 1 - Significant Accounting Policies - Continued

Allowance for Credit Losses on Premiums Receivable : We establish an allowance for credit losses on premiums receivable, which is deducted from the gross amount of our receivable balance, to present the net amount we expect to collect on this asset. The allowance is forward-looking in nature and is calculated based on considerations regarding both historical events and future expectations. Periodic changes in the allowance are recorded through earnings.

The allowance on our premiums receivable is primarily determined using an aging analysis as well as historical lapse and delinquency rates by line of business, adjusted for key factors that may impact our future expectation of premium receipts such as changes in customer demographics, business practices, economic conditions, and product offerings. We write off premiums receivable amounts when determined to be uncollectible, which is based on various factors, including the aging of premiums receivable past the due date and specific communication with customers. At December 31, 2023 and 2022, the allowance for expected credit losses on premium receivables was $29.5 million and $32.5 million, respectively, on gross premium receivables of $612.4 million and $557.6 million, respectively. The allowance decreased $3.0 million and $1.7 million during the years ended December 31, 2023, and 2022, respectively. The decreases were driven primarily by improvements in the age of premiums receivable.

Deferred Acquisition Costs: Incremental direct costs associated with the successful acquisition of new or renewal insurance contracts have been deferred. Such costs include commissions, other agency compensation, certain selection and policy issue expenses, and certain field expenses. Acquisition costs that do not vary with the production of new business, such as commissions on group products which are generally level throughout the life of the policy, are excluded from deferral.

Our insurance contracts are grouped by product type and contract issue year into cohorts consistent with the grouping used to estimate the related contract liabilities. DAC is amortized on a constant level basis over the life of the policy. For all products, in-force volume metrics are used as the constant level basis. The lapse and mortality assumptions used to amortize DAC for our traditional long-duration products are consistent with the assumptions used to estimate the liability for future policy benefits. The underlying assumptions used to determine DAC amortization are updated concurrently with any related assumption changes for the liability for future policy benefits and changes in estimates are recognized prospectively over the remaining expected term of the related contracts. Amortization expense is adjusted based on actual versus expected experience through an adjustment to the prospective rate of amortization.

For certain products, policyholders can elect to modify product benefits, features, rights, or coverages by exchanging a contract for a new contract or by amendment, endorsement, or rider to a contract, or by the election of a feature or coverage within a contract. These transactions are known as internal replacement transactions, principally on group contracts. Internal replacement transactions wherein the modification does not substantially change the policy are accounted for as continuations of the replaced contracts. The original policy continues to be reflected as an in force policy within its original cohort. The policy's expected life then impacts the amortization of remaining unamortized deferred acquisition costs within its cohort. The costs of replacing the policy are accounted for as policy maintenance costs and expensed as incurred. Internal replacement transactions that result in a policy that is substantially changed are accounted for as an extinguishment of the original policy and the issuance of a new policy. The original policy that was replaced is terminated from its original cohort and this termination is reflected in the amortization rate of remaining unamortized deferred acquisition costs for the cohort. The costs of acquiring the new policy are capitalized and amortized as part of a new cohort. See note 8.

Goodwill: Goodwill is the excess of the amount paid to acquire a business over the fair value of the net assets acquired. We review the carrying amount of goodwill for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying amount might not be recoverable. Goodwill impairment testing compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit to which the goodwill relates is less than the carrying amount of the reporting unit, an impairment charge is recognized for the amount by which the carrying amount exceeds the fair value of the reporting unit in an amount not to exceed the total amount of goodwill allocated to the reporting unit.

Property and Equipment: Property and equipment is reported at cost less accumulated depreciation, which is calculated on the straight-line method over the estimated useful life. The accumulated depreciation for property and equipment was $1,422.8 million and $1,328.7 million as of December 31, 2023 and 2022, respectively.

Note 1 - Significant Accounting Policies - Continued

Value of Business Acquired: Value of business acquired represents the present value of future profits recorded in connection with the acquisition of a block of insurance policies. The asset is amortized based upon expected future premium income for non-interest sensitive insurance policies and estimated future gross profits from surrender charges, mortality margins, investment returns, and expense margins for interest sensitive insurance policies. The value of business acquired, which is included in other assets in our consolidated balance sheets, was $63.9 million and $62.9 million at December 31, 2023 and 2022, respectively. The accumulated amortization for value of business acquired was $161.8 million and $150.3 million as of December 31, 2023 and 2022, respectively.

The amortization of value of business acquired, which is included in other expenses in the consolidated statements of income, was $ 5.2 million, $4.9 million, and $5.7 million for the years ended December 31, 2023, 2022, and 2021, respectively. We periodically review the carrying amount of value of business acquired and it is subject to recoverability testing on an annual basis, or more frequently, if appropriate.

Future Policy Benefits: Liabilities for future policy benefits represent the cost of claims that we estimate we will eventually pay to our policyholders which includes policy liabilities for claims not yet incurred and for claims that have been incurred or are estimated to have been incurred but not yet reported to us. Liabilities for future policy benefits also include the related expenses for our non interest-sensitive life and accident and health products. The liability for future policy benefits is calculated based on the present value of the estimated future policy benefits less the present value of estimated future net premiums collected. Net premiums represent the portion of the gross premium required to provide for all benefits and expenses, excluding acquisition costs or any costs that are required to be charged to expense as incurred. In calculating the liability for future policy benefits, our long-duration contracts are grouped into cohorts by product type and contract issue year.

The calculation of the liability for future policy benefits involves numerous assumptions including assumptions related to discount rate, lapses, mortality, and morbidity. The discount rate assumptions were initially set based on the expected investment yield of the assets supporting the reserves at the transition date of accounting standards update (ASU) 2018-12, which was January 1, 2021, for policies originally issued on or before the transition date. The discount rate assumptions for new cohorts established after the transition date, are initially set based on the policy issuance date or policy renewal date, and are based on an upper-medium grade fixed-income instrument, which is generally equivalent to a single-A interest rate matched to the duration of our insurance liabilities. As cohorts are grouped by product type and issue year, a weighted average discount rate is utilized as policies are issued or renewed throughout the year. We utilize a reference portfolio of fixed-income instruments that have been A-rated by one of the major credit rating agencies. For products with liability cash flows that exceed the duration of observable single-A fixed income instruments, we use the last market observable yield and use extrapolation approaches to determine yield assumptions for durations beyond the last market observable duration. For the discount rate assumptions for products in our Unum International segment, we utilize observable market data in the local debt markets in the UK and Poland.

The initial, also referred to as the original, discount rate assumptions established for each cohort are used to determine interest accretion which is reported as a component of policy benefits on the statements of income. After policy issuance or policy renewal, the discount rate assumptions are updated quarterly and used to update the liability at each reporting date to the current discount rate, with the corresponding change reflected as the change in the effect of discount rate assumptions on the liability for future policy benefits, net of reinsurance, on the statement of changes in other comprehensive income (loss). Policyholder lapse and mortality assumptions reflect the probability that an insureds' coverage is discontinued due to lapsation or death of the insured. For our life insurance products, mortality assumptions also reflect the probability that a benefit payment occurs. Policyholder lapse and mortality assumptions are based on our actual historical experience adjusted for future expectations. Claim incidence and claim resolution rate assumptions related to morbidity and mortality are based on actual experience or industry standards adjusted as appropriate to reflect our actual experience and future expectations. The claim incidence rate assumption is the rate at which new claims are submitted and the development of this assumption may involve many factors, including the age of the insured, the insured's occupation or industry, the benefit plan design, and certain external factors such as consumer confidence and levels of unemployment. The claim resolution rate assumption is the probability that a claim will close due to recovery or death of the insured and is used to estimate how long benefits will be paid on an open claim. Certain product lines may utilize additional assumptions in calculating the liability for future policy benefits in addition to those listed above such as premium rate increases for long-term care, benefit offsets for long-term disability, and claim costs for voluntary benefits. Claim costs capture the combined effect of the incidence rate, the expected level of benefit to be paid, and the claim resolution rate.

Note 1 - Significant Accounting Policies - Continued

Cash flow assumptions are reviewed and updated, as needed, at least annually. Assumptions may be updated more frequently if necessary based on trending experience and future expectations. On a quarterly basis, cohort level cash flow measures are updated based on the emergence of actual experience. The updated cash flows are used to determine the updated net premiums and the net premium ratio, which is the present value of benefits and related expenses divided by the present value of gross premiums. The updated net premium ratio is used to calculate the updated liability for future policy benefits as of the beginning of the year, at the original discount rate. The change in the liability for future policy benefits, at the original discount rate, as of the beginning of the period, resulting from changes in cash flow assumptions and resulting from the emergence of actual experience from expected experience, is reflected as the policy benefits - remeasurement loss (gain) in the consolidated statements of income. The impact of all other changes in the liability for future policy benefits are reflected as policy benefits in the consolidated statements of income.

For most products, a net premium methodology is applied to each cohort to estimate the liability for claims not yet incurred in which discounted gross benefits are compared to discounted gross premiums. In this methodology, actual experience to date is combined with projected future cash flows to determine a net premium ratio for each cohort. The future cash flows include the costs of future expected claims as well as future cash flows on claims that have already been incurred. The net premium ratio is then used to estimate the liability for future policy benefits. The liability for future policy benefits represents the present value of future claims and associated expenses less the present value of future net premiums, which is derived by multiplying the present value of future gross premium by the net premium ratio.

For our group products in the Unum US and Unum International segments, we evaluate the liability for future policy benefits required for active policies in comparison to incurred claims. Given the term nature of the products, their renewal features, and level funding nature of the premium for these products, we have determined that the liability value is generally zero for policies that are not on claim. For these products, our liability for future policy benefit values are limited to the liability associated with claims incurred as of the valuation date.

Multiple estimation methods exist to establish liabilities for the incurred claim component of future policy benefits. Available reserving methods utilized to calculate these liabilities include the tabular reserve method, the paid loss development method, the incurred loss development method, the count and severity method, and the expected claim cost method. No single method is better than the others in all situations and for all product lines. The estimation methods we have chosen are those that we believe produce the most accurate and reliable liability.

We use a tabular reserve methodology on reported claims for our Unum US group long-term disability and individual disability claims as well as for our Closed Block long-term care claims. Under the tabular reserve methodology, the liability for reported claims is based on certain characteristics of the actual reported claimants and their related policy provisions, such as age, length of time disabled, and medical diagnosis, as well as assumptions regarding claim duration, discount rate, and policy benefit offsets. We believe the tabular reserve method is the most accurate to calculate long-term liabilities and allows us to use the most available known facts about each claim. Incurred, but not reported (IBNR) liabilities for future policy benefits for our longer-term products are calculated using the count and severity method using historical patterns of the claims to be reported and the associated claim costs. For Unum US group short-term disability products, an estimate of the value of future payments to be made on claims already submitted, as well as on IBNR claims, is determined in aggregate using a paid loss development method rather than on the individual claimant basis that we use for reported claims on longer-term products. The average length of time between the event triggering a claim under a policy and the final resolution of those claims is much shorter for these products and results in less estimation variability.

Liabilities for claims for Unum US group life and accidental death and dismemberment products are related primarily to death claims reported but not yet paid, IBNR death claims, and a liability for waiver of premium benefits in the event the policyholder becomes disabled. The death claim liability is based on the actual face amount to be paid, the IBNR liability is calculated using the count and severity method based on historical patterns of the claims, and the waiver of premium benefits liability is calculated using the tabular reserve methodology.

Liabilities for claims related to the group and individual dental and vision products reported in our Unum US and Colonial Life segments have a short claim payout period. As a result, the liabilities, which primarily represent IBNR and a small amount of claims pending payment, are calculated using the paid loss development method.

Note 1 - Significant Accounting Policies - Continued

Liabilities for future policy benefits supporting the group products within our Unum International segment are calculated using generally the same methodology that we use for Unum US group disability and group life liabilities. Liabilities for future policy benefits for our Unum UK group life dependent product, which provides an annuity to the beneficiary upon the death of an employee, are calculated using discounted cash flows, based on our assumptions for claim duration and discount rates. The assumptions used in calculating liabilities for future policy benefits for this segment are based on standard country-specific industry experience, adjusted for our own experience.

Certain products in the Colonial Life segment and the Unum US voluntary benefits product line have shorter-term benefits, which generally have less estimation variability than our longer-term products because of the shorter claim payout period. Our liabilities for future policy benefits for these lines of business are predominantly determined using the incurred loss development method based on our own experience. The incurred loss development method uses the historical patterns of payments by loss date to predict future claim payments for each loss date. Where the incurred loss development method may not be appropriate, we estimate the incurred claims using an expected claim cost per policy or other measure of exposure. See note 6.

Policyholders' Account Balances: Policyholders' account balances primarily include our universal life and corporate-owned life insurance products. Policyholders' account balances reflect customer deposits and interest credited less cost of insurance, administration expenses, surrender charges, and customer withdrawals. Our unearned revenue reserve, claim reserves and certain other reserves related to our universal life products and corporate-owned life insurance products are also reported as a component of policyholders' account balances. Policyholders' account balances require loss recognition testing. We perform loss recognition tests on these reserves annually, or more frequently if appropriate, using best estimate assumptions as of the date of the test, without a provision for adverse deviation. We group the policy reserves for each major product line within a reporting segment when we perform the loss recognition tests. If the excess of the present value of projected future benefits and claim settlement expenses over the present value of projected future gross premiums is greater than the existing policy reserves less any unearned revenue reserve or value of business acquired, the existing policy reserves would be increased to immediately recognize the insufficiency. This becomes the new basis for reserves going forward, subject to future loss recognition testing. Anticipated investment income, based on our anticipated portfolio yield rates after consideration for defaults and investment expenses, is considered when performing loss recognition testing for long-duration contracts. See note 7.

Other Policyholders' Funds: Other policyholders' funds represent customer deposits plus interest credited at contract rates. We control interest rate risk by investing in quality assets which have an aggregate duration that closely matches the expected duration of the liabilities.

Income Tax: Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and the amounts used for income tax purposes. Deferred taxes have been measured using enacted statutory income tax rates and laws that are currently in effect. We record adjustments to our deferred taxes resulting from tax rate changes through income as of the date of enactment. We record deferred tax assets for tax positions taken in the U.S. and other tax jurisdictions based on our assessment of whether a position is more likely than not to be sustained upon examination based solely on its technical merits. A valuation allowance is established for deferred tax assets when it is more likely than not that an amount will not be realized. We record tax expense related to Global Intangible Low-Taxed Income in the period in which it is incurred. We follow an aggregate portfolio approach to release disproportionate tax effects from accumulated other comprehensive income upon disposal of an entire business segment's portfolio. See Note 9.

Short-term and Long-term Debt: Debt is generally carried at the unpaid principal balance, net of unamortized discount or premium and deferred debt issuance costs. Short-term debt consists of debt due within the next twelve months, including that portion of debt otherwise classified as long-term. The amortization of the original issue discount or premium as well as deferred debt issuance costs are recognized as a component of interest expense over the period the debt is expected to be outstanding. See Note 10.

Right-of-Use Asset (ROU) and Lease Liability : ROU assets represent our right to use an underlying asset for a specified lease term and are included in other assets in our consolidated balance sheet. Lease liabilities represent the present value of lease payments that we are obligated to pay arising from a lease and are included in other liabilities in our consolidated balance sheet.

Note 1 - Significant Accounting Policies - Continued

We determine if an arrangement is a lease at inception through a formal process that evaluates our right to control the use of an identified asset for a period of time in exchange for consideration. We account for the lease and non-lease components of our building leases separately and have elected to use the available practical expedient to account for the lease and non-lease components of our equipment leases as a single component. All of our leases are classified as operating. For each operating lease, we calculate a lease liability at commencement date based on the present value of lease payments over the lease term and a corresponding ROU asset, adjusted for lease incentives. We do not recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset.

We consider the likelihood of renewal in determining the lease terms for the calculation of the ROU asset and lease liability. As most of our leases do not provide an implicit rate of interest, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate of interest when readily determinable.

Operating lease cost is calculated on a straight-line basis over the lease term and is included in other expenses in our consolidated statements of income. We amortize the ROU asset over the lease term on a pattern determined by the difference between the straight-line lease liability expense and the accretion of the imputed interest calculated on the lease liability. See Note 17.

Treasury Stock and Retirement of Common Stock: Treasury stock is reflected as a reduction of stockholders' equity at cost. When shares are retired, the par value is removed from common stock, and the excess of the repurchase price over par is allocated between additional paid-in capital and retained earnings. See Note 12.

Revenue Recognition: Our non-interest sensitive life and accident and health products are long-duration contracts, and premium income is recognized as revenue when due from policyholders. If the contracts are experience rated, the estimated ultimate premium is recognized as revenue over the period of the contract. The estimated ultimate premium, which is revised to reflect current experience, is based on estimated claim costs, expenses, and profit margins.

For interest sensitive products, the amounts collected from policyholders are considered deposits, and only the deductions during the period for cost of insurance, policy administration, and surrenders are included in revenue. Policyholders' funds represent funds deposited by contract holders and are not included in revenue.

Fees from our solutions business, which include leave management services and administrative-services only (ASO) business are reported as other income when services are rendered.

Reinsurance: We routinely enter into reinsurance agreements with other insurance companies to spread risk and thereby limit losses from large exposures. For each of our reinsurance agreements, we determine if the agreement provides indemnification against loss or liability relating to insurance risk in accordance with applicable accounting standards. If we determine that a reinsurance agreement does not expose the reinsurer to a reasonable possibility of a significant loss from insurance risk, we record the agreement using the deposit method of accounting.

Reinsurance activity is accounted for on a basis consistent with the terms of the reinsurance contracts and the accounting used for the original policies issued. Premium income, policy benefits, and policy benefits - remeasurement gain or loss are presented in our consolidated statements of income net of reinsurance ceded. Ceded liabilities for future policy benefits, policyholders' account balances and unearned premiums are reported on a gross basis in our consolidated balance sheets, as are ceded policy loans. Our reinsurance recoverable includes the balances due from reinsurers under the terms of the reinsurance agreements for these ceded balances as well as settlement amounts currently due.

For ceded reinsurance transactions occurring after January 1, 2021, the transition date of ASU 2018-12, in accordance with the provisions of the ASU related to non-contemporaneous reinsurance, we are required to establish the ceded reserves using an upper-medium grade fixed-income instrument as of the reinsurance transaction date. However, the direct reserves for the reinsured block are calculated using the original discount rate utilized as of the transition date. Both the direct and ceded reserves are then remeasured at each reporting period using a current discount rate reflective of an upper-medium grade fixed-income instrument, with the changes recognized in other comprehensive income(loss). While the total equity impact is neutral, the different original discount rates utilized for direct and ceded reserves result in disproportionate earnings impacts.

Note 1 - Significant Accounting Policies - Continued

Where applicable, gains or costs recognized on reinsurance transactions are generally deferred and amortized into earnings based upon expected future premium income for non-interest sensitive insurance policies and estimated future gross profits for interest sensitive insurance policies. Gains or costs recognized on reinsurance transactions for non-interest sensitive products for which we no longer receive premiums are generally deferred and amortized into earnings based upon expected claim reserve patterns. The cost of reinsurance included in other assets in our consolidated balance sheets at December 31, 2023 and 2022 was $549.4 million and $593.5 million. The deferred gain on reinsurance included in other liabilities in our consolidated balance sheets at December 31, 2023 and 2022 was $8.8 million and $3.1 million, respectively.

Under ceded reinsurance agreements wherein we are not relieved of our legal liability to our policyholders, if the assuming reinsurer is unable to meet its obligations, we remain contingently liable. We evaluate the financial condition of reinsurers and monitor concentration of credit risk to minimize this exposure. We may also require assets in trust, letters of credit, or other acceptable collateral to support our reinsurance recoverable balances. We estimate an allowance for expected credit losses for our reinsurance recoverable balance using a probability of default approach which incorporates key inputs and assumptions regarding market factors, counterparty credit ratings, and collateral received. When calculating our allowance, we apply these market factors to the net amount of our credit exposure, which considers collateral arrangements such as letters of credit and trust accounts. We evaluate the factors used to determine our allowance on a quarterly basis to consider material changes in our assumptions and make adjustments accordingly. The allowance for expected credit losses on reinsurance recoverables was $1.7 million at both December 31, 2023 and 2022. In 2022, the allowance decreased $0.6 million primarily due to changes in the composition of the related receivable. See Note 14.

Premium Tax Expense: Premium tax expense is included in other expenses in the consolidated statements of income. For the years ended December 31, 2023, 2022, and 2021, premium tax expense was $183.5 million, $169.3 million, and $166.0 million, respectively.

Stock-Based Compensation: Restricted stock units and stock success units are valued based on the fair value of common stock at the grant date. The fair value of performance units and cash incentive units is based on the Monte-Carlo valuation model. We evaluate whether there are any events which would require an adjustment to the price of common stock at the grant date. No adjustments have been made to any grant date prices for any awards as of December 31, 2023 or 2022. Stock-based awards are expensed over the requisite service period, or for performance units over the requisite service period, or remaining service period, if and when it becomes probable that the performance conditions will be satisfied, with an offsetting increase to additional paid-in capital in stockholders' equity. The expense for certain of our awards is subject to accelerated recognition over the implicit service period for employees who have met the criteria for retirement eligibility. Forfeitures of stock-based awards are recognized as they occur. See Note 13.

Earnings Per Share: We compute basic earnings per share by dividing net income by the weighted average number of common shares outstanding for the period. Earnings per share assuming dilution is computed by dividing net income by the weighted average number of shares outstanding for the period plus the shares representing the dilutive effect of stock-based awards. In computing earnings per share assuming dilution, only potential common shares resulting from stock-based awards that are dilutive (those that reduce earnings per share) are included. We use the treasury stock method to account for the effect of nonvested stock awards on the computation of earnings per share assuming dilution. See Note 12.

Translation of Foreign Currency: Revenues and expenses of our foreign operations are translated at average exchange rates. Assets and liabilities are translated at the rate of exchange on the balance sheet dates. The translation gain or loss is generally reported in accumulated other comprehensive income, net of income tax. We do not provide for deferred taxes to the extent unremitted foreign earnings are deemed permanently invested.

Accounting for Participating Individual Life Insurance: Participating policies issued by one of our subsidiaries prior to its 1986 conversion from a mutual to a stock life insurance company will remain participating as long as the policies remain in-force. A Participation Fund Account (PFA) was established for the benefit of all such individual participating life and annuity policies and contracts. The assets of the PFA provide for the benefit, dividend, and certain expense obligations of the participating individual life insurance policies and annuity contracts. The assets of the PFA were $244.4 million and $250.2 million at December 31, 2023 and 2022, respectively.

Note 1 - Significant Accounting Policies - Continued

Accounting Updates Adopted in 2023:

ASU 2022-02, Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures

The amendments in this update eliminated the troubled debt restructuring recognition and measurement guidance and instead required that an entity evaluate whether the modification represents a new loan or the continuation of an existing loan. The amendments also enhanced the disclosure requirements related to certain modifications of receivables made to borrowers experiencing financial difficulty. In addition, the amendments in this update required that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investment in leases. The amendments in this update were applied prospectively in the period of adoption as of January 1, 2023. The adoption of this update modified our disclosures but did not have an impact on our financial position or results of operations.

ASU 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts and related amendments

This update significantly amended the accounting and disclosure requirements for long-duration insurance contracts. These changes included a requirement to review, and if necessary, update cash flow assumptions used to measure the liability for future policy benefits for traditional and limited-payment contracts at least annually, with changes recognized in earnings. In addition, an entity is required to update the discount rate assumption at each reporting date using a yield that is reflective of an upper-medium grade fixed-income instrument, with changes recognized in other comprehensive income (loss) (OCI). These changes resulted in the elimination of the provision for risk of adverse deviation and premium deficiency (or loss recognition) testing for traditional long-duration insurance contracts. The update also required that an entity measure all market risk benefits associated with deposit contracts at fair value, with changes recognized in earnings except for the portion attributable to a change in the instrument-specific credit risk, which is to be recognized in OCI. This update also simplified the amortization of deferred acquisition costs by requiring amortization on a constant level basis over the expected term of the related contracts. Deferred acquisition costs are required to be written off for unexpected contract terminations, but are no longer subject to an impairment test. Significant additional disclosures are required, which include disaggregated rollforwards of certain liability balances and the disclosure of qualitative and quantitative information about expected cash flows, estimates, and assumptions. We do not have products with market risk benefits. The update was effective for periods beginning January 1, 2023.

We adopted this guidance effective January 1, 2023 using the modified retrospective approach with changes applied as of January 1, 2021, also referred to as the transition date. The following tables summarize the impacts of the adoption of ASU 2018-12 on the liability for future policy benefits, deferred acquisition costs, and stockholders' equity as of the transition date as well as impacted historical condensed consolidated financial statement line items for historical comparison.

All historically reported information included throughout these financial statements has been adjusted for the impacts of our modified retrospective adoption of ASU 2018-12.

Impact of the Adoption of ASU 2018-12 as of the Transition Date:

Stockholders' Equity

The following table summarizes the changes in stockholders' equity due to the adoption of ASU 2018-12 and the resulting adjusted balances at January 1, 2021:

	Consolidated		
	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(in millions of dollars)		
Balance at December 31, 2020	$ 11,269.6	$ 374.2	$ 10,871.0
Impact of the Adoption of ASU 2018-12	(20.6)	(6,684.4)	(6,705.0)
Balance at January 1, 2021	$ 11,249.0	$ (6,310.2)	$ 4,166.0

Note 1 - Significant Accounting Policies - Continued

Liability for Future Policy Benefits

The following tables summarize the changes in the liability for future policy benefits due to the adoption of ASU 2018-12 and the resulting adjusted balance at January 1, 2021. The removal of shadow adjustments and effect of change in discount rate assumptions are both recorded as transition adjustments to accumulated other comprehensive income (loss) (AOCI) while the adjustments for loss contracts are recorded as a transition adjustment to retained earnings.

	Unum US	Unum International	Colonial Life	Closed Block	Consolidated
			(in millions of dollars)		
Balance at December 31, 2020 [1]	$ 12,184.6	$ 2,969.8	$ 1,977.2	$ 28,572.8	$ 45,704.4
Removal of Shadow Adjustments[2]	(1,569.7)	(545.8)	(44.5)	(4,065.6)	(6,225.6)
Adjustments for Loss Contracts[3]	—	—	34.9	—	34.9
Effect of Change in Discount Rate Assumptions	2,251.8	779.4	568.6	12,484.8	16,084.6
Other[4]	(5.3)	—	(7.6)	—	(12.9)
Balance at January 1, 2021	12,861.4	3,203.4	2,528.6	36,992.0	55,585.4
Reinsurance Recoverable[5]	357.7	132.5	4.4	10,001.4	10,496.0
Balance, Net of Reinsurance, at January 1, 2021	$ 12,503.7	$ 3,070.9	$ 2,524.2	$ 26,990.6	$ 45,089.4

[1]We previously reported policy and contract benefits and reserves for future policy and contract benefits liabilities in our consolidated balance sheet as of December 31, 2020 of $1,855.4 million and $49,653.0 million, respectively, resulting in total policyholder liabilities of $51,508.4 million. These balances were reclassified into new line items, future policy benefits and policyholders' account balances, which would have reported balances of $45,704.4 million and $5,804.0 million as of December 31, 2020, respectively, resulting in total policyholder liabilities of $51,508.4 million under the historical accounting method. These balances were reclassified to more closely align with the new disclosure requirements of ASU 2018-12.

[2]Shadow adjustments represent the adjustments related to unrealized investment gains and losses previously included in the reserves balance prior to the adoption of ASU 2018-12.

[3]Adjustment for loss contracts represents the adjustment for those cohorts whose net premium ratio exceeded 100 percent as of the transition date. For those cohorts, the net premiums were set equal to the gross premiums and the difference was recorded as a transition adjustment to the liability for future policy benefits.

[4]This amount reflects the effect of the reclassification of certain unearned premium. This amount was reclassified to more closely align with the presentation of liabilities under ASU 2018-12 and had no impact to stockholders' equity.

[5]These amounts represent the portion of reinsurance recoverable related to the liability for future policy benefits. These amounts include the adjustments for the removal of shadow adjustments and for the effect of change in discount rate assumptions for the liability for future policy benefits ceded to third party reinsurers.

Note 1 - Significant Accounting Policies - Continued

	Unum US Segment					
	Group Disability	Group Life and AD&D	Individual Disability	Voluntary Disability	Dental and Vision	Total
	(in millions of dollars)					
Balance at December 31, 2020	$ 7,409.0	$ 1,123.9	$ 2,485.3	$ 1,154.9	$ 11.5	$ 12,184.6
Removal of Shadow Adjustments	(1,025.2)	(88.5)	(446.1)	(9.9)	—	(1,569.7)
Effect of Change in Discount Rate Assumptions	911.9	91.9	728.5	519.5	—	2,251.8
Other	—	—	—	(5.3)	—	(5.3)
Balance at January 1, 2021	7,295.7	1,127.3	2,767.7	1,659.2	11.5	12,861.4
Reinsurance Recoverable	58.3	3.0	260.6	35.7	0.1	357.7
Balance, Net of Reinsurance, at January 1, 2021	$ 7,237.4	$ 1,124.3	$ 2,507.1	$ 1,623.5	$ 11.4	$ 12,503.7

	Closed Block Segment		
	Long-term Care	All Other	Total
	(in millions of dollars)		
Balance at December 31, 2020	$ 16,283.4	$ 12,289.4	$ 28,572.8
Removal of Shadow Adjustments	(3,465.4)	(600.2)	(4,065.6)
Effect of Change in Discount Rate Assumptions	9,922.9	2,561.9	12,484.8
Balance at January 1, 2021	22,740.9	14,251.1	36,992.0
Reinsurance Recoverable	44.4	9,957.0	10,001.4
Balance, Net of Reinsurance, at January 1, 2021	$ 22,696.5	$ 4,294.1	$ 26,990.6

Deferred Acquisition Costs (DAC)

The following tables summarize the changes in DAC due to the adoption of ASU 2018-12 and the resulting adjusted balance at January 1, 2021. The removal of shadow adjustments is recorded as a transition adjustment to AOCI.

	Consolidated			
	Unum US[1]	Unum International	Colonial Life	Total
	(in millions of dollars)			
Balance at December 31, 2020	$ 1,168.7	$ 32.0	$ 1,071.9	$ 2,272.6
Removal of Shadow Adjustments	12.3	—	72.8	85.1
Balance at January 1, 2021	$ 1,181.0	$ 32.0	$ 1,144.7	$ 2,357.7

[1]The $12.3 million removal of shadow adjustments is related to the Unum US voluntary benefits product line.

Note 1 - Significant Accounting Policies - Continued

Impact of the Adoption of ASU 2018-12 on Historical Financial Statements:

The following tables present the effect of the adoption of ASU 2018-12 on our historical consolidated financial statements:

	December 31, 2022		
	Historical Accounting Method	As Adjusted	Effect of Change
	(in millions of dollars)		
Consolidated Balance Sheets			
Assets			
Reinsurance Recoverable	$ 10,218.6	$ 9,608.0	$ (610.6)
Deferred Acquisition Costs	2,252.3	2,560.0	307.7
Deferred Income Tax	449.8	586.0	136.2
Other Assets[1]	1,786.3	1,666.6	(119.7)
Total Assets	61,434.9	61,148.5	(286.4)
Liabilities			
Policy and Contract Benefits[2]	$ 1,839.8	$ —	$ (1,839.8)
Reserves for Future Policy and Contract Benefits[2]	42,330.2	—	(42,330.2)
Future Policy Benefits[2]	—	38,577.1	38,577.1
Policyholders' Account Balances[2]	—	5,740.2	5,740.2
Unearned Premiums	352.7	365.5	12.8
Deferred Income Tax	9.2	25.2	16.0
Total Liabilities	52,237.4	52,413.5	176.1
Stockholders' Equity			
Accumulated Other Comprehensive Loss	$ (2,756.6)	$ (3,448.3)	$ (691.7)
Retained Earnings	12,912.1	13,141.3	229.2
Total Stockholders' Equity	9,197.5	8,735.0	(462.5)

[1]The change in other assets is driven by the cost of reinsurance associated with the second phase of our Closed Block individual disability reinsurance transaction which was completed in the first quarter of 2021. In accordance with the provisions of the ASU related to non-contemporaneous reinsurance, we were then required to establish the ceded reserves using an upper-medium grade fixed-income instrument as of the reinsurance transaction date in March 2021 which resulted in higher ceded reserves compared to that which was reported historically.

[2]We previously reported policy and contract benefits and reserves for future policy and contract benefits liabilities in our consolidated balance sheet as of December 31, 2022 of $1,839.8 million and $42,330.2 million, respectively, resulting in total policyholder liabilities of $44,170.0 million. These balances were reclassified into new line items, future policy benefits and policyholders' account balances, which would have reported balances of $38,443.2 million and $5,726.8 million, respectively, as of December 31, 2022, resulting in total policyholder liabilities of $44,170.0 million under the historical accounting method.

Note 1 - Significant Accounting Policies - Continued

	Twelve Months Ended December 31, 2022		
	Historical Accounting Method	As Adjusted	Effect of Change
	(in millions of dollars, except share data and where noted)		
Consolidated Statements of Income			
Premium Income	$ 9,623.4	$ 9,616.5	$ (6.9)
Policy Benefits[1]	6,936.7	7,542.1	605.4
Policy Benefits - Remeasurement Gain	—	(547.5)	(547.5)
Amortization of Deferred Acquisition Costs	591.0	421.1	(169.9)
Other Expenses	1,020.2	1,006.7	(13.5)
Income Tax - Deferred	(156.3)	(130.7)	25.6
Net Income	1,314.2	1,407.2	93.0
Net Income Per Common Share			
Basic	$ 6.55	$ 7.01	$ 0.46
Assuming Dilution	$ 6.50	$ 6.96	$ 0.46
Consolidated Statements of Comprehensive Income (Loss)			
Net Income	$ 1,314.2	$ 1,407.2	$ 93.0
Change in Adjustment to Deferred Acquisition Costs and Reserves for Future Policy and Contract Benefits, Net of Reinsurance	4,056.9	—	(4,056.9)
Change in the Effect of Discount Rate Assumptions on the Liability for Future Policy Benefits, Net of Reinsurance	—	8,884.6	8,884.6
Change in Foreign Currency Translation Adjustment	(115.2)	(116.0)	(0.8)
Comprehensive Income (Loss)	(1,796.5)	3,123.5	4,920.0
Consolidated Statements of Stockholders' Equity			
Accumulated Other Comprehensive Income (Loss)			
Balance at Beginning of Year	$ 354.1	$ (5,164.6)	$ (5,518.7)
Other Comprehensive Income (Loss)	(3,110.7)	1,716.3	4,827.0
Retained Earnings			
Balance at Beginning of Year	11,853.2	11,989.4	136.2
Net Income	1,314.2	1,407.2	93.0
Consolidated Statements of Cash Flows			
Cash Flows from Operating Activities			
Net Income	$ 1,314.2	$ 1,407.2	$ 93.0
Change in Receivables	566.0	590.6	24.6
Change in Deferred Acquisition Costs	34.1	(135.8)	(169.9)
Change in Insurance Liabilities	(282.0)	(244.7)	37.3
Change in Income Taxes	(58.8)	(31.3)	27.5
Amortization of the Cost of Reinsurance	63.8	50.3	(13.5)
Other, Net	16.1	17.1	1.0

[1] Previously disclosed as Benefits and Change in Reserves for Future Benefits

Note 1 - Significant Accounting Policies - Continued

	Twelve Months Ended December 31, 2021		
	Historical Accounting Method	As Adjusted	Effect of Change
	(in millions of dollars, except share data and where noted)		
Consolidated Statements of Income			
Premium Income	$ 9,481.0	$ 9,475.0	$ (6.0)
Policy Benefits[1]	7,598.6	8,113.3	514.7
Policy Benefits - Remeasurement Gain	—	(559.9)	(559.9)
Deferral of Acquisition Costs	(508.1)	(523.2)	(15.1)
Amortization of Deferred Acquisition Costs	586.1	452.1	(134.0)
Other Expenses	1,008.6	999.3	(9.3)
Income Tax - Deferred	26.0	66.8	40.8
Net Income	824.2	981.0	156.8
Net Income Per Common Share			
Basic	$ 4.04	$ 4.80	$ 0.76
Assuming Dilution	$ 4.02	$ 4.79	$ 0.77
Consolidated Statements of Comprehensive Income (Loss)			
Net Income	$ 824.2	$ 981.0	$ 156.8
Change in Adjustment to Deferred Acquisition Costs and Reserves for Future Policy and Contract Benefits, Net of Reinsurance	1,195.9	—	(1,195.9)
Change in the Effect of Discount Rate Assumptions on the Liability for Future Policy Benefits, Net of Reinsurance	—	2,361.8	2,361.8
Change in Foreign Currency Translation Adjustment	(12.6)	(12.8)	(0.2)
Comprehensive Income (Loss)	804.1	2,126.6	1,322.5
Consolidated Statements of Stockholders' Equity			
Accumulated Other Comprehensive Income (Loss)			
Balance at Beginning of Year	$ 374.2	$ (6,310.2)	$ (6,684.4)
Other Comprehensive Income (Loss)	(20.1)	1,145.6	1,165.7
Retained Earnings			
Balance at Beginning of Year	11,269.6	11,249.0	(20.6)
Net Income	824.2	981.0	156.8
Consolidated Statements of Cash Flows			
Cash Flows from Operating Activities			
Net Income	$ 824.2	$ 981.0	$ 156.8
Change in Receivables	678.0	676.1	(1.9)
Change in Deferred Acquisition Costs	78.0	(71.1)	(149.1)
Change in Insurance Liabilities	74.2	37.7	(36.5)
Change in Income Taxes	295.3	335.3	40.0
Amortization of the Cost of Reinsurance	79.1	69.8	(9.3)

[1] Previously disclosed as Benefits and Change in Reserves for Future Benefits

Note 1 - Significant Accounting Policies - Continued

The decrease in AOCI in our recast of 2022 as shown in the preceding chart is driven primarily by the difference between the discount rate applied under the historical accounting method, which was based on an expected investment yield from our current investment strategy, and the single-A discount rate that is required as a part of the adoption of ASU 2018-12. The most significant impact is related to our longest duration products. Our investment strategy reflects the illiquid nature of the majority of our liability cash flows and, as a result, the yields in our investment portfolios supporting the cash outflows required for these products are generally higher than a single-A yield. In addition, the discount rates applied under the historical accounting method to the reserves for our longest duration products, such as long-term care, included an assumption for long-term yields rising to more historical levels.

The net favorable impact of the adoption of ASU 2018-12 to net income for the years ended December 31, 2021 and December 31, 2022 shown in the preceding charts is due primarily to the following changes:

- Updating the lifetime cohort net premium ratios, or lifetime loss ratio, for actual experience each reporting period will generally cause earnings patterns to be more consistent from period to period, with variances in experience reflected in earnings over the cohort lifetime. This resulted in an unfavorable impact to income for 2021 and 2022.

- Alignment of amortization of deferred acquisition costs to a constant level basis and modification of amortization periods to reflect the expected term of the related contracts could result in either higher or lower income for the affected product lines. This resulted in a net favorable impact to income for 2021 and 2022.

- Accelerated recognition of the provision for adverse deviation or other differences from current best estimate values for policies issued prior to the transition date and due to not establishing the provision for policies issued on or after the transition date will generally result in higher income most notably in the initial years after the transition date. This resulted in a favorable impact to income for 2021 and 2022.

- Establishing reserves for claims incurred on or after the transition date at interest rates prescribed by the update could result in either higher or lower income for the affected product lines depending on the policy issue date and the interest rate environment at that time. This resulted in an unfavorable impact to income for 2021 and a favorable impact to income for 2022.

- Updating cash flow assumptions could result in either higher or lower income. This resulted in a favorable impact to income for 2021 and 2022.

- Accounting for non-contemporaneous reinsurance related to the second phase of our Closed Block individual disability reinsurance transaction which was completed in the first quarter of 2021. This resulted in an increase in policy benefits resulting from the realization of previously unrealized investment gains and losses previously recorded in AOCI that was removed as of the transition date which had a favorable impact on income for 2021. As a result of the execution of the second phase of the reinsurance transaction occurring after January 1, 2021, the transition date of ASU 2018-12, in accordance with the provisions of the ASU related to non-contemporaneous reinsurance, we were required to establish the ceded reserves using an upper-medium grade fixed-income instrument as of the reinsurance transaction date in March 2021 which resulted in higher ceded reserves compared to that which was reported historically. However, the direct reserves for the block reinsured in the second phase were calculated using the original discount rate utilized as of the transition date. Both the direct and ceded reserves are then remeasured at each reporting period using a current discount rate reflective of an upper-medium grade fixed-income instrument, with the changes recognized in OCI. While the total equity impact is neutral, the different original discount rates utilized for direct and ceded reserves result in disproportionate earnings impacts. The differential in the original discount rate applied to the direct and ceded cohorts of business resulted in an unfavorable impact to income for 2021 and 2022, partially offset by a decrease in the amortization of the cost of reinsurance as a result of a lower cost of reinsurance.

Note 1 - Significant Accounting Policies - Continued

Accounting Updates Adopted in 2022:

ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity

The amendments in this update simplified the accounting for convertible instruments by removing certain separation models in the guidance related to convertible instruments and expanded related disclosure requirements. The amendments also revised the requirements for a contract or embedded derivative that is potentially settled in an entity's own stock to be classified as equity and also amended certain guidance related to the computations of earnings per share for convertible instruments and contracts in an entity's own stock. This guidance was applied in the period of adoption as of January, 1 2022. The adoption of this update did not have an effect on our financial position or results of operations, and did not expand our disclosures.

Accounting Updates Adopted in 2021:

ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes

The amendments in this update simplified the accounting for income taxes by removing certain exceptions in the guidance related to losses in continuing operations when there is income in other items, foreign subsidiaries becoming equity method investments and vice versa, and year-to-date interim period losses exceeding anticipated loss for the year. The amendments also simplified the accounting for income taxes related to franchise taxes partially based on income, step up in the tax basis of goodwill, allocation of tax expense to entities not subject to tax, enacted changes in tax law or rates in interim periods, and employee stock ownership programs and investments in qualified affordable housing projects accounted for using the equity method. This guidance was applied in the period of adoption as of January, 1 2021. The adoption of this update did not have a material effect on our financial position or results of operations.

Accounting Updates Outstanding:

ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting and related amendments

The amendments in this update provide optional guidance, for a limited period of time, to ease the potential burden in accounting for and recognizing the effects of reference rate reform on financial reporting. The guidance allows for various practical expedients and exceptions when applying GAAP to contracts, hedging relationships, and other transactions affected either by discontinued rates as a direct result of reference rate reform or a market-wide change in interest rates used for discounting, margining or contract price alignment, if certain criteria are met. Specifically, the guidance provides certain practical expedients for contract modifications, fair value hedges, and cash flow hedges, and also provides certain exceptions related to changes in the critical terms of a hedging relationship. The guidance also allows for a one-time election to sell or transfer debt securities that were both classified as held-to-maturity prior to January 1, 2020 and reference a rate affected by the reform.

The adoption of this update is permitted as of the beginning of the interim period that includes March 12, 2020 (the issuance date of the update), or any date thereafter, through December 31, 2024, at which point the guidance will sunset. We do not anticipate needing to adopt this guidance, but we will continue to monitor our contracts and hedging relationships throughout the adoption period.

Note 1 - Significant Accounting Policies - Continued

ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

The amendments in this update enhance disclosures of significant expenses for reportable segments. Specifically, the update adds a requirement to disclose significant expenses that are regularly provided to the Chief Operating Decision Maker (CODM) and are included in each reported measure of segment profit or loss. This update will require the disclosure of the title and position of the CODM as well as an explanation of how they use the reported measure(s) to assess segment performance and make decisions about allocating resources. The update also requires the disclosure of the amount and composition of other segment items, which is the difference between reported segment revenues less the significant segment expenses. The amendments in this update allow for the disclosure of more than one measure of segment profit or loss, provided that at least one of the reported measures includes the segment profit or loss measure that is most consistent with GAAP measurement principles.

We will adopt this update effective for the annual period beginning January 1, 2024 and the interim period beginning January 1, 2025 using a retrospective approach. The adoption of this update will expand our disclosures but will not have an impact on our financial position or results of operations.

ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures

The amendments in this update require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. Specifically, the guidance requires additional information that meet a quantitative threshold in specified categories with respect to the reconciliation of the effective tax rate to the statutory tax rate for federal, state, and foreign income taxes. The specified categories are the following: state and local income taxes, foreign tax effects, effect of cross-border tax laws, enactment of new tax laws, nontaxable or nondeductible items, tax credits, changes in valuation allowances, and changes in unrecognized tax benefits. The quantitative threshold for each category is five percent of the amount computed by multiplying income (or loss) from continuing operations before income taxes by the statutory federal income tax rate. In addition, the amendments require additional information pertaining to income taxes paid, net of refunds, to be disaggregated by federal, state and foreign jurisdictions, and further disaggregated for specific jurisdictions to the extent the related amounts exceed a quantitative threshold of five percent of total income taxes paid. The amendments also require disclosures of income (or loss) before income tax expense (or benefit) as domestic or foreign for each annual reporting period.

The amendments eliminate the historic requirement to disclose information regarding unrecognized tax benefits having a reasonable possibility of significantly increasing or decreasing in the twelve months following the reporting date, as well as the requirement to disclose the cumulative temporary differences when a deferred tax liability is not recognized due to certain exceptions under ASC 740.

The adoption of these amendments is permitted on a prospective basis or a retrospective basis. We will adopt this update effective for the annual period beginning January 1, 2025, and the interim period beginning January 1, 2026. The adoption of this update will modify our disclosures but will not have an impact on our financial position or results of operations.

Note 2 - Fair Value of Financial Instruments

Fair Value Measurements for Financial Instruments Carried at Fair Value

We report fixed maturity securities, which are classified as available-for-sale securities, derivative financial instruments, and unrestricted equity securities at fair value in our consolidated balance sheets. We report our investments in private equity partnerships at our share of the partnerships' NAV per share or its equivalent as a practical expedient for fair value. See Note 1.

Note 2 - Fair Value of Financial Instruments - Continued

The degree of judgment utilized in measuring the fair value of financial instruments generally correlates to the level of pricing observability. Financial instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices in active markets generally have more pricing observability and less judgment utilized in measuring fair value. An active market for a financial instrument is a market in which transactions for an asset or a similar asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and should be used to measure fair value whenever available. Conversely, financial instruments rarely traded or not quoted have less observability and are measured at fair value using valuation techniques that require more judgment. Pricing observability is generally impacted by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, and overall market conditions.

We classify financial instruments in accordance with a fair value hierarchy consisting of three levels based on the observability of valuation inputs:

- Level 1 - the highest category of the fair value hierarchy classification wherein inputs are unadjusted and represent quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 - valued using inputs (other than prices included in Level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

- Level 3 - the lowest category of the fair value hierarchy and reflects the judgment of management regarding what market participants would use in pricing assets or liabilities at the measurement date. Financial assets and liabilities categorized as Level 3 are generally those that are valued using unobservable inputs to extrapolate an estimated fair value.

Valuation Methodologies of Financial Instruments Measured at Fair Value

Valuation techniques used for assets and liabilities accounted for at fair value are generally categorized into three types. The market approach uses prices and other relevant information from market transactions involving identical or comparable assets or liabilities. The income approach converts future amounts, such as cash flows or earnings, to a single present amount, or a discounted amount. The cost approach is based upon the amount that currently would be required to replace the service capacity of an asset, or the current replacement cost.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available that can be obtained without undue cost and effort. In some cases, a single valuation technique will be appropriate (for example, when valuing an asset or liability using quoted prices in an active market for identical assets or liabilities). In other cases, multiple valuation techniques will be appropriate. If we use multiple valuation techniques to measure fair value, we evaluate and weigh the results, as appropriate, considering the reasonableness of the range indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

The selection of the valuation method(s) to apply considers the definition of an exit price and depends on the nature of the asset or liability being valued. For assets and liabilities accounted for at fair value, we generally use valuation techniques consistent with the market approach, and to a lesser extent, the income approach. We believe the market approach provides more observable data than the income approach, considering the type of investments we hold. Our fair value measurements could differ significantly based on the valuation technique and available inputs. When using a pricing service, we obtain the vendor's pricing documentation to ensure we understand their methodologies. We periodically review and approve the selection of our pricing vendors to ensure we are in agreement with their current methodologies. When markets are less active, brokers may rely more on models with inputs based on the information available only to the broker. Our internal investment management professionals, which include portfolio managers and analysts, monitor securities priced by brokers and evaluate their prices for reasonableness based on benchmarking to available primary and secondary market information. In weighing a broker quote as an input to fair value, we place less reliance on quotes that do not reflect the result of market transactions. We also consider the nature of the quote, particularly whether it is a bid or market quote. If prices in an inactive market do not reflect current prices for the same or similar assets, adjustments may be necessary to arrive at fair value. When relevant market data is unavailable,

Note 2 - Fair Value of Financial Instruments - Continued

which may be the case during periods of market uncertainty, the income approach can, in suitable circumstances, provide a more appropriate fair value. During 2023, we have applied valuation approaches and techniques on a consistent basis to similar assets and liabilities and consistent with those approaches and techniques used at year end 2022.

Fixed Maturity and Equity Securities

We use observable and unobservable inputs in measuring the fair value of our fixed maturity and equity securities. For securities categorized as Level 1, fair values equal active Trade Reporting and Compliance Engine (TRACE) pricing or unadjusted market maker prices. For securities categorized as Level 2 or Level 3, inputs that may be used in valuing each class of securities at any given time period are disclosed below. Actual inputs used to determine fair values will vary for each reporting period depending on the availability of inputs which may, at times, be affected by the lack of market liquidity.

Instrument	Level 2 Observable Inputs	Level 3 Unobservable Inputs
United States Government and Government Agencies and Authorities		
Valuation Method	Principally the market approach	Not applicable
Valuation Techniques / Inputs	Prices obtained from external pricing services	
States, Municipalities, and Political Subdivisions		
Valuation Method	Principally the market approach	Principally the market approach
Valuation Techniques / Inputs	Prices obtained from external pricing services	Analysis of similar bonds, adjusted for comparability
	Relevant reports issued by analysts and rating agencies	
	Audited financial statements	
Foreign Governments		
Valuation Method	Principally the market approach	Principally the market approach
Valuation Techniques / Inputs	Prices obtained from external pricing services	Analysis of similar bonds, adjusted for comparability
	Non-binding broker quotes	
	Call provisions	

Note 2 - Fair Value of Financial Instruments - Continued

Instrument	Level 2 Observable Inputs	Level 3 Unobservable Inputs
Public Utilities		
Valuation Method	Principally the market and income approaches	Principally the market and income approaches
Valuation Techniques / Inputs	Prices obtained from external pricing services	Change in benchmark reference
	Non-binding broker quotes	Analysis of similar bonds, adjusted for comparability
	Benchmark yields	Discount for size - illiquidity
	Transactional data for new issuances and secondary trades	Volatility of credit
	Security cash flows and structures	Lack of marketability
	Recent issuance / supply	
	Audited financial statements	
	Security and issuer level spreads	
	Security creditor ratings/maturity/capital structure/optionality	
	Public covenants	
	Comparative bond analysis	
	Relevant reports issued by analysts and rating agencies	
Mortgage/Asset-Backed Securities		
Valuation Method	Principally the market and income approaches	Principally the market approach
Valuation Techniques / Inputs	Prices obtained from external pricing services	Analysis of similar bonds, adjusted for comparability
	Non-binding broker quotes	Prices obtained from external pricing services
	Security cash flows and structures	
	Underlying collateral	
	Prepayment speeds/loan performance/delinquencies	
	Relevant reports issued by analysts and rating agencies	
	Audited financial statements	

Note 2 - Fair Value of Financial Instruments - Continued

Instrument	Level 2 Observable Inputs	Level 3 Unobservable Inputs
All Other Corporate Bonds		
Valuation Method	Principally the market and income approaches	Principally the market and income approaches
Valuation Techniques / Inputs	Prices obtained from external pricing services	Change in benchmark reference
	Non-binding broker quotes	Discount for size - illiquidity
	Benchmark yields	Volatility of credit
	Transactional data for new issuances and secondary trades	Lack of marketability
	Security cash flows and structures	Prices obtained from external pricing services
	Recent issuance / supply	
	Security and issuer level spreads	
	Security creditor ratings/maturity/capital structure/optionality	
	Public covenants	
	Comparative bond analysis	
	Relevant reports issued by analysts and rating agencies	
	Audited financial statements	
Redeemable Preferred Stocks		
Valuation Method	Principally the market approach	Principally the market approach
Valuation Techniques / Inputs	Non-binding broker quotes	Financial statement analysis
	Benchmark yields	
	Comparative bond analysis	
	Call provisions	
	Relevant reports issued by analysts and rating agencies	
	Audited financial statements	
Perpetual Preferred and Equity Securities		
Valuation Method	Principally the market approach	Principally the market and income approaches
Valuation Techniques / Inputs	Prices obtained from external pricing services	Financial statement analysis
	Non-binding broker quotes	

The management of our investment portfolio includes establishing pricing policy and reviewing the reasonableness of sources and inputs used in developing pricing. We review all prices that vary between multiple pricing vendors by a threshold that is outside a normal market range for the asset type. In the event we receive a vendor's market price that does not appear reasonable based on our market analysis, we may challenge the price and request further information about the assumptions and methodologies used by the vendor to price the security. We may change the selected price based on a better data source such as an actual trade. We also review all prices that did not change from the prior month to ensure that these prices are within our expectations. The overall valuation process for determining fair values may include adjustments to valuations obtained from

Note 2 - Fair Value of Financial Instruments - Continued

our pricing sources when they do not represent a valid exit price. These adjustments may be made when, in our judgment and considering our knowledge of the financial conditions and industry in which the issuer operates, certain features of the financial instrument require that an adjustment be made to the value originally obtained from our pricing sources. These features may include the complexity of the financial instrument, the market in which the financial instrument is traded, counterparty credit risk, credit structure, concentration, or liquidity. Additionally, an adjustment to the price derived from a model typically reflects our judgment of the inputs that other participants in the market for the financial instrument being measured at fair value would consider in pricing that same financial instrument. In the event an asset is sold, we test the validity of the fair value determined by our valuation techniques by comparing the selling price to the fair value determined for the asset in the immediately preceding month end reporting period.

Certain of our investments do not have readily determinable market prices and/or observable inputs or may at times be affected by the lack of market liquidity. For these securities, we use internally prepared valuations, including valuations based on estimates of future profitability, to estimate the fair value. Additionally, we may obtain prices from independent third-party brokers to aid in establishing valuations for certain of these securities. Key assumptions used by us to determine fair value for these securities include risk free interest rates, risk premiums, performance of underlying collateral (if any), and other factors involving significant assumptions which may or may not reflect those of an active market.

The parameters and inputs used to validate a price on a security may be adjusted for assumptions about risk and current market conditions on a quarter to quarter basis, as certain features may be more significant drivers of valuation at the time of pricing. Changes to inputs in valuations are not changes to valuation methodologies; rather, the inputs are modified to reflect direct or indirect impacts on asset classes from changes in market conditions.

At December 31, 2023, approximately 11.6 percent of our fixed maturity securities were valued using active trades from TRACE pricing or market maker prices for which there was current market activity in that specific security (comparable to receiving one binding quote). The prices obtained were not adjusted, and the assets were classified as Level 1.

The remaining 88.4 percent of our fixed maturity securities were valued based on non-binding quotes or other observable and unobservable inputs, as discussed below:

- 72.9 percent of our fixed maturity securities were valued based on prices from pricing services that generally use observable inputs such as prices for securities or comparable securities in active markets in their valuation techniques. These assets were classified as Level 2.

- 14.7 percent of our fixed maturity securities were valued based on one or more non-binding broker quotes, if validated by observable market data. When only one price is available, it is used if observable inputs and analysis confirms that it is appropriate. These assets, for which we were able to validate the price using other observable market data, were classified as Level 2.

- 0.8 percent of our fixed maturity securities were valued based on prices of comparable securities, internal models, or pricing services or other non-binding quotes with no other observable market data. These assets were classified as either Level 2 or Level 3, with the categorization dependent on whether there was other observable market data.

Derivatives

Fair values for derivatives other than embedded derivatives in modified coinsurance arrangements are based on market quotes or pricing models and represent the net amount of cash we would have paid or received if the contracts had been settled or closed as of the last day of the period. Credit risk related to the counterparty and the Company is considered in determining the fair values of these derivatives. However, since we have collateralization agreements in place with each counterparty which limits our exposure, any credit risk is immaterial. Therefore, we determined that no adjustments for credit risk were required as of December 31, 2023 or 2022.

Fair values for our embedded derivative in a modified coinsurance arrangement are estimated using internal pricing models and represent the hypothetical value of the duration mismatch of assets and liabilities, interest rate risk, and third party credit risk embedded in the modified coinsurance arrangement.

Note 2 - Fair Value of Financial Instruments - Continued

We consider transactions in inactive markets to be less representative of fair value. We use all available observable inputs when measuring fair value, but when significant unobservable inputs are used, we classify these assets or liabilities as Level 3.

Private Equity Partnerships

Our private equity partnerships represent funds that are primarily invested in private credit, private equity, and real assets, as described below. Distributions received from the funds arise from income generated by the underlying investments as well as the liquidation of the underlying investments. There is generally not a public market for these investments.

Note 2 - Fair Value of Financial Instruments - Continued

The following tables present additional information about our private equity partnerships, including commitments for additional investments which may or may not be funded:

		December 31, 2023		
Investment Category		Fair Value	Redemption Term / Redemption Notice	Unfunded Commitments
		(in millions of dollars)		(in millions of dollars)
Private Credit	(a)	$ 239.1	Not redeemable	$ 128.2
		44.5	Quarterly / 90 days notice	8.6
Total Private Credit		283.6		136.8
Private Equity	(b)	543.9	Not redeemable	410.6
		28.0	Initial 5.5 year lock on each new investment / Quarterly after 5.5 year lock with 90 days notice	16.6
Total Private Equity		571.9		427.2
Real Assets	(c)	437.5	Not redeemable	239.1
		33.2	Quarterly / 90 days notice	—
Total Real Assets		470.7		239.1
Total Partnerships		$ 1,326.2		$ 803.1

		December 31, 2022		
Investment Category		Fair Value	Redemption Term / Redemption Notice	Unfunded Commitments
		(in millions of dollars)		(in millions of dollars)
Private Credit	(a)	$ 239.3	Not redeemable	$ 90.9
		35.7	Initial 2 year lock on each new investment / Quarterly after 2 year lock with 90 days notice	13.4
Total Private Credit		275.0		104.3
Private Equity	(b)	453.6	Not redeemable	377.2
		31.7	Initial 5.5 year lock on each new investment / Quarterly after 5.5 year lock with 90 days notice	39.1
Total Private Equity		485.3		416.3
Real Assets	(c)	373.9	Not redeemable	256.3
		60.1	Quarterly / 90 days notice	—
Total Real Assets		434.0		256.3
Total Partnerships		$ 1,194.3		$ 776.9

(a) **Private Credit** - The limited partnerships described in this category employ various investment strategies, generally providing direct lending or other forms of debt financing including first-lien, second-lien, mezzanine, and subordinated loans. The limited partnerships have credit exposure to corporates, physical assets, and/or financial assets within a

Note 2 - Fair Value of Financial Instruments - Continued

variety of industries (including manufacturing, healthcare, energy, business services, technology, materials, and retail) in North America and, to a lesser extent, outside of North America. As of December 31, 2023, the estimated remaining life of the investments that do not allow for redemptions is approximately 74 percent in the next 3 years, 21 percent during the period from 3 to 5 years, 3 percent during the period from 5 to 10 years, and 2 percent during the period from 10 to 15 years.

(b) **Private Equity** - The limited partnerships described in this category employ various strategies generally investing in controlling or minority control equity positions directly in companies and/or assets across various industries (including manufacturing, healthcare, energy, business services, technology, materials, and retail), primarily in private markets within North America and, to a lesser extent, outside of North America. As of December 31, 2023, the estimated remaining life of the investments that do not allow for redemptions is approximately 34 percent in the next 3 years, 31 percent during the period from 3 to 5 years, 26 percent during the period from 5 to 10 years, and 9 percent during the period from 10 to 15 years.

(c) **Real Assets** - The limited partnerships described in this category employ various strategies, which include investing in the equity and/or debt financing of physical assets, including infrastructure (energy, power, water/wastewater, communications), transportation (including airports, ports, toll roads, aircraft, railcars) and real estate in North America, Europe, South America, and Asia. As of December 31, 2023, the estimated remaining life of the investments that do not allow for redemptions is approximately 22 percent in the next 3 years, 35 percent during the period from 3 to 5 years, 42 percent during the period from 5 to 10 years, and 1 percent during the period from 10 to 15 years.

We record changes in our share of net asset value of the partnerships in net investment income. We receive financial information related to our investments in partnerships and generally record investment income on a one-quarter lag in accordance with our accounting policy.

Note 2 - Fair Value of Financial Instruments - Continued

The following tables present information about financial instruments measured at fair value on a recurring basis by fair value level, based on the observability of the inputs used.

	December 31, 2023				
	Level 1	Level 2	Level 3	NAV	Total
	(in millions of dollars)				
Assets					
Fixed Maturity Securities					
United States Government and Government Agencies and Authorities	$ —	$ 624.8	$ —	$ —	$ 624.8
States, Municipalities, and Political Subdivisions	—	3,678.4	—	—	3,678.4
Foreign Governments	—	890.7	—	—	890.7
Public Utilities	301.3	5,020.3	—	—	5,321.6
Mortgage/Asset-Backed Securities	—	611.2	32.9	—	644.1
All Other Corporate Bonds	3,985.2	21,562.1	123.4	—	25,670.7
Redeemable Preferred Stocks	—	3.6	—	—	3.6
Total Fixed Maturity Securities	4,286.5	32,391.1	156.3	—	36,833.9
Other Long-term Investments					
Derivatives					
Forwards	—	47.5	—	—	47.5
Foreign Exchange Contracts	—	52.4	—	—	52.4
Total Derivatives	—	99.9	—	—	99.9
Perpetual Preferred and Equity Securities	—	10.3	21.6	—	31.9
Private Equity Partnerships	—	—	—	1,326.2	1,326.2
Total Other Long-term Investments	—	110.2	21.6	1,326.2	1,458.0
Total Financial Instrument Assets Carried at Fair Value	$ 4,286.5	$ 32,501.3	$ 177.9	$ 1,326.2	$ 38,291.9
Liabilities					
Other Liabilities					
Derivatives					
Forwards	$ —	$ 78.0	$ —	$ —	$ 78.0
Foreign Exchange Contracts	—	38.2	—	—	38.2
Embedded Derivative in Modified Coinsurance Arrangement	—	—	1.5	—	1.5
Total Derivatives	—	116.2	1.5	—	117.7
Total Financial Instrument Liabilities Carried at Fair Value	$ —	$ 116.2	$ 1.5	$ —	$ 117.7

Note 2 - Fair Value of Financial Instruments - Continued

	December 31, 2022				
	Level 1	Level 2	Level 3	NAV	Total
	(in millions of dollars)				
Assets					
Fixed Maturity Securities					
United States Government and Government Agencies and Authorities	$ 81.7	$ 416.5	$ —	$ —	$ 498.2
States, Municipalities, and Political Subdivisions	8.7	3,448.3	0.2	—	3,457.2
Foreign Governments	—	827.1	—	—	827.1
Public Utilities	160.1	4,796.8	—	—	4,956.9
Mortgage/Asset-Backed Securities	—	551.3	22.0	—	573.3
All Other Corporate Bonds	4,268.6	20,097.3	158.7	—	24,524.6
Redeemable Preferred Stocks	—	3.5	—	—	3.5
Total Fixed Maturity Securities	4,519.1	30,140.8	180.9	—	34,840.8
Other Long-term Investments					
Derivatives					
Forwards	—	5.6	—	—	5.6
Foreign Exchange Contracts	—	83.5	—	—	83.5
Total Derivatives	—	89.1	—	—	89.1
Perpetual Preferred and Equity Securities	—	9.6	16.2	—	25.8
Private Equity Partnerships	—	—	—	1,194.3	1,194.3
Total Other Long-term Investments	—	98.7	16.2	1,194.3	1,309.2
Total Financial Instrument Assets Carried at Fair Value	$ 4,519.1	$ 30,239.5	$ 197.1	$ 1,194.3	$ 36,150.0
Liabilities					
Other Liabilities					
Derivatives					
Forwards	$ —	$ 48.5	$ —	$ —	$ 48.5
Foreign Exchange Contracts	—	25.5	—	—	25.5
Embedded Derivative in Modified Coinsurance Arrangement	—	—	13.9	—	13.9
Total Derivatives	—	74.0	13.9	—	87.9
Total Financial Instrument Liabilities Carried at Fair Value	$ —	$ 74.0	$ 13.9	$ —	$ 87.9

Note 2 - Fair Value of Financial Instruments - Continued

Changes in assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are as follows:

	Year Ended December 31, 2023									
	Fair Value Beginning of Year	Total Realized and Unrealized Investment Gains (Losses) Included in		Purchases	Sales/Maturities	Level 3 Transfers		Fair Value End of Year	Change in Unrealized Gain (Loss) on Securities Held at the End of Period included in	
		Earnings	OCI			Into	Out of		OCI	Earnings
	(in millions of dollars)									
Fixed Maturity Securities										
States, Municipalities, and Political Subdivisions	$ 0.2	$ —	$ —	$ —	$ —	$ —	$ (0.2)	$ —	$ —	$ —
Public Utilities	—	0.1	(0.1)	—	(50.5)	50.5	—	—	—	—
Mortgage/Asset-Backed Securities	22.0	—	(0.2)	20.0	(0.5)	0.4	(8.8)	32.9	(0.2)	—
All Other Corporate Bonds	158.7	(5.0)	(15.8)	1.5	(334.1)	385.0	(66.9)	123.4	(15.8)	—
Total Fixed Maturity Securities	180.9	(4.9)	(16.1)	21.5	(385.1)	435.9	(75.9)	156.3	(16.0)	—
Perpetual Preferred and Equity Securities	16.2	0.6	—	4.8	—	—	—	21.6	—	0.6
Embedded Derivative in Modified Coinsurance Arrangement	(13.9)	12.4	—	—	—	—	—	(1.5)	—	12.4

Note 2 - Fair Value of Financial Instruments - Continued

	Year Ended December 31, 2022									
	Fair Value Beginning of Year	Total Realized and Unrealized Investment Gains (Losses) Included in		Purchases	Sales/Maturities	Level 3 Transfers		Fair Value End of Year	Change in Unrealized Gain (Loss) on Securities Held at the End of Period included in	
		Earnings	OCI			Into	Out of		OCI	Earnings
	(in millions of dollars)									
Fixed Maturity Securities										
States, Municipalities, and Political Subdivisions	$ 13.4	$ —	$ (0.1)	$ —	$ —	$ 0.3	$ (13.4)	$ 0.2	$ (0.1)	$ —
Foreign Governments	20.8	—	(0.8)	—	(20.0)	—	—	—	(0.8)	—
Public Utilities	44.5	—	(2.8)	—	(12.8)	15.6	(44.5)	—	(2.8)	—
Mortgage/Asset-Backed Securities	187.2	—	(0.3)	20.7	(10.6)	—	(175.0)	22.0	(0.3)	—
All Other Corporate Bonds	861.5	—	(32.0)	25.3	(102.3)	161.9	(755.7)	158.7	(32.0)	—
Total Fixed Maturity Securities	1,127.4	—	(36.0)	46.0	(145.7)	177.8	(988.6)	180.9	(36.0)	—
Perpetual Preferred and Equity Securities	5.8	3.0	—	7.1	—	0.3	—	16.2	—	3.0
Embedded Derivative in Modified Coinsurance Arrangement	(30.1)	16.2	—	—	—	—	—	(13.9)	—	16.2

Realized and unrealized investment gains and losses presented in the preceding tables represent gains and losses only for the time during which the applicable financial instruments were classified as Level 3. The transfers between levels resulted primarily from a change in observability of three inputs used to determine fair values of the securities transferred: (1) transactional data for new issuance and secondary trades, (2) broker/dealer quotes and pricing, primarily related to changes in the level of activity in the market and whether the market was considered orderly, and (3) comparable bond metrics from which to perform an analysis. For fair value measurements of financial instruments that were transferred either into or out of Level 3, we reflect the transfers using the fair value at the beginning of the period. We believe this allows for greater transparency, as all changes in fair value that arise during the reporting period of the transfer are disclosed as a component of our Level 3 reconciliation.

Note 2 - Fair Value of Financial Instruments - Continued

The table below provides quantitative information regarding the significant unobservable inputs used in Level 3 fair value measurements derived from internal models. Unobservable inputs for fixed maturity securities are weighted by the fair value of the securities. Certain securities classified as Level 3 are excluded from the table below due to limitations in our ability to obtain the underlying inputs used by external pricing sources.

	December 31, 2023				
	Fair Value	Valuation Method	Unobservable Input		Range/Weighted Average
	(in millions of dollars)				
Fixed Maturity Securities					
All Other Corporate Bonds - Private	$ 15.9	Market Approach	Volatility of Credit Market Convention	(a) (b)	5.00% - 5.00% / 5.00% Priced at Par Value
Perpetual Preferred and Equity Securities	21.6	Market Approach	Market Convention	(b)	Priced at Cost, Owner's Equity, or Most Recent Round
Embedded Derivative in Modified Coinsurance Arrangement	(1.5)	Discounted Cash Flows	Projected Liability Cash Flows Weighted Spread of Swap Curve	(c)	Actuarial Assumptions 0.2%

	December 31, 2022				
	Fair Value	Valuation Method	Unobservable Input		Range/Weighted Average
	(in millions of dollars)				
Fixed Maturity Securities					
All Other Corporate Bonds - Private	$ 15.3	Market Approach	Volatility of Credit Market Convention	(a) (b)	5.41% - 5.41% / 5.41% Priced at Par Value
Perpetual Preferred and Equity Securities	16.2	Market Approach	Market Convention	(b)	Priced at Cost, Owner's Equity, or Most Recent Round
Embedded Derivative in Modified Coinsurance Arrangement	(13.9)	Discounted Cash Flows	Projected Liability Cash Flows Weighted Spread of Swap Curve	(c)	Actuarial Assumptions 0.6%

(a) Represents basis point adjustments for credit-specific factors

(b) Represents a decision to price based on par value, cost, owner's equity, or the price of the most recent capital funding round when limited data is available

(c) Represents various actuarial assumptions required to derive the liability cash flows. Fair value of embedded derivative is most often driven by the change in the weighted average credit spread to the swap curve for the assets backing the hypothetical loan

Other than market convention, the impact of isolated decreases in unobservable inputs will result in a higher estimated fair value, whereas isolated increases in unobservable inputs will result in a lower estimated fair value. The unobservable input for market convention is not sensitive to input movements. The projected liability cash flows used in the fair value measurement of our Level 3 embedded derivative are based on expected claim payments. If claim payments increase, the projected liability cash flows will increase, resulting in a decrease in the fair value of the embedded derivative. Decreases in projected liability cash flows will result in an increase in the fair value of the embedded derivative.

Note 2 - Fair Value of Financial Instruments - Continued

Fair Value Measurements for Financial Instruments Not Carried at Fair Value

The methods and assumptions used to estimate fair values of financial instruments not carried at fair value are discussed as follows:

Mortgage Loans: Fair value of newly originated, seasoned performing, or sub-performing but likely to continue cash flowing loans are calculated using a discounted cash flow analysis. Loans' cash flows are modeled and appropriately discounted by a rate based on current yields and credit spreads. For sub and non-performing loans where there is some probability the loan will not continue to pay, a price based approach would be used to estimate the loan's value in the open market utilizing current transaction information from similar loans.

Policy Loans: Fair values for policy loans, net of reinsurance ceded, are estimated using discounted cash flow analyses and interest rates currently being offered to policyholders with similar policies. Carrying amounts for ceded policy loans, which equal $3,322.5 million and $3,312.5 million as of December 31, 2023 and 2022, respectively, approximate fair value and are reported on a gross basis in our consolidated balance sheets. A change in interest rates for ceded policy loans will not impact our financial position because the benefits and risks are fully ceded to reinsuring counterparties.

Miscellaneous Long-term Investments: Carrying amounts for tax credit partnerships equal the unamortized balance of our contractual commitments and approximate fair value. Our shares of Federal Home Loan Bank (FHLB) common stock are carried at cost, which approximates fair value.

Long-term Debt: Fair values for long-term debt are obtained from independent pricing services or discounted cash flow analyses based on current incremental borrowing rates for similar types of borrowing arrangements.

FHLB Funding Agreements: Funding agreements with the FHLB represent cash advances used for the purpose of investing in fixed maturity securities. Carrying amounts approximate fair value.

Unfunded Commitments to Investment Partnerships: Unfunded equity commitments represent amounts that we have committed to fund certain investment partnerships. These commitments are legally binding, subject to the partnerships meeting specified conditions. Carrying amounts of these financial instruments approximate fair value.

Note 2 - Fair Value of Financial Instruments - Continued

The following table presents the carrying amounts and estimated fair values of our financial instruments not measured at fair value and indicates the level in the fair value hierarchy of the estimated fair value measurement based on the observability of the inputs used:

	December 31, 2023				
	Estimated Fair Value				
	Level 1	Level 2	Level 3	Total	Carrying Value
	(in millions of dollars)				
Assets					
Mortgage Loans	$ —	$ 2,070.7	$ —	$ 2,070.7	$ 2,318.2
Policy Loans	—	—	3,696.3	3,696.3	3,620.2
Other Long-term Investments					
Miscellaneous Long-term Investments	—	15.7	0.3	16.0	16.0
Total Financial Instrument Assets Not Carried at Fair Value	$ —	$ 2,086.4	$ 3,696.6	$ 5,783.0	$ 5,954.4
Liabilities					
Long-term Debt	$ 2,629.1	$ 598.8	$ —	$ 3,227.9	$ 3,430.4
Other Liabilities					
Unfunded Commitments	—	0.2	—	0.2	0.2
Payable for Collateral on FHLB Funding Agreements	—	64.5	—	64.5	64.5
Total Financial Instrument Liabilities Not Carried at Fair Value	$ 2,629.1	$ 663.5	$ —	$ 3,292.6	$ 3,495.1

Note 2 - Fair Value of Financial Instruments - Continued

	December 31, 2022				
	Estimated Fair Value				
	Level 1	Level 2	Level 3	Total	Carrying Value
	(in millions of dollars)				
Assets					
Mortgage Loans	$ —	$ 2,159.5	$ —	$ 2,159.5	$ 2,435.4
Policy Loans	—	—	3,677.0	3,677.0	3,601.2
Other Long-term Investments					
Miscellaneous Long-term Investments	—	17.1	1.3	18.4	18.4
Total Financial Instrument Assets Not Carried at Fair Value	$ —	$ 2,176.6	$ 3,678.3	$ 5,854.9	$ 6,055.0
Liabilities					
Long-term Debt	$ 2,288.9	$ 783.1	$ —	$ 3,072.0	$ 3,427.8
Other Liabilities					
Unfunded Commitments	—	0.7	—	0.7	0.7
Payable for Collateral on FHLB Funding Agreements	—	99.1	—	99.1	99.1
Total Financial Instrument Liabilities Not Carried at Fair Value	$ 2,288.9	$ 882.9	$ —	$ 3,171.8	$ 3,527.6

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

Fair values for insurance contracts other than investment contracts are not required to be disclosed. However, the fair values of liabilities under all insurance contracts are taken into consideration in our overall management of interest rate risk, which seeks to minimize exposure to changing interest rates through the matching of investment maturities with amounts due under insurance contracts.

Note 3 - Investments

Fixed Maturity Securities

At December 31, 2023 and 2022, all fixed maturity securities were classified as available-for-sale. The amortized cost and fair values of securities by security type are shown as follows:

	December 31, 2023				
	Amortized Cost, Gross of ACL[1]	ACL[1]	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
	(in millions of dollars)				
United States Government and Government Agencies and Authorities	$ 618.6	$ —	$ 25.3	$ 19.1	$ 624.8
States, Municipalities, and Political Subdivisions	4,041.3	—	135.3	498.2	3,678.4
Foreign Governments	982.1	—	29.8	121.2	890.7
Public Utilities	5,398.2	—	217.1	293.7	5,321.6
Mortgage/Asset-Backed Securities	658.0	—	10.1	24.0	644.1
All Other Corporate Bonds	26,708.4	2.2	771.8	1,807.3	25,670.7
Redeemable Preferred Stocks	4.0	—	—	0.4	3.6
Total Fixed Maturity Securities	$ 38,410.6	$ 2.2	$ 1,189.4	$ 2,763.9	$ 36,833.9

	December 31, 2022				
	Amortized Cost, Gross of ACL[1]	ACL[1]	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
	(in millions of dollars)				
United States Government and Government Agencies and Authorities	$ 503.8	$ —	$ 20.3	$ 25.9	$ 498.2
States, Municipalities, and Political Subdivisions	4,006.0	—	87.1	635.9	3,457.2
Foreign Governments	908.1	—	34.9	115.9	827.1
Public Utilities	5,170.9	—	141.0	355.0	4,956.9
Mortgage/Asset-Backed Securities	592.1	—	8.2	27.0	573.3
All Other Corporate Bonds	26,640.3	—	452.1	2,567.8	24,524.6
Redeemable Preferred Stocks	4.0	—	—	0.5	3.5
Total Fixed Maturity Securities	$ 37,825.2	$ —	$ 743.6	$ 3,728.0	$ 34,840.8

[1] Allowance for Credit Losses

Note 3 - Investments - Continued

The following charts indicate the length of time our fixed maturity securities have been in a gross unrealized loss position.

	December 31, 2023			
	Less Than 12 Months		12 Months or Greater	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
	(in millions of dollars)			
United States Government and Government Agencies and Authorities	$ 118.8	$ 0.7	$ 197.3	$ 18.4
States, Municipalities, and Political Subdivisions	128.0	4.0	2,035.1	494.2
Foreign Governments	149.9	3.3	312.9	117.9
Public Utilities	373.7	10.4	1,720.6	283.3
Mortgage/Asset-Backed Securities	60.3	2.5	316.7	21.5
All Other Corporate Bonds	1,483.8	26.8	14,215.2	1,780.5
Redeemable Preferred Stocks	—	—	3.6	0.4
Total Fixed Maturity Securities	$ 2,314.5	$ 47.7	$ 18,801.4	$ 2,716.2

	December 31, 2022			
	Less Than 12 Months		12 Months or Greater	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
	(in millions of dollars)			
United States Government and Government Agencies and Authorities	$ 246.6	$ 22.6	$ 12.2	$ 3.3
States, Municipalities, and Political Subdivisions	1,920.1	476.1	346.6	159.8
Foreign Governments	160.1	47.9	176.9	68.0
Public Utilities	2,242.2	252.0	255.2	103.0
Mortgage/Asset-Backed Securities	386.6	27.0	0.1	—
All Other Corporate Bonds	15,865.6	1,799.7	2,194.1	768.1
Redeemable Preferred Stocks	3.5	0.5	—	—
Total Fixed Maturity Securities	$ 20,824.7	$ 2,625.8	$ 2,985.1	$ 1,102.2

Note 3 - Investments - Continued

The following is a distribution of the maturity dates for fixed maturity securities. The maturity dates have not been adjusted for possible calls or prepayments.

	December 31, 2023				
	Amortized Cost, Net of ACL[1]	Unrealized Gain Position		Unrealized Loss Position	
		Gross Gain	Fair Value	Gross Loss	Fair Value
	(in millions of dollars)				
1 year or less	$ 935.0	$ 0.9	$ 140.8	$ 7.5	$ 787.6
Over 1 year through 5 years	7,594.4	128.2	2,685.7	179.0	4,857.9
Over 5 years through 10 years	9,430.3	372.1	4,100.0	610.8	5,091.6
Over 10 years	19,790.7	678.1	8,524.4	1,942.6	10,001.8
	37,750.4	1,179.3	15,450.9	2,739.9	20,738.9
Mortgage/Asset-Backed Securities	658.0	10.1	267.1	24.0	377.0
Total Fixed Maturity Securities	$ 38,408.4	$ 1,189.4	$ 15,718.0	$ 2,763.9	$ 21,115.9

	December 31, 2022				
	Amortized Cost, Net of ACL[1]	Unrealized Gain Position		Unrealized Loss Position	
		Gross Gain	Fair Value	Gross Loss	Fair Value
	(in millions of dollars)				
1 year or less	$ 1,133.5	$ 2.9	$ 339.1	$ 5.7	$ 791.6
Over 1 year through 5 years	7,090.8	86.7	1,953.2	238.4	4,985.9
Over 5 years through 10 years	10,096.7	294.8	3,538.9	863.8	5,988.8
Over 10 years	18,912.1	351.0	5,013.2	2,593.1	11,656.8
	37,233.1	735.4	10,844.4	3,701.0	23,423.1
Mortgage/Asset-Backed Securities	592.1	8.2	186.6	27.0	386.7
Total Fixed Maturity Securities	$ 37,825.2	$ 743.6	$ 11,031.0	$ 3,728.0	$ 23,809.8

[1] Allowance for Credit Losses

The following chart depicts an analysis of our fixed maturity security portfolio between investment-grade and below-investment-grade categories as of December 31, 2023:

			Gross Unrealized Loss	
	Fair Value	Gross Unrealized Gain	Amount	Percent of Total Gross Unrealized Loss
	(in millions of dollars)			
Investment-Grade	$ 35,344.9	$ 1,169.1	$ 2,660.3	96.3 %
Below-Investment-Grade	1,489.0	20.3	103.6	3.7
Total Fixed Maturity Securities	$ 36,833.9	$ 1,189.4	$ 2,763.9	100.0 %

The unrealized losses on investment-grade fixed maturity securities principally relate to changes in interest rates or changes in market or sector credit spreads which occurred subsequent to the acquisition of the securities. Below-investment-grade fixed maturity securities are generally more likely to develop credit concerns than investment-grade securities. At December 31, 2023, the unrealized losses in our below-investment-grade fixed maturity securities were generally due to credit spreads in certain industries or sectors and, to a lesser extent, credit concerns related to specific securities. For each specific security in an unrealized loss position, we believe that there are positive factors which mitigate credit concerns and that the securities for which we have not recorded a credit loss will recover in value. We have the ability and intent to continue to hold these securities to recovery of amortized cost less allowance for credit losses.

Note 3 - Investments - Continued

As of December 31, 2023, we held 832 individual investment-grade fixed maturity securities and 75 individual below-investment-grade fixed maturity securities that were in an unrealized loss position, of which 787 investment-grade fixed maturity securities and 70 below-investment-grade fixed maturity securities had been in an unrealized loss position continuously for over one year.

In determining when a decline in fair value below amortized cost of a fixed maturity security represents a credit loss, we evaluate the following factors:

- Whether we expect to recover the entire amortized cost basis of the security
- Whether we intend to sell the security or will be required to sell the security before the recovery of its amortized cost basis
- Whether the security is current as to principal and interest payments
- The significance of the decline in value
- Current and future business prospects and trends of earnings
- The valuation of the security's underlying collateral
- Relevant industry conditions and trends relative to their historical cycles
- Market conditions
- Rating agency and governmental actions
- Bid and offering prices and the level of trading activity
- Adverse changes in estimated cash flows for securitized investments
- Changes in fair value subsequent to the balance sheet date
- Any other key measures for the related security

While determining whether a credit loss exists is a judgmental area, we utilize a formal, well-defined, and disciplined process to monitor and evaluate our fixed income investment portfolio, supported by issuer specific research and documentation as of the end of each period. The process results in a thorough evaluation of investments and the recording of credit losses on a timely basis for investments determined to have a credit loss. We calculate the allowance for credit losses of fixed maturity securities based on the present value of our best estimate of cash flows expected to be collected, discounted using the effective interest rate implicit in the security at the date of acquisition. When estimating future cash flows, we analyze the strength of the issuer’s balance sheet, its debt obligations and near-term funding arrangements, cash flow and liquidity, the profitability of its core businesses, the availability of marketable assets which could be sold to increase liquidity, its industry fundamentals and regulatory environment, and its access to capital markets.

The following tables present a rollforward of the allowance for credit losses on available-for-sale fixed maturity securities, which were classified as "all other corporate bonds" during the year ended December 31, 2023 and "public utilities" during the year ended December 31, 2022, respectively.

	Year Ended December 31	
	2023	2022
	(in millions of dollars)	
Balance, beginning of period	$ —	$ —
Credit losses on securities for which credit losses were not previously recorded	2.2	4.6
Change in allowance on securities disposed during the period	—	(4.6)
Balance, end of period	$ 2.2	$ —

In the fourth quarter of 2022, the issuer of a fixed maturity security previously classified as "public utilities" entered into a troubled debt restructuring agreement. In order to maximize recovery of the investment, the debt was restructured by way of principal reduction, interest forgiveness, and a debt to equity conversion. Principal owed was reduced by $4.8 million, semi-annual interest payments for the period beginning June 30, 2022 and ending June 30, 2024 were forgiven, and a portion of the remaining debt was converted to equity. As of December 31, 2022, we received $4.9 million of an equity stake in the restructured entity, and recorded receivables for $5.2 million and $2.8 million in cash. The full $8.0 million of the recorded

Note 3 - Investments - Continued

receivables was subsequently received in 2023. The amortized cost of the fixed maturity security prior to the restructuring was $17.7 million, and the restructuring resulted in a total loss of $4.8 million, which was recognized during 2022.

At December 31, 2023, we had commitments of $ 122.0 million to fund private placement fixed maturity securities, the amount of which may or may not be funded.

Variable Interest Entities

We invest in variable interests issued by variable interest entities. These investments, which are passive in nature, include minority ownership interests in private equity partnerships, tax credit partnerships, and special purpose entities. Our maximum exposure to loss is limited to the carrying value of these investments in private equity partnerships, tax credit partnerships, and special purpose entities. For those variable interests that are not consolidated in our financial statements, we are not the primary beneficiary because we have neither the power to direct the activities that are most significant to economic performance nor the responsibility to absorb a majority of the expected losses. The determination of whether we are the primary beneficiary is performed at the time of our initial investment and at the date of each subsequent reporting period.

As of December 31, 2023, the carrying amount of our variable interest entity investments that are not consolidated in our financial statements was $ 1,326.5 million, comprised of $0.3 million of tax credit partnerships and $ 1,326.2 million of private equity partnerships. At December 31, 2022, the carrying amount of our variable interest entity investments that are not consolidated in our financial statements was $1,195.3 million, comprised of $1.0 million of tax credit partnerships and $1,194.3 million of private equity partnerships. These variable interest entity investments are reported as other long-term investments in our consolidated balance sheets.

The Company invests in tax credit partnerships primarily for the receipt of income tax credits and tax benefits derived from passive losses on the investments. Amounts recognized in the consolidated statements of income are as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Income Tax Credits	$ 1.1	$ 8.0	$ 21.6
Amortization, Net of Tax	(0.5)	(5.9)	(15.0)
Income Tax Benefit	$ 0.6	$ 2.1	$ 6.6

Contractually, we are a limited partner in these tax credit partnerships, and our maximum exposure to loss is limited to the carrying value of our investment, which includes $0.2 million of unfunded unconditional commitments at December 31, 2023. See Note 2 for commitments to fund private equity partnerships.

Mortgage Loans

Our mortgage loan portfolio is well diversified by both geographic region and property type to reduce risk of concentration. All of our mortgage loans are collateralized by commercial real estate. When issuing a new loan, our general policy is not to exceed a loan-to-value ratio, or the ratio of the loan balance to the estimated fair value of the underlying collateral, of 75 percent. We update the loan-to-value ratios based on internal valuation of the collateral at least every three years for each loan, and properties undergo a general inspection at least every two years. Our general policy for newly issued loans is to have a debt service coverage ratio greater than 1.25 times on a normalized 25 year amortization period. We update our debt service coverage ratios annually.

We carry our mortgage loans at amortized cost less an allowance for expected credit losses. The amortized cost of our mortgage loans was $2,328.4 million and $2,444.7 million at December 31, 2023 and 2022, respectively. The allowance for expected credit losses was $10.2 million and $ 9.3 million at December 31, 2023 and 2022, respectively. Interest income is accrued on the principal amount of the loan based on the loan's contractual interest rate. We report accrued interest income for our mortgage loans as accrued investment income on our consolidated balance sheets, and the amount of the accrued income was $7.2 million and $ 7.7 million at December 31, 2023 and 2022, respectively.

Note 3 - Investments - Continued

The carrying amount of mortgage loans by property type and geographic region are presented below.

	December 31			
	2023		2022	
	(in millions of dollars)			
	Carrying Amount	Percent of Total	Carrying Amount	Percent of Total
Property Type				
Apartment	$ 685.8	29.6 %	$ 688.6	28.3 %
Industrial	706.0	30.5	745.3	30.6
Office	379.9	16.4	423.0	17.4
Retail	503.9	21.7	534.5	21.9
Other	42.6	1.8	44.0	1.8
Total	$ 2,318.2	100.0 %	$ 2,435.4	100.0 %
Region				
New England	$ 55.1	2.4 %	$ 52.4	2.2 %
Mid-Atlantic	155.1	6.7	192.4	7.9
East North Central	314.4	13.6	313.0	12.9
West North Central	163.5	7.0	181.4	7.4
South Atlantic	553.0	23.8	539.3	22.1
East South Central	110.7	4.8	101.8	4.2
West South Central	200.9	8.7	212.6	8.7
Mountain	282.7	12.2	298.7	12.3
Pacific	482.8	20.8	543.8	22.3
Total	$ 2,318.2	100.0 %	$ 2,435.4	100.0 %

The risk in our mortgage loan portfolio is primarily related to vacancy rates. Events or developments, such as economic conditions that impact the ability of the borrowers to ensure occupancy of the property, may have a negative effect on our mortgage loan portfolio, particularly to the extent that our portfolio is concentrated in an affected region or property type. An increase in vacancies increases the probability of default, which would negatively affect our expected losses in our mortgage loan portfolio.

We evaluate each of our mortgage loans individually for impairment and assign an internal quality rating based on a comprehensive rating system used to evaluate the risk of the loan. The factors we use to derive our internal quality ratings may include the following:

- Loan-to-value ratio based on internal valuation of property
- Debt service coverage ratio based on current operating income
- Property location, including regional economics, trends, and demographics
- Age, condition, and construction quality of property
- Current and historical occupancy of property
- Lease terms relative to market
- Tenant size and financial strength
- Borrower's financial strength
- Borrower's equity in transaction
- Additional collateral, if any

Although all available and applicable factors are considered in our analysis, loan-to-value and debt service coverage ratios are the most critical factors in determining whether we will initially issue the loan and also in assigning values and determining impairment. We assign an overall rating to each loan using an internal rating scale of AA (highest quality) to B (lowest

Note 3 - Investments - Continued

quality). We review and adjust, as needed, our internal quality ratings on an annual basis. This review process is performed more frequently for mortgage loans deemed to have a higher risk of delinquency.

The following tables present information about mortgage loans by the applicable internal quality indicators:

	December 31			
	2023		2022	
	(in millions of dollars)			
	Carrying Amount	Percent of Total	Carrying Amount	Percent of Total
Internal Mortgage Rating				
AA	$ 85.2	3.7 %	$ 92.3	3.8 %
A	942.5	40.6	843.9	34.6
BBB	1,249.5	53.9	1,458.0	59.9
BB	41.0	1.8	41.2	1.7
Total	$ 2,318.2	100.0 %	$ 2,435.4	100.0 %
Loan-to-Value Ratio[1]				
<= 65%	$ 1,409.9	60.8 %	$ 1,389.6	57.0 %
> 65% <= 75%	707.0	30.5	937.2	38.5
> 75% <= 85%	136.5	5.9	75.0	3.1
> 85%	64.8	2.8	33.6	1.4
Total	$ 2,318.2	100.0 %	$ 2,435.4	100.0 %

[1] Loan-to-Value Ratio utilizes the most recent internal valuation of the property

Note 3 - Investments - Continued

There were no gross write-offs for the periods ending December 31, 2023 or 2022. The following tables present the amortized cost of our mortgage loans by year of origination and internal quality indicators for the years ended December 31, 2023 and 2022:

	Year Ended December 31, 2023						
	Prior to 2019	2019	2020	2021	2022	2023	Total
	(in millions of dollars)						
Internal Mortgage Rating							
AA	$ 74.3	$ 11.0	$ —	$ —	$ —	$ —	$ 85.3
A	589.0	100.3	94.1	100.1	23.2	38.0	944.7
BBB	618.4	224.8	71.4	248.0	64.4	29.2	1,256.2
BB	42.2	—	—	—	—	—	42.2
Total Amortized Cost	1,323.9	336.1	165.5	348.1	87.6	67.2	2,328.4
Allowance for credit losses	(6.3)	(1.3)	(0.6)	(1.0)	(0.6)	(0.4)	(10.2)
Carrying Amount	$ 1,317.6	$ 334.8	$ 164.9	$ 347.1	$ 87.0	$ 66.8	$ 2,318.2
Loan-to-Value Ratio[1]							
<=65%	$ 908.3	$ 197.7	$ 116.4	$ 145.2	$ 16.2	$ 30.0	$ 1,413.8
>65<=75%	252.1	138.4	40.8	171.0	71.4	37.2	710.9
>75%<=85%	97.3	—	8.3	31.9	—	—	137.5
>85%	66.2	—	—	—	—	—	66.2
Total Amortized Cost	1,323.9	336.1	165.5	348.1	87.6	67.2	2,328.4
Allowance for credit losses	(6.3)	(1.3)	(0.6)	(1.0)	(0.6)	(0.4)	(10.2)
Carrying Amount	$ 1,317.6	$ 334.8	$ 164.9	$ 347.1	$ 87.0	$ 66.8	$ 2,318.2

[1] Loan-to-Value Ratio utilizes the most recent internal valuation of the property

Note 3 - Investments - Continued

	Year Ended December 31, 2022						
	Prior to 2018	2018	2019	2020	2021	2022	Total
	(in millions of dollars)						
Internal Mortgage Rating							
AA	$ 53.8	$ 27.5	$ 11.1	$ —	$ —	$ —	$ 92.4
A	485.0	123.3	96.8	35.9	80.6	24.0	845.6
BBB	534.0	219.8	236.9	134.0	275.8	64.6	1,465.1
BB	35.7	5.9	—	—	—	—	41.6
Total Amortized Cost	1,108.5	376.5	344.8	169.9	356.4	88.6	2,444.7
Allowance for credit losses	(4.3)	(1.8)	(1.3)	(0.6)	(0.8)	(0.5)	(9.3)
Carrying Amount	$ 1,104.2	$ 374.7	$ 343.5	$ 169.3	$ 355.6	$ 88.1	$ 2,435.4
Loan-to-Value Ratio[1]							
<=65%	$ 782.6	$ 189.0	$ 193.9	$ 81.3	$ 128.9	$ 16.9	$ 1,392.6
>65<=75%	230.2	181.6	150.9	80.1	227.5	71.7	942.0
>75%<=85%	67.5	—	—	8.5	—	—	76.0
>85%	28.2	5.9	—	—	—	—	34.1
Total Amortized Cost	1,108.5	376.5	344.8	169.9	356.4	88.6	2,444.7
Allowance for credit losses	(4.3)	(1.8)	(1.3)	(0.6)	(0.8)	(0.5)	(9.3)
Carrying Amount	$ 1,104.2	$ 374.7	$ 343.5	$ 169.3	$ 355.6	$ 88.1	$ 2,435.4

[1] Loan-to-Value Ratio utilizes the most recent internal valuation of the property

The following tables present a roll forward of allowance for expected credit losses by loan-to-value ratio for the years ended December 31, 2023 and 2022:

	Year Ended December 31, 2023				
	Beginning of Period	Current Period Provisions	Write-Offs	Recoveries	End of Period
	(in millions of dollars)				
Loan-to-Value Ratio[1]					
<=65%	$ 3.0	$ 0.8	$ —	$ —	$ 3.8
>65<=75%	4.7	(0.9)	—	—	3.8
>75%<=85%	1.1	0.1	—	—	1.2
>85%	0.5	0.9	—	—	1.4
Total	$ 9.3	$ 0.9	$ —	$ —	$ 10.2

	Year Ended December 31, 2022				
	Beginning of Period	Current Period Provisions	Write-Offs	Recoveries	End of Period
	(in millions of dollars)				
Loan-to-Value Ratio[1]					
<=65%	$ 2.6	$ 0.4	$ —	$ —	$ 3.0
>65<=75%	4.7	—	—	—	4.7
>75%<=85%	0.7	0.4	—	—	1.1
>85%	0.3	0.2	—	—	0.5
Total	$ 8.3	$ 1.0	$ —	$ —	$ 9.3

[1] Loan-to-Value Ratio utilizes the most recent internal valuation of the property

Note 3 - Investments - Continued

For the years ended December 31, 2023 and 2022 our estimate for expected credit losses was generally consistent between periods.

During the year ended December 31, 2023 we granted an other-than-insignificant payment delay for a commercial mortgage loan with an amortized cost of $14.2 million, which deferred the principal payment for 18 months. This modification represents less than one percent of the commercial mortgage loan portfolio balance. There were no troubled debt restructurings during 2022 or 2021.

We held no mortgage loans that were greater than 90 days past due regarding principal and/or interest payments for the years ended December 31, 2023, 2022, or 2021.

We had no loan foreclosures for the years ended December 31, 2023, 2022, or 2021.

Other than our allowance for expected credit losses, we had no specifically identified impaired mortgage loans for the years ended December 31, 2023, 2022, and 2021, nor did we recognize any interest income on mortgage loans subsequent to impairment.

For the year ended December 31, 2023 we had no commitments to fund certain commercial mortgage loans. For the year ended December 31, 2022 we had $5.0 million in commitments to fund certain commercial mortgage loans. Consistent with how we determine the estimate of current expected credit losses for our funded mortgage loans each period, we estimate expected credit losses for loans that have not been funded but we are committed to fund at the end of each period. For the year ended December 31, 2023, we had no expected credit losses related to unfunded commitments on our consolidated balance sheets. For the year ended December 31, 2022, we had a nominal amount of expected credit losses related to unfunded commitments on our consolidated balance sheets.

Investment Real Estate

Our investment real estate balance was $64.4 million and $71.6 million at December 31, 2023 and 2022, respectively, and the associated accumulated depreciation was $127.2 million and $122.1 million at December 31, 2023 and 2022, respectively. For the year ended December 31, 2023, we recognized a $3.0 million impairment related to certain of our real estate held for investment. We did not recognize any impairments related to our real estate held for investment during 2022 or 2021.

Our held for sale real estate balance was $ 40.9 million at both December 31, 2023 and December 31, 2022 and the associated accumulated depreciation was $54.2 million at both December 31, 2023 and December 31, 2022.

During the first quarter of 2022, we reclassified one property previously held for the production of income to property held for sale. The carrying value of the property was $40.1 million at both December 31, 2023 and December 31, 2022, and is primarily recorded within our Corporate segment. The estimated fair value less costs to sell is above the carrying value of the property and we expect to close the sale of the property within the next twelve months.

During the third quarter of 2022, we reclassified one property previously held for the production of income to property held for sale. The property had a carrying value of $0.8 million as of December 31, 2023 and December 31, 2022, respectively, and is recorded within our Corporate segment. The estimated fair value less costs to sell is above the carrying value of the property and we expect to close the sale of the property within the next twelve months.

Transfers of Financial Assets

To manage our cash position more efficiently, we may enter into repurchase agreements with unaffiliated financial institutions. We generally use repurchase agreements as a means to finance the purchase of invested assets or for short-term general business purposes until projected cash flows become available from our operations or existing investments. Our repurchase agreements are typically outstanding for less than 30 days. We post collateral through our repurchase agreement transactions whereby the counterparty commits to purchase securities with the agreement to resell them to us at a later, specified date. The fair value of collateral posted is generally 102 percent of the cash received.

Note 3 - Investments - Continued

Our investment policy also permits us to lend fixed maturity securities to unaffiliated financial institutions in short-term securities lending agreements. These agreements increase our investment income with minimal risk. Our securities lending policy requires that a minimum of 102 percent of the fair value of the securities loaned be maintained as collateral. We may receive cash and/or securities as collateral under these agreements. Cash received as collateral is typically reinvested in short-term investments. If securities are received as collateral, we are not permitted to sell or re-post them.

As of December 31, 2023, the carrying amount of fixed maturity securities loaned to third parties under our securities lending program was $ 72.0 million, for which we received collateral in the form of cash and securities of $63.1 million and $12.5 million, respectively. As of December 31, 2022, the carrying amount of fixed maturity securities loaned to third parties under our securities lending program was $152.4 million, for which we received collateral in the form of cash and securities of $88.5 million and $69.8 million, respectively. We had no outstanding repurchase agreements at December 31, 2023 or December 31, 2022.

The remaining contractual maturities of our securities lending agreements disaggregated by class of collateral pledged are as follows:

	December 31	
	2023	2022
	Overnight and Continuous	
	(in millions of dollars)	
Borrowings		
United States Government and Government Agencies and Authorities	$ —	$ 0.3
Public Utilities	1.8	6.3
All Other Corporate Bonds	61.3	81.9
Total Borrowings	$ 63.1	$ 88.5
Gross Amount of Recognized Liability for Securities Lending Transactions	63.1	88.5
Amounts Related to Agreements Not Included in Offsetting Disclosure Contained Herein	$ —	$ —

Certain of our U.S. insurance subsidiaries are members of regional FHLBs. Membership, which requires that we purchase a minimum amount of FHLB common stock on which we receive dividends, provides access to low-cost funding. Advances received from the FHLB are used for the purchase of fixed maturity securities. Additional common stock purchases may be required, based on the amount of funds we borrow from the FHLBs. The carrying value of common stock owned, collateral posted, and advances received are as follows:

	December 31	
	2023	2022
	(in millions of dollars)	
Carrying Value of FHLB Common Stock	$ 15.7	$ 17.1
Advances from FHLB	64.5	99.1
Carrying Value of Collateral Posted to FHLB		
Fixed Maturity Securities	$ 589.0	$ 527.1
Commercial Mortgage Loans	986.8	801.9
Total Carrying Value of Collateral Posted to FHLB	$ 1,575.8	$ 1,329.0

Offsetting of Financial Instruments

We enter into master netting agreements with each of our derivative's counterparties. These agreements provide for conditional rights of set-off upon the occurrence of an early termination event. An early termination event is considered a default, and it allows the non-defaulting party to offset its contracts in a loss position against any gain positions or payments due to the

Note 3 - Investments - Continued

defaulting party. Under our agreements, default type events are defined as failure to pay or deliver as contractually agreed, misrepresentation, bankruptcy, or merger without assumption. See Note 4 for further discussion of collateral related to our derivative contracts.

We have securities lending agreements with unaffiliated financial institutions that post collateral to us in return for the use of our fixed maturity securities. A right of set-off exists that allows us to keep and apply collateral received in the event of default by the counterparty. Default within a securities lending agreement would typically occur if the counterparty failed to return the securities borrowed from us as contractually agreed. In addition, if we default by not returning collateral received, the counterparty has a right of set-off against our securities or any other amounts due to us.

Shown below are our financial instruments that either meet the accounting requirements that allow them to be offset in our balance sheets or that are subject to an enforceable master netting arrangement or similar agreement. Our accounting policy is to not offset these financial instruments in our balance sheets. Net amounts disclosed below have been reduced by the amount of collateral pledged to or received from our counterparties.

	December 31, 2023					
	Gross Amount of Recognized Financial Instruments	Gross Amount Offset in Balance Sheet	Net Amount Presented in Balance Sheet	Gross Amount Not Offset in Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral	
	(in millions of dollars)					
Financial Assets:						
Derivatives	$ 99.9	$ —	$ 99.9	$ (91.9)	$ (6.4)	$ 1.6
Securities Lending	72.0	—	72.0	(8.9)	(63.1)	—
Total	$ 171.9	$ —	$ 171.9	$ (100.8)	$ (69.5)	$ 1.6
Financial Liabilities:						
Derivatives	$ 116.2	$ —	$ 116.2	$ (109.4)	$ —	$ 6.8
Securities Lending	63.1	—	63.1	(63.1)	—	—
Total	$ 179.3	$ —	$ 179.3	$ (172.5)	$ —	$ 6.8

	December 31, 2022					
	Gross Amount of Recognized Financial Instruments	Gross Amount Offset in Balance Sheet	Net Amount Presented in Balance Sheet	Gross Amount Not Offset in Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral	
	(in millions of dollars)					
Financial Assets:						
Derivatives	$ 89.1	$ —	$ 89.1	$ (38.0)	$ (49.4)	$ 1.7
Securities Lending	152.4	—	152.4	(63.9)	(88.5)	—
Total	$ 241.5	$ —	$ 241.5	$ (101.9)	$ (137.9)	$ 1.7
Financial Liabilities:						
Derivatives	$ 74.0	$ —	$ 74.0	$ (73.2)	$ —	$ 0.8
Securities Lending	88.5	—	88.5	(88.5)	—	—
Total	$ 162.5	$ —	$ 162.5	$ (161.7)	$ —	$ 0.8

Note 3 - Investments - Continued

Net Investment Income

Net investment income reported in our consolidated statements of income is presented below.

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Fixed Maturity Securities	$ 1,853.7	$ 1,849.8	$ 1,888.2
Derivatives	45.1	57.8	68.6
Mortgage Loans	92.5	101.5	105.0
Policy Loans	20.8	20.0	19.7
Other Long-term Investments			
Perpetual Preferred Securities[1]	2.5	5.0	6.9
Private Equity Partnerships[2]	78.1	110.1	165.4
Other	9.2	9.4	5.5
Short-term Investments	68.7	20.0	1.3
Gross Investment Income	2,170.6	2,173.6	2,260.6
Less Investment Expenses	61.8	39.4	35.1
Less Investment Income on Participation Fund Account Assets	12.1	12.0	12.3
Net Investment Income	$ 2,096.7	$ 2,122.2	$ 2,213.2

[1] The net unrealized gain (loss) recognized in net investment income for the year ended December 31, 2023 related to perpetual preferred securities still held at December 31, 2023 was nominal. The net unrealized gain (loss) recognized in net investment income for the years ended December 31, 2022 and 2021 related to perpetual preferred securities still held at year-end was $2.8 million and $4.4 million, respectively.

[2] The net unrealized gain recognized in net investment income for the year ended December 31, 2023 related to private equity partnerships still held at December 31, 2023 was $102.9 million, reduced by net management fees and partnership expenses of $(24.8) million. For the years ended December 31, 2022 and 2021, the net unrealized gain recognized in net investment income related to private equity partnerships still held at year-end was $124.1 million and $177.7 million, respectively, reduced by net management fees and partnership expenses of $(14.0) million and $(12.3) million, respectively. See Note 2 for further discussion of private equity partnerships.

Note 3 - Investments - Continued

Investment Gain and Loss

Investment gains and losses are as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Fixed Maturity Securities			
Gross Gains on Sales[1]	$ 4.4	$ 2.3	$ 76.2
Gross Losses on Sales	(53.1)	(28.8)	(11.5)
Credit Losses	(2.2)	(4.6)	(9.3)
Mortgage Loans and Other Invested Assets			
Gross Gains on Sales	6.0	1.4	5.8
Gross Losses on Sales	(1.0)	—	—
Impairment Loss	(3.0)	—	—
Change in Allowance for Credit Losses	(0.9)	(1.0)	4.7
Embedded Derivative in Modified Coinsurance Arrangement	12.4	16.2	9.7
All Other Derivatives	(0.6)	2.6	3.1
Foreign Currency Transactions	2.0	(3.8)	(2.0)
Net Investment Gain (Loss)	$ (36.0)	$ (15.7)	$ 76.7

[1]Gross gains on sales of fixed maturity securities for the year ended December 31, 2021 includes gains of $67.6 million as a result of the second phase of the reinsurance transaction that we completed during the first quarter of 2021. See Note 14 for further discussion.

Note 4 - Derivative Financial Instruments

Purpose of Derivatives

We are exposed to certain risks relating to our ongoing business operations. The primary risks managed by using derivative instruments are interest rate risk, risk related to matching duration for our assets and liabilities, foreign currency risk, credit risk, and equity risk. Historically, we have utilized current and forward interest rate swaps, current and forward currency swaps, forward benchmark interest rate locks, currency forward contracts, forward contracts on specific fixed income securities, credit default swaps, and total return swaps. Transactions hedging interest rate risk are primarily associated with our individual and group long-term care and individual and group disability products. All other product portfolios are periodically reviewed to determine if hedging strategies would be appropriate for risk management purposes. We do not use derivative financial instruments for speculative purposes.

Derivatives designated as cash flow hedges and used to reduce our exposure to interest rate and duration risk are as follows:

- *Interest rate swaps* were used to hedge interest rate risks and to improve the matching of assets and liabilities. An interest rate swap is an agreement in which we agree with other parties to exchange, at specified intervals, the difference between fixed rate and variable rate interest amounts. We used interest rate swaps to hedge the anticipated purchase of fixed maturity securities thereby protecting us from the potential adverse impact of declining interest rates on the associated policy reserves. We also used interest rate swaps to hedge the potential adverse impact of rising interest rates in anticipation of issuing fixed rate long-term debt.

- *Forward benchmark interest rate locks* are used to minimize interest rate risk associated with the anticipated purchase or disposal of fixed maturity securities or the anticipated issuance of fixed rate long-term debt. A forward benchmark interest rate lock is a derivative contract without an initial investment where we and the counterparty agree to purchase or sell a specific benchmark interest rate fixed maturity bond at a future date at a predetermined price or yield.

Derivatives designated as either cash flow or fair value hedges and used to reduce our exposure to foreign currency risk are as follows:

- *Foreign currency interest rate swaps* are used to hedge the currency risk of certain foreign currency-denominated fixed maturity securities owned for portfolio diversification. Under these swap agreements, we agree to pay, at specified intervals, fixed rate foreign currency-denominated principal and interest payments in exchange for fixed rate payments in the functional currency of the operating segment.

Derivatives not designated as hedging instruments and used to reduce our exposure to foreign currency risk, credit losses on securities owned, and volatility of the underlying deferred assets in our non-qualified defined contribution plan are as follows:

- *Foreign currency interest rate swaps* previously designated as hedges were used to hedge the currency risk of certain foreign currency-denominated fixed maturity securities owned for portfolio diversification. These derivatives were effective hedges prior to novation to a new counterparty. In conjunction with the novation, these derivatives were de-designated as hedges. We agree to pay, at specified intervals, fixed rate foreign currency-denominated principal and interest payments in exchange for fixed rate payments in the functional currency of the operating segment. We hold offsetting swaps wherein we agree to pay fixed rate principal and interest payments in the functional currency of the operating segment in exchange for fixed rate foreign currency-denominated payments.

Note 4 - Derivative Financial Instruments - Continued

- *Credit default swaps* were used as economic hedges against credit risk but do not qualify for hedge accounting. A credit default swap is an agreement in which we agree with another party to pay, at specified intervals, a fixed-rate fee in exchange for insurance against a credit event on a specific investment. If a defined credit event occurred, our counterparty could have either paid us a net cash settlement, or we could have surrendered the specific investment to them in exchange for cash equal to the full notional amount of the swap. Credit events typically include events such as bankruptcy, failure to pay, or certain types of debt restructuring.

- *Foreign currency forward* contracts are used to minimize foreign currency risk. A foreign currency forward is a derivative without an initial investment where we and the counterparty agree to exchange a specific amount of currencies, at a specific exchange rate, on a specific date. We use these forward contracts to hedge the currency risk arising from foreign-currency denominated investments.

- *Total Return Swaps* are used to economically hedge a portion of the liability related to our non-qualified defined contribution plan. A total return swap is an agreement in which we pay a floating rate of interest to the counterparty and receive the total return on a portfolio of mutual funds and exchange traded funds. These swaps are cash settled on the last day of every month and the notional is re-established each month based on plan participant actions.

Derivative Risks

The basic types of risks associated with derivatives are market risk (that the value of the derivative will be adversely impacted by changes in the market, primarily changes in interest rates, exchange rates, and equity prices) and credit risk (that the counterparty will not perform according to the terms of the contract). The market risk of the derivatives should generally offset the market risk associated with the hedged financial instrument or liability. To help limit the credit exposure of the derivatives, we enter into master netting agreements with our counterparties whereby contracts in a gain position can be offset against contracts in a loss position. We also typically enter into bilateral, cross-collateralization agreements with our counterparties to help limit the credit exposure of the derivatives. These agreements require the counterparty in a loss position to submit acceptable collateral with the other counterparty in the event the net loss position meets or exceeds an agreed upon amount. Credit exposure on derivatives is limited to the value of those contracts in a net gain position, including accrued interest receivable less collateral held. At December 31, 2023 and 2022, we had $1.6 million and $1.7 million credit exposure on derivatives, respectively. The table below summarizes the nature and amount of collateral received from and posted to our derivative counterparties.

	December 31	
	2023	2022
	(in millions of dollars)	
Carrying Value of Collateral Received from Counterparties		
Cash	$ 11.1	$ 49.4
Fixed Maturity Securities	26.3	—
	$ 37.4	$ 49.4
Carrying Value of Collateral Posted to Counterparties		
Cash	$ —	$ 5.1
Fixed Maturity Securities	39.8	39.6
	$ 39.8	$ 44.7

See Note 3 for further discussion of our master netting agreements.

All of our derivative instruments contain provisions that require us to maintain specified issuer credit ratings and financial strength ratings. Should our ratings fall below these specified levels, we would be in violation of the provisions, and our derivatives counterparties could terminate our contracts and request immediate payment. The aggregate fair value of all derivative instruments with credit risk-related contingent features that were in a liability position was $116.2 million and $74.0 million at December 31, 2023 and 2022, respectively.

Note 4 - Derivative Financial Instruments - Continued

Cash Flow Hedges

As of December 31, 2023 and 2022, we had $ 149.5 million and $168.9 million, respectively, notional amount of receive fixed, pay fixed, open current and forward foreign currency interest rate swaps to hedge fixed income foreign currency-denominated securities.

As of December 31, 2023 and 2022, we had $ 1,905.0 million and $764.0 million, respectively, notional amount of forward benchmark interest rate locks to hedge the anticipated purchase of fixed maturity securities.

During 2021, we entered into a $250.0 million notional forward benchmark interest rate lock in order to hedge the interest rate risk associated with the cash flows related to the early redemption of certain of our debt securities. We terminated the interest rate lock in 2021 and recognized a loss of $1.2 million that was reported as a cost related to the early retirement of debt in our income statement.

During the first quarter of 2021, in connection with the Closed Block individual disability reinsurance transaction, we reclassified $ 0.6 million of deferred gains from accumulated other comprehensive income (AOCI) into earnings included in the net investment gain (loss) line item on our income statement. The deferred gains were related to previously terminated interest rate swaps designated as hedging instruments of fixed maturity securities in the Closed Block individual disability product line. See Note 14 for further discussion.

As of December 31, 2023, we expect to amortize approximately $ 16.7 million of net deferred gains on derivative instruments during the next twelve months. This amount will be reclassified from AOCI into earnings and reported on the same income statement line item as the hedged item. The income statement line items that will be affected by this amortization are net investment income and interest and debt expense. Additional amounts that may be reclassified from AOCI into earnings to offset the earnings impact of foreign currency translation of hedged items are not estimable.

As of December 31, 2023, we are hedging the variability of future cash flows associated with forecasted transactions through the year 2063.

Fair Value Hedges

As of December 31, 2023 and 2022, we had $ 642.5 million and $557.8 million notional amount of receive fixed, pay fixed, open current and forward foreign currency interest rate swaps to hedge fixed income foreign currency-denominated securities.

The following table summarizes the carrying amount of hedged assets and the related cumulative basis adjustments related to our fair value hedges:

	Carrying Amount of Hedged Assets		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(in millions of dollars)			
Fixed maturity securities:				
Receive fixed functional currency interest, pay fixed foreign currency interest	$ 529.2	$ 394.4	$ (6.1)	$ (24.8)

For the years ended December 31, 2023, 2022, and 2021, $(21.1) million, $17.6 million, and $16.6 million, respectively, of the derivative instruments' gain (loss) related to cross-currency basis spread and forward points was excluded from the assessment of hedge effectiveness. There were no instances wherein we discontinued fair value hedge accounting due to a hedged firm commitment no longer qualifying as a fair value hedge.

Note 4 - Derivative Financial Instruments - Continued

Derivatives not Designated as Hedging Instruments

As of December 31, 2023 and 2022, we held $ 132.0 million notional amount of receive fixed, pay fixed, foreign currency interest rate swaps. These derivatives are not designated as hedges, and as such, changes in fair value related to these derivatives are reported in earnings as a component of net investment gain or loss.

As of December 31, 2023 and 2022, we held no single name credit default swaps. As of December 31, 2021, we held $11.6 million notional amount of single name credit default swaps. We entered into these swaps in order to mitigate the credit risk associated with specific securities owned. These derivatives were not designated as hedges, and as such, changes in fair value related to these derivatives were reported in earnings as a component of net investment gain or loss.

As of December 31, 2023 and 2022, we held $ 52.5 million and $54.3 million, respectively, notional amount of foreign currency forwards to mitigate the foreign currency risk associated with specific securities owned. These derivatives are not designated as hedges, and as such, changes in fair value related to these derivatives are reported in earnings as a component of net investment gain or loss.

As of December 31, 2023 and 2022, we held $ 102.2 million and $76.9 million, respectively, notional amount of total return swaps to mitigate the volatility associated with changes in the fair value of the underlying notional assets in our non-qualified defined contribution plan. This derivative is an economic hedge not designated as a hedging instrument, and changes in fair value are reported as a component of other expenses in our income statement.

We have an embedded derivative in a modified coinsurance arrangement for which we include in our net investment gains and losses a calculation intended to estimate the value of the option of our reinsurance counterparty to cancel the reinsurance contract with us. However, neither party can unilaterally terminate the reinsurance agreement except in extreme circumstances resulting from regulatory supervision, delinquency proceedings, or other direct regulatory action. Cash settlements or collateral related to this embedded derivative are not required at any time during the reinsurance contract or at termination of the reinsurance contract. There are no credit-related counterparty triggers, and any accumulated embedded derivative gain or loss reduces to zero over time as the reinsured business winds down.

Note 4 - Derivative Financial Instruments - Continued

Locations and Amounts of Derivative Financial Instruments

The following tables summarize the notional amounts and fair values of derivative financial instruments, as reported in our consolidated balance sheets. Derivative assets are included in other long-term investments, while derivative liabilities are included in other liabilities within our consolidated balance sheets. The notional amounts represent the basis upon which our counterparty pay and receive amounts are calculated.

	December 31, 2023		
		Derivative Assets	Derivative Liabilities
	Notional Amount	Fair Value	Fair Value
	(in millions of dollars)		
Designated as Hedging Instruments			
Cash Flow Hedges			
Forward Benchmark Interest Rate Locks	$ 1,905.0	$ 44.5	$ 77.8
Foreign Currency Interest Rate Swaps	149.5	14.2	4.5
Total Cash Flow Hedges	2,054.5	58.7	82.3
Fair Value Hedges			
Foreign Currency Interest Rate Swaps	642.5	38.2	16.7
Total Designated as Hedging Instruments	$ 2,697.0	$ 96.9	$ 99.0
Not Designated as Hedging Instruments			
Foreign Currency Forwards	$ 52.5	$ 3.0	$ 0.2
Foreign Currency Interest Rate Swaps	132.0	—	17.0
Total Return Swaps	102.2	—	—
Embedded Derivative in Modified Coinsurance Arrangement	—	—	1.5
Total Not Designated as Hedging Instruments	$ 286.7	$ 3.0	$ 18.7
Total Derivatives	$ 2,983.7	$ 99.9	$ 117.7

Note 4 - Derivative Financial Instruments - Continued

	December 31, 2022		
		Derivative Assets	Derivative Liabilities
	Notional Amount	Fair Value	Fair Value
	(in millions of dollars)		
Designated as Hedging Instruments			
Cash Flow Hedges			
Forward Benchmark Interest Rate Locks	$ 764.0	$ 1.6	$ 48.4
Foreign Currency Interest Rate Swaps	168.9	17.5	3.1
Total Cash Flow Hedges	932.9	19.1	51.5
Fair Value Hedges			
Foreign Currency Interest Rate Swaps	557.8	66.0	5.4
Total Designated as Hedging Instruments	$ 1,490.7	$ 85.1	$ 56.9
Not Designated as Hedging Instruments			
Foreign Currency Forwards	$ 54.3	$ 4.0	$ 0.1
Foreign Currency Interest Rate Swaps	132.0	—	17.0
Total Return Swaps	76.9	—	—
Embedded Derivative in Modified Coinsurance Arrangement	—	—	13.9
Total Not Designated as Hedging Instruments	$ 263.2	$ 4.0	$ 31.0
Total Derivatives	$ 1,753.9	$ 89.1	$ 87.9

Note 4 - Derivative Financial Instruments - Continued

The following tables summarize the location of gains and losses of derivative financial instruments designated as hedging instruments, as reported in our consolidated statements of income.

	Year Ended December 31, 2023		
	Net Investment Income	Net Investment Gain (Loss)	Interest and Debt Expense
	(in millions of dollars)		
Total Income and Expense Presented in the Consolidated Statements of Income of Which Hedged Items are Recorded	$ 2,096.7	$ (36.0)	$ 194.8
Gain (Loss) on Cash Flow Hedging Relationships			
Interest Rate Swaps:			
Hedged items	198.6	0.8	2.9
Derivatives Designated as Hedging Instruments	35.2	—	—
Foreign Exchange Contracts:			
Hedged items	9.6	0.4	—
Derivatives Designated as Hedging Instruments	—	(0.4)	—
Forward Benchmark Interest Rate Locks:			
Hedged items	18.5	—	—
Derivatives Designated as Hedging Instruments	(0.5)	—	—
Gain (Loss) on Fair Value Hedging Relationships			
Foreign Exchange Contracts:			
Hedged items	14.5	18.7	—
Derivatives Designated as Hedging Instruments	11.1	(18.7)	—

Note 4 - Derivative Financial Instruments - Continued

	Year Ended December 31, 2022		
	Net Investment Income	Net Investment Gain (Loss)	Interest and Debt Expense
	(in millions of dollars)		
Total Income and Expense Presented in the Consolidated Statements of Income of Which Hedged Items are Recorded	$ 2,122.2	$ (15.7)	$ 188.5
Gain (Loss) on Cash Flow Hedging Relationships			
Interest Rate Swaps:			
Hedged items	200.0	—	2.9
Derivatives Designated as Hedging Instruments	51.0	—	—
Foreign Exchange Contracts:			
Hedged items	12.3	(2.3)	—
Derivatives Designated as Hedging Instruments	(0.8)	1.8	—
Forward Benchmark Interest Rate Locks:			
Hedged items	0.5	—	—
Derivatives Designated as Hedging Instruments	—	—	—
Gain (Loss) on Fair Value Hedging Relationships			
Foreign Exchange Contracts:			
Hedged items	11.6	(26.8)	—
Derivatives Designated as Hedging Instruments	7.3	26.8	—

	Year Ended December 31, 2021		
	Net Investment Income	Net Investment Gain (Loss)	Interest and Debt Expense
	(in millions of dollars)		
Total Income and Expense Presented in the Consolidated Statements of Income of Which Hedged Items are Recorded	$ 2,213.2	$ 76.7	$ 185.0
Gain (Loss) on Cash Flow Hedging Relationships			
Interest Rate Swaps:			
Hedged items	220.4	2.7	29.2
Derivatives Designated as Hedging Instruments	64.6	2.0	5.0
Foreign Exchange Contracts:			
Hedged items	13.0	(0.1)	—
Derivatives Designated as Hedging Instruments	1.8	(0.1)	—
Gain (Loss) on Fair Value Hedging Relationships			
Foreign Exchange Contracts:			
Hedged items	9.8	(22.3)	—
Derivatives Designated as Hedging Instruments	4.6	22.3	—

Note 4 - Derivative Financial Instruments - Continued

The following table summarizes the location of gains and losses of derivative financial instruments designated as cash flow hedging instruments, as reported in our consolidated statements of comprehensive income (loss).

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Gain (Loss) Recognized in Other Comprehensive Income (Loss) on Derivatives			
Forwards	$ (22.5)	$ (49.8)	$ (0.6)
Foreign Exchange Contracts	(4.3)	7.4	2.2
Total	$ (26.8)	$ (42.4)	$ 1.6

The following table summarizes the location of gains and losses on our derivatives not designated as hedging instruments, as reported in our consolidated statements of income.

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Net Investment Gain (Loss)			
Credit Default Swaps	$ —	$ —	$ (0.3)
Foreign Exchange Contracts	(0.6)	2.7	3.4
Embedded Derivative in Modified Coinsurance Arrangement	12.4	16.2	9.7
Total	$ 11.8	$ 18.9	$ 12.8
Other Expenses			
(Gain) Loss on Total Return Swaps	$ (13.6)	$ 18.9	$ (8.5)

Note 5 - Accumulated Other Comprehensive Loss

Components of our accumulated other comprehensive loss, after tax, and related changes are as follows:

	Net Unrealized Gain (Loss) on Securities	Effect of Change in Discount Rate Assumptions on the LFPB[1]	Net Gain (Loss) on Hedges	Foreign Currency Translation Adjustment	Unrecognized Pension and Postretirement Benefit Costs	Total
	(in millions of dollars)					
Balance at January 1, 2021, As Adjusted	$ 5,315.8	$ (10,932.5)	$ 97.8	$ (261.3)	$ (530.0)	$ (6,310.2)
Other Comprehensive Income (Loss) Before Reclassifications	(1,260.7)	2,361.8	14.7	(12.8)	116.3	1,219.3
Amounts Reclassified from Accumulated Other Comprehensive Income or Loss	(40.7)	—	(50.7)	—	17.7	(73.7)
Net Other Comprehensive Income (Loss)	(1,301.4)	2,361.8	(36.0)	(12.8)	134.0	1,145.6
Balance at December 31, 2021	4,014.4	(8,570.7)	61.8	(274.1)	(396.0)	(5,164.6)
Other Comprehensive Income (Loss) Before Reclassifications	(7,066.0)	8,884.6	(30.4)	(116.0)	49.7	1,721.9
Amounts Reclassified from Accumulated Other Comprehensive Income or Loss	23.2	—	(41.0)	—	12.2	(5.6)
Net Other Comprehensive Income (Loss)	(7,042.8)	8,884.6	(71.4)	(116.0)	61.9	1,716.3
Balance at December 31, 2022	(3,028.4)	313.9	(9.6)	(390.1)	(334.1)	(3,448.3)
Other Comprehensive Income (Loss) Before Reclassifications	1,069.3	(962.3)	(37.4)	69.0	(16.9)	121.7
Amounts Reclassified from Accumulated Other Comprehensive Income or Loss	40.0	—	(26.7)	—	5.3	18.6
Net Other Comprehensive Income (Loss)	1,109.3	(962.3)	(64.1)	69.0	(11.6)	140.3
Balance at December 31, 2023	$ (1,919.1)	$ (648.4)	$ (73.7)	$ (321.1)	$ (345.7)	$ (3,308.0)

[1]Liability for Future Policy Benefits

Note 5 - Accumulated Other Comprehensive Loss - Continued

Amounts reclassified from accumulated other comprehensive income (loss) were recognized in our consolidated statements of income as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Net Unrealized Gain (Loss) on Securities			
Net Investment Gain (Loss)			
Gain (Loss) on Sales on Securities	$ (48.7)	$ (24.8)	$ 60.8
Credit Losses on Fixed Maturity Securities	(2.2)	(4.6)	(9.3)
	(50.9)	(29.4)	51.5
Income Tax Expense (Benefit)	(10.9)	(6.2)	10.8
Total	$ (40.0)	$ (23.2)	$ 40.7
Net Gain (Loss) on Hedges			
Net Investment Income			
Gain on Interest Rate Swaps and Forwards	$ 34.7	$ 51.1	$ 60.6
Gain (Loss) on Foreign Exchange Contracts	(0.5)	(1.0)	1.7
Net Investment Gain (Loss)			
Gain on Interest Rate Swaps	—	—	2.0
Gain (Loss) on Foreign Exchange Contracts	(0.4)	1.8	(0.1)
	33.8	51.9	64.2
Income Tax Expense	7.1	10.9	13.5
Total	$ 26.7	$ 41.0	$ 50.7
Unrecognized Pension and Postretirement Benefit Costs			
Other Expenses			
Amortization of Net Actuarial Loss	$ (7.2)	$ (15.7)	$ (22.6)
Amortization of Prior Service Credit	0.2	0.2	0.2
	(7.0)	(15.5)	(22.4)
Income Tax Benefit	(1.7)	(3.3)	(4.7)
Total	$ (5.3)	$ (12.2)	$ (17.7)

Note 6 - Liability for Future Policy Benefits

Liabilities for future policy benefits represent the cost of claims that we estimate we will eventually pay to our policyholders which includes policy liabilities for claims not yet incurred and for claims that have been incurred or are estimated to have been incurred but not yet reported to us. Liabilities for future policy benefits also include the related expenses for our non interest-sensitive life and accident and health products. The liability for future policy benefits is calculated based on the present value of the estimated future policy benefits less the present value of estimated future net premiums collected. Net premiums represent the portion of the gross premium required to provide for all benefits and expenses, excluding acquisition costs or any costs that are required to be charged to expense as incurred. In calculating the liability for future policy benefits, our long-duration contracts are grouped into cohorts by product type and contract issue year.

The calculation of the liability for future policy benefits involves numerous assumptions including assumptions related to discount rate, lapses, mortality, and morbidity. Cash flow assumptions are reviewed and updated, as needed, at least annually. Assumptions may be updated more frequently if necessary based on trending experience and future expectations. On a quarterly basis, cohort level cash flow measures are updated based on the emergence of actual experience.

The initial, also referred to as the original, discount rate assumptions established for each cohort are used to determine interest accretion. After policy issuance or policy renewal, the discount rate assumptions are updated quarterly and used to update the liability at each reporting date to the current discount rate. The weighted average current discount rate was 4.8 percent at December 31, 2023, 5.0 percent at December 31, 2022, and 2.5 percent at December 31, 2021. The discount rate was lower at December 31, 2023 relative to December 31, 2022 due primarily to a decrease in credit spreads. The discount rate was higher at December 31, 2022 relative to December 31, 2021 due to an increase in U.S. Treasury rates.

During our annual cash flow assumption review in 2023, we updated certain of our assumptions used to develop the liability for future policy benefits which resulted in a net increase to the liability. The increase to the liability for future policy benefits was driven primarily by assumption updates in the Closed Block long-term care product line, partially offset by assumption updates in the Unum US group disability product line and in the Colonial Life segment. The long-term care assumption updates were primarily driven by lower expectations for active policy lapse and mortality assumptions, partially offset by an increase to expected future premium rate increases. The Unum US group disability product line assumption updates were primarily related to claim resolution assumptions driven by favorable claim recovery trends, while the Colonial Life segment assumption updates were driven by improved claim cost assumptions and increases in policyholder lapse rates.

During our annual cash flow assumption review in 2022, we updated certain of our assumptions used to develop the liability for future policy benefits which resulted in a net increase to the liability. The increase to the liability for future policy benefits was driven primarily by assumption updates related to the reinsured portion of our Closed Block segment, mostly offset by assumption updates in the Unum US segment and the Colonial Life segment. The Closed Block segment assumption updates related to the reinsured portion of our all other product line primarily included updates to mortality assumptions for the advanced age portion of our individual disability claimant population. This advanced age claimant population was included in the block ceded as a part of the Closed Block individual disability reinsurance transaction with Commonwealth Annuity and Life Insurance Company. As a result, a corresponding increase was reported in our consolidated balance sheet as a reinsurance recoverable related to these assumption updates. The Unum US segment assumption updates were primarily driven by sustained improvement in claim recovery trends in our group disability and group life product lines, partially offset by lower social security benefit offsets in our group disability product line. The Colonial Life segment assumption updates were primarily driven by improved claim cost assumptions.

During our annual cash flow assumption review in 2021, we updated certain of our assumptions used to develop the liability for future policy benefits which resulted in a net decrease to the liability. The decrease to the liability for future policy benefits was driven primarily by assumption updates in the Unum US group disability product line due primarily to sustained improvement in the claim recovery trends since our last assumption update.

Actual variance from expected experience for 2023 was due primarily to the Unum US group disability, Unum US group life and accidental death and dismemberment, Unum US individual disability, and Closed Block long-term care product lines. The variance for the Unum US group disability product line was driven by higher than expected claim resolutions driven by recoveries, and the variance in the group life and accidental death and dismemberment product line was driven by favorable mortality experience and favorable recovery experience for waiver of premium benefits. The variance in the Unum US

Note 6 - Liability for Future Policy Benefits - Continued

individual disability product line was driven primarily by lower than expected new claim incidence, while the variance for the Closed Block long-term care product line was driven by higher than expected claim incidence.

Actual variance from expected experience for 2022 was due primarily to the Unum US group disability, Unum US group life and accidental death and dismemberment, and the Unum UK group product lines, as well as the Colonial Life segment. The variance for the Unum US group disability product line was driven by higher than expected claim resolutions driven by recoveries, and the variance in the group life and accidental death and dismemberment product line was driven by lower than expected new claim incidence for waiver of premium benefits. The variance in the Unum UK group product lines was driven by an increase in inflation-linked experience compared to expectations. The variance for the Colonial Life segment was driven primarily by lower claim costs.

Actual variance from expected experience for 2021 was due primarily to the Unum US group disability, Unum US individual disability, and Colonial Life cancer and critical illness product line. The variance for the Unum US group disability product line was driven by higher than expected claim resolutions driven by recoveries, and the variance in the Unum US individual disability product line was driven by lower than expected new claim incidence. The variance in the Colonial Life cancer and critical illness product line was driven by lower claim costs.

For the year ended December 31, 2023, there were certain cohorts within the Closed Block segment, related to our long-term care product line, for which net premiums exceeded gross premiums, which resulted in a $226.5 million reduction to income before income tax. For the years ended December 31, 2023, 2022, and 2021, there were certain cohorts within the Colonial Life segment, related to our cancer and critical illness product line for which net premiums exceeded the gross premiums which had an immaterial impact to income before income tax. There were no other product lines with cohorts for which net premiums exceeded gross premiums for the years ended December 31, 2023, 2022, and 2021.

Note 6 - Liability for Future Policy Benefits - Continued

The following table presents balances as well as the changes in the liability for future policy benefits for traditional long duration products.

	Consolidated		
	December 31		
	2023	2022	2021
	(in millions of dollars)		
Present Value of Expected Net Premiums			
Balance, beginning of year	$ 12,426.2	$ 15,881.3	$ 17,095.9
Beginning balance at original discount rate	12,695.3	13,186.2	13,623.5
Effect of changes in cash flow assumptions	1,499.2	(101.9)	(177.1)
Effect of actual variances from expected experience	(82.5)	(269.6)	(328.3)
Adjusted beginning of year balance	14,112.0	12,814.7	13,118.1
Issuances	1,054.9	877.5	1,083.9
Interest accretion	584.0	566.0	631.9
Net premiums collected	(1,537.4)	(1,542.3)	(1,627.4)
Foreign currency	29.7	(20.6)	(20.3)
Ending balance at original discount rate	14,243.2	12,695.3	13,186.2
Effect of change in discount rate assumptions	174.6	(269.1)	2,695.1
Balance, end of period	$ 14,417.8	$ 12,426.2	$ 15,881.3
Present Value of Expected Future Policy Benefits			
Balance, beginning of year	$ 48,929.4	$ 65,305.0	$ 69,530.5
Beginning balance at original discount rate	49,689.0	50,397.2	50,752.4
Effect of changes in cash flow assumptions	1,702.0	(92.4)	(379.9)
Effect of actual variances from expected experience	(310.8)	(535.1)	(635.9)
Adjusted beginning of year balance	51,080.2	49,769.7	49,736.6
Issuances[1]	3,072.2	3,194.5	3,675.0
Interest accretion	2,227.2	2,236.2	2,359.6
Benefit payments	(5,236.1)	(5,231.0)	(5,315.7)
Foreign currency	162.2	(280.4)	(58.3)
Ending balance at original discount rate	51,305.7	49,689.0	50,397.2
Effect of change in discount rate assumptions	1,117.9	(759.6)	14,907.8
Balance, end of period	$ 52,423.6	$ 48,929.4	$ 65,305.0
Net liability for future policy benefits	$ 38,005.8	$ 36,503.2	$ 49,423.7
Other	1,753.3	1,854.5	2,355.9
Total liability for future policy benefits	39,759.1	38,357.7	51,779.6
Less: Reinsurance recoverable related to future policy benefits	7,756.1	8,128.2	10,348.2
Net liability for future policy benefits, after reinsurance recoverable	$ 32,003.0	$ 30,229.5	$ 41,431.4

[1]Issuances include new policy issuances for most product lines. For our Unum US group disability, Unum US group life and AD&D and Closed Block - All Other product lines and certain of our Unum International product lines, this line represents new claim incurrals.

Note 6 - Liability for Future Policy Benefits - Continued

The following tables summarize the amount of gross premiums and interest accretion reflected in the statements of income as well as the undiscounted and discounted expected gross premiums and expected future benefit payments and the weighted average interest rates for traditional long duration products presented in the rollforward activity above.

	Consolidated		
	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Amount recognized in the statement of income:			
Gross premiums or assessments	$ 9,690.7	$ 9,391.8	$ 9,263.4
Interest accretion	$ 1,643.2	$ 1,670.2	$ 1,727.7

	Consolidated		
	December 31		
	2023	2022	2021
	(in millions of dollars, except weighted average data)		
Amount of undiscounted:			
Expected future benefit payments	$ 105,325.8	$ 97,060.7	$ 98,574.9
Expected future gross premiums	$ 38,761.5	$ 35,299.8	$ 35,296.0
Amount of discounted (at interest accretion rate):			
Expected future gross premiums	$ 25,552.9	$ 23,827.2	$ 23,821.7
Weighted average interest rate:			
Interest accretion rate	4.8 %	4.8 %	4.8 %
Current discount rate	4.8 %	5.0 %	2.5 %
Weighted average duration of the liability	11.5 years	10.9 years	10.9 years

Note 6 - Liability for Future Policy Benefits - Continued

Unum US Segment

The following table presents the balances and changes in the reserves for future policy benefits for traditional long duration products in the Unum US segment.

	December 31, 2023				
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Total Unum US
	(in millions of dollars)				
Present Value of Expected Net Premiums					
Balance, beginning of year	$ —	$ —	$ 868.2	$ 1,202.9	$ 2,071.1
Beginning balance at original discount rate	—	—	937.9	1,228.1	2,166.0
Effect of changes in cash flow assumptions	—	—	180.7	5.0	185.7
Effect of actual variances from expected experience	—	—	(79.8)	(10.4)	(90.2)
Adjusted beginning of year balance	—	—	1,038.8	1,222.7	2,261.5
Issuances	—	—	288.6	197.9	486.5
Interest accretion	—	—	29.0	48.2	77.2
Net premiums collected	—	—	(163.9)	(174.4)	(338.3)
Ending balance at original discount rate	—	—	1,192.5	1,294.4	2,486.9
Effect of change in discount rate assumptions	—	—	(57.8)	2.3	(55.5)
Balance, end of period	$ —	$ —	$ 1,134.7	$ 1,296.7	$ 2,431.4
Present Value of Expected Future Policy Benefits					
Balance, beginning of year	$ 5,533.3	$ 972.6	$ 1,999.5	$ 3,192.8	$ 11,698.2
Beginning balance at original discount rate	5,793.1	998.5	2,141.2	3,244.5	12,177.3
Effect of changes in cash flow assumptions	(100.2)	—	170.1	7.9	77.8
Effect of actual variances from expected experience	(204.0)	(37.0)	(90.9)	(45.3)	(377.2)
Adjusted beginning of year balance	5,488.9	961.5	2,220.4	3,207.1	11,877.9
Issuances[1]	1,094.5	394.2	303.7	215.3	2,007.7
Interest accretion	171.2	20.0	86.2	164.7	442.1
Benefit payments	(1,477.5)	(439.2)	(188.3)	(273.2)	(2,378.2)
Ending balance at original discount rate	5,277.1	936.5	2,422.0	3,313.9	11,949.5
Effect of change in discount rate assumptions	(129.7)	(14.5)	(87.5)	34.7	(197.0)
Balance, end of period	$ 5,147.4	$ 922.0	$ 2,334.5	$ 3,348.6	$ 11,752.5
Net liability for future policy benefits	$ 5,147.4	$ 922.0	$ 1,199.8	$ 2,051.9	$ 9,321.1
Other	0.2	1.0	2.6	27.8	31.6
Total liability for future policy benefits	5,147.6	923.0	1,202.4	2,079.7	9,352.7
Less: Reinsurance recoverable related to future policy benefits	30.7	7.2	14.0	156.7	208.6
Net liability for future policy benefits, after reinsurance recoverable	$ 5,116.9	$ 915.8	$ 1,188.4	$ 1,923.0	$ 9,144.1

[1]Issuances include new policy issuances for most product lines. Issuances for Unum US group disability and Unum US group life and AD&D represents new claim incurrals.

Note 6 - Liability for Future Policy Benefits - Continued

	December 31, 2022				
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Total Unum US
	(in millions of dollars)				
Present Value of Expected Net Premiums					
Balance, beginning of year	$ —	$ —	$ 1,124.8	$ 1,494.3	$ 2,619.1
Beginning balance at original discount rate	—	—	1,032.3	1,279.6	2,311.9
Effect of changes in cash flow assumptions	—	—	(23.4)	(73.7)	(97.1)
Effect of actual variances from expected experience	—	—	(70.9)	(25.2)	(96.1)
Adjusted beginning of year balance	—	—	938.0	1,180.7	2,118.7
Issuances	—	—	136.2	168.6	304.8
Interest accretion	—	—	29.1	49.8	78.9
Net premiums collected	—	—	(165.4)	(171.0)	(336.4)
Ending balance at original discount rate	—	—	937.9	1,228.1	2,166.0
Effect of change in discount rate assumptions	—	—	(69.7)	(25.2)	(94.9)
Balance, end of period	$ —	$ —	$ 868.2	$ 1,202.9	$ 2,071.1
Present Value of Expected Future Policy Benefits					
Balance, beginning of year	$ 6,725.7	$ 1,124.1	$ 2,697.3	$ 4,017.3	$ 14,564.4
Beginning balance at original discount rate	6,158.3	1,058.3	2,201.8	3,253.3	12,671.7
Effect of changes in cash flow assumptions	(102.0)	(32.9)	(39.9)	(53.4)	(228.2)
Effect of actual variances from expected experience	(239.4)	(34.3)	(74.9)	(36.0)	(384.6)
Adjusted beginning of year balance	5,816.9	991.1	2,087.0	3,163.9	12,058.9
Issuances[1]	1,304.3	444.1	154.0	181.4	2,083.8
Interest accretion	210.5	24.5	86.1	155.3	476.4
Benefit payments	(1,538.6)	(461.2)	(185.9)	(256.1)	(2,441.8)
Ending balance at original discount rate	5,793.1	998.5	2,141.2	3,244.5	12,177.3
Effect of change in discount rate assumptions	(259.8)	(25.9)	(141.7)	(51.7)	(479.1)
Balance, end of period	$ 5,533.3	$ 972.6	$ 1,999.5	$ 3,192.8	$ 11,698.2
Net liability for future policy benefits	$ 5,533.3	$ 972.6	$ 1,131.3	$ 1,989.9	$ 9,627.1
Other	0.4	0.9	15.6	24.7	41.6
Total liability for future policy benefits	5,533.7	973.5	1,146.9	2,014.6	9,668.7
Less: Reinsurance recoverable related to future policy benefits	36.0	7.5	14.1	193.6	251.2
Net liability for future policy benefits, after reinsurance recoverable	$ 5,497.7	$ 966.0	$ 1,132.8	$ 1,821.0	$ 9,417.5

[1]Issuances include new policy issuances for most product lines. Issuances for Unum US group disability and Unum US group life and AD&D represents new claim incurrals.

Note 6 - Liability for Future Policy Benefits - Continued

	December 31, 2021				
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Total Unum US
	(in millions of dollars)				
Present Value of Expected Net Premiums					
Balance, beginning of year	$ —	$ —	$ 1,239.3	$ 1,514.2	$ 2,753.5
Beginning balance at original discount rate	—	—	1,146.9	1,208.8	$ 2,355.7
Effect of changes in cash flow assumptions	—	—	(29.6)	(18.9)	$ (48.5)
Effect of actual variances from expected experience	—	—	(117.5)	(10.4)	$ (127.9)
Adjusted beginning of year balance	—	—	999.8	1,179.5	$ 2,179.3
Issuances	—	—	196.5	211.3	$ 407.8
Interest accretion	—	—	38.3	57.9	$ 96.2
Net premiums collected	—	—	(202.3)	(169.1)	$ (371.4)
Ending balance at original discount rate	—	—	1,032.3	1,279.6	$ 2,311.9
Effect of change in discount rate assumptions	—	—	92.5	214.7	$ 307.2
Balance, end of period	$ —	$ —	$ 1,124.8	$ 1,494.3	$ 2,619.1
Present Value of Expected Future Policy Benefits					
Balance, beginning of year	$ 7,281.3	$ 1,126.3	$ 2,768.1	$ 4,226.9	$ 15,402.6
Beginning balance at original discount rate	6,369.4	1,034.4	2,272.6	3,197.6	12,874.0
Effect of changes in cash flow assumptions	(186.0)	—	(40.3)	(22.9)	(249.2)
Effect of actual variances from expected experience	(229.3)	4.0	(136.5)	(42.3)	(404.1)
Adjusted beginning of year balance	5,954.1	1,038.4	2,095.8	3,132.4	12,220.7
Issuances[1]	1,471.4	467.5	220.6	222.5	2,382.0
Interest accretion	241.5	34.9	96.9	158.5	531.8
Benefit payments	(1,508.7)	(482.5)	(211.5)	(260.1)	(2,462.8)
Ending balance at original discount rate	6,158.3	1,058.3	2,201.8	3,253.3	12,671.7
Effect of change in discount rate assumptions	567.4	65.8	495.5	764.0	1,892.7
Balance, end of period	$ 6,725.7	$ 1,124.1	$ 2,697.3	$ 4,017.3	$ 14,564.4
Net liability for future policy benefits	$ 6,725.7	$ 1,124.1	$ 1,572.5	$ 2,523.0	$ 11,945.3
Other	0.5	1.2	14.0	59.0	74.7
Total liability for future policy benefits	6,726.2	1,125.3	1,586.5	2,582.0	12,020.0
Less: Reinsurance recoverable related to future policy benefits	40.9	4.4	31.2	231.9	308.4
Net liability for future policy benefits, after reinsurance recoverable	$ 6,685.3	$ 1,120.9	$ 1,555.3	$ 2,350.1	$ 11,711.6

[1]Issuances include new policy issuances for most product lines. Issuances for Unum US group disability and Unum US group life and AD&D represents new claim incurrals.

Note 6 - Liability for Future Policy Benefits - Continued

The following tables summarize the amount of gross premiums and interest accretion reflected in the statements of income as well as the undiscounted and discounted expected gross premiums and expected future benefit payments and the weighted average interest rates for traditional long duration products in the Unum US segment presented in the rollforward activity above.

	Year Ended December 31, 2023				
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Total Unum US
	(in millions of dollars)				
Amount recognized in the statement of income:					
Gross premiums or assessments	$ 2,958.7	$ 1,878.0	$ 789.9	$ 636.6	$ 6,263.2
Interest accretion	$ 171.2	$ 20.0	$ 57.2	$ 116.5	$ 364.9

	Year Ended December 31, 2022				
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Total Unum US
	(in millions of dollars)				
Amount recognized in the statement of income:					
Gross premiums or assessments	$ 2,791.7	$ 1,864.9	$ 773.6	$ 591.5	$ 6,021.7
Interest accretion	$ 210.5	$ 24.5	$ 57.0	$ 105.5	$ 397.5

	Year Ended December 31, 2021				
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Total Unum US
	(in millions of dollars)				
Amount recognized in the statement of income:					
Gross premiums or assessments	$ 2,672.4	$ 1,827.5	$ 773.8	$ 580.1	$ 5,853.8
Interest accretion	$ 241.5	$ 34.9	$ 58.6	$ 100.6	$ 435.6

	December 31, 2023				
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Total Unum US
	(in millions of dollars, except weighted average data)				
Amount of undiscounted:					
Expected future benefit payments	$ 6,376.6	$ 1,063.2	$ 5,173.1	$ 5,313.7	$ 17,926.6
Expected future gross premiums	$ —	$ —	$ 5,450.6	$ 5,724.8	$ 11,175.4
Amount of discounted (at interest accretion rate):					
Expected future gross premiums	$ —	$ —	$ 3,717.5	$ 4,112.9	$ 7,830.4
Weighted average interest rate:					
Interest accretion rate	4.0 %	2.2 %	5.0 %	5.1 %	4.2%
Current discount rate	4.6 %	2.6 %	4.9 %	4.8 %	4.5%
Weighted average duration of the liability	4.3 years	2.6 years	18.1 years	9.6 years	7.0 years

Note 6 - Liability for Future Policy Benefits - Continued

	December 31, 2022				
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Total Unum US
	(in millions of dollars, except weighted average data)				
Amount of undiscounted:					
Expected future benefit payments	$ 6,988.1	$ 1,133.0	$ 4,561.1	$ 5,168.2	$ 17,850.4
Expected future gross premiums	$ —	$ —	$ 3,979.6	$ 5,525.1	$ 9,504.7
Amount of discounted (at interest accretion rate):					
Expected future gross premiums	$ —	$ —	$ 2,939.1	$ 3,962.1	$ 6,901.2
Weighted average interest rate:					
Interest accretion rate	3.8 %	2.2 %	5.1 %	5.1 %	4.0%
Current discount rate	4.9 %	2.7 %	5.2 %	5.1 %	4.7%
Weighted average duration of the liability	4.4 years	2.6 years	17.8 years	9.4 years	6.8 years

	December 31, 2021				
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Total Unum US
	(in millions of dollars, except weighted average data)				
Amount of undiscounted:					
Expected future benefit payments	$ 7,538.7	$ 1,224.7	$ 4,192.1	$ 5,210.6	$ 18,166.1
Expected future gross premiums	$ —	$ —	$ 4,136.9	$ 5,597.3	$ 9,734.2
Amount of discounted (at interest accretion rate):					
Expected future gross premiums	$ —	$ —	$ 3,156.5	$ 3,958.8	$ 7,115.3
Weighted average interest rate:					
Interest accretion rate	4.0 %	2.3 %	5.1 %	5.0 %	4.1%
Current discount rate	2.1 %	1.3 %	2.8 %	2.4 %	2.1%
Weighted average duration of the liability	4.5 years	2.9 years	15.8 years	9.5 years	6.5 years

Note 6 - Liability for Future Policy Benefits - Continued

Unum International Segment

The following table presents the balances and changes in the reserves for future policy benefits for traditional long duration products in the Unum International segment.

	December 31		
	2023	2022	2021
	(in millions of dollars)		
Present Value of Expected Net Premiums			
Balance, beginning of year	$ 197.1	$ 260.5	$ 311.7
Beginning balance at original discount rate	246.8	258.1	251.4
Effect of changes in cash flow assumptions	(5.1)	(0.3)	—
Effect of actual variances from expected experience	17.1	5.6	9.3
Adjusted beginning of year balance	258.8	263.4	260.7
Issuances	23.5	17.8	31.4
Interest accretion	9.4	8.4	8.9
Net premiums collected	(23.0)	(22.2)	(22.6)
Foreign currency	29.7	(20.6)	(20.3)
Ending balance at original discount rate	298.4	246.8	258.1
Effect of change in discount rate assumptions	(28.1)	(49.7)	2.4
Balance, end of period	$ 270.3	$ 197.1	$ 260.5
Present Value of Expected Future Policy Benefits			
Balance, beginning of year	$ 2,231.4	$ 3,181.8	$ 3,465.9
Beginning balance at original discount rate	2,495.5	2,703.8	2,644.5
Effect of changes in cash flow assumptions	17.7	(20.1)	(5.5)
Effect of actual variances from expected experience	1.3	46.3	15.9
Adjusted beginning of year balance	2,514.5	2,730.0	2,654.9
Issuances[1]	335.2	327.7	391.6
Interest accretion	63.5	64.9	75.9
Benefit payments	(388.3)	(346.7)	(360.3)
Foreign currency	162.2	(280.4)	(58.3)
Ending balance at original discount rate	2,687.1	2,495.5	2,703.8
Effect of change in discount rate assumptions	(159.7)	(264.1)	478.0
Balance, end of period	$ 2,527.4	$ 2,231.4	$ 3,181.8
Net liability for future policy benefits	$ 2,257.1	$ 2,034.3	$ 2,921.3
Other	36.1	28.9	34.5
Total liability for future policy benefits	2,293.2	2,063.2	2,955.8
Less: Reinsurance recoverable related to future policy benefits	78.7	70.3	125.3
Net liability for future policy benefits, after reinsurance recoverable	$ 2,214.5	$ 1,992.9	$ 2,830.5

[1]Issuances for Unum International primarily represent new claim incurrals.

Note 6 - Liability for Future Policy Benefits - Continued

The following tables summarize the amount of gross premiums and interest accretion reflected in the statements of income as well as the undiscounted and discounted expected gross premiums and expected future benefit payments and the weighted average interest rates for traditional long duration products in the Unum International segment presented in the rollforward activity above.

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Amount recognized in the statement of income:			
Gross premiums or assessments	$ 849.0	$ 786.8	$ 793.9
Interest accretion	$ 54.1	$ 56.5	$ 67.0

	December 31		
	2023	2022	2021
	(in millions of dollars, except weighted average data)		
Amount of undiscounted:			
Expected future benefit payments	$ 4,261.1	$ 3,905.4	$ 4,292.2
Expected future gross premiums	$ 1,196.6	$ 943.9	$ 914.9
Amount of discounted (at interest accretion rate):			
Expected future gross premiums	$ 778.6	$ 626.2	$ 620.8
Weighted average interest rate:			
Interest accretion rate	4.0 %	4.0 %	4.0 %
Current discount rate	4.6 %	5.0 %	2.0 %
Weighted average duration of the liability	8.6 years	8.6 years	8.8 years

Note 6 - Liability for Future Policy Benefits - Continued

Colonial Life Segment

The following table presents the balances and changes in the reserves for future policy benefits for traditional long duration products in the Colonial Life segment.

	December 31		
	2023	2022	2021
	(in millions of dollars)		
Present Value of Expected Net Premiums			
Balance, beginning of year	$ 3,745.4	$ 4,597.0	$ 4,671.9
Beginning balance at original discount rate	4,046.4	4,158.9	4,233.7
Effect of changes in cash flow assumptions	(322.7)	(32.3)	(157.1)
Effect of actual variances from expected experience	(53.5)	(145.6)	(60.4)
Adjusted beginning of year balance	3,670.2	3,981.0	4,016.2
Issuances	544.9	554.9	644.7
Interest accretion	122.7	129.7	156.2
Net premiums collected	(583.5)	(619.2)	(658.2)
Ending balance at original discount rate	3,754.3	4,046.4	4,158.9
Effect of change in discount rate assumptions	(161.7)	(301.0)	438.1
Balance, end of period	$ 3,592.6	$ 3,745.4	$ 4,597.0
Present Value of Expected Future Policy Benefits			
Balance, beginning of year	$ 5,581.1	$ 7,054.8	$ 7,022.9
Beginning balance at original discount rate	6,163.9	6,201.5	6,169.6
Effect of changes in cash flow assumptions	(402.9)	(85.9)	(178.1)
Effect of actual variances from expected experience	(52.0)	(191.3)	(95.2)
Adjusted beginning of year balance	5,709.0	5,924.3	5,896.3
Issuances	605.9	628.5	704.1
Interest accretion	211.3	217.0	243.1
Benefit payments	(601.0)	(605.9)	(642.0)
Ending balance at original discount rate	5,925.2	6,163.9	6,201.5
Effect of change in discount rate assumptions	(359.2)	(582.8)	853.3
Balance, end of period	$ 5,566.0	$ 5,581.1	$ 7,054.8
Net liability for future policy benefits	$ 1,973.4	$ 1,835.7	$ 2,457.8
Other	24.4	22.7	25.1
Total liability for future policy benefits	1,997.8	1,858.4	2,482.9
Less: Reinsurance recoverable related to future policy benefits	1.8	1.1	2.3
Net liability for future policy benefits, after reinsurance recoverable	$ 1,996.0	$ 1,857.3	$ 2,480.6

Note 6 - Liability for Future Policy Benefits - Continued

The following tables summarize the amount of gross premiums and interest accretion reflected in the statements of income as well as the undiscounted and discounted expected gross premiums and expected future benefit payments and the weighted average interest rates for traditional long duration products in the Colonial Life segment presented in the rollforward activity above.

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Amount recognized in the statement of income:			
Gross premiums or assessments	$ 1,658.6	$ 1,635.8	$ 1,615.8
Interest accretion	$ 88.6	$ 87.3	$ 86.9

	December 31		
	2023	2022	2021
	(in millions of dollars, except weighted average data)		
Amount of undiscounted:			
Expected future benefit payments	$ 9,796.7	$ 10,011.9	$ 9,583.1
Expected future gross premiums	$ 11,903.1	$ 12,221.3	$ 11,487.9
Amount of discounted (at interest accretion rate):			
Expected future gross premiums	$ 8,702.2	$ 8,966.3	$ 8,566.7
Weighted average interest rate:			
Interest accretion rate	4.3 %	4.3 %	4.4 %
Current discount rate	4.8 %	5.2 %	2.7 %
Weighted average duration of the liability	17.0 years	17.5 years	16.4 years

Note 6 - Liability for Future Policy Benefits - Continued

Closed Block Segment

The following table presents the balances and changes in the reserves for future policy benefits for traditional long duration products in the Closed Block segment.

	December 31, 2023		
	Long-term Care	All Other	Total Closed Block
	(in millions of dollars)		
Present Value of Expected Net Premiums			
Balance, beginning of year	$ 6,412.6	$ —	$ 6,412.6
Beginning balance at original discount rate	6,236.1	—	6,236.1
Effect of changes in cash flow assumptions	1,641.3	—	1,641.3
Effect of actual variances from expected experience	44.1	—	44.1
Adjusted beginning of year balance	7,921.5	—	7,921.5
Interest accretion	374.7	—	374.7
Net premiums collected	(592.6)	—	(592.6)
Ending balance at original discount rate	7,703.6	—	7,703.6
Effect of change in discount rate assumptions	419.9	—	419.9
Balance, end of period	$ 8,123.5	$ —	$ 8,123.5
Present Value of Expected Future Policy Benefits			
Balance, beginning of year	$ 21,199.9	$ 8,218.8	$ 29,418.7
Beginning balance at original discount rate	20,221.6	8,630.7	28,852.3
Effect of changes in cash flow assumptions	2,009.4	—	2,009.4
Effect of actual variances from expected experience	113.1	4.0	117.1
Adjusted beginning of year balance	22,344.1	8,634.7	30,978.8
Issuances[1]	—	123.4	123.4
Interest accretion	1,151.4	358.9	1,510.3
Benefit payments	(846.2)	(1,022.4)	(1,868.6)
Ending balance at original discount rate	22,649.3	8,094.6	30,743.9
Effect of change in discount rate assumptions	2,048.4	(214.6)	1,833.8
Balance, end of period	$ 24,697.7	$ 7,880.0	$ 32,577.7
Net liability for future policy benefits	$ 16,574.2	$ 7,880.0	24,454.2
Other[2]	23.1	1,638.1	1,661.2
Total liability for future policy benefits	16,597.3	9,518.1	26,115.4
Less: Reinsurance recoverable related to future policy benefits	4.5	7,462.4	7,466.9
Net liability for future policy benefits, after reinsurance recoverable	$ 16,592.8	$ 2,055.7	$ 18,648.5

[1]Issuances for Closed Block - All Other represents new claim incurrals.

[2]Other for Closed Block - All Other primarily includes our closed block group pension products and certain of our ceded closed block individual life products.

Note 6 - Liability for Future Policy Benefits - Continued

	December 31, 2022		
	Long-term Care	All Other	Total Closed Block
	(in millions of dollars)		
Present Value of Expected Net Premiums			
Balance, beginning of year	$ 8,404.7	$ —	$ 8,404.7
Beginning balance at original discount rate	6,457.3	—	6,457.3
Effect of changes in cash flow assumptions	27.8	—	27.8
Effect of actual variances from expected experience	(33.5)	—	(33.5)
Adjusted beginning of year balance	6,451.6	—	6,451.6
Interest accretion	349.0	—	349.0
Net premiums collected	(564.5)	—	(564.5)
Ending balance at original discount rate	6,236.1	—	6,236.1
Effect of change in discount rate assumptions	176.5	—	176.5
Balance, end of period	$ 6,412.6	$ —	$ 6,412.6
Present Value of Expected Future Policy Benefits			
Balance, beginning of year	$ 30,089.6	$ 10,414.4	$ 40,504.0
Beginning balance at original discount rate	19,870.8	8,949.4	28,820.2
Effect of changes in cash flow assumptions	24.9	216.9	241.8
Effect of actual variances from expected experience	(36.2)	30.7	(5.5)
Adjusted beginning of year balance	19,859.5	9,197.0	29,056.5
Issuances[1]	—	154.5	154.5
Interest accretion	1,105.1	372.8	1,477.9
Benefit payments	(743.0)	(1,093.6)	(1,836.6)
Ending balance at original discount rate	20,221.6	8,630.7	28,852.3
Effect of change in discount rate assumptions	978.3	(411.9)	566.4
Balance, end of period	$ 21,199.9	$ 8,218.8	$ 29,418.7
Net liability for future policy benefits	$ 14,787.3	$ 8,218.8	$ 23,006.1
Other[2]	24.3	1,737.0	1,761.3
Total liability for future policy benefits	14,811.6	9,955.8	24,767.4
Less: Reinsurance recoverable related to future policy benefits	5.7	7,799.8	7,805.5
Net liability for future policy benefits, after reinsurance recoverable	$ 14,805.9	$ 2,156.0	$ 16,961.9

[1]Issuances for Closed Block - All Other represents new claim incurrals.

[2]Other for Closed Block - All Other primarily includes our closed block group pension products and certain of our ceded closed block individual life products.

Note 6 - Liability for Future Policy Benefits - Continued

	December 31, 2021		
	Long-term Care	All Other	Total Closed Block
	(in millions of dollars)		
Present Value of Expected Net Premiums			
Balance, beginning of year	$ 9,358.8	$ —	$ 9,358.8
Beginning balance at original discount rate	6,782.7	—	6,782.7
Effect of changes in cash flow assumptions	28.5	—	28.5
Effect of actual variances from expected experience	(149.3)	—	(149.3)
Adjusted beginning of year balance	6,661.9	—	6,661.9
Interest accretion	370.6	—	370.6
Net premiums collected	(575.2)	—	(575.2)
Ending balance at original discount rate	6,457.3	—	6,457.3
Effect of change in discount rate assumptions	1,947.4	—	1,947.4
Balance, end of period	$ 8,404.7	$ —	$ 8,404.7
Present Value of Expected Future Policy Benefits			
Balance, beginning of year	$ 32,047.2	$ 11,591.9	$ 43,639.1
Beginning balance at original discount rate	19,549.7	9,514.6	29,064.3
Effect of changes in cash flow assumptions	52.9	—	52.9
Effect of actual variances from expected experience	(170.8)	18.3	(152.5)
Adjusted beginning of year balance	19,431.8	9,532.9	28,964.7
Issuances[1]	—	197.3	197.3
Interest accretion	1,111.6	397.2	1,508.8
Benefit payments	(672.6)	(1,178.0)	(1,850.6)
Ending balance at original discount rate	19,870.8	8,949.4	28,820.2
Effect of change in discount rate assumptions	10,218.8	1,465.0	11,683.8
Balance, end of period	$ 30,089.6	$ 10,414.4	$ 40,504.0
Net liability for future policy benefits	$ 21,684.9	$ 10,414.4	$ 32,099.3
Other[2]	29.8	2,191.8	2,221.6
Total liability for future policy benefits	21,714.7	12,606.2	34,320.9
Less: Reinsurance recoverable related to future policy benefits	7.4	9,904.7	9,912.1
Net liability for future policy benefits, after reinsurance recoverable	$ 21,707.3	$ 2,701.5	$ 24,408.8

[1]Issuances for Closed Block - All Other represents new claim incurrals.

[2]Other for Closed Block - All Other primarily includes our closed block group pension products and certain of our ceded closed block individual life products.

Note 6 - Liability for Future Policy Benefits - Continued

The following tables summarize the amount of gross premiums and interest accretion reflected in the statements of income as well as the undiscounted and discounted expected gross premiums and expected future benefit payments and the weighted average interest rates for traditional long duration products in the Closed Block segment presented in the rollforward activity above.

	Year Ended December 31, 2023		
	Long-term Care	All Other	Total Closed Block
	(in millions of dollars)		
Amount recognized in the statement of income:			
Gross premiums or assessments	$ 696.1	$ 223.8	$ 919.9
Interest accretion	$ 776.7	$ 358.9	$ 1,135.6

	Year Ended December 31, 2022		
	Long-term Care	All Other	Total Closed Block
	(in millions of dollars)		
Amount recognized in the statement of income:			
Gross premiums or assessments	$ 697.5	$ 250.0	$ 947.5
Interest accretion	$ 756.1	$ 372.8	$ 1,128.9

	Year Ended December 31, 2021		
	Long-term Care	All Other	Total Closed Block
	(in millions of dollars)		
Amount recognized in the statement of income:			
Gross premiums or assessments	$ 705.0	$ 294.9	$ 999.9
Interest accretion	$ 741.0	$ 397.2	$ 1,138.2

	December 31, 2023		
	Long-term Care	All Other	Total Closed Block
	(in millions of dollars, except weighted average data)		
Amount of undiscounted:			
Expected future benefit payments	$ 61,447.7	$ 11,893.7	$ 73,341.4
Expected future gross premiums	$ 14,486.4	$ —	$ 14,486.4
Amount of discounted (at interest accretion rate):			
Expected future gross premiums	$ 8,241.7	$ —	$ 8,241.7
Weighted average interest rate:			
Interest accretion rate	5.6 %	4.6 %	5.2 %
Current discount rate	5.0%	4.9 %	4.9 %
Weighted average duration of the liability	16.4 years	7.3 years	13.2 years

Note 6 - Liability for Future Policy Benefits - Continued

	December 31, 2022		
	Long-term Care	All Other	Total Closed Block
	(in millions of dollars, except weighted average data)		
Amount of undiscounted:			
Expected future benefit payments	$ 52,544.0	$ 12,749.0	$ 65,293.0
Expected future gross premiums	$ 12,629.9	$ —	$ 12,629.9
Amount of discounted (at interest accretion rate):			
Expected future gross premiums	$ 7,333.5	$ —	$ 7,333.5
Weighted average interest rate:			
Interest accretion rate	5.5 %	4.6 %	5.2%
Current discount rate	5.2 %	5.1 %	5.2%
Weighted average duration of the liability	15.5 years	7.4 years	12.4 years

	December 31, 2021		
	Long-term Care	All Other	Total Closed Block
	(in millions of dollars, except weighted average data)		
Amount of undiscounted:			
Expected future benefit payments	$ 53,395.1	$ 13,138.4	$ 66,533.5
Expected future gross premiums	$ 13,159.0	$ —	$ 13,159.0
Amount of discounted (at interest accretion rate):			
Expected future gross premiums	$ 7,518.9	$ —	$ 7,518.9
Weighted average interest rate:			
Interest accretion rate	5.6 %	4.6 %	5.2%
Current discount rate	2.8 %	2.5 %	2.7%
Weighted average duration of the liability	16.3 years	7.3 years	12.7 years

Note 6 - Liability for Future Policy Benefits - Continued

Reconciliation

A reconciliation of the liability for future policy benefits reflected in the preceding rollforwards to the related liability balances in the consolidated balance sheets are as follows:

	December 31		
	2023	2022	2021
	(in millions of dollars)		
Liability for future policy benefits			
Unum US[1]	$ 9,352.7	$ 9,668.7	$ 12,020.0
Unum International	2,293.2	2,063.2	2,955.8
Colonial Life	1,997.8	1,858.4	2,482.9
Closed Block[1]	26,115.4	24,767.4	34,320.9
Other products[1]	250.3	219.4	212.0
Total liability for future policy benefits	$ 40,009.4	$ 38,577.1	$ 51,991.6

[1]Unum US excludes dental & vision and medical stop-loss product lines and Closed Block excludes our participating fund account, which represents policies issued by one of our subsidiaries prior to its 1986 conversion from a mutual stock life insurance company. The liabilities associated with these products are included within Other products.

Note 7 - Policyholders' Account Balances

Policyholders' account balances primarily include our universal life and corporate-owned life insurance products. Policyholders' account balances reflect customer deposits and interest credited less cost of insurance, administration expenses, surrender charges, and customer withdrawals.

The following table presents the balances and changes in the policyholders' account balances:

	December 31, 2023			
	Unum US - Voluntary Benefits	Colonial Life	Closed Block - All Other	Total
	(in millions of dollars, except weighted average data)			
Balance, beginning of year	$ 586.8	$ 852.4	$ 4,159.4	$ 5,598.6
Premiums received	58.5	84.9	31.7	175.1
Policy charges[1]	(60.4)	(74.7)	(107.2)	(242.3)
Surrenders and withdrawals	(33.3)	(36.8)	(18.8)	(88.9)
Benefit payments	(9.7)	(7.2)	(216.2)	(233.1)
Interest credited	22.2	34.2	322.1	378.5
Other	14.5	0.1	(88.3)	(73.7)
Balance, end of period	578.6	852.9	4,082.7	5,514.2
Reserves in excess of account balance	99.5	16.9	37.1	153.5
Total policyholders' account balances	678.1	869.8	4,119.8	5,667.7
Less: Reinsurance recoverable related to policyholders' account balances	0.9	—	4,119.8	4,120.7
Net policyholders' account balances, after reinsurance recoverable	$ 677.2	$ 869.8	$ —	$ 1,547.0
Weighted average crediting rate	3.9%	4.1%	8.0%	7.0%
Net amount at risk[2]	$ 4,495.6	$ 8,760.1	$ 1,824.3	$ 15,080.0
Cash surrender value	$ 566.9	$ 813.5	$ 4,062.3	$ 5,442.7

[1]Contracts included in the policyholder account balances are generally charged a premium and/or monthly assessments on the basis of the account balance.

[2]For those guarantees of benefits that are payable in the event of death, the net amount at risk is generally defined as the current guaranteed minimum death benefit in excess of the current account balance at the balance sheet date.

Note 7 - Policyholders' Account Balances - Continued

	December 31, 2022			
	Unum US - Voluntary Benefits	Colonial Life	Closed Block - All Other	Total
	(in millions of dollars, except weighted average data)			
Balance, beginning of year	$ 598.7	$ 849.2	$ 4,231.7	$ 5,679.6
Premiums received	64.5	90.9	32.2	187.6
Policy charges[1]	(64.5)	(78.0)	(105.5)	(248.0)
Surrenders and withdrawals	(32.9)	(36.2)	(21.3)	(90.4)
Benefit payments	(10.7)	(8.0)	(292.8)	(311.5)
Interest credited	23.5	34.2	311.5	369.2
Other	8.2	0.3	3.6	12.1
Balance, end of period	586.8	852.4	4,159.4	5,598.6
Reserves in excess of account balance	92.9	16.7	32.0	141.6
Total policyholders' account balances	679.7	869.1	4,191.4	5,740.2
Less: Reinsurance recoverable related to policyholders' account balances	1.1	0.2	4,191.4	4,192.7
Net policyholders' account balances, after reinsurance recoverable	$ 678.6	$ 868.9	$ —	$ 1,547.5
Weighted average crediting rate	4.0%	4.1%	7.6%	6.7%
Net amount at risk[2]	$ 4,908.0	$ 9,338.5	$ 1,931.6	$ 16,178.1
Cash surrender value	$ 583.3	$ 800.9	$ 4,045.9	$ 5,430.1

[1]Contracts included in the policyholder account balances are generally charged a premium and/or monthly assessments on the basis of the account balance.

[2]For those guarantees of benefits that are payable in the event of death, the net amount at risk is generally defined as the current guaranteed minimum death benefit in excess of the current account balance at the balance sheet date.

Note 7 - Policyholders' Account Balances - Continued

	December 31, 2021			
	Unum US - Voluntary Benefits	Colonial Life	Closed Block - All Other	Total
	(in millions of dollars, except weighted average data)			
Balance, beginning of year	$ 616.7	$ 843.8	$ 4,218.0	$ 5,678.5
Premiums received	69.6	97.5	37.4	204.5
Policy charges[1]	(69.3)	(82.4)	(101.2)	(252.9)
Surrenders and withdrawals	(39.5)	(35.7)	(14.3)	(89.5)
Benefit payments	(11.4)	(8.5)	(234.1)	(254.0)
Interest credited	23.7	34.0	315.4	373.1
Other	8.9	0.5	10.5	19.9
Balance, end of period	598.7	849.2	4,231.7	5,679.6
Reserves in excess of account balance	82.9	21.5	30.8	135.2
Total policyholders' account balances	681.6	870.7	4,262.5	5,814.8
Less: Reinsurance recoverable related to policyholders' account balances	1.2	0.3	4,262.5	4,264.0
Net policyholders' account balances, after reinsurance recoverable	$ 680.4	$ 870.4	$ —	$ 1,550.8
Weighted average crediting rate	3.9%	4.1%	7.8%	6.8%
Net amount at risk[2]	$ 5,356.1	$ 10,000.6	$ 2,052.0	$ 17,408.7
Cash surrender value	$ 584.8	$ 784.6	$ 4,134.7	$ 5,504.1

[1]Contracts included in the policyholder account balances are generally charged a premium and/or monthly assessments on the basis of the account balance.

[2]For those guarantees of benefits that are payable in the event of death, the net amount at risk is generally defined as the current guaranteed minimum death benefit in excess of the current account balance at the balance sheet date.

Note 7 - Policyholders' Account Balances - Continued

The balance of the account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums is as follows.

	December 31, 2023				
Range of Guaranteed Minimum Crediting Rate	At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	51 Basis Points - 150 Basis Points Above	Greater than 150 Basis Points Above	Total
	(in millions of dollars)				
	Unum US - Voluntary Benefits				
3.00% - 3.99%	$ 91.9	$ —	$ —	$ —	$ 91.9
4.00% - 4.99%	227.1	190.1	37.7	—	454.9
5.00% - 6.00%	31.8	—	—	—	31.8
	350.8	190.1	37.7	—	578.6
	Colonial Life				
4.00% - 5.00%	846.7	6.2	—	—	852.9
	Closed Block - All Other				
3.00% - 5.99%	526.8	1,081.8	30.7	—	1,639.3
6.00% - 8.99%	1.3	31.0	—	—	32.3
9.00% - 11.99%	318.4	2,036.5	—	—	2,354.9
12.00% - 15.00%	—	56.2	—	—	56.2
	846.5	3,205.5	30.7	—	4,082.7
Total	$ 2,044.0	$ 3,401.8	$ 68.4	$ —	$ 5,514.2

Note 7 - Policyholders' Account Balances - Continued

Range of Guaranteed Minimum Crediting Rate	December 31, 2022				
	At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	51 Basis Points - 150 Basis Points Above	Greater than 150 Basis Points Above	Total
	(in millions of dollars)				
	Unum US - Voluntary Benefits				
3.00% - 3.99%	$ 94.4	$ —	$ —	$ —	$ 94.4
4.00% - 4.99%	274.5	183.9	—	—	458.4
5.00% - 6.00%	34.0	—	—	—	34.0
	402.9	183.9	—	—	586.8
	Colonial Life				
4.00% - 5.00%	846.4	6.0	—	—	852.4
	Closed Block - All Other				
3.00% - 5.99%	1,661.7	29.1	6.4	—	1,697.2
6.00% - 8.99%	31.4	—	—	—	31.4
9.00% - 11.99%	2,378.2	—	—	—	2,378.2
12.00% - 15.00%	52.6	—	—	—	52.6
	4,123.9	29.1	6.4	—	4,159.4
Total	$ 5,373.2	$ 219.0	$ 6.4	$ —	$ 5,598.6

Note 7 - Policyholders' Account Balances - Continued

Range of Guaranteed Minimum Crediting Rate	December 31, 2021				
	At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	51 Basis Points - 150 Basis Points Above	Greater than 150 Basis Points Above	Total
	(in millions of dollars)				
	Unum US - Voluntary Benefits				
3.00% - 3.99%	$ 98.0	$ —	$ —	$ —	$ 98.0
4.00% - 4.99%	288.8	177.0	—	—	465.8
5.00% - 6.00%	34.9	—	—	—	34.9
	421.7	177.0	—	—	598.7
	Colonial Life				
4.00% - 5.00%	843.4	5.8	—	—	849.2
	Closed Block - All Other				
3.00% - 5.99%	1,816.1	30.2	6.4	—	1,852.7
6.00% - 8.99%	29.6	—	—	—	29.6
9.00% - 11.99%	2,300.4	—	—	—	2,300.4
12.00% - 15.00%	49.0	—	—	—	49.0
	4,195.1	30.2	6.4	—	4,231.7
Total	$ 5,460.2	$ 213.0	$ 6.4	$ —	$ 5,679.6

Note 8 - Deferred Acquisition Costs

The following tables display the changes in DAC throughout the year:

	December 31, 2023			
	Unum US	Unum International	Colonial Life	Total
	(in millions of dollars)			
Balance, beginning of year	$ 1,185.1	$ 37.0	$ 1,337.9	$ 2,560.0
Capitalization	314.7	14.6	302.9	632.2
Amortization expense	(267.6)	(8.4)	(205.4)	(481.4)
Foreign currency	—	3.7	—	3.7
Balance, end of year	$ 1,232.2	$ 46.9	$ 1,435.4	$ 2,714.5

	December 31, 2022			
	Unum US	Unum International	Colonial Life	Total
	(in millions of dollars)			
Balance, beginning of year	$ 1,152.9	$ 36.4	$ 1,238.1	$ 2,427.4
Capitalization	273.1	12.0	271.8	556.9
Amortization expense	(240.9)	(8.2)	(172.0)	(421.1)
Foreign currency	—	(3.2)	—	(3.2)
Balance, end of year	$ 1,185.1	$ 37.0	$ 1,337.9	$ 2,560.0

	December 31, 2021			
	Unum US	Unum International	Colonial Life	Total
	(in millions of dollars)			
Balance, beginning of year	$ 1,181.0	$ 32.0	$ 1,144.7	$ 2,357.7
Capitalization	257.8	12.8	252.6	523.2
Amortization expense	(285.9)	(7.0)	(159.2)	(452.1)
Foreign currency	—	(1.4)	—	(1.4)
Balance, end of year	$ 1,152.9	$ 36.4	$ 1,238.1	$ 2,427.4

	December 31, 2023					
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Dental and Vision	Total Unum US
	(in millions of dollars)					
Balance, beginning of year	$ 61.0	$ 49.3	$ 601.0	$ 464.4	$ 9.4	$ 1,185.1
Capitalization	60.2	38.6	115.8	87.4	12.7	314.7
Amortization expense	(57.6)	(39.0)	(106.2)	(54.0)	(10.8)	(267.6)
Balance, end of year	$ 63.6	$ 48.9	$ 610.6	$ 497.8	$ 11.3	$ 1,232.2

Note 8 - Deferred Acquisition Costs - Continued

	December 31, 2022					
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Dental and Vision	Total Unum US
	(in millions of dollars)					
Balance, beginning of year	$ 60.9	$ 53.9	$ 588.6	$ 441.8	$ 7.7	$ 1,152.9
Capitalization	53.1	37.3	100.0	72.0	10.7	273.1
Amortization expense	(53.0)	(41.9)	(87.6)	(49.4)	(9.0)	(240.9)
Balance, end of year	$ 61.0	$ 49.3	$ 601.0	$ 464.4	$ 9.4	$ 1,185.1

	December 31, 2021					
	Group Disability	Group Life and AD&D	Voluntary Benefits	Individual Disability	Dental and Vision	Total Unum US
	(in millions of dollars)					
Balance, beginning of year	$ 95.3	$ 76.4	$ 569.7	$ 423.6	$ 16.0	$ 1,181.0
Capitalization	49.8	36.1	99.4	63.9	8.6	257.8
Amortization expense	(84.2)	(58.6)	(80.5)	(45.7)	(16.9)	(285.9)
Balance, end of year	$ 60.9	$ 53.9	$ 588.6	$ 441.8	$ 7.7	$ 1,152.9

During the third quarter of 2023, we updated our policyholder lapse and mortality assumptions used to develop the future amortization for DAC for the Unum US voluntary benefits product line and the Colonial Life segment. During the third quarter of 2022 and 2021, we updated our policyholder lapse and mortality assumptions used to develop the future amortization for DAC for the Unum US individual disability and voluntary benefits product lines as well as for the Colonial Life segment. These assumption updates were consistent with the related assumption updates for the liability for future policy benefits.

Note 9 - Income Tax

Total income tax expense (benefit) is allocated as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Net Income	$ 356.3	$ 342.8	$ 279.6
Stockholders' Equity - Accumulated Other Comprehensive Income (Loss)			
Change in Net Unrealized Gain (Loss) on Securities	300.6	(1,890.8)	(346.9)
Change in the Effect of Discount Rate Assumptions on the Liability for Future Policy and Contract Benefits, Net of Reinsurance	(256.5)	2,385.1	622.8
Change in Net Gain (Loss) on Hedges	(17.0)	(19.2)	(9.8)
Change in Foreign Currency Translation Adjustment	0.9	(0.1)	4.2
Change in Unrecognized Pension and Postretirement Benefit Costs	(2.7)	18.9	42.1
Total	$ 381.6	$ 836.7	$ 592.0

A reconciliation of the income tax provision at the U.S. federal statutory rate to the income tax rate as reported in our consolidated statements of income is as follows:

	Year Ended December 31		
	2023	2022	2021
Statutory Income Tax	21.0 %	21.0 %	21.0 %
Policyholder Reserves	(0.6)	(1.7)	2.0
Other Items, Net	1.3	0.3	(0.8)
Effective Tax	21.7 %	19.6 %	22.2 %

Our net deferred tax asset consists of the following.

	December 31	
	2023	2022
	(in millions of dollars)	
Deferred Tax Asset		
Invested Assets	$ 354.5	$ 664.9
Reserves	462.6	116.4
Employee Benefits	161.9	158.3
Other	35.8	34.4
Gross Deferred Tax Asset	1,014.8	974.0
Less: Valuation Allowance	11.0	10.3
Net Deferred Tax Asset	1,003.8	963.7
Deferred Tax Liability		
Deferred Acquisition Costs	175.1	177.7
Fixed Assets	36.7	48.9
Cost of Reinsurance	119.7	131.6
Other	49.9	44.7
Gross Deferred Tax Liability	381.4	402.9
Net Deferred Tax Asset	$ 622.4	$ 560.8

Note 9 - Income Tax - Continued

Our consolidated statements of income include amounts subject to both domestic and foreign taxation. The income and related tax expense (benefit) are as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Income Before Tax			
Domestic	$ 1,506.2	$ 1,596.8	$ 1,150.5
Foreign	133.9	153.2	110.1
Total	$ 1,640.1	$ 1,750.0	$ 1,260.6
Current Tax Expense (Benefit)			
Federal	$ 440.4	$ 306.5	$ 180.7
State and Local	(2.5)	12.7	2.6
Foreign	14.1	154.3	29.5
Total	452.0	473.5	212.8
Deferred Tax Expense (Benefit)			
Federal	(106.2)	42.7	54.0
State and Local	(1.5)	1.1	(2.2)
Foreign	12.0	(174.5)	15.0
Total	(95.7)	(130.7)	66.8
Total Tax Expense	$ 356.3	$ 342.8	$ 279.6

On June 10, 2021, the Finance Act 2021 was enacted, resulting in a U.K. tax increase from 19 percent to 25 percent, effective April 1, 2023, which resulted in $23.6 million of additional tax expense in operating earnings for the revaluation of our deferred tax assets and liabilities in 2021.

As of December 31, 2023, our plans for future repatriations of cash from our foreign subsidiaries can include no more than the amount of capital above that which is required by U.K. regulatory capital requirements. The remainder of our investment in our foreign subsidiaries is indefinitely reinvested.

Our consolidated statements of income include the following changes in unrecognized tax benefits.

	December 31		
	2023	2022	2021
	(in millions of dollars)		
Balance at Beginning of Year	$ 177.4	$ 198.8	$ 219.7
Decreases for Tax Positions Related to Prior Years	(20.7)	(21.0)	(20.9)
Lapse of the Applicable Statute of Limitations	—	(0.4)	—
Balance at End of Year	156.7	177.4	198.8
Less Tax Attributable to Temporary Items Included Above	(42.4)	(63.5)	(84.7)
Total Unrecognized Tax Benefits That if Recognized Would Affect the Effective Tax Rate	$ 114.3	$ 113.9	$ 114.1

Note 9 - Income Tax - Continued

In 2018, we recorded $261.1 million gross unrecognized tax benefits for a policyholder reserves position taken on our 2017 federal tax return, which if recognized, would decrease our tax expense by $112.9 million. The balances of unrecognized tax benefits for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility are $42.4 million at December 31, 2023, $63.5 million at December 31, 2022, and $84.7 million at December 31, 2021. It is reasonably possible that this item could reverse in the next 12 months following review by the IRS. We recognize interest expense and penalties, if applicable, related to unrecognized tax benefits in tax expense. We recognized $12.2 million, $7.8 million, and $5.5 million of interest expense related to unrecognized tax benefits during 2023, 2022, and 2021, respectively. The liability for net interest expense on uncertain tax positions was approximately $46.2 million, $34.0 million, and $26.2 million as of December 31, 2023, 2022, and 2021, respectively.

We file federal and state income tax returns in the United States and in foreign jurisdictions. Tax years 2013, 2016, 2017 and tax years subsequent to 2018 remain subject to examination by the IRS. All major foreign jurisdictions remain subject to examination for tax years subsequent to 2021 with the exception of Poland for which tax years subsequent to 2017 remain subject to examination. We believe sufficient provision has been made for all potential adjustments for years that are not closed by the statute of limitations in all major tax jurisdictions and that any such adjustments would not have a material adverse effect on our financial position, liquidity, or results of operations.

We file state income tax returns in nearly every state in the United States. Tax years subsequent to 2017 remain subject to examination depending on the statute of limitation established by the various states, which is generally three to four years.

As of December 31, 2023, we have no federal net operating loss or capital loss carryforwards. We have net operating loss carryforwards for state and local income tax of approximately $183.9 million, most of which is expected to expire unused between 2024 and 2043.

We record valuation allowances to reduce deferred tax assets to the amount that is more likely than not to be realized. Our valuation allowance was $ 11.0 million and $10.3 million at December 31, 2023 and 2022, respectively, the majority of which related to our cumulative deferred state income tax benefits. The de minimis remaining amount of our valuation allowance relates to unrealized tax losses on buildings which we own and occupy in the U.K. We recorded an increase in our valuation allowance of $0.7 million during 2023 and a decrease of $ 2.4 million in 2022, primarily in other comprehensive income.

Total income taxes paid during 2023 and 2022 were $ 446.0 million and $375.0 million, respectively. Total income taxes refunded during 2021 were $51.0 million.

Note 10 - Debt

Debt consists of the following:

			December 31	
			2023	2022
	Interest Rates	Maturities	(in millions of dollars)	
Outstanding Principal				
Senior Notes issued 1998	6.750 - 7.250%	2028	$ 335.8	$ 335.8
Senior Notes issued 2002	7.375%	2032	39.5	39.5
Senior Notes issued 2012 and 2016	5.750%	2042	500.0	500.0
Senior Notes issued 2015	3.875%	2025	275.0	275.0
Senior Notes issued 2019	4.000%	2029	400.0	400.0
Senior Notes issued 2019	4.500%	2049	450.0	450.0
Senior Notes issued 2021	4.125%	2051	600.0	600.0
Medium-term Notes issued 1990 - 1996	7.190%	2028	18.5	18.5
Junior Subordinated Debt Securities issued 1998	7.405%	2038	189.7	189.7
Junior Subordinated Debt Securities issued 2018	6.250%	2058	300.0	300.0
Term Loan issued 2022	Variable	2027	350.0	350.0
Less:				
Unamortized Net Premium			2.5	2.5
Unamortized Debt Issuance Costs			(30.6)	(33.2)
Total Long-term Debt			$ 3,430.4	$ 3,427.8
Short-term Debt				
Medium-term Notes Issued 1990	7.000%	2023	—	2.0
Total Debt			$ 3,430.4	$ 3,429.8

Long-term debt is comprised of our unsecured notes, which consist of our senior notes, medium-term notes, and term loan facility, and rank highest in priority, followed by our junior subordinated debt securities. The senior notes are callable and may be redeemed, in whole or in part, at any time. The term loan facility is callable and may be redeemed at par at any time. The medium-term notes are non-callable and the junior subordinated debt securities are callable under limited, specified circumstances.

The aggregate contractual principal maturities are $275.0 million in 2025, $350.0 million in 2027, $354.3 million in 2028, and $2,479.2 million thereafter.

Unsecured Notes

In August 2022, we redeemed $350.0 million aggregate principal amount of our 4.000% senior notes due 2024, for which we incurred costs of $ 3.0 million.

In June 2021, we issued $600.0 million of 4.125% senior notes due 2051. The notes are callable at or above par and rank equally in the right of payment with all of our other unsecured and unsubordinated debt.

In June 2021, we purchased and retired $ 500.0 million of 4.500% senior notes due 2025, for which we incurred costs of $ 67.3 million and has been recorded within cost related to the early retirement of debt in the consolidated statements of income and is included within our Corporate segment.

Note 10 - Debt- Continued

Term Loan Facility

In August 2022, we entered into a five-year $350.0 million senior unsecured delayed draw term loan facility with a syndicate of lenders. Also in August 2022, we drew the entire amount of the term loan facility, which is scheduled to mature in August 2027. Amounts due under the term loan facility incur interest based on the prime rate, the federal funds rate, or the Secured Overnight Financing Rate (SOFR). The proceeds from the term loan facility were used to redeem $350.0 million aggregate principal amount of our 4.000% senior notes due 2024.

Borrowings under the term loan facility are subject to financial covenants, negative covenants, and events of default that are customary. The two primary financial covenants include limitations based on our leverage ratio and consolidated net worth. We are also subject to covenants that limit subsidiary indebtedness.

Junior Subordinated Debt Securities

In 1998, Provident Financing Trust I (the Trust), a 100 percent-owned finance subsidiary of Unum Group, issued $ 300.0 million of 7.405% capital securities due 2038 in a public offering. These capital securities are fully and unconditionally guaranteed by Unum Group, have a liquidation value of $1,000 per capital security, and have a mandatory redemption feature under certain circumstances. In connection with the capital securities offering, Unum Group issued to the Trust 7.405% junior subordinated deferrable interest debentures due 2038. The Trust is a variable interest entity of which Unum Group is not the primary beneficiary. Accordingly, the capital securities issued by the Trust are not included in our consolidated financial statements and our liability represents the junior subordinated debt securities owed to the trust which is recorded in long-term debt. The sole assets of the Trust are the junior subordinated debt securities. The retirement of any liquidation amount regarding the capital securities by the Trust results in a corresponding retirement of principal amount of the junior subordinated debt securities.

In September 2022, pursuant to privately negotiated transactions, we purchased, and the Trust retired, $ 14.0 million aggregate liquidation amount of the Trust's 7.405% capital securities due 2038, which resulted in the reduction of a corresponding principal amount of our 7.405% junior subordinated debt securities due 2038 then held by the Trust. We incurred costs of $1.2 million related to the early retirement of the junior subordinated debt securities.

Interest Paid

Interest paid on long-term and short-term debt and related securities during 2023, 2022, and 2021 was $ 183.6 million, $172.9 million, and $181.6 million, respectively.

Facility Agreement for Contingent Issuance of Senior Notes

During November 2021, we entered into a 20-year facility agreement with a Delaware trust (the P-Caps Trust) in connection with the sale by the trust of $400.0 million of pre-capitalized trust securities in a Rule 144A private placement. The trust invested the proceeds from the sale of the trust securities in a portfolio of principal and interest strips of U.S. Treasury securities. The facility agreement provides us the right to issue and sell to the trust, on one or more occasions, up to an aggregate principal amount outstanding at any one time of $400.0 million of our 4.046% senior notes which would be due August 15, 2041 in exchange for U.S. Treasury securities held by the trust. These senior notes will not be issued unless and until the issuance right is exercised. The exercise of the issuance right triggers recognition of the senior notes on our consolidated balance sheets. As the amount we receive upon exercise of the issuance right is contingent upon the value of the U.S. Treasury securities, a decline in the value of the U.S. Treasury securities reduces the amount we would receive upon exercise of the issuance right. In return, we will pay a semi-annual facility fee to the trust at a rate of 2.225% per year on the unexercised portion of the maximum amount of senior notes that we could issue and sell to the trust and we will reimburse the trust for its expenses. We may also direct the trust to grant the right to exercise the issuance right with respect to all or a designated amount of the senior notes to one or more assignees (who are our consolidated subsidiaries or persons to whom we have an obligation).

The issuance right will be exercised automatically in full upon our failure to make certain payments to the trust, such as paying the facility fee or reimbursing the trust for its expenses, if the failure to pay is not cured within 30 days, or upon certain

Note 10 - Debt- Continued

bankruptcy events involving the company. We are also required to exercise the issuance right in full if our consolidated stockholders' equity, excluding accumulated other comprehensive income, falls below $2.0 billion, subject to adjustment from time to time in certain cases, and upon certain other events described in the facility agreement.

Prior to any involuntary exercise of the issuance right, we have the right to repurchase any or all of the 4.046% senior notes then held by the trust in exchange for U.S. Treasury securities. We may redeem any outstanding 4.046% senior notes, in whole or in part, prior to their maturity. Prior to February 15, 2041, the redemption price will equal the greater of par or a make-whole redemption price. On or after February 15, 2041, any outstanding 4.046% senior notes may be redeemed at par.

Credit Facilities

In April 2022, we amended and restated our existing credit agreement providing for a five-year $ 500.0 million senior unsecured revolving credit facility with a syndicate of lenders. The credit facility, which was previously set to expire in April 2024, was extended through April 2027. We may request that the lenders' aggregate commitments of $500.0 million under the facility be increased by up to an additional $ 200.0 million. Certain of our traditional U.S. life insurance subsidiaries, Unum Life Insurance Company of America (Unum America), Provident Life and Accident Insurance Company (Provident), and Colonial Life & Accident Insurance Company, joined the agreement and may borrow under the credit facility, and we can elect to add additional insurance subsidiaries to the facility at any later date. Any obligation of a subsidiary under the credit facility is several only and not joint and is subject to an unconditional guarantee by Unum Group. We may also request, on up to two occasions, that the lenders' commitment termination dates be extended by one year. The credit facility also provides for the issuance of letters of credit subject to certain terms and limitations. The credit facility provides for borrowings at an interest rate based on the prime rate, the federal funds rate or the SOFR. At December 31, 2023, there were no borrowed amounts outstanding under the credit facility and letters of credit totaling $0.4 million had been issued.

In the third quarter of 2021, we terminated our three-year, $100.0 million unsecured revolving credit facility, which was originally set to expire in April 2022. There were no letters of credit issued from the credit facility and there were no borrowed amounts outstanding at the time of termination. Also in the third quarter of 2021, we entered into a new five-year, £75.0 million senior unsecured standby letter of credit facility with the same syndicate of lenders, pursuant to which a syndicated letter of credit was issued in favor of Unum Limited (as beneficiary), our U.K. insurance subsidiary, and is available for drawings up to £75 million until its scheduled expiration in July 2026. The credit facility provides for borrowings at an interest rate based on the prime rate or the federal funds rate. In December 2023, we entered into a new five-year, £75 million senior standby letter of credit facility pursuant to which a standby letter of credit was issued in favor of Unum Limited (as beneficiary), our U.K. insurance subsidiary, and is available for drawings up to £75.0 million until its scheduled expiration in December 2028. In connection with and as security for the December 2023 senior standby letter of credit facility, we granted to the issuer of the standby letter of credit the right to exercise, if an event of default has occurred and is continuing, the issuance right in our 20-year facility agreement with the P-Caps Trust, up to a maximum of $200.0 million. The credit facility provides for borrowings at an interest rate based on Sterling Overnight Index Average rate. At December 31, 2023, there were no borrowed amounts outstanding under the credit facilities or letters of credit. If drawings are made in the future, we may elect to borrow such amounts from the lenders pursuant to term loans made under the credit facilities.

Borrowings under the credit facilities are subject to financial covenants, negative covenants, and events of default that are customary. The two primary financial covenants include limitations based on our leverage ratio and consolidated net worth. We are also subject to covenants that limit subsidiary indebtedness.

Note 11 - Employee Benefit Plans

Defined Benefit Pension and Other Postretirement Benefit (OPEB) Plans

We sponsor several defined benefit pension and OPEB plans for our employees, including non-qualified pension plans. The U.S. qualified and non-qualified defined benefit pension plans comprise the majority of our total benefit obligation and benefit cost. We maintain a separate defined benefit plan for eligible employees in our U.K. operation. The U.S. defined benefit pension plans were closed to new entrants on December 31, 2013, the OPEB plan was closed to new entrants on December 31, 2012, and the U.K. plan was closed to new entrants on December 31, 2002.

Note 11 - Employee Benefit Plans - Continued

U.S. Pension Plan Annuity Purchase

In November 2023, we purchased a group annuity contract which transferred a portion of our U.S. qualified defined benefit pension plan obligation to a third party. Under the transaction, which was funded with plan assets, we transferred the responsibility for pension benefits and annuity administration for approximately 1,275 retirees or their beneficiaries receiving less than $700 in monthly benefit payments from the plan. This transfer resulted in a reduction in our U.S. qualified defined benefit pension plan obligation of approximately $72 million and is reflected in the Benefits and Expenses Paid line item within the following table regarding changes in our benefit obligation.

Amortization Period of Actuarial Gain or Loss and Prior Service Cost or Credit

Because all participants in the U.S. and U.K. pension plans are considered inactive, we amortize the net actuarial gain or loss and prior service credit or cost for these plans over the average remaining life expectancy of the plans. As of December 31, 2023, the estimate of the average remaining life expectancy of the plans was approximately 24 years for the U.S. plans and 27 years for the U.K. plan. During 2023, we amortized the net actuarial gain or loss and prior service credit or cost for the OPEB plan over the average remaining future working lifetime for active participants in the plan. Beginning in 2024, as substantially all of our participants in our OPEB plan will be considered inactive, we will begin to amortize over the average remaining life expectancy of the plan which is estimated to be 12 years.

The following table provides the changes in the benefit obligation and fair value of plan assets and the funded status of the plans.

	Pension Benefits					
	U.S. Plans		U.K. Plan		OPEB	
	2023	2022	2023	2022	2023	2022
	(in millions of dollars)					
Change in Benefit Obligation						
Benefit Obligation at Beginning of Year	$ 1,585.5	$ 2,207.5	$ 157.9	$ 278.3	$ 83.9	$ 110.3
Service Cost	9.2	7.7	—	—	—	—
Interest Cost	87.9	67.2	7.7	5.0	4.5	3.0
Plan Participant Contributions	—	—	—	—	0.1	0.1
Actuarial Loss (Gain) [1]	61.0	(604.1)	3.8	(92.4)	(0.5)	(19.4)
Benefits and Expenses Paid	(168.3)	(92.8)	(5.7)	(5.4)	(9.0)	(10.1)
Change in Foreign Exchange Rates	—	—	8.6	(27.6)	—	—
Benefit Obligation at End of Year	$ 1,575.3	$ 1,585.5	$ 172.3	$ 157.9	$ 79.0	$ 83.9
Accumulated Benefit Obligation at December 31	$ 1,575.3	$ 1,585.5	$ 172.3	$ 158.0	N/A	N/A
Change in Fair Value of Plan Assets						
Fair Value of Plan Assets at Beginning of Year	$ 1,308.3	$ 1,801.7	$ 140.5	$ 303.7	$ 8.5	$ 9.0
Actual Return on Plan Assets	145.6	(410.6)	3.1	(128.4)	—	0.1
Employer Contributions	10.3	10.0	—	—	8.6	9.4
Plan Participant Contributions	—	—	—	—	0.1	0.1
Benefits and Expenses Paid	(168.3)	(92.8)	(5.7)	(5.4)	(9.0)	(10.1)
Change in Foreign Exchange Rates	—	—	7.5	(29.4)	—	—
Fair Value of Plan Assets at End of Year	$ 1,295.9	$ 1,308.3	$ 145.4	$ 140.5	$ 8.2	$ 8.5
Underfunded Status	$ 279.4	$ 277.2	$ 26.9	$ 17.4	$ 70.8	$ 75.4

[1] The actuarial losses recognized in 2023 for the U.S. and U.K. plans were driven by decreases in the discount rate assumption. Also contributing to the actuarial loss for the U.K. plan in 2023 was unfavorable plan experience resulting from a higher than expected rate of inflation. The actuarial gain recognized in 2023 for the OPEB plan was driven by favorable plan experience mostly offset by a decrease in the assumed discount rate. The actuarial gains recognized in 2022 for the U.S., OPEB, and U.K. plans were primarily driven by increases in the discount rate assumption.

Note 11 - Employee Benefit Plans - Continued

The amounts recognized in our consolidated balance sheets for our pension and OPEB plans at December 31, 2023 and 2022 are as follows.

	Pension Benefits					
	U.S. Plans		U.K. Plan		OPEB	
	2023	2022	2023	2022	2023	2022
	(in millions of dollars)					
Current Liability	$ 9.1	$ 8.8	$ —	$ —	$ 0.7	$ 1.1
Noncurrent Liability	270.3	268.4	26.9	17.4	70.1	74.3
Underfunded Status	$ 279.4	$ 277.2	$ 26.9	$ 17.4	$ 70.8	$ 75.4
Unrecognized Pension and Postretirement Benefit Costs						
Net Actuarial Gain (Loss)	$ (510.2)	$ (517.8)	$ (95.0)	$ (83.7)	$ 21.2	$ 31.6
Prior Service Credit (Cost)	(0.6)	(0.6)	(0.2)	(0.2)	2.3	2.5
	(510.8)	(518.4)	(95.2)	(83.9)	23.5	34.1
Income Tax	211.2	213.5	22.2	19.5	3.4	1.1
Total Included in Accumulated Other Comprehensive Income (Loss)	$ (299.6)	$ (304.9)	$ (73.0)	$ (64.4)	$ 26.9	$ 35.2

The following table provides the changes recognized in other comprehensive income for the years ended December 31, 2023 and 2022.

	Pension Benefits					
	U.S. Plans		U.K. Plan		OPEB	
	2023	2022	2023	2022	2023	2022
	(in millions of dollars)					
Accumulated Other Comprehensive Income (Loss) at Beginning of Year	$ (304.9)	$ (383.2)	$ (64.4)	$ (34.0)	$ 35.2	$ 21.2
Net Actuarial Gain (Loss)						
Amortization	15.2	16.3	2.5	0.4	(10.5)	(1.0)
All Other Changes	(7.6)	87.7	(13.8)	(41.2)	0.1	19.0
Prior Service Credit (Cost)						
Amortization	—	—	—	—	(0.2)	(0.2)
Change in Income Tax	(2.3)	(25.7)	2.7	10.4	2.3	(3.8)
Accumulated Other Comprehensive Income (Loss) at End of Year	$ (299.6)	$ (304.9)	$ (73.0)	$ (64.4)	$ 26.9	$ 35.2

Plan Assets

The objective of our U.S. pension and OPEB plans is to maximize long-term return, within acceptable risk levels, in a manner that is consistent with the fiduciary standards of the Employee Retirement Income Security Act (ERISA), while maintaining sufficient liquidity to pay current benefits and expenses.

Our U.S. qualified defined benefit pension plan assets include a diversified blend of domestic, international, global, and emerging market equity securities, fixed income securities, opportunistic credit securities, real estate investments, alternative investments, and cash equivalents. Equity securities are comprised of funds and individual securities that are benchmarked against the respective indices specified below. International and global equity funds may allocate a certain percentage of assets to forward currency contracts. Fixed income securities include funds and U.S. government and agency asset-backed securities, treasury futures contracts, corporate investment-grade bonds, private placement securities, and bonds issued by states or other municipalities. Opportunistic credits consist of investments in funds that hold varied fixed income investments purchased at depressed values with the intention to later sell those investments for a gain. Real estate investments consist primarily of funds

Note 11 - Employee Benefit Plans - Continued

that hold commercial real estate investments. Alternative investments, which include private equity direct investments and private equity funds of funds, utilize proprietary strategies that are intended to have a low correlation to the U.S. stock market. Prohibited investments include, but are not limited to, unlisted securities, options, short sales, and investments in securities issued by Unum Group or its affiliates. The invested asset classes, asset types, and benchmark indices for our U.S. qualified defined benefit pension plan is as follows. We target approximately 38 percent to equity securities, 30 percent to fixed income securities, and 32 percent to opportunistic credits, alternative, and real estate investments.

Asset Class	Asset Type	Benchmark Indices
Equity Securities	Collective funds; Individual holdings	Morgan Stanley Capital International (MSCI) World Index
Fixed Income	Collective funds; Individual holdings	Bloomberg Barclays Long Corporate Index; Custom Index
Opportunistic Credits	Collective fund	Custom Index
Real Estate	Collective fund	Custom Index
Alternative Investments (Private Equity)	Fund of funds; Direct investments	Custom Index

The investment strategy for our U.K. plan includes increasing the funded ratio in a risk-controlled manner where the risk taken in the investment strategy reduces as the funded status of the plan increases. Assets for our U.K. plan are invested in a portfolio of diversified growth assets as well as a portfolio of fixed income and index-linked securities. The portfolio of growth assets consists of funds invested primarily in global equity securities, investment-grade and below-investment-grade fixed interest securities, including emerging market securities as well as diversified alternatives. The portfolio of fixed interest and index-linked securities are invested primarily in leveraged interest rate and inflation-linked gilt funds of varying durations designed to broadly match the interest rate and inflation sensitivities of the plan's liabilities. At December 31, 2023, our target allocation was approximately 48 percent to growth assets and 52 percent to fixed interest and index-linked securities. When the funded status of the plan increases, we utilize a de-risking framework whereby the allocation to fixed interest and index-linked securities increases and the allocation to growth assets is lowered. Simultaneously, the hedge ratio of interest rate and inflation risk will increase with the intention of reducing funding level volatility. There are no categories of investments that are specifically prohibited by the U.K. plan, but there are general guidelines that ensure prudent investment action is taken. Such guidelines include the prevention of the plan from using derivatives for speculative purposes and limiting the concentration of risk in any one type of investment.

Assets for the OPEB plan are invested in life insurance contracts issued by one of our insurance subsidiaries. The assets support life insurance benefits payable to certain former retirees covered under the OPEB plan. The terms of these contracts are consistent in all material respects with those the subsidiary offers to unaffiliated parties that are similarly situated. There are no categories of investments specifically prohibited by the OPEB plan.

We believe our investment portfolios are well diversified by asset class and sector, with no undue risk concentrations in any one category.

Note 11 - Employee Benefit Plans - Continued

The categorization of fair value measurements by input level for the invested assets in our U.S. plans is shown below. The carrying values of investment-related receivables and payables approximate fair value due to the short-term nature of the securities and are not included in the following chart. Investments valued using net asset value as a practical expedient are not required to be categorized by input level, but these investments are included as follows to reconcile to total invested assets.

	December 31, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as a Practical Expedient	Total
	(in millions of dollars)				
Invested Assets					
Equity Securities:					
Global	$ 55.0	$ —	$ —	$ 390.8	$ 445.8
Fixed Income Securities:					
U.S. Government and Agencies[1]	215.9	40.8	—	—	256.7
Corporate	—	—	—	130.0	130.0
Non-U.S. Emerging Markets	—	—	—	27.9	27.9
Opportunistic Credits	—	—	—	150.6	150.6
Real Estate	—	—	—	162.8	162.8
Alternative Investments:					
Private Equity Direct Investments	—	—	—	68.5	68.5
Private Equity Funds of Funds	—	—	—	40.7	40.7
Cash Equivalents	16.0	—	—	—	16.0
Total Invested Assets	$ 286.9	$ 40.8	$ —	$ 971.3	$ 1,299.0

[1] U.S. Government and Agencies Fixed Income Securities includes derivative assets.

Note 11 - Employee Benefit Plans - Continued

	December 31, 2022				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as a Practical Expedient	Total
	(in millions of dollars)				
Invested Assets					
Equity Securities:					
Global	$ 57.4	$ —	$ —	$ 405.7	$ 463.1
Fixed Income Securities:					
U.S. Government and Agencies[1]	194.0	21.7	—	—	215.7
Corporate	—	—	—	129.6	129.6
Non-U.S. Emerging Markets	—	—	—	54.0	54.0
Opportunistic Credits	—	—	—	132.3	132.3
Real Estate	—	—	—	164.2	164.2
Alternative Investments:					
Private Equity Direct Investments	—	—	—	74.5	74.5
Private Equity Funds of Funds	—	—	—	47.6	47.6
Cash Equivalents	20.5	—	—	—	20.5
Total Invested Assets	$ 271.9	$ 21.7	$ —	$ 1,007.9	$ 1,301.5

[1] U.S. Government and Agencies Fixed Income Securities includes derivative assets.

Level 1 investments consist of individual holdings that are valued based on unadjusted quoted prices from active markets for identical securities. Level 2 investments consist of individual holdings that are valued using either directly or indirectly observable inputs other than quoted prices from active markets.

Certain equity, opportunistic credit, and fixed-income securities are valued based on the NAV of the underlying holdings as of the reporting date. We made no adjustments to the NAV for 2023 or 2022. These investments have no unfunded commitments and no specific redemption restrictions.

Alternative investments are valued based on NAV one quarter in arrears and our real estate investments are valued based on NAV one month in arrears. We evaluate the need for adjustments to the NAV based on market conditions and discussions with fund managers in the period subsequent to the valuation date and prior to issuance of the financial statements. We made no adjustments to the NAV for 2023 or 2022. The private equity direct investments and private equity funds of funds generally cannot be redeemed by investors. Distributions of capital from the sale of underlying fund assets may occur at any time, but are generally concentrated between five and eight years from the formation of the fund. At December 31, 2023 and 2022, these investments had unfunded commitments of $17.5 million and $24.5 million, respectively.

Note 11 - Employee Benefit Plans - Continued

The categorization of fair value measurements by input level for the invested assets in our U.K. plan is shown below. Investments valued using NAV as a practical expedient are not required to be categorized by input level, but these investments are included as follows to reconcile to total invested assets.

	December 31, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as a Practical Expedient	Total
	(in millions of dollars)				
Invested Assets					
Diversified Growth Assets	$ 28.1	$ —	$ —	$ 5.9	$ 34.0
Fixed Income and Index-linked Securities	75.3	—	—	—	75.3
Alternative Investments	—	—	—	34.8	34.8
Cash Equivalents	1.3	—	—	—	1.3
Total Invested Assets	$ 104.7	$ —	$ —	$ 40.7	$ 145.4

	December 31, 2022				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as a Practical Expedient	Total
	(in millions of dollars)				
Invested Assets					
Diversified Growth Assets	$ 32.3	$ —	$ —	$ 8.3	$ 40.6
Fixed Income and Index-linked Securities	70.6	—	—	—	70.6
Alternative Investments	—	—	—	28.1	28.1
Cash Equivalents	1.9	—	—	—	1.9
Total Invested Assets	$ 104.8	$ —	$ —	$ 36.4	$ 141.2

The level 1 diversified growth assets and fixed interest and index-linked securities consist of individual funds that are valued based on unadjusted quoted prices from active markets for identical securities. Certain diversified growth assets were valued based on the NAV of the underlying holdings as of the reporting date. Alternative investments are valued based on NAV one quarter in arrears. We evaluate the need for adjustments to the NAV of the alternative investments based on an evaluation of cash flows in the period subsequent to the valuation date and prior to issuance of the financial statements. We made no adjustments to the NAV for 2023 or 2022. These investments generally cannot be redeemed by investors. These investments had unfunded commitments at December 31, 2023 and 2022 of $9.9 million and $17.3 million, respectively.

Note 11 - Employee Benefit Plans - Continued

The categorization of fair value measurements by input level for the assets in our OPEB plan is as follows:

	December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(in millions of dollars)			
Assets				
Life Insurance Contracts	$ —	$ —	$ 8.2	$ 8.2

	December 31, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(in millions of dollars)			
Assets				
Life Insurance Contracts	$ —	$ —	$ 8.5	$ 8.5

The fair value is represented by the actuarial present value of future cash flows of the contracts.

Changes in our OPEB plan assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2023 and 2022 are as follows:

	Year Ended December 31, 2023				
	Beginning of Year	Actual Return on Plan Assets	Contributions	Net Benefits and Expenses Paid	End of Year
	(in millions of dollars)				
Life Insurance Contracts	$ 8.5	$ —	$ 8.7	$ (9.0)	$ 8.2

	Year Ended December 31, 2022				
	Beginning of Year	Actual Return on Plan Assets	Contributions	Net Benefits and Expenses Paid	End of Year
	(in millions of dollars)				
Life Insurance Contracts	$ 9.0	$ 0.1	$ 9.5	$ (10.1)	$ 8.5

For the years ended December 31, 2023 and 2022, the actual return on plan assets relates solely to investments still held at the reporting date. There were no transfers into or out of Level 3 during 2023 or 2022.

Note 11 - Employee Benefit Plans - Continued

Measurement Assumptions

We use a December 31 measurement date for each of our plans. The weighted average assumptions used in the measurement of our benefit obligations as of December 31 and our net periodic benefit costs for the years ended December 31 are as follows:

	Pension Benefits					
	U.S. Plans		U.K. Plan		OPEB	
	2023	2022	2023	2022	2023	2022
Benefit Obligations						
Discount Rate	5.40 %	5.70 %	4.50 %	4.80 %	5.40 %	5.70 %
Rate of Compensation Increase	N/A	N/A	2.40 %	2.50 %	N/A	N/A
Net Periodic Benefit Cost						
Discount Rate	5.70 %	3.10 %	4.80 %	2.00 %	5.70 %	2.90 %
Expected Return on Plan Assets	7.25 %	6.00 %	6.70 %	4.20 %	5.75 %	5.75 %
Rate of Compensation Increase	N/A	N/A	2.50 %	2.90 %	N/A	N/A

We set the discount rate assumption annually for each of our retirement-related benefit plans at the measurement date to reflect the yield on a portfolio of high quality fixed income corporate debt instruments matched against projected cash flows for future benefits.

Our long-term rate of return on plan assets assumption is selected from a range of probable return outcomes from an analysis of the asset portfolio. Our expectations for the future investment returns of the asset categories are based on a combination of historical market performance, evaluations of investment forecasts obtained from external consultants and economists, and current market yields. The methodology underlying the return assumption includes the various elements of the expected return for each asset class such as long-term rates of return, volatility of returns, and the correlation of returns between various asset classes. The expected return for the total portfolio is calculated based on the plan's strategic asset allocation. Investment risk is measured and monitored on an ongoing basis through annual liability measurements, periodic asset/liability studies, and quarterly investment portfolio reviews. Risk tolerance is established through consideration of plan liabilities, plan funded status, and corporate financial condition.

Our mortality rate assumption reflects our best estimate, as of the measurement date, of the life expectancies of plan participants in order to determine the expected length of time for benefit payments. We derive our assumptions from industry mortality tables.

The expected return assumption for the life insurance reserve for our OPEB plan is based on full investment in fixed income securities with an average book yield of 4.46 percent and 4.31 percent in 2023 and 2022, respectively.

The rate of compensation increase assumption for our U.K. plan is generally based on periodic studies of compensation trends.

At December 31, 2023 and 2022, the annual rates of increase in the per capita cost of covered postretirement health care benefits assumed for the next calendar year are 6.75 percent and 7.00 percent, respectively, for benefits payable to both retirees prior to Medicare eligibility as well as Medicare eligible retirees. The rates are assumed to change gradually to 5.00 percent by 2031 for measurement at December 31, 2023 and remain at that level thereafter. The annual rates of increase in the per capita cost of covered postretirement health benefits do not apply to retirees whose postretirement health care benefits are provided through an exchange.

Note 11 - Employee Benefit Plans - Continued

Net Periodic Benefit Cost

The following table provides the components of the net periodic benefit cost (credit) for the years ended December 31.

	Pension Benefits								
	U.S. Plans			U.K. Plan			OPEB		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	(in millions of dollars)								
Service Cost	$ 9.2	$ 7.7	$ 9.6	$ —	$ —	$ —	$ —	$ —	$ —
Interest Cost	87.9	67.2	65.0	7.7	5.0	4.2	4.5	3.0	3.0
Expected Return on Plan Assets	(92.0)	(105.9)	(100.6)	(8.5)	(10.9)	(9.8)	(0.5)	(0.5)	(0.5)
Amortization of:									
Net Actuarial Loss (Gain)	15.2	16.3	21.3	2.5	0.4	1.3	(10.5)	(1.0)	—
Prior Service Credit	—	—	—	—	—	—	(0.2)	(0.2)	(0.2)
Total Net Periodic Benefit Cost (Credit)	$ 20.3	$ (14.7)	$ (4.7)	$ 1.7	$ (5.5)	$ (4.3)	$ (6.7)	$ 1.3	$ 2.3

The service cost component of net periodic pension and postretirement benefit cost (credit) is included as a component of compensation expense in our consolidated statements of income. All other components of net periodic pension and postretirement benefit cost (credit) are included in other expenses.

Benefit Payments

The following table provides expected benefit payments, which reflect expected future service, as appropriate.

	Pension Benefits				
	U.S. Plans	U.K. Plan	OPEB		
	(in millions of dollars)				
Year			Gross	Subsidy Payments	Net
2024	$ 83.5	$ 6.7	$ 9.1	$ —	$ 9.1
2025	87.0	7.1	8.7	—	8.7
2026	91.2	7.7	8.3	—	8.3
2027	95.1	8.2	8.0	—	8.0
2028	98.8	8.5	7.6	—	7.6
2029-2033	533.2	47.0	31.9	0.1	31.8

Funding Policy

The funding policy for our U.S. qualified defined benefit pension plan is to contribute an amount at least equal to the minimum contributions required under ERISA and other applicable laws, but generally not greater than the maximum amount that can be deducted for federal income tax purposes. We had no regulatory contribution requirements for our U.S. qualified defined benefit pension plan in 2023 and made no amount of voluntary contributions during 2023. We do not expect to have regulatory contribution requirements for our U.S. qualified defined benefit pension plan in 2024, but we reserve the right to make voluntary contributions during 2024. The funding policy for our U.S. non-qualified defined benefit pension plan, which is not subject to ERISA, is to contribute the amount necessary to satisfy the liabilities of the plan as they come due to participants. We expect to make contributions to the U.S. non-qualified defined benefit pension plan of approximately $9 million to fund the benefit payments in 2024.

Note 11 - Employee Benefit Plans - Continued

We had no regulatory contribution requirements for our U.K. defined benefit pension plan in 2023 and made no amount of voluntary contributions during 2023. We do not expect to have regulatory contribution requirements for our U.K. defined benefit pension plan in 2024, but we reserve the right to make voluntary contributions during 2024.

Our OPEB plan represents a non-vested, non-guaranteed obligation, and current regulations do not require specific funding levels for these benefits, which are comprised of retiree life, medical, and dental benefits. It is our practice to use general assets to pay medical and dental claims as they come due in lieu of utilizing plan assets for the medical and dental benefit portions of our OPEB plan.

Defined Contribution Plans

We offer a 401(k) plan to all eligible U.S. employees under which a portion of employee contributions is matched. We match dollar-for-dollar up to 5.0 percent of base salary and any recognized sales and performance-based incentive compensation for employee contributions into the plan. We also make an additional non-elective contribution of 4.5 percent of earnings for all eligible employees. The 401(k) plan remains in compliance with ERISA guidelines and continues to qualify for a “safe harbor” from most annual discrimination testing.

We also offer a defined contribution plan to all eligible U.K. employees and offer related employer contributions. If an employee elects to make a minimum contribution of at least 1.0 percent of their base salary, we match with a contribution of 8.0 percent. We increase our contribution to a maximum of 12.0 percent as the employee increases their contribution from 1.0 percent to 5.0 percent. We do not increase our contribution percentage on employee contributions in excess of 5.0 percent.

During the years ended December 31, 2023, 2022, and 2021, we recognized costs of $ 74.3 million, $70.9 million, and $71.0 million, respectively, for our U.S. defined contribution plan. We recognized costs of $5.7 million, $4.9 million, and $4.9 million in 2023, 2022, and 2021, respectively, for our U.K. defined contribution plan.

Note 12 - Stockholders' Equity and Earnings Per Common Share

Earnings Per Common Share

Net income per common share is determined as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars, except share data)		
Numerator			
Net Income	$ 1,283.8	$ 1,407.2	$ 981.0
Denominator (000s)			
Weighted Average Common Shares - Basic	196,659.7	200,647.2	204,232.9
Dilution for Assumed Exercises of Nonvested Stock Awards	942.3	1,462.2	615.0
Weighted Average Common Shares - Assuming Dilution	197,602.0	202,109.4	204,847.9
Net Income Per Common Share			
Basic	$ 6.53	$ 7.01	$ 4.80
Assuming Dilution	$ 6.50	$ 6.96	$ 4.79

We compute basic earnings per share by dividing net income by the weighted average number of common shares outstanding for the period. In computing earnings per share assuming dilution, we include potential common shares that are dilutive (those that reduce earnings per share). We use the treasury stock method to account for the effect of nonvested stock success units, nonvested restricted stock units, and nonvested performance share units on the computation of diluted earnings per share. Under this method, the potential common shares from nonvested stock success units and nonvested restricted stock units will

Note 12 - Stockholders' Equity and Earnings Per Common Share - Continued

each have a dilutive effect, as individually measured, when the average market price of Unum Group common stock during the period exceeds the grant price of the nonvested stock success units and nonvested restricted stock units. Potential common shares from performance based share units will have a dilutive effect as the attainment of performance conditions is progressively achieved during the vesting period. Potential common shares not included in the computation of diluted earnings per share because the impact would be antidilutive, approximated 0.5 million, 0.1 million, and 1.1 million for the years ended December 31, 2023, 2022, and 2021, respectively. See Note 13 for further discussion of our stock-based compensation plans.

Common Stock

As part of our capital deployment strategy, we may repurchase shares of Unum Group's common stock, as authorized by our board of directors. The timing and amount of repurchase activity is based on market conditions and other considerations, including the level of available cash, alternative uses for cash, and our stock price.

Our board of directors has authorized the following repurchase programs:

	October 2023 Authorization	December 2022 Authorization[1]	October 2021 Authorization
		(in millions)	
Effective Date	January 1, 2024	January 1, 2023	October 25, 2021
Expiration Date	None	December 31, 2023	December 31, 2022
Authorized Repurchase Amount	$ 500.0	$ 250.0	$ 250.0
Shares Repurchased Under Repurchase Program	$ —	$ 250.0	$ 250.0
Remaining Repurchase Amount at December 31, 2023	Not yet effective	$ —	$ —

[1] In February 2023, the December 2022 program was modified to increase the authorized repurchase amount from $200.0 million to $250.0 million.

In August 2022, the Inflation Reduction Act was signed into law in the U.S. and imposes a one percent excise tax on corporate stock repurchases effective January 1, 2023. This excise tax is recorded as part of the cost basis of treasury stock and is assessed on the fair market value of stock repurchases reduced by the fair market value of any shares issued during the period.

Common stock repurchases, which are accounted for using the cost method and classified as treasury stock until otherwise retired, were as follows:

	Year Ended December 31		
	2023	2022	2021
		(in millions)	
Shares Repurchased	5.7	5.7	1.9
Cost of Shares Repurchased[1]	$ 252.0	$ 200.1	$ 50.0

[1] Includes $0.1 million of commissions for the years ended December 31, 2023 and 2022, respectively. There were no commissions for the year ended December 31, 2021. Also includes $1.9 million of excise tax for the year ended December 31, 2023. There were no excise taxes during the years ended December 31, 2022 and 2021.

Note 12 - Stockholders' Equity and Earnings Per Common Share - Continued

As a part of our share repurchase program, we periodically enter into accelerated share repurchase agreements (ASR). Under the terms of these agreements, we make a prepayment to a financial counterparty for which we receive an initial delivery of approximately 75 percent of the total Unum Group common stock to be delivered under the agreement. We simultaneously enter into a forward contract indexed to the price of Unum Group common stock, which subjects the transactions to a future price adjustment. Under the terms of the agreements, we are to receive, or be required to pay, a price adjustment based on the volume weighted average price of Unum Group common stock during the term of the agreement, less a discount. Any price adjustment payable to us is settled in shares of Unum Group common stock. Any price adjustment we would be required to pay may be settled in either cash or common stock at our option. Details of our ASRs are as follows:

Prepayment Date	Prepayment Amount	Initial Share Delivery	Forward Contract Settlement Date	Shares Delivered to Settle Forward Contract
		(in millions)		
January 2024	$100.0	1.6	March 2024	Not yet settled
July 2023	50.0	0.8	September 2023	0.2
February 2022	50.0	1.3	April 2022	0.4
November 2021	50.0	1.4	November 2021	0.5

In December 2023, we retired 115.0 million shares of our treasury stock with a total cost of $ 3,642.5 million.

Preferred Stock

Unum Group has 25.0 million shares of preferred stock authorized with a par value of $ 0.10 per share. No preferred stock has been issued to date.

Note 13 - Stock-Based Compensation

Description of Stock Plans

Under the 2022 Stock Incentive Plan (the 2022 Plan), up to 6.8 million shares of common stock are available for awards to our employees, officers, consultants, and directors. Awards may be in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, performance share units, and other stock-based awards. Each award, under the 2022 plan is counted as 1.00 share. The exercise price for stock options issued cannot be less than the fair value of the underlying common stock as of the grant date. The maximum term of each stock option or stock appreciation right is ten years after the date of grant. At December 31, 2023, approximately 5.9 million shares were available for future grants under the 2022 Plan.

Under the Stock Incentive Plan of 2017 (the 2017 Plan), which was terminated in May 2022 for the purposes of any further grants, up to 17.0 million shares of common stock were available for awards to our employees, officers, consultants, and directors. Awards could be in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, performance share units, and other stock-based awards. Each full-value award under the 2017 plan, defined as any award other than a stock option or stock appreciation right, were counted as 1.76 shares. Awards granted before the termination of the 2017 Plan remain outstanding in accordance with the plan's terms. Any shares subject to an outstanding award under the 2017 Plan that, after March 15, 2022, is not issued because the award is forfeited, terminates, expires or lapses without being exercised (as applicable), or is settled for cash, becomes available for issuance under the 2022 Plan. Stock options had a term of eight years after the date of grant and fully vested after three years.

We issue new shares of common stock for all of our stock plan vestings and exercises.

Note 13 - Stock-Based Compensation - Continued

Stock Success Units (SSUs)

SSUs are classified as equity. As of December 31, 2023 and 2022, there were 105 thousand shares and 208 thousand shares, respectively, of SSUs outstanding with a weighted average grant date fair value of $18.78 per share. There were no issuances of SSUs during 2023, 2022, or 2021. SSUs vest over a six year period, beginning at the date of grant. One-third of the SSUs are eligible for accelerated vesting on a cumulative basis at the end of each of the one-, three-, and five-year service periods that began on January 1, 2021, if certain performance goals are achieved. Forfeitable dividends on SSUs are accrued in the form of cash. Compensation cost for SSUs subject to accelerated vesting due to the achievement of certain performance conditions at the end of the one-, three-, and five-year service periods is recognized over the implicit service period.

The total fair value of SSUs that vested during both 2023 and 2021 was $ 1.9 million. No SSUs vested during 2022. At December 31, 2023, we had $0.7 million of unrecognized compensation cost related to SSUs that will be recognized over a remaining weighted average period of 1.05 years. No SSUs were forfeited during 2023.

Performance Share Units (PSUs)

PSUs are classified as equity. There were no new tranches of PSUs issued during 2023, 2022, or 2021. Vesting for the PSUs occurred at the end of a three-year period and was contingent upon our achievement of prospective company performance goals and our total shareholder return relative to a board-approved peer group during the three-year period. Actual performance, including modification for relative total shareholder return, could have resulted in the ultimate award of 40 percent to 180 percent of the initial number of PSUs issued, with the potential for no award if company performance goals had not been achieved during the three-year period. Forfeitable dividend equivalents on PSUs were accrued as cash.

PSU shares represent aggregate initial target awards and accrued dividend equivalents and do not reflect potential increases or decreases resulting from the application of the performance factor determined after the end of the performance periods. At December 31, 2022, the three-year performance period for the 2020 PSU grant was completed and the related shares vested, but the performance factor had not yet been applied. The performance factor, which exceeded 100 percent, was applied during the first quarter of 2023 and resulted in the granting and vesting of an additional 245 thousand shares. We had no outstanding PSUs at December 31, 2023 or 2022 and there were no PSUs forfeited during 2023.

The total fair value of PSUs vested during 2023, 2022, and 2021 was $ 5.8 million, $4.2 million, and $6.6 million, respectively. At December 31, 2023, we had no unrecognized compensation cost related to PSUs as there are no remaining PSUs outstanding. The estimated compensation expense was adjusted for actual performance experience and was recognized ratably during the service period when it became probable that the performance conditions would be satisfied. Compensation cost for PSUs subject to accelerated vesting at the date of retirement eligibility was recognized over the implicit service period.

The fair value of PSUs is estimated on the date of initial grant using the Monte-Carlo simulation model. Key assumptions used to value PSUs granted during 2020 are as follows:

	Year Ended December 31, 2020
Expected Volatility (based on our and our peer group historical daily stock prices)	23 %
Expected Life (equals the performance period)	3 years
Risk Free Interest Rate (based on U.S. Treasury yields at the date of grant)	0.85 %

Note 13 - Stock-Based Compensation - Continued

Cash Incentive Units (CIUs)

CIUs are denominated and settled in cash, with each unit representing the right to receive one dollar. Vesting for the CIUs occurs at the end of a three-year period and is based upon prospective company performance measures and our total shareholder return relative to a board-approved peer group during the three-year period. We originally issued 9.0 million, 8.0 million, and 7.2 million CIUs during 2023, 2022, and 2021, respectively. However, actual performance, including the modification for relative total shareholder return, may result in an award of up to 200 percent of the initial number of CIUs issued.

Activity for CIUs, which are classified as a liability, is as follows:

	Units (000s)
Outstanding at December 31, 2022	15,247
Granted	9,004
Vested[1]	(7,223)
Outstanding at December 31, 2023	17,028

[1]CIUs in the preceding table do not reflect potential increases or decreases resulting from the application of the performance factor determined after the end of the performance periods. At December 31, 2023, the three-year performance period for the 2021 CIU grant was completed and the related awards vested, but the performance factor has not yet been applied. The performance factor will be applied during the first quarter of 2024, with payment of the awards at that time.

The liability recorded in connection with CIUs at December 31, 2023, 2022, and 2021 was $ 37.7 million, $16.0 million, and $3.2 million, respectively. There were no CIU payments made during 2023, 2022, and 2021. We had approximately $3.4 million of unrecognized compensation cost related to CIUs that will be recognized over a weighted average period of 1.7 years. The estimated compensation expense is adjusted for actual performance experience and is recognized ratably during the service period, or remaining service period, if and when it becomes probable that the performance conditions will be satisfied. Compensation cost for CIUs subject to accelerated vesting at the date of retirement eligibility is recognized over the implicit service period.

The fair value of CIUs is estimated at each reporting period using the Monte-Carlo simulation mode l. Key assumptions used to value CIUs granted are as follows:

	Assumptions as of the Year Ended December 31, 2023	
	2023 Grant	2022 Grant
Expected Volatility (based on our and our peer group historical daily stock prices)	30 %	27 %
Expected Life (equals the performance period)	2 years	1 year
Risk Free Interest Rate (based on U.S. Treasury yields at the date of grant)	4.26 %	4.75 %

	Assumptions as of the Year Ended December 31, 2022	
	2022 Grant	2021 Grant
Expected Volatility (based on our and our peer group historical daily stock prices)	30 %	33 %
Expected Life (equals the performance period)	2 years	1 year
Risk Free Interest Rate (based on U.S. Treasury yields at the date of grant)	4.26 %	4.60 %

	Assumptions as of the Year Ended December 31, 2021
	2021 Grant
Expected Volatility (based on our and our peer group historical daily stock prices)	50 %
Expected Life (equals the performance period)	2 years
Risk Free Interest Rate (based on U.S. Treasury yields at the date of grant)	0.71 %

Note 13 - Stock-Based Compensation - Continued

Restricted Stock Units (RSUs)

RSUs vest over a one to three-year service period, beginning at the date of grant, and the compensation cost is recognized ratably during the vesting period. Forfeitable dividend equivalents on RSUs are accrued as cash. Compensation cost for RSUs subject to accelerated vesting at the date of retirement eligibility is recognized over the implicit service period.

Activity for RSUs, which are classified as equity, is as follows:

	Shares (000s)	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2022	2,182	$ 27.20
Granted	780	45.56
Vested	(1,691)	29.54
Forfeited	(58)	31.86
Outstanding at December 31, 2023	1,213	35.51

During 2023, 2022, and 2021, we issued RSUs with a weighted average grant date fair value per share of $ 45.56, $28.21, and $27.02, respectively.

The total fair value of shares vested during 2023, 2022, and 2021 was $ 49.9 million, $28.0 million, and $23.9 million, respectively. At December 31, 2023, we had $26.0 million of unrecognized compensation cost related to RSUs that will be recognized over a weighted average period of 0.9 years.

Cash-Settled RSUs

Cash-settled RSUs vested over a one to three-year service period, beginning at the date of grant, and the compensation cost was recognized ratably during the vesting period. Forfeitable dividends on cash-settled RSUs were accrued in the form of cash. Compensation cost for cash-settled RSUs subject to accelerated vesting at the date of retirement eligibility was recognized over the implicit service period.

Activity for cash-settled RSUs, which are classified as a liability, is as follows:

	Shares (000s)
Outstanding at December 31, 2022	23
Vested	(23)
Outstanding at December 31, 2023	—

There were no issuances of cash-settled RSUs during 2023, 2022, and 2021.

The amount payable per unit awarded is equal to the price per share of Unum Group's common stock at settlement of the award, and as such, we measured the value of the award each reporting period based on the current stock price. The effects of changes in the stock price during the service period were recognized as compensation cost over the service period. Changes in the amount of the liability due to stock price changes after the service period were recognized as compensation cost during the period in which the changes occurred. The liability recorded in connection with cash-settled RSUs at December 31, 2022, and 2021 was $0.8 million and $0.5 million, respectively. There was no remaining liability for cash-settled RSUs at December 31, 2023. Cash-settled RSU payments made during 2023, 2022, and 2021 were $1.1 million, $0.6 million, and $0.6 million, respectively. At December 31, 2023, we had no unrecognized compensation cost related to cash-settled RSUs as there are no remaining cash-settled RSUs outstanding.

Note 13 - Stock-Based Compensation - Continued

Expense

Compensation expense for the stock based plans, as reported in our consolidated statements of income, is as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Performance Share Units	$ 0.3	$ 5.7	$ 3.3
Cash Incentive Units	21.7	12.8	3.2
Restricted Stock Units and Cash-Settled Restricted Stock Units	40.6	32.7	25.5
Stock Success Units	0.9	0.9	2.8
Other	0.6	0.6	0.6
Total Compensation Expense, Before Income Tax	$ 64.1	$ 52.7	$ 35.4
Total Compensation Expense, Net of Income Tax	$ 57.5	$ 47.3	$ 31.1

Cash received under all share-based payment arrangements for the years ended December 31, 2023, 2022, and 2021 was $ 5.2 million, $4.2 million, and $3.8 million, respectively.

Note 14 - Reinsurance

Reinsurance activity related to our premium income, policy benefits, and policy benefits remeasurement gain are as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Direct Premium Income	$ 10,286.8	$ 9,893.6	$ 9,736.8
Reinsurance Assumed	80.4	78.7	90.6
Reinsurance Ceded	(321.2)	(355.8)	(352.4)
Net Premium Income	$ 10,046.0	$ 9,616.5	$ 9,475.0
Direct Policy Benefits	$ 8,001.8	$ 8,205.3	$ 8,817.1
Reinsurance Assumed	138.7	135.1	145.0
Reinsurance Ceded	(828.6)	(798.3)	(848.8)
Net Policy Benefits	$ 7,311.9	$ 7,542.1	$ 8,113.3
Direct Policy Benefits - Remeasurement Gain	$ (49.2)	$ (372.5)	$ (546.2)
Reinsurance Assumed	(0.1)	36.4	1.9
Reinsurance Ceded	(5.5)	(211.4)	(15.6)
Net Policy Benefits - Remeasurement Gain	$ (54.8)	$ (547.5)	$ (559.9)

In December 2020, we completed the first phase of a reinsurance transaction, pursuant to which Provident, The Paul Revere Life Insurance Company (Paul Revere Life), and Unum America, wholly-owned domestic insurance subsidiaries of Unum Group and collectively referred to as "the ceding companies", each entered into separate reinsurance agreements with Commonwealth Annuity and Life Insurance Company (Commonwealth), to reinsure on a coinsurance basis effective as of July 1, 2020 approximately 75 percent of the Closed Block individual disability business, primarily direct business written by the ceding companies. In March 2021, we completed the second phase of the reinsurance transaction, pursuant to which the ceding companies and Commonwealth amended and restated their respective reinsurance agreements to reinsure on a coinsurance and modified coinsurance basis effective as of January 1, 2021, a substantial portion of the remaining Closed Block individual disability business that was not ceded in December 2020, primarily business previously assumed by the ceding companies.

Note 14 - Reinsurance - Continued

In December 2020, Provident Life and Casualty Insurance Company (PLC), also a wholly-owned domestic insurance subsidiary of Unum Group, entered into an agreement with Commonwealth whereby PLC will provide a 12-year volatility cover to Commonwealth for the active life cohort (ALR cohort). In March 2021, PLC and Commonwealth amended and restated this agreement to incorporate the ALR cohort related to the additional business that was reinsured between the ceding companies and Commonwealth as part of the second phase of the transaction. As part of the amended and restated volatility cover, PLC received a payment from Commonwealth of approximately $18 million.

In connection with the second phase of the reinsurance transaction, Commonwealth paid a total ceding commission to the ceding companies of $ 18.2 million. The ceding companies transferred assets of $767.0 million to Commonwealth, which consisted primarily of cash and fixed maturity securities. In addition, we recognized the following in 2021 related to the second phase:

- Net realized investment gains totaling $67.6 million related to the transfer of investments.
- Transaction costs totaling $6.2 million.
- Reinsurance recoverable of $1,132.5 million related to the policies on claim status (DLR cohort).
- A reduction to the cost of reinsurance, or prepaid reinsurance premium, of $ 99.4 million related to the DLR cohort.
- Deposit asset of $5.0 million related to the ALR cohort.
- Payable of $307.2 million related to the portfolio of invested assets associated with the business ceded on a modified coinsurance basis.

We amortized the cost of reinsurance related to both Phase 1 and Phase 2 of $ 44.1 million, $50.3 million, and $69.8 million in 2023, 2022, and 2021, respectively.

As of December 31, 2023, Commonwealth accounted for 56 percent of the total reinsurance recoverable and the majority of our total cost of reinsurance. Commonwealth has an A rating by A.M. Best Company (AM Best) and has also established collateralized trust accounts for our benefit to secure its obligations. In addition, nine other major companies, which account for approximately 39 percent of our reinsurance recoverable, are also rated A or better by either AM Best or Standard & Poor's Ratings Services (S&P), or are fully securitized by letters of credit or investment-grade fixed maturity securities held in trust. Approximately 4 percent of our reinsurance recoverable is primarily related to business reinsured with other companies also rated A- or better by AM Best or S&P, with overseas entities with equivalent ratings, or backed by letters of credit or trust agreements, or through reinsurance arrangements wherein we retain the assets in our general account. Less than one percent of our reinsurance recoverable is held by companies either rated below A- by AM Best or S&P, or not rated.

Note 15 - Segment Information

We have three principal operating business segments: Unum US, Unum International, and Colonial Life. Our other segments are Closed Block and Corporate.

The Unum US segment is comprised of group disability, group life and accidental death and dismemberment, and supplemental and voluntary lines of business. The group disability line of business includes long-term and short-term disability, medical stop-loss, and fee-based service products. The supplemental and voluntary line of business includes voluntary benefits, individual disability, and dental and vision products. These products are marketed through our field sales personnel who work in conjunction with independent brokers and consultants.

The Unum International segment is comprised of our operations in both the United Kingdom and Poland. Our Unum UK products include insurance for group long-term disability, group life, and supplemental lines of business which include dental, individual disability, and critical illness products. Our Unum Poland products include insurance for individual and group life with accident and health riders. Unum International's products are sold primarily through field sales personnel and independent brokers and consultants.

The Colonial Life segment includes insurance for accident, sickness, and disability products, which includes our dental and

Note 15 - Segment Information - Continued

vision products, life products, and cancer and critical illness products marketed to employees, on both a group and an individual basis, at the workplace through an independent contractor agent sales force and brokers.

The Closed Block segment consists of group and individual long-term care, and other insurance products no longer actively marketed. We discontinued offering individual long-term care in 2009 and group long-term care in 2012. Other insurance products include individual disability, group pension, individual life and corporate-owned life insurance, reinsurance pools and management operations, and other miscellaneous product lines. In December 2020, we entered into the first phase of a reinsurance agreement to reinsure the majority of our Closed Block individual disability products to a third party. In March 2021, we completed the second phase of the reinsurance transaction to reinsure a portion of the remaining Closed Block individual disability business that was not ceded in December 2020. See Note 14 for further discussion.

The Corporate segment includes investment income on corporate assets not specifically allocated to a line of business, interest expense on corporate debt, and certain other corporate income and expenses not allocated to a line of business.

Impairment Loss on Internal-Use Software

During 2021, we recognized an impairment loss of $ 12.1 million for previously capitalized internal-use software that we no longer plan to utilize. We determined that this internal-use software would no longer be developed in order to focus our efforts on the development of software that better supports our long-term strategic goals. The impairment loss reduced the carrying value of the internal-use software to zero and has been recorded within other expenses in the consolidated statements of income and is included within our Corporate segment.

Note 15 - Segment Information - Continued

Segment information is shown below. Certain prior year amounts were reclassified to conform to current year presentation.

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Premium Income			
Unum US			
Group Disability			
Group Long-term Disability	$ 2,057.2	$ 1,911.7	$ 1,827.8
Group Short-term Disability	1,012.3	926.3	864.0
Group Life and Accidental Death & Dismemberment			
Group Life	1,679.0	1,669.1	1,641.9
Accidental Death & Dismemberment	175.5	173.7	165.1
Supplemental and Voluntary			
Voluntary Benefits	850.1	833.7	840.7
Individual Disability	527.0	461.1	459.8
Dental and Vision	278.1	275.8	272.7
	6,579.2	6,251.4	6,072.0
Unum International			
Unum UK			
Group Long-term Disability	396.1	376.9	401.9
Group Life	169.3	138.2	112.3
Supplemental	141.5	114.0	112.6
Unum Poland	118.3	89.7	90.2
	825.2	718.8	717.0
Colonial Life			
Accident, Sickness, and Disability	946.1	948.9	953.3
Life	426.5	401.1	384.7
Cancer and Critical Illness	353.5	352.0	352.2
	1,726.1	1,702.0	1,690.2
Closed Block			
Long-term Care	696.0	697.4	704.3
All Other	219.5	246.9	291.5
	915.5	944.3	995.8
Total Premium Income	$ 10,046.0	$ 9,616.5	$ 9,475.0

Note 15 - Segment Information - Continued

	Unum US	Unum International	Colonial Life	Closed Block	Corporate	Total
	(in millions of dollars)					
Year Ended December 31, 2023						
Premium Income	$ 6,579.2	$ 825.2	$ 1,726.1	$ 915.5	$ —	$ 10,046.0
Net Investment Income	639.9	137.2	153.5	1,066.3	99.8	2,096.7
Other Income	220.5	1.6	1.2	52.6	3.3	279.2
Adjusted Operating Revenue	$ 7,439.6	$ 964.0	$ 1,880.8	$ 2,034.4	$ 103.1	$ 12,421.9
Adjusted Operating Income (Loss)	$ 1,355.5	$ 158.1	$ 400.1	$ 164.9	$ (146.4)	$ 1,932.2
Interest and Debt Expense	$ —	$ —	$ —	$ —	$ 194.8	$ 194.8
DAC Amortization	$ 267.6	$ 8.4	$ 205.4	$ —	$ —	$ 481.4
Depreciation and Intangible Amortization	$ 76.3	$ 14.6	$ 13.6	$ 5.2	$ 0.6	$ 110.3
Year Ended December 31, 2022						
Premium Income	$ 6,251.4	$ 718.8	$ 1,702.0	$ 944.3	$ —	$ 9,616.5
Net Investment Income	676.3	170.1	152.7	1,070.6	52.5	2,122.2
Other Income	196.3	0.9	1.1	58.0	4.8	261.1
Adjusted Operating Revenue	$ 7,124.0	$ 889.8	$ 1,855.8	$ 2,072.9	$ 57.3	$ 11,999.8
Adjusted Operating Income (Loss)	$ 972.6	$ 134.0	$ 412.9	$ 251.9	$ (164.3)	$ 1,607.1
Interest and Debt Expense	$ —	$ —	$ —	$ —	$ 188.5	$ 188.5
Costs Related to Early Retirement of Debt	$ —	$ —	$ —	$ —	$ 4.2	$ 4.2
DAC Amortization	$ 240.9	$ 8.2	$ 172.0	$ —	$ —	$ 421.1
Depreciation and Intangible Amortization	$ 75.7	$ 14.4	$ 15.0	$ 4.7	$ 0.6	$ 110.4
Year Ended December 31, 2021						
Premium Income	$ 6,072.0	$ 717.0	$ 1,690.2	$ 995.8	$ —	$ 9,475.0
Net Investment Income	721.6	132.7	172.0	1,159.0	27.9	2,213.2
Other Income	170.0	0.6	1.0	65.1	6.2	242.9
Adjusted Operating Revenue	$ 6,963.6	$ 850.3	$ 1,863.2	$ 2,219.9	$ 34.1	$ 11,931.1
Adjusted Operating Income (Loss)	$ 398.9	$ 105.7	$ 404.3	$ 420.1	$ (177.9)	$ 1,151.1
Interest and Debt Expense	$ —	$ —	$ —	$ —	$ 185.0	$ 185.0
Costs Related to Early Retirement of Debt	$ —	$ —	$ —	$ —	$ 67.3	$ 67.3
DAC Amortization	$ 285.9	$ 7.0	$ 159.2	$ —	$ —	$ 452.1
Depreciation and Intangible Amortization	$ 81.9	$ 13.0	$ 16.3	$ 5.1	$ 0.7	$ 117.0

Note 15 - Segment Information - Continued

	December 31	
	2023	2022
	(in millions of dollars)	
Assets		
Unum US	$ 15,561.1	$ 16,356.3
Unum International	3,372.9	3,129.4
Colonial Life	4,830.4	4,575.0
Closed Block	35,272.8	33,776.6
Corporate	4,218.0	3,311.2
Total Assets	$ 63,255.2	$ 61,148.5

Revenue is primarily derived from sources in the United States, the United Kingdom, and Poland. There are no material revenues or assets attributable to foreign operations other than those reported in our Unum International segment.

We report goodwill in our Unum US, Unum International, and Colonial Life segments, which are the segments expected to benefit from the originating business combinations. At December 31, 2023 and 2022 goodwill was $349.9 million and $347.6 million, respectively, with $280.0 million attributable to Unum US in each year, $42.2 million and $39.9 million, respectively, attributable to Unum International, and $27.7 million attributable to Colonial Life in each year.

Stockholders' equity is allocated to the operating segments on the basis of an internal allocation formula that reflects the volume and risk components of each operating segment's business and aligns allocated equity with our target capital levels for regulatory and rating agency purposes. We modify this formula periodically to recognize changes in the views of capital requirements.

We measure and analyze our segment performance on the basis of "adjusted operating revenue" and "adjusted operating income" or "adjusted operating loss," which differ from total revenue and income before income tax as presented in our consolidated statements of income due to the exclusion of investment gains and losses, the amortization of the cost of reinsurance, the impact of non-contemporaneous reinsurance, and reserve assumption updates as well as certain other items as specified in the reconciliations below. We believe adjusted operating revenue and adjusted operating income or loss are better performance measures and better indicators of the revenue and profitability and underlying trends in our business. These performance measures are in accordance with GAAP guidance for segment reporting, but they should not be viewed as a substitute for total revenue, income before income tax, net income, or net loss.

Investment gains or losses primarily include realized investment gains or losses, expected investment credit losses, and gains or losses on derivatives. Investment gains or losses depend on market conditions and do not necessarily relate to decisions regarding the underlying business of our segments. Our investment focus is on investment income to support our insurance liabilities as opposed to the generation of investment gains or losses. Although we may experience investment gains or losses which will affect future earnings levels, a long-term focus is necessary to maintain profitability over the life of the business since our underlying business is long-term in nature, and we need to earn the interest rates assumed in calculating our liabilities.

Cash flow assumptions used to calculate our liability for future policy benefits are reviewed at least annually and updated, as needed, with the resulting impact reflected in net income. While the effects of these assumption updates are recorded in the reporting period in which the review is completed, these updates reflect experience emergence and changes to expectations spanning multiple periods. We believe that by excluding the impact of reserve assumption updates we are providing a more comparable and consistent view of our quarterly results.

We exited a substantial portion of our Closed Block individual disability product line through the two phases of the reinsurance transaction that were executed in December 2020 and March 2021. As a result, we exclude the amortization of the cost of reinsurance that we recognized upon the exit of the business related to the policies on claim status as well as the impact of non-contemporaneous reinsurance that resulted from the adoption of ASU 2018-12. Due to the execution of the second phase of the reinsurance transaction occurring after January 1, 2021, the transition date of ASU 2018-12, in accordance with the provisions of the ASU related to non-contemporaneous reinsurance, we were required to establish the ceded reserves using an upper-

Note 15 - Segment Information - Continued

medium grade fixed-income instrument as of the reinsurance transaction date in March 2021 which resulted in higher ceded reserves compared to that which was reported historically. However, the direct reserves for the block reinsured in the second phase were calculated using the original discount rate utilized as of the transition date. Both the direct and ceded reserves are then remeasured at each reporting period using a current discount rate reflective of an upper-medium grade fixed-income instrument, with the changes recognized in OCI. While the total equity impact is neutral, the different original discount rates utilized for direct and ceded reserves result in disproportionate earnings impacts. The impact of non-contemporaneous reinsurance will fluctuate depending on the magnitude of reserve changes during the period. We believe that the exclusion of these items provides a better view of our results from our ongoing businesses.

We may at other times exclude certain other items from our discussion of financial ratios and metrics in order to enhance the understanding and comparability of our operational performance and the underlying fundamentals, but this exclusion is not an indication that similar items may not recur and does not replace net income or net loss as a measure of our overall profitability.

See above and Notes 3, 6, 10, 14, and 17 for further discussion regarding the items specified in the reconciliation below.

A reconciliation of total revenue to "adjusted operating revenue" and income before income tax to "adjusted operating income" is as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Total Revenue	$ 12,385.9	$ 11,984.1	$ 12,007.8
Excluding:			
Net Investment Gain (Loss)	(36.0)	(15.7)	76.7
Adjusted Operating Revenue	$ 12,421.9	$ 11,999.8	$ 11,931.1
Income Before Income Tax	$ 1,640.1	$ 1,750.0	$ 1,260.6
Excluding:			
Net Investment Gains and Losses			
Net Realized Investment Gain Related to Reinsurance Transaction	—	—	67.6
Net Investment Gain (Loss), Other	(36.0)	(15.7)	9.1
Total Net Investment Gain (Loss)	(36.0)	(15.7)	76.7
Items Related to Closed Block Individual Disability Reinsurance Transaction			
Amortization of the Cost of Reinsurance	(44.1)	(50.3)	(69.8)
Non-Contemporaneous Reinsurance	(34.8)	(34.4)	(32.9)
Transaction Costs	—	—	(6.2)
Total Items Related to Closed Block Individual Disability Reinsurance Transaction	(78.9)	(84.7)	(108.9)
Reserve Assumption Updates	(177.2)	243.3	235.0
Impairment Loss on Internal-Use Software	—	—	(12.1)
Cost Related to Early Retirement of Debt	—	—	(67.3)
Impairment Loss on ROU Asset	—	—	(13.9)
Adjusted Operating Income	$ 1,932.2	$ 1,607.1	$ 1,151.1

Note 16 - Commitments and Contingent Liabilities

Commitments

See Notes 2 and 3 for further discussion on certain of our investment commitments.

Contingent Liabilities

We are a defendant in a number of litigation matters that have arisen in the normal course of business, including the matters discussed below. Further, state insurance regulatory authorities and other federal and state authorities regularly make inquiries and conduct investigations concerning our compliance with applicable insurance and other laws and regulations. Given the complexity and scope of our litigation and regulatory matters, it is not possible to predict the ultimate outcome of all pending investigations or legal proceedings or provide reasonable estimates of potential losses, except if noted in connection with specific matters.

In some of these matters, no specified amount is sought. In others, very large or indeterminate amounts, including punitive and treble damages, are asserted. There is a wide variation of pleading practice permitted in the United States courts with respect to requests for monetary damages, including some courts in which no specified amount is required and others which allow the plaintiff to state only that the amount sought is sufficient to invoke the jurisdiction of that court. Further, some jurisdictions permit plaintiffs to allege damages well in excess of reasonably possible verdicts. Based on our extensive experience and that of others in the industry with respect to litigating or resolving claims through settlement over an extended period of time, we believe that the monetary damages asserted in a lawsuit or claim bear little relation to the merits of the case, or the likely disposition value. Therefore, the specific monetary relief sought is not stated.

Unless indicated otherwise in the descriptions below, reserves have not been established for litigation and contingencies. An estimated loss is accrued when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

Claim Handling Matters

We and our insurance subsidiaries, in the ordinary course of our business, are engaged in claim litigation where disputes arise as a result of a denial or termination of benefits. Most typically these lawsuits are filed on behalf of a single claimant or policyholder, and in some of these individual actions punitive damages are sought, such as claims alleging bad faith in the handling of insurance claims. For our general claim litigation, we maintain reserves based on experience to satisfy judgments and settlements in the normal course. We expect that the ultimate liability, if any, with respect to general claim litigation, after consideration of the reserves maintained, will not be material to our consolidated financial condition. Nevertheless, given the inherent unpredictability of litigation, it is possible that an adverse outcome in certain claim litigation involving punitive damages could, from time to time, have a material adverse effect on our consolidated results of operations in a period, depending on the results of operations for the particular period.

From time to time class action allegations are pursued where the claimant or policyholder purports to represent a larger number of individuals who are similarly situated. Since each insurance claim is evaluated based on its own merits, there is rarely a single act or series of actions which can properly be addressed by a class action. Nevertheless, we monitor these cases closely and defend ourselves appropriately where these allegations are made.

Note 17 - Leases

We lease certain buildings and equipment under various noncancellable operating lease agreements. In addition, we have sub-lease agreements on a limited number of our building lease agreements. We have the option to renew the majority of our building leases and equipment leases at the end of the lease term at the fair rental value at the time of renewal.

We do not have any lease agreements or sub-lease agreements that contain variable lease payments. In addition, we do not have lease agreements or sub-lease agreements that contain residual value guarantees or impose any financial restrictions or covenants with the lessors.

Note 17 - Leases - Continued

Operating lease information is as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Lease Cost			
Operating Lease Cost	$ 16.4	$ 19.6	$ 35.2
Sublease Income	(1.5)	(1.1)	(1.0)
Total Lease Cost	$ 14.9	$ 18.5	$ 34.2
Other Information			
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	$ 20.3	$ 23.1	$ 29.9
Weighted-Average Remaining Lease Term	5 years	6 years	6 years
Weighted-Average Discount Rate	4.85 %	4.32 %	4.45 %

As of December 31, 2023, aggregate undiscounted minimum lease payments and the reconciliation to our lease liability are as follows (in millions of dollars):

2024	$ 19.2
2025	13.9
2026	11.1
2027	9.3
2028	9.0
2029 and Thereafter	9.1
Total	71.6
Less Imputed Interest	9.0
Lease Liability	$ 62.6

The right-of-use asset was $35.8 million and $37.7 million at December 31, 2023 and 2022, respectively.

During 2021, we recognized an impairment loss of $13.9 million on the ROU asset related to one of our operating leases for office space that we do not plan to continue using to support our general operations. The impairment loss was recorded as a result of a decrease in the fair value of the ROU asset compared to its carrying value. The fair value of the ROU asset was determined based on a discounted cash flow model utilizing estimated market rates for sub-lease rentals. The impairment loss is recorded within other expenses in the consolidated statements of income and is included within our Corporate segment.

Note 18 - Statutory Financial Information

Statutory Net Income, Capital and Surplus, and Dividends

Statutory net income for U.S. life insurance companies is reported in conformity with statutory accounting principles prescribed by the National Association of Insurance Commissioners (NAIC) and adopted by applicable domiciliary state laws. The commissioners of the states of domicile have the right to permit other specific practices that may deviate from prescribed practices. In connection with a financial examination of Unum America, which closed at the end of the second quarter of 2020, the Maine Bureau of Insurance (MBOI) concluded that Unum America's long-term care statutory reserves were deficient by $2,100.0 million as of December 31, 2018, the financial statement date of the examination period. The amount reserves are deficient may increase or decrease over time based on changes in assumed reinvestment rates, policyholder inventories, premium rate increase activity, and the underlying growth in the locked in statutory reserve basis as well as updates to other long term actuarial assumptions. The MBOI granted permission to Unum America on May 1, 2020, to phase in the additional statutory reserves over seven years beginning with year-end 2020 and ending with year-end 2026. The calculation of the premium deficiency reserve (PDR) reflects specific assumptions set by MBOI and results in significant margin above Unum America's best estimate assumptions. As of December 31, 2023, the PDR calculated under the basis resulting from the MBOI examination has been fully recognized. The phase in amounts for 2023, 2022, and 2021 were funded using cash flows from operations and capital contributions from Unum Group. Our long-term care reserves and financial results reported under generally accepted accounting principles were not affected by the MBOI's examination conclusion. Additional information regarding the Unum America PDR is as follows:

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Premium Deficiency Reserve			
Gross Premium Deficiency Reserve[1]	$ 1,604	$ 2,851	$ 2,977
Cumulative Gross Premium Deficiency Reserve Recognized	1,604	1,191	667
Remaining Premium Deficiency Reserve to be Recognized	$ —	$ 1,660	$ 2,310

[1]The gross PDR decreased by $1,247 million during 2023 due primarily to changes in the assumed reinvestment rate as well as premium rate increase activity. The gross PDR decreased by $126 million during 2022 due primarily to premium rate increase activity and underlying growth in the locked-in statutory reserve basis. The gross PDR increased by $687 million during 2021 due primarily to changes in the assumed reinvestment rate. The increase for 2021 was from a gross PDR of $2,290 million as of December 31, 2020, which was an increase from the original $2,100 million reserve deficiency as of December 31, 2018.

If the permitted practice was not granted by the MBOI to phase in these additional statutory reserves, the impact to the risk-based capital ratio would have triggered a regulatory event for the years under examination prior to the year ended December 31, 2023. Our other traditional U.S. life insurance subsidiaries have no prescribed or permitted statutory accounting practices that differ materially from statutory accounting principles prescribed by the NAIC.

Unum America cedes blocks of long-term care business to Fairwind Insurance Company (Fairwind), which is an affiliated captive reinsurance subsidiary (captive reinsurer) domiciled in the United States, with Unum Group as the ultimate parent. This captive reinsurer was established for the limited purpose of reinsuring risks attributable to specified policies issued or reinsured by Unum America.

Fairwind, which is domiciled in the state of Vermont, is required to follow GAAP in accordance with Vermont reporting requirements for pure captive insurance companies, unless the commissioner permits the use of some other basis of accounting. Fairwind has permission from Vermont to follow accounting practices that are generally consistent with current NAIC statutory accounting principles for its insurance reserves and invested assets supporting reserves. All other assets and liabilities are accounted for in accordance with GAAP, as prescribed by Vermont, which includes the full recognition of deferred tax assets which are more likely than not to be realized. Statutory accounting principles have a stricter limitation for the recognition of deferred tax assets. The impact of following the prescribed and permitted practices of Vermont rather than statutory accounting principles prescribed by the NAIC resulted in higher capital and surplus for Fairwind of approximately $469 million and $351

Note 18 - Statutory Financial Information - Continued

million as of December 31, 2023 and 2022 respectively. The 2023, 2022, and 2021 results for Fairwind include the $413 million, $524 million, and $438 million increases to long-term care statutory reserves assumed from Unum America.

Northwind Re was established for the limited purpose of reinsuring risks attributable to specified policies issued or reinsured by Provident, Paul Revere Life, and Unum America, and had no material state prescribed accounting practices that differ from statutory accounting principles prescribed by the NAIC. In 2021, Northwind Re obtained a Certificate of Dormancy from the Vermont Department of Financial Regulation authorizing it to exist as a dormant captive insurance company, leaving Fairwind as the only remaining active captive reinsurer. Northwind Re was merged with one of our non-insurance U.S. holding companies, Northwind Holdings, with Northwind Holdings remaining as the surviving company. Subsequently during 2022, Northwind Holdings was merged into Unum Group.

The operating results and capital and surplus of our traditional U.S. life insurance subsidiaries and our captive reinsurers, prepared in accordance with prescribed or permitted accounting practices of the NAIC or states of domicile, are presented separately below.

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Combined Net Income (Loss)			
Traditional U.S. Life Insurance Subsidiaries	$ 1,329.9	$ 965.4	$ 779.5
Captive Reinsurers	$ (318.3)	$ (432.2)	$ (159.0)
Combined Net Gain (Loss) from Operations, After Tax			
Traditional U.S. Life Insurance Subsidiaries	$ 1,351.5	$ 965.4	$ 681.1
Captive Reinsurers	$ (279.4)	$ (428.6)	$ (247.4)

	December 31	
	2023	2022
	(in millions of dollars)	
Combined Capital and Surplus		
Traditional U.S. Life Insurance Subsidiaries	$ 3,751.3	$ 3,816.3
Captive Reinsurers	$ 1,534.9	$ 1,229.6

Solvency II, a European Union directive that is part of retained U.K. law pursuant to the European Union (Withdrawal) Act 2018, prescribes capital requirements and risk management standards for the European insurance industry. As derived from the most recent annual financial statements for December 31, 2022, based on Solvency II requirements, regulatory net income and eligible own funds available of our United Kingdom insurance subsidiary, Unum Limited, were £569.2 million and £622.7 million, respectively.

Risk-based capital (RBC) standards for U.S. life insurance companies are prescribed by the NAIC. The domiciliary states of our U.S. insurance subsidiaries have all adopted a version of the RBC model formula of the NAIC, which prescribes a system for assessing the adequacy of statutory capital and surplus for all life and health insurers. The basis of the system is a risk-based formula that applies prescribed factors to the various risk elements in a life and health insurer's business to report a minimum capital requirement proportional to the amount of risk assumed by the insurer. The life and health RBC formula is designed to measure annually (i) the risk of loss from asset defaults and asset value fluctuations, (ii) the risk of loss from adverse mortality and morbidity experience, (iii) the risk of loss from mismatching of asset and liability cash flow due to changing interest rates, and (iv) business risks. The formula is used as an early warning tool to identify companies that are potentially inadequately capitalized. State insurance laws grant insurance regulators the authority to require various actions by, or take various actions against, insurers whose total adjusted capital does not meet or exceed certain RBC levels. The total adjusted capital of each of our U.S. insurance subsidiaries at December 31, 2023 is in excess of those RBC levels.

Note 18 - Statutory Financial Information - Continued

Restrictions under applicable state insurance laws limit the amount of dividends that can be paid to a parent company from its insurance subsidiaries in any 12-month period without prior approval by regulatory authorities. For life insurance companies domiciled in the U.S., that limitation generally equals, depending on the state of domicile, either ten percent of an insurer's statutory surplus with respect to policyholders as of the preceding year end or the statutory net gain from operations, excluding net realized capital gains and losses, of the preceding year. The payment of dividends to a parent company from a life insurance subsidiary is generally further limited to the amount of unassigned funds.

Based on the restrictions under current law, approximately $ 1,289 million is available, without prior approval by regulatory authorities, during 2024 for the payment of dividends to Unum Group from its traditional U.S. life insurance subsidiaries. The ability of our captive insurer to pay dividends to Unum Group will depend on the satisfaction of applicable regulatory requirements and on the performance of the business reinsured by Fairwind.

We also have the ability to receive dividends from our foreign subsidiaries, primarily in the U.K., for which the payment may be subject to applicable insurance company regulations and capital guidance. Approximately £140 million is considered distributable from Unum Limited during 2024, subject to local solvency standards and regulatory approval.

Deposits

At December 31, 2023 and 2022, our U.S. life insurance subsidiaries had on deposit with U.S. regulatory authorities securities with a book value of $ 119.1 million and $118.8 million, respectively, held for the protection of policyholders.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. We evaluated those controls based on the 2013 Internal Control - Integrated Framework from the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, these officers concluded that our disclosure controls and procedures were effective as of December 31, 2023.

There have been no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended, during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting encompasses the processes and procedures management has established to (i) maintain records that, in reasonable detail, accurately and fairly reflect the Company's transactions and dispositions of assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles; (iii) provide reasonable assurance that receipts and expenditures are appropriately authorized; and (iv) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, any projection of the evaluation of effectiveness to future periods is subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We assessed the effectiveness of our internal control over financial reporting, based on criteria established in the 2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and concluded that, as of December 31, 2023, we maintained effective internal control over financial reporting.

Attestation Report of the Company's Registered Public Accounting Firm

Ernst & Young LLP, the independent registered public accounting firm that audited our consolidated financial statements included herein, audited the effectiveness of our internal control over financial reporting, as of December 31, 2023, and issued the attestation report included as follows.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Unum Group

Opinion on Internal Control Over Financial Reporting

We have audited Unum Group and Subsidiaries' internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Unum Group and Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedules listed in the Index at Item 15(a)(2) and our report dated February 20, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Annual Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Chattanooga, Tennessee
February 20, 2024

ITEM 9B. OTHER INFORMATION

On November 17, 2023, Steven A. Zabel, our Executive Vice President, Chief Financial Officer, adopted a Rule 10b5-1 trading arrangement intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). The trading arrangement provides for the sale of up to 10,000 shares of our common stock between March 13, 2024 and November 15, 2024.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information required by this Item with respect to directors is included under the caption "Information About the Board of Directors" in our definitive proxy statement for the 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

The information required by this Item with respect to our executive officers is included under the caption "Information about our Executive Officers" contained herein in Item 1 and is incorporated herein by reference.

Our internet website address is www.unum.com. We have adopted corporate governance guidelines, a code of conduct applicable to all of our directors, officers and employees, and charters for the audit, human capital, governance, risk and finance and regulatory compliance committees of our board of directors in accordance with the requirements of the New York Stock Exchange (NYSE).

The information required by this Item with respect to a code of ethics for our chief executive officer and certain senior financial officers is included under the caption "Board and Committee Governance", sub-caption "Codes of Conduct and Ethics", in our definitive proxy statement for the 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

The information required by this Item with respect to the audit committee and audit committee financial experts is included under the caption "Board and Committee Governance", sub-caption "Committees of the Board", in our definitive proxy statement for the 2024 Annual Meeting of Shareholders and is incorporated herein by reference. In addition, information relating to the procedures by which our shareholders may recommend nominees to our board of directors is included under the caption "Corporate Governance", sub-caption "Process for Selecting and Nominating Directors", in our definitive proxy statement for the 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item with respect to executive compensation and compensation committee matters is included under the caption "Director Compensation", under the caption "Board and Committee Governance", sub-caption "Compensation Committee Interlocks and Insider Participation" and sub-captions "The Board's Role in Risk Oversight" and "Compensation Risk", and under the captions "Compensation Discussion and Analysis", "Compensation Committee Report", "Compensation Tables", "Post-Employment Compensation", "CEO Pay Ratio", and "Pay Versus Performance" in our definitive proxy statement for the 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item with respect to security ownership of certain beneficial owners and management is included under the captions "Ownership of Company Securities", including sub-caption "Security Ownership of Certain Shareholders", in our definitive proxy statement for the 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

Equity Compensation Plan Information

The following table gives information as of December 31, 2023, about the common stock that may be issued under all our existing equity compensation plans.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights [5]	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity Compensation Plans Approved by Shareholders [1]	2,201,042 [3]	N/A	7,347,937 [6]
Equity Compensation Plans Not Approved by Shareholders [2]	40,696 [4]	N/A	177,238 [7]
Total	2,241,738	N/A	7,525,175

(1) The following plans were approved by our shareholders: Unum Group Stock Incentive Plan of 2007 (2007 Plan), Unum Group 2020 Employee Stock Purchase Plan (ESPP), Unum Group Stock Incentive Plan of 2012 (2012 Plan), Unum European Holding Company Limited Savings-Related Share Option Scheme 2016 (2016 SAYE), Stock Incentive Plan of 2017 (2017 Plan), Unum European Holding Company Limited Savings-Related Share Option Scheme 2021 (2021 SAYE), and Unum Group Stock Incentive Plan of 2022.

(2) The following plans were not approved by our shareholders: UnumProvident Corporation Amended and Restated Non-Employee Director Compensation Plan of 2004 (2004 NED Plan) and Unum Group Approved Profit Share Scheme (Ireland) (Ireland APSS).

(3) Shares of common stock may be issued pursuant to the following outstanding awards subject to the satisfaction of applicable service or performance conditions: 2,104,142 restricted stock units (RSUs) which includes stock success units (this includes 102,150 Stock Success Units that had vested as of December 31, 2023 but had not been distributed as of that date) and 96,900 deferred share rights (including dividend equivalents accrued thereon). Shares underlying the outstanding awards are issuable under the 2007 Plan, the 2012 Plan, the 2017 Plan, and the 2022 Plan.

(4) Shares of common stock may be issued pursuant to the following outstanding awards: 37,599 deferred share rights, and 3,097 deferred RSUs, including dividend equivalents accrued thereon prior to the effective date of the 2022 Plan. Shares underlying the outstanding awards are issuable under the 2004 NED Plan in accordance with the deferral elections of non-employee directors.

(5) There are no outstanding options, warrants or rights under column (b).

(6) Includes 5,932,667 shares remaining available for future issuance under the 2022 Plan (including in respect of any dividend equivalents accruing on outstanding awards under the other plans on or after the effective date of the 2022 Plan); 1,041,952 shares remaining available for issuance under the ESPP; 173,973 shares remaining available for future issuance under the 2016 SAYE, and 199,345 shares remaining available for future issuance under the 2021 SAYE. Any award outstanding under the 2012 Plan and the 2017 Plan as of the effective date of the 2022 Plan that after such date is not issued because the award is forfeited, terminates, expires, or otherwise lapses without being exercised, or is settled for cash, will be returned to the 2022 Plan. Each RSU or other full-value award under the 2022 Plan is counted as 1 share.

(7) Represents shares remaining available for purchase in the open market under the Ireland APSS.

Below is a brief description of the equity compensation plans not approved by shareholders.

UnumProvident Amended and Restated Non-Employee Director Compensation Plan of 2004

This plan provided for the payment of annual retainers and meeting fees as applicable to the non-employee directors who served on our Board of Directors. Under the plan, directors made an irrevocable election each year to receive all or a portion of their retainers and meeting fees in either cash or deferred share rights. A deferred share right is a right to receive one share of common stock on the earlier of (i) the director's separation from service as a director of the company, or (ii) another designated date at least three years after the date of the deferral election. The number of deferred share rights granted is calculated as the number of whole shares equal to (i) the dollar amount of the annual retainer and/or fees that the director elects to have paid in deferred share rights, divided by (ii) the fair market value per share on the grant date. The aggregate number of shares which can be issued under the plan is 500,000. This plan terminated in May 2010 with respect to new awards, though dividend equivalents remain available for future issuance in respect of awards that were outstanding at that time. The plan is administered by the Human Capital Committee. The plan includes provisions restricting the transferability of the deferred share rights, provisions for adjustments to the number of shares available for grants, and the number of shares subject to outstanding grants in the event of recapitalization, reclassification, stock split, reverse stock split, reorganization, merger, consolidation, or other similar corporate transaction.

Unum Group Approved Profit Share Scheme (Ireland)

This plan provides for the opportunity for eligible employees of Unum Ireland Limited, a wholly owned subsidiary of the Company, to apply a portion of their annual cash bonus and salary towards purchase of shares of common stock, subject to certain limits as provided under Irish law. Purchases of shares pursuant to the plan are made on the open market through a trust established pursuant to the plan, and no shares will be issued by the Company in furtherance of the plan. Shares purchased under the plan are generally subject to a minimum two-year holding period, and shares held for a minimum of three years generally are eligible for certain tax advantages under Irish law. The aggregate number of shares of common stock available for purchase under the plan is 200,000. The plan is administered by the Human Capital Committee.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item with respect to director independence and transactions with related persons is included under the caption "Corporate Governance", sub-caption "Director Independence", and under the caption "Board and Committee Governance", sub-caption "Related Party Transactions and Policy", in our definitive proxy statement for the 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item with respect to fees paid to Ernst & Young LLP in 2023 and 2022 and our audit committee's pre-approval policies and procedures are included under the caption "Items to Be Voted On", sub-captions "Independent Auditor Fees" and "Policy for Pre-Approval of Audit and Non-Audit Services", in our definitive proxy statement for the 2024 Annual Meeting of Shareholders and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Prior financial information has been adjusted to reflect our modified retrospective adoption, effective January 1, 2023, of the Accounting Standards Update (ASU) 2018-12, related to targeted improvements to the accounting for long-duration contracts. Changes from this ASU were applied as of January 1, 2021, also referred to as the transition date. See Note 1 of the "Notes to Consolidated Financial Statements" contained herein in Item 8.

(a) List of Documents filed as part of this report: Page

(1) Financial Statements

The following report and consolidated financial statements of Unum Group and Subsidiaries are included in Item 8.

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm	105
Consolidated Balance Sheets at December 31, 2023 and 2022	107
Consolidated Statements of Income for the three years ended December 31, 2023	109
Consolidated Statements of Comprehensive Income for the three years ended December 31, 2023	110
Consolidated Statements of Stockholders' Equity for the three years ended December 31, 2023	111
Consolidated Statements of Cash Flows for the three years ended December 31, 2023	112
Notes to Consolidated Financial Statements	113

(2) Financial Statement Schedules

I.	Summary of Investments - Other than Investments in Related Parties	239
II.	Condensed Financial Information of Registrant	240
III.	Supplementary Insurance Information	243
IV.	Reinsurance	246
V.	Valuation and Qualifying Accounts	247

Schedules not referred to have been omitted as inapplicable or because they are not required by Regulation S-X.

(3) Exhibits

Index to Exhibits	248

SCHEDULE I--SUMMARY OF INVESTMENTS -
OTHER THAN INVESTMENTS IN RELATED PARTIES
as of December 31, 2023
Unum Group and Subsidiaries

Type of Investment	Cost or Amortized Cost (1)	Fair Value	Amount shown on the balance sheet
	(in millions of dollars)		
Fixed Maturity Securities:			
Bonds			
United States Government and Government Agencies and Authorities	$ 618.6	$ 624.8	$ 624.8
States, Municipalities, and Political Subdivisions	4,041.3	3,678.4	3,678.4
Foreign Governments	982.1	890.7	890.7
Public Utilities	5,398.2	5,321.6	5,321.6
Mortgage/Asset-Backed Securities	658.0	644.1	644.1
All Other Corporate Bonds	26,708.4	25,670.7	25,670.7
Redeemable Preferred Stocks	4.0	3.6	3.6
Total Fixed Maturity Securities	38,410.6	$ 36,833.9	36,833.9
Mortgage Loans	2,328.4		2,318.2
Policy Loans	3,620.2		3,620.2
Other Long-term Investments			
Derivatives(2)	—		99.9
Perpetual Preferred and Equity Securities(3)	27.8		31.9
Private Equity Partnerships(3)	1,134.6		1,326.2
Miscellaneous Long-term Investments	121.4		121.4
Short-term Investments	1,610.7		1,610.7
Total Investments	$ 47,253.7		$ 45,962.4

(1) The amortized cost for fixed maturity securities and mortgage loans represents original cost reduced by repayments, write-downs from declines in fair value, amortization of premiums, and/or accretion of discounts. The amortized cost for these investments does not include allowance for credit losses.

(2) Derivatives are carried at fair value.

(3) The difference between amortized cost and carrying value for private equity partnerships and perpetual preferred and equity securities primarily results from changes in the partnership owner's equity and the security's market valuation since acquisition, respectively.

SCHEDULE II--CONDENSED FINANCIAL INFORMATION OF REGISTRANT

Unum Group (Parent Company)

BALANCE SHEETS

	December 31	
	2023	2022
	(in millions of dollars)	
Assets		
Fixed Maturity Securities - at fair value (amortized cost: $656.2; $748.1)	$ 596.1	$ 657.7
Other Long-term Investments	27.0	19.3
Short-term Investments	970.9	845.8
Investment in Subsidiaries	11,663.6	10,815.7
Deferred Income Tax	118.1	114.9
Other Assets	593.6	555.5
Total Assets	$ 13,969.3	$ 13,008.9
Liabilities and Stockholders' Equity		
Liabilities		
Short-term Debt	$ —	$ 2.0
Long-term Debt	3,430.4	3,427.8
Pension and Postretirement Benefits	350.2	352.6
Other Liabilities	537.3	491.5
Total Liabilities	4,317.9	4,273.9
Stockholders' Equity		
Common Stock, $0.10 par		
Authorized: 725,000,000 shares		
Issued: 194,588,625 and 308,306,490 shares	19.4	30.8
Additional Paid-in Capital	1,547.8	2,441.0
Accumulated Other Comprehensive Loss	(3,308.0)	(3,448.3)
Retained Earnings	11,431.5	13,141.3
Treasury Stock - at cost: 1,216,528 and 110,551,977 shares	(39.3)	(3,429.8)
Total Stockholders' Equity	9,651.4	8,735.0
Total Liabilities and Stockholders' Equity	$ 13,969.3	$ 13,008.9

SCHEDULE II--CONDENSED FINANCIAL INFORMATION OF REGISTRANT (Continued)

Unum Group (Parent Company)

STATEMENTS OF INCOME

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Cash Dividends from Subsidiaries	$ 1,581.1	$ 1,306.6	$ 909.8
Non-Cash Dividends from Subsidiaries	—	23.0	719.6
Other Income	90.3	81.8	53.5
Total Revenue	1,671.4	1,411.4	1,682.9
Interest and Debt Expense	194.8	188.5	185.9
Cost Related to Early Retirement of Debt	—	4.2	67.3
Other Expenses	54.2	35.6	39.1
Total Expenses	249.0	228.3	292.3
Income of Parent Company Before Income Tax	1,422.4	1,183.1	1,390.6
Income Tax Expense (Benefit)	(9.5)	14.7	(24.1)
Income of Parent Company	1,431.9	1,168.4	1,414.7
Equity in Undistributed Earnings (Loss) of Subsidiaries	(148.1)	238.8	(433.7)
Net Income	1,283.8	1,407.2	981.0
Other Comprehensive Income, Net of Tax	140.3	1,716.3	1,145.6
Comprehensive Income	$ 1,424.1	$ 3,123.5	$ 2,126.6

SCHEDULE II--CONDENSED FINANCIAL INFORMATION OF REGISTRANT (Continued)

Unum Group (Parent Company)

STATEMENTS OF CASH FLOWS

	Year Ended December 31		
	2023	2022	2021
	(in millions of dollars)		
Cash Provided by Operating Activities	$ 1,548.0	$ 1,250.2	$ 861.0
Cash Flows from Investing Activities			
Proceeds from Sales and Maturities of Fixed Maturity Securities	97.1	192.1	245.5
Proceeds from Sales and Maturities of Other Investments	23.9	7.4	20.1
Purchase of Fixed Maturity Securities	(44.5)	(102.7)	(2.0)
Purchase of Other Investments	(23.4)	(32.0)	(0.9)
Net Purchases of Short-term Investments	(104.4)	(209.6)	(465.0)
Cash Distributions to Subsidiaries	(854.5)	(540.2)	(300.9)
Net Purchases of Property and Equipment	(113.1)	(94.0)	(91.3)
Cash Used by Investing Activities	(1,018.9)	(779.0)	(594.5)
Cash Flows from Financing Activities			
Short-term Debt Repayment	(2.0)	—	—
Issuance of Long-term Debt	—	349.2	588.1
Long-term Debt Repayment	—	(364.0)	(500.0)
Cost Related to Early Retirement of Debt	—	(3.6)	(62.8)
Issuance of Common Stock	5.2	4.0	3.4
Repurchase of Common Stock	(250.1)	(200.1)	(50.0)
Dividends Paid to Stockholders	(277.1)	(254.2)	(239.4)
Other, Net	—	0.7	(1.6)
Cash Used by Financing Activities	(524.0)	(468.0)	(262.3)
Increase in Cash	$ 5.1	$ 3.2	$ 4.2

SCHEDULE III--SUPPLEMENTARY INSURANCE INFORMATION

Unum Group and Subsidiaries

Segment	Deferred Acquisition Costs	Future Policy Benefits	Policyholders' Account Balances	Unearned Premiums
	(in millions of dollars)			
December 31, 2023				
Unum US	$ 1,232.2	$ 9,419.1	$ 678.1	$ 54.6
Unum International	46.9	2,305.3	—	151.4
Colonial Life	1,435.4	1,997.8	869.8	44.5
Closed Block	—	26,287.2	4,119.8	129.7
Total	$ 2,714.5	$ 40,009.4	$ 5,667.7	$ 380.2
December 31, 2022				
Unum US	$ 1,185.1	$ 9,710.3	$ 679.7	$ 55.8
Unum International	37.0	2,063.3	—	130.4
Colonial Life	1,337.9	1,858.4	869.1	42.7
Closed Block	—	24,945.1	4,191.4	136.6
Total	$ 2,560.0	$ 38,577.1	$ 5,740.2	$ 365.5

SCHEDULE III--SUPPLEMENTARY INSURANCE INFORMATION (Continued)

Unum Group and Subsidiaries

Segment	Premium Income	Net Investment Income[1]	Policy Benefits Including Remeasurement Loss or Gain[2]	Amortization of Deferred Acquisition Costs	All Other Expenses[3]	Premiums Written[4]
	(in millions of dollars)					
December 31, 2023						
Unum US	$ 6,579.2	$ 639.9	$ 3,808.5	$ 267.6	$ 1,879.2	$ 4,634.3
Unum International	825.2	137.2	579.8	8.4	235.6	544.4
Colonial Life	1,726.1	153.5	798.1	205.4	396.5	1,221.8
Closed Block	915.5	1,066.3	2,070.7	—	246.5	904.2
Corporate	—	99.8	—	—	249.5	—
Total	$ 10,046.0	$ 2,096.7	$ 7,257.1	$ 481.4	$ 3,007.3	
December 31, 2022						
Unum US	$ 6,251.4	$ 676.3	$ 3,970.9	$ 240.9	$ 1,768.8	$ 4,335.7
Unum International	718.8	170.1	549.6	8.2	190.4	504.1
Colonial Life	1,702.0	152.7	826.1	172.0	389.6	1,221.8
Closed Block	944.3	1,070.6	1,648.0	—	248.0	936.8
Corporate	—	52.5	—	—	221.6	—
Total	$ 9,616.5	$ 2,122.2	$ 6,994.6	$ 421.1	$ 2,818.4	
December 31, 2021						
Unum US	$ 6,072.0	$ 721.6	$ 4,430.3	$ 285.9	$ 1,616.8	$ 4,168.9
Unum International	717.0	132.7	553.0	7.0	180.4	520.6
Colonial Life	1,690.2	172.0	911.7	159.2	364.5	1,223.3
Closed Block	995.8	1,159.0	1,658.4	—	274.7	983.0
Corporate	—	27.9	—	—	305.3	—
Total	$ 9,475.0	$ 2,213.2	$ 7,553.4	$ 452.1	$ 2,741.7	

[1] Net investment income is allocated based upon segmentation. Each segment has its own specifically identified assets and receives the investment income generated by those assets.

[2] Included in policy benefits including remeasurement loss or gain were the following:

- In 2023, reserve assumption updates resulting in a net decrease in policy benefits including remeasurement gain or loss in the Unum US and Colonial Life segments of $128.8 million and $80.7 million, respectively and a net increase in policy benefits including remeasurement gain or loss in the Unum International and Closed Block segments of $17.9 million and $368.8 million, respectively.
- In 2022, reserve assumption updates resulting in a net decrease in policy benefits including remeasurement gain or loss in the Unum US, Unum International, Colonial Life, and Closed Block segments of $170.8 million, $7.6 million, $55.2 million, and $9.7 million, respectively.
- In 2021, reserve assumption updates resulting in a net decrease in policy benefits including remeasurement gain or loss in the Unum US, Unum International, and Colonial Life segments of $231.7 million, $4.2 million, and $23.5 million, respectively and a net increase in policy benefits including remeasurement gain or loss in the Closed Block segment of $24.4 million.
- In 2023, 2022, and 2021 the impact of non-contemporaneous reinsurance of $ 34.8 million, $34.4 million, and $32.9 million respectively, in the Closed Block segment.

SCHEDULE III--SUPPLEMENTARY INSURANCE INFORMATION (Continued)

Unum Group and Subsidiaries

[3] Includes commissions, interest and debt expense, deferral of acquisition costs, compensation expense, and other expenses. Where not directly attributable to a segment, expenses are generally allocated based on activity levels, time information, and usage statistics. Also included in all other expenses were the following:

- In 2023, 2022, and 2021 the amortization of the cost of reinsurance of $ 44.1 million, $50.3 million, and $69.8 million respectively, in the Closed Block segment.
- In 2021, an impairment loss of $12.1 million was recorded in our Corporate segment for previously capitalized internal-use software that we no longer plan to utilize.
- In 2021, costs related to early retirement of debt of $67.3 million in the Corporate segment.
- In 2021, transaction costs of $6.2 million related to the Closed Block individual disability reinsurance transaction.
- In 2021, a right-of-use asset impairment of $13.9 million related to one of our operating leases for office space that we do not plan to continue using to support general operations in the Corporate segment.

[4] Excludes life insurance.

SCHEDULE IV--REINSURANCE

Unum Group and Subsidiaries

	Gross Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage Amount Assumed to Net
	(in millions of dollars)				
Year Ended December 31, 2023					
Life Insurance in Force	$ 1,079,042.5	$ 21,210.7	$ 921.6	$ 1,058,753.4	0.1 %
Premium Income:					
Life Insurance	$ 2,799.0	$ 157.5	$ 6.0	$ 2,647.5	0.2 %
Accident, Health, and Other Insurance	7,487.8	163.7	74.4	7,398.5	1.0 %
Total	$ 10,286.8	$ 321.2	$ 80.4	$ 10,046.0	0.8 %
Year Ended December 31, 2022					
Life Insurance in Force	$ 1,057,312.2	$ 35,773.9	$ 931.9	$ 1,022,470.2	0.1 %
Premium Income:					
Life Insurance	$ 2,704.3	$ 155.1	$ 6.5	$ 2,555.7	0.3 %
Accident, Health, and Other Insurance	7,189.3	200.7	72.2	7,060.8	1.0 %
Total	$ 9,893.6	$ 355.8	$ 78.7	$ 9,616.5	0.8 %
Year Ended December 31, 2021					
Life Insurance in Force	$ 1,007,562.2	$ 37,794.6	$ 920.3	$ 970,687.9	0.1 %
Premium Income:					
Life Insurance	$ 2,544.7	$ 150.2	$ 7.6	$ 2,402.1	0.3 %
Accident, Health, and Other Insurance	7,192.1	202.2	83.0	7,072.9	1.2 %
Total	$ 9,736.8	$ 352.4	$ 90.6	$ 9,475.0	1.0 %

SCHEDULE V--VALUATION AND QUALIFYING ACCOUNTS

Unum Group and Subsidiaries

Description	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Deductions[1]	Balance at End of Year
	(in millions of dollars)			
Year Ended December 31, 2023				
Allowance for expected credit losses (deducted from accounts and premiums receivable)	$ 32.5	$ 11.3	$ 14.3	$ 29.5
Allowance for expected credit losses (deducted from reinsurance recoverable)	$ 1.7	$ 0.1	$ 0.1	$ 1.7
Year Ended December 31, 2022				
Allowance for expected credit losses (deducted from accounts and premiums receivable)	$ 34.2	$ 10.8	$ 12.5	$ 32.5
Allowance for expected credit losses (deducted from reinsurance recoverable)	$ 2.3	$ —	$ 0.6	$ 1.7
Year Ended December 31, 2021				
Allowance for expected credit losses (deducted from accounts and premiums receivable)	$ 38.8	$ 18.2	$ 22.8	$ 34.2
Allowance for expected credit losses (deducted from reinsurance recoverable)	$ 11.7	$ 0.7	$ 10.1	$ 2.3

[1] Deductions include amounts deemed to reduce exposure of expected losses on premium and accounts receivables and reinsurance recoverable, amounts deemed uncollectible, and amounts related to fluctuations in the foreign currency exchange rate.

Certain items not reported above include the allowance for expected credit losses on mortgage loans, the allowance for credit losses on fixed maturity securities, and the deferred tax asset valuation allowance. See Notes 3 and 9 of the "Notes to Consolidated Financial Statements" contained herein in Item 8 for a discussion of these items.

INDEX TO EXHIBITS

With regard to applicable cross-references in this report, our current, quarterly and annual reports dated on or after May 1, 2003 are filed with the Securities and Exchange Commission under File No. 1-11294 and such reports dated prior to May 1, 2003 are filed with the Securities and Exchange Commission under File No. 1-11834, except as otherwise noted below. Our registration statements have the file numbers noted wherever such statements are identified below.

(2.1)	Master Transaction Agreement, dated December 16, 2020, by and among Provident Life and Accident Insurance Company, The Paul Revere Life Insurance Company, Unum Life Insurance Company of America and Commonwealth Annuity and Life Insurance Company (incorporated by reference to Exhibit 2.1 of Unum Group's Form 8-K filed on December 17, 2020).
(2.2)	Amended and Restated Reinsurance Agreement, dated March 31, 2021, by and between Provident Life and Accident Insurance Company and Commonwealth Annuity and Life Insurance Company (incorporated by reference to Exhibit 2.1 of Unum Group's Form 8-K filed on April 5, 2021). **
(2.3)	Amended and Restated Reinsurance Agreement, dated March 31, 2021, by and between The Paul Revere Life Insurance Company and Commonwealth Annuity and Life Insurance Company (incorporated by reference to Exhibit 2.2 of Unum Group's Form 8-K filed on April 5, 2021). **
(2.4)	Amended and Restated Reinsurance Agreement, dated March 31, 2021, by and between Unum Life Insurance Company of America and Commonwealth Annuity and Life Insurance Company (incorporated by reference to Exhibit 2.3 of Unum Group's Form 8-K filed on April 5, 2021). **
(3.1)	Amended and Restated Certificate of Incorporation of Unum Group, effective May 24, 2018 (incorporated by reference to Exhibit 3.1 of Unum Group's Form 8-K filed on May 25, 2018).
(3.2)	Amended and Restated Bylaws of Unum Group, as amended effective March 4, 2023 (incorporated by reference to Exhibit 3.1 of Unum Group's 8-K filed on March 7, 2023).
(4.1)	Indenture for Senior Debt Securities dated as of March 9, 2001 (incorporated by reference to Exhibit 4.1 of our Registration Statement on Form S-3 (Registration No. 333-100953) filed on November 1, 2002).
(4.2)	Second Supplemental Indenture, dated as of June 18, 2002, between Unum Group and JPMorgan Chase Bank, as Trustee (incorporated by reference to Exhibit 4.2 of our Form 8-K filed on June 21, 2002).
(4.3)	Indenture for Senior Debt Securities, dated as of August 23, 2012, between Unum Group and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 of our Form 8-K filed on August 23, 2012).
(4.4)	First Supplemental Indenture for Senior Debt Securities, between Unum Group and The Bank of New York Mellon Trust Company, N.A. dated as of August 20, 2020 (incorporated by reference to Exhibit 4.4 to Unum Group's Registration Statement on Form S-3ASR (Registration No. 333-248208) filed on August 20, 2020).
(4.5)	Form of 5.75% Senior Note due 2042 (incorporated by reference to Exhibit 4.1 of our Form 8-K filed on August 23, 2012).
(4.6)	Form of 3.875% Senior Note due 2025 (incorporated by reference to Exhibit 4.1 of our Form 8-K filed on November 5, 2015).
(4.7)	Indenture for Subordinated Debt Securities, dated as of May 29, 2018, between Unum Group and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.2 of Unum Group's Form 8-K filed on May 29, 2018).
(4.8)	Form of 6.250% Junior Subordinated Notes due 2058 (incorporated by reference to Exhibit 4.1 of Unum Group's Form 8-K filed on May 29, 2018).
(4.9)	Form of 4.000% Senior Notes due 2029 (incorporated by reference to Exhibit 4.1 of Unum Group's Form 8-K filed on June 13, 2019).
(4.10)	Form of 4.500% Senior Notes due 2049 (incorporated by reference to Exhibit 4.1 of Unum Group's Form 8-K filed on September 11, 2019).
(4.11)	Form of 4.125% Senior Notes due 2051 (incorporated by reference to Exhibit 4.1 of Unum Group's Form 8-K filed on June 14, 2021).
(4.12)	Description of the Company's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.

Certain instruments defining the rights of holders of long-term debt securities of our company and our subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. We hereby undertake to furnish to the Securities and Exchange Commission, upon request, copies of any such instruments.

(10.1)	Agreement between Provident Companies, Inc. and certain subsidiaries and American General Corporation and certain subsidiaries dated as of December 8, 1997 (incorporated by reference to Exhibit 10.18 of Provident Companies Inc.'s Form 10-Q for fiscal quarter ended September 30, 1998).
(10.2)	Form of Change in Control Severance Agreement, effective April 25, 2011 (incorporated by reference to Exhibit 10.3 of our Form 10-K for the fiscal year ended December 31, 2014). *
(10.3)	Form of Change in Control Severance Agreement, effective January 1, 2015 (incorporated by reference to Exhibit 10.4 of our Form 10-K for the fiscal year ended December 31, 2014). *
(10.4)	Form of Change in Control Severance Agreement, effective August 14, 2018 (incorporated by reference to Exhibit 10.5 of our Form 10-K for the fiscal year ended December 31, 2018). *
(10.5)	Unum Group Supplemental Pension Plan, as amended and restated effective January 1, 2010 (incorporated by reference to Exhibit 10.6 of our Form 10-K for the fiscal year ended December 31, 2013). *
(10.6)	First Amendment to the Unum Group Supplemental Pension Plan, effective as of June 17, 2013 (incorporated by reference to Exhibit 10.7 of our Form 10-K for the fiscal year ended December 31, 2013). *
(10.7)	Second Amendment to the Unum Group Supplemental Pension Plan, effective as of December 31, 2013 (incorporated by reference to Exhibit 10.8 of our Form 10-K for the fiscal year ended December 31, 2013). *
(10.8)	Third Amendment to the Unum Group Supplemental Pension Plan, effective as of January 1, 2013 (incorporated by reference to Exhibit 10.8 of our Form 10-K for the fiscal year ended December 31, 2015). *
(10.9)	Fourth Amendment to the Unum Group Supplemental Pension Plan, effective as of January 1, 2021. (incorporated by reference to Exhibit 10.9 of Unum Group's Form 10-K filed on February 17, 2021). *
(10.10)	Administrative Reinsurance Agreement between Provident Life and Accident Insurance Company and Reassure America Life Insurance Company dated to be effective July 1, 2000 (incorporated by reference to Exhibit 10.1 of our Form 8-K filed on March 2, 2001).
(10.11)	Unum Group Amended and Restated Non-Employee Director Compensation Plan of 2004, as amended (incorporated by reference to Exhibit 10.19 of our Form 10-K for the fiscal year ended December 31, 2008). *
(10.12)	California Settlement Agreement (incorporated by reference to Exhibit 10.1 of our Form 8-K filed on October 3, 2005).
(10.13)	Amendment to Regulatory Settlement Agreement (incorporated by reference to Exhibit 10.2 of our Form 8-K filed on October 3, 2005).
(10.14)	Unum Group Stock Incentive Plan of 2007, as amended (incorporated by reference to Exhibit 10.26 of our Form 10-K for the fiscal year ended December 31, 2008). *
(10.15)	Severance Pay Plan for Executive Vice Presidents (EVPs) (incorporated by reference to Exhibit 10.15 of Unum Group’s Form 10-K for the fiscal year ended December 31, 2019). *
(10.16)	Unum Group Stock Incentive Plan of 2012 (incorporated by reference to Appendix A of our Definitive Proxy Statement on Schedule 14A filed on April 12, 2012). *
(10.17)	Unum Group Non-Qualified Defined Contribution Retirement Plan, effective January 1, 2014 (incorporated by reference to Exhibit 10.31 of our Form 10-K for the fiscal year ended December 31, 2013). *
(10.18)	First Amendment to Unum Group Non-Qualified Defined Contribution Retirement Plan, effective as of January 1, 2019. (incorporated by reference to exhibit 10.19 of Unum Group's Form 10-K filed on February 17, 2021). *
(10.19)	Second Amendment to Unum Group Non-Qualified Defined Contribution Retirement Plan, effective as of January 1, 2020 (incorporated by reference to Exhibit 10.20 to Unum Group's Form 10-K filed on February 17, 2021). *
(10.20)	Second Amended and Restated Credit Agreement, dated as of April 15, 2022, among Unum Group, Unum Life Insurance Company of America, Provident Life and Accident Insurance Company, and Colonial Life & Accident Insurance Company, as Borrowers, the Lenders named therein, and Wells Fargo Bank, National Association, as Administrative Agent, L/C Agent, Fronting Bank and Swingline Lender (incorporated by reference to Exhibit 10.1 of Unum Group's Form 8-K filed on April 21, 2022).
(10.21)	First Amendment to Second Amended and Restated Credit Agreement, date d as of November 30, 2023, among Unum Group, Unum Life Insurance Company of America, Provident Life and Accident Insurance Company, and Colonial Life & Accident Insurance Company, as Borrowers, the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders .

(10.22)	Letter Agreement with Richard P. McKenney, dated January 30, 2015 (incorporated by reference to Exhibit 10.1 of our Form 8-K filed on February 3, 2015). *
(10.23)	Severance Agreement between Unum Group and Richard P. McKenney, dated effective as of April 1, 2015 (incorporated by reference to Exhibit 10.2 of our Form 8-K filed on February 3, 2015). *
(10.24)	Amended and Restated Aircraft Time-Sharing Agreement between Unum Group and Richard P. McKenney, dated as of August 9, 2019. (incorporated by reference to Exhibit 10.1 of our Form 10-Q filed on October 30, 2019). *
(10.25)	Unum Group Stock Incentive Plan of 2017 (incorporated by reference to Exhibit A of Unum Group's definitive proxy statement on Schedule 14A filed on April 13, 2017). *
(10.26)	Form of Restricted Stock Unit Agreement with Non-Employee Director for awards under the Unum Group Stock Incentive Plan of 2017 (incorporated by reference to Exhibit 10.2 of Unum Group's Form 8-K filed on May 25, 2017). *
(10.27)	Annual Incentive Plan of Unum Group, amended and restated effective January 1, 2023 (incorporated by reference to Exhibit 10.31 of Unum Group's Form 10-K for the fiscal year ended December 31, 2022). *
(10.28)	Unum Group 2020 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.1 of Unum Group's Form 8-K filed on June 2, 2020). *
(10.29)	Form of Success Incentive Plan Cash Success Unit and Stock Success Unit Agreement with Employee in U.S. (incorporated by reference to Exhibit 10.1 of Unum Group's Form 8-K filed on August 26, 2020). *
(10.30)	Form of Success Incentive Plan Cash Success Unit and Stock Success Unit Agreement with Employee in U.K. (incorporated by reference to Exhibit 10.2 of Unum Group's Form 8-K filed on August 26, 2020). *
(10.31)	Form of Restricted Stock Unit Agreement with Executive in U.S. for awards in 2021 under the Unum Group Stock Incentive Plan of 2017 (incorporated by reference to Exhibit 10.44 of Unum Group's Form 10-K for the fiscal year ended December 31, 2020). *
(10.32)	Form of Restricted Stock Unit Agreement with Executive in U.K. for awards in 2021 under the Unum Group Stock Incentive Plan of 2017 (incorporated by reference to Exhibit 10.45 of Unum Group's Form 10-K for the fiscal year ended December 31, 2020). *
(10.33)	Form of Cash Incentive Unit Agreement (for employee in the U.S.) (incorporated by reference to Exhibit 10.1 of Unum Group's Form 8-K filed on March 2, 2021). *
(10.34)	Form of Cash Incentive Unit Agreement (for employee in the U.K.) (incorporated by reference to Exhibit 10.2 of Unum Group's Form 8-K filed on March 2, 2021). *
(10.35)	Form of Restricted Stock Unit Agreement with Executive in U.S. for awards in 2022 (incorporated by reference to Exhibit 10.44 of Unum Group's Form 10-K for the fiscal year ended December 31, 2021). *
(10.36)	Form of Restricted Stock Unit Agreement with Executive in U.K. for awards in 2022 (incorporated by reference to Exhibit 10.45 of Unum Group's Form 10-K for the fiscal year ended December 31, 2021). *
(10.37)	Form of Cash Incentive Unit Agreement (for employee in the U.S.) for awards in 2022 (incorporated by reference to Exhibit 10.46 of Unum Group's Form 10-K for the fiscal year ended December 31, 2021). *
(10.38)	Form of Cash Incentive Unit Agreement (for employee in the U.K.) for awards in 2022 (incorporated by reference to Exhibit 10.47 of Unum Group's Form 10-K for the fiscal year ended December 31, 2021). *
(10.39)	Unum Group 2022 Stock Incentive Plan (incorporated by reference to Exhibit 99.1 of Unum Group's Registration Statement on Form S-8 (Registration No. 333-265246) filed on May 26, 2022). *
(10.40)	Form of Restricted Stock Unit Agreement with Non-Employee Director for awards under the Unum Group 2022 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of Unum Group's Form 10-Q filed on August 3, 2022). *
(10.41)	Form of Restricted Stock Unit Agreement with Executive in U.S. (incorporated by reference to Exhibit 10.45 of Unum Group's Form 10-K for the fiscal year ended December 31, 2022). *
(10.42)	Form of Restricted Stock Unit Agreement with Executive in U.K. (incorporated by reference to Exhibit 10.46 of Unum Group's Form 10-K for the fiscal year ended December 31, 2022). *
(10.43)	Form of Cash Incentive Unit Agreement (for employee in the U.S.) (incorporated by reference to Exhibit 10.47 of Unum Group's Form 10-K for the fiscal year ended December 31, 2022). *

(10.44)	Form of Cash Incentive Unit Agreement (for employee in the U.K.) for awards in 2023 (incorporated by reference to Exhibit 10.48 of Unum Group's Form 10-K for the fiscal year ended December 31, 2022). *
(10.45)	Form of Restricted Stock Unit Agreement with U.S. Executive - No Retirement Vesting. *
(21)	Subsidiaries of the Registrant.
(23)	Consent of Independent Registered Public Accounting Firm.
(24)	Power of Attorney.
(31.1)	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31.2)	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1)	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2)	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(97)	Unum Group Rule 10D-1 Compensation Recovery (Clawback) Policy, effective November 30, 2023 .
(101)	The following financial statements from Unum Group's Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 20, 2024, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows, (vi) the Notes to Consolidated Financial Statements, (vii) Financial Statement Schedules.
(104)	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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*	Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 15(c) of Form 10-K.
**	Certain confidential information contained in this exhibit has been omitted because it (i) is not material and (ii) would likely cause competitive harm to Unum Group or its subsidiaries if it were to be publicly disclosed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Unum Group

(Registrant)

By: /s/ Richard P. McKenney

Richard P. McKenney

President and Chief Executive Officer

Date: February 20, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Richard P. McKenney Richard P. McKenney	President and Chief Executive Officer and a Director (principal executive officer)	February 20, 2024
/s/ Steven A. Zabel Steven A. Zabel	Executive Vice President, Chief Financial Officer (principal financial officer)	February 20, 2024
/s/ Walter L. Rice, Jr. Walter L. Rice, Jr.	Senior Vice President, Chief Accounting Officer (principal accounting officer)	February 20, 2024

Name	Title	Date
*	Director	February 20, 2024
Theodore H. Bunting, Jr.		
*	Director	February 20, 2024
Susan L. Cross		
*	Director	February 20, 2024
Susan D. DeVore		
*	Director	February 20, 2024
Joseph J. Echevarria		
*	Director	February 20, 2024
Cynthia L. Egan		
*	Director	February 20, 2024
Kevin T. Kabat		
*	Director	February 20, 2024
Timothy F. Keaney		
*	Director	February 23, 2023
Gale V. King		
*	Director	February 20, 2024
Gloria C. Larson		
*	Director	February 20, 2024
Mojgan M. Lefebvre		
*	Director	February 20, 2024
Ronald P. O'Hanley		
* By: /s/ J. Paul Jullienne		February 20, 2024
J. Paul Jullienne		
Attorney-in-Fact		

Exhibit 4.12

DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of the date of this Annual Report on Form 10-K of which this exhibit is a part, we have two classes of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) our common stock, par value $0.10 per share, and (2) our 6.250% junior subordinated notes due 2058.

Except as otherwise indicated or the context otherwise requires, as used in this exhibit, the terms "Company," "we," "us" and "our" mean Unum Group and do not include its subsidiaries.

DESCRIPTION OF COMMON STOCK

The following is a brief description of our common stock. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, which are exhibits to this Annual Report on Form 10-K.

General

Under our amended and restated certificate of incorporation, we are authorized to issue a total of 725,000,000 shares of common stock having a par value of $.10 per share. All outstanding shares of common stock are fully paid and nonassessable. The common stock is listed on the New York Stock Exchange and trades under the symbol "UNM."

Holders of common stock do not have any conversion, redemption, preemptive or cumulative voting rights. In the event of our dissolution, liquidation or winding-up, common stockholders will share ratably in any assets remaining after all creditors are paid in full, including holders of our debt securities, and after the liquidation preference of holders of preferred stock has been satisfied.

Dividends

Holders of common stock are entitled to participate equally in dividends when the board of directors declares dividends on shares of common stock out of funds legally available for dividends. The rights of holders of common stock to receive dividends are subject to the preferences of holders of preferred stock.

Voting Rights

Holders of common stock are entitled to one vote for each share held of record on all matters voted on by stockholders, including the election of directors.

Liquidation Rights

In the event of our liquidation, dissolution or winding-up, holders of common stock have the right to a ratable portion of assets remaining after satisfaction in full of the prior rights of our creditors, all liabilities, and the total liquidation preferences of any outstanding shares of preferred stock.

Certain Provisions That May Have an Anti-Takeover Effect

Our amended and restated certificate of incorporation and amended and restated bylaws, and certain portions of Delaware law, contain certain provisions that may have an anti-takeover effect.

Special Meetings of Stockholders. A special meeting of our stockholders may be called only by the chairman of the board of directors, the chief executive officer, the president, or the lead independent director or by the secretary at the direction of a majority of the board or upon the written request(s) of one or more stockholders of record who own in the aggregate not less than 25% of the total number of outstanding shares of capital stock entitled to vote on the item(s) of business to be brought before the proposed special meeting as of the date of the request(s).

Advance Notice Requirements for Nomination of Directors and Presentation of New Business at Meetings . Our amended and restated bylaws establish advance notice procedures for stockholder proposals concerning

nominations for election to the board of directors and new business to be brought before meetings of stockholders. These procedures require that notice of such stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. To be timely, we must receive the notice at our principal executive offices within certain dates prior to the anniversary date of the annual meeting of stockholders before the one in which the stockholder proposal is to be considered. The notice must contain information required by the amended and restated bylaws. These provisions make it procedurally more difficult for a stockholder to place a proposed nomination or new business proposal on the meeting agenda and therefore may reduce the likelihood that a stockholder will seek to take independent action to replace directors or with respect to other matters that are not supported by management.

Action of Stockholders Without a Meeting. Any action of our stockholders may be taken at a meeting only and may not be taken by written consent.

Delaware Anti-Takeover Law. Section 203 of the Delaware General Corporation Law generally prohibits a publicly held Delaware corporation, such as our company, from engaging in a business combination, such as mergers, sales and leases of assets, issuances of securities and similar transactions by a corporation or subsidiary with an interested stockholder including a person or group who beneficially owns 15% or more of the corporation's voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner.

The provisions described above may discourage attempts by others to acquire control of us without negotiation with our board of directors. This enhances our board of directors' ability to attempt to promote the interests of all of our stockholders. However, to the extent that these provisions make us a less attractive takeover candidate, they may not always be in our best interests or in the best interests of our stockholders. None of these provisions is the result of any specific effort by a third party to accumulate our securities or to obtain control of us by means of merger, tender offer, solicitation in opposition to management or otherwise.

Restriction on Ownership Under Insurance Laws

Most states, including the states in which our insurance company subsidiaries are domiciled, have laws and regulations that require regulatory approval of a change in control of an insurer or an insurer's holding company. Where such laws and regulations apply to us and our insurance company subsidiaries, there can be no effective change in control unless the person seeking to acquire control has filed a statement with specified information with the insurance regulators and has obtained prior approval for the proposed change in control from such regulators. The usual measure for a presumptive change in control pursuant to these laws is the acquisition of 10% or more of the voting stock of an insurance company or its parent, although this presumption is rebuttable. Consequently, a person may not acquire 10% or more of our common stock without the prior approval of the insurance regulators in the states in which we and our insurance company subsidiaries are domiciled.

Transfer Agent and Registrar

The transfer agent and registrar for shares of the common stock is Computershare Investor Services.

DESCRIPTION OF THE 6.250% JUNIOR SUBORDINATED NOTES

The following is a brief description of the material terms of our 6.250% junior subordinated notes due 2058 (the "junior subordinated notes") and the subordinated indenture described below. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the subordinated indenture dated as of May 29, 2018 (the "subordinated indenture"), between us and The Bank of New York Mellon Trust Company, N.A., as trustee (the "trustee"), and the form of junior subordinated notes, which are exhibits to this Annual Report on Form 10-K.

General

We initially issued $300 million aggregate principal amount of junior subordinated notes under the subordinated indenture. The junior subordinated notes were issued only in denominations of $25 and integral multiples of $25 in excess thereof. As of December 31, 2023, $300 million aggregate principal amount of the junior subordinated notes was outstanding.

We listed the junior subordinated notes on the New York Stock Exchange.

The junior subordinated notes will mature on June 15, 2058 (the "maturity date"). The trustee will act as paying agent for the junior subordinated notes.

We may, without the consent of the holders, reopen the series of junior subordinated notes and issue additional junior subordinated notes under the subordinated indenture with the same terms (other than the issue date, the public offering price and, if applicable, the initial interest payment date and initial interest accrual date) and with the same CUSIP number as the junior subordinated notes offered hereby in an unlimited aggregate principal amount, provided that no additional junior subordinated notes may be issued unless they will be fungible with the junior subordinated notes for U.S. federal income tax and securities law purposes.

"business day" means, with respect to the junior subordinated notes, any day other than (i) a Saturday or Sunday, or (ii) a day that in the Borough of Manhattan, The City of New York is either a legal holiday or a day on which the federal or state banking institutions located therein are authorized or obligated by law, executive order or regulation to close.

The junior subordinated notes are not entitled to any sinking fund.

The junior subordinated notes and the subordinated indenture are governed by the laws of the State of New York.

Interest Rate and Interest Rate Payment Dates

The junior subordinated notes bear interest at the annual rate of 6.250%, and we pay accrued interest quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, subject to our rights and obligations under "—Option to Defer Interest Payments". We refer to these dates as "interest payment dates" and we refer to the period from and including May 29, 2018 to but excluding the first interest payment date and each successive period from and including an interest payment date to but excluding the next interest payment date as an "interest period".

Interest payments will be made to the persons or entities in whose names the junior subordinated notes are registered at the close of business on March 1, June 1, September 1 or December 1 (whether or not a business day), as the case may be, immediately preceding the relevant interest payment date. The amount of interest payable for any interest period will be computed on the basis of a 360-day year consisting of twelve 30-day months. In the event that any interest payment date falls on a day that is not a business day, the interest payment due on that date will be postponed to the next day that is a business day, and no additional interest will accrue as a result of that postponement.

Subordination

The junior subordinated notes are unsecured, subordinated and junior in right of payment to all of Unum Group's existing and future senior debt and will rank *pari passu* with all of Unum Group's 7.405% Junior Subordinated Deferrable Interest Debentures, Series A. In addition, the junior subordinated notes are structurally subordinated to any indebtedness of our subsidiaries. As of December 31, 2023, the aggregate amount of indebtedness of our subsidiaries (excluding intercompany liabilities) was approximately $189.7 million.

Upon any distribution to our creditors in a liquidation, dissolution, bankruptcy, insolvency or reorganization, the payment of the principal of, premium, if any, and interest on the junior subordinated notes will be subordinated to the extent provided in the subordinated indenture in right of payment to the prior payment in full of all of Unum Group's senior debt, but our obligation to make payment of the principal of and interest on the junior subordinated notes will not otherwise be affected. No payment of principal, premium, if any, or interest may be made on the junior subordinated notes at any time in the event there shall have occurred and be continuing a default in any payment with respect to senior debt, or an event of default with respect to any senior debt resulting in the acceleration of the maturity thereof, or if any judicial proceeding shall be pending with respect to any such default and we receive notice of the default.

We may resume payments on the junior subordinated notes when the default is cured or waived if the subordination provisions of the subordinated indenture otherwise permit payment at that time. After all senior debt is paid in full and until the junior subordinated notes are paid in full, holders of the junior subordinated notes will be subrogated to the rights of holders of senior debt to the extent that distributions otherwise payable to holders of junior subordinated notes have been applied to the payment of senior debt. By reason of such subordination, in the event of a distribution of assets upon insolvency, certain of Unum Group's general creditors may recover more, ratably, than holders of the junior subordinated notes.

Senior debt is defined as the principal, premium, if any, unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to Unum Group whether or not a claim for post-filing interest is allowed in such proceeding), fees, charges, expenses, reimbursement and indemnification obligations, and all other amounts payable under or in respect of the following, whether any such indebtedness exists as of the date of the subordinated indenture or is created, incurred, assumed or guaranteed after such date:

(1) any debt:

- for money we borrowed, or
- evidenced by a bond, note, debenture, or similar instrument (including purchase money obligations) given in connection with the acquisition of any business, property or assets, whether by purchase, merger, consolidation or otherwise, but shall not include any account payable or other obligation created or assumed in the ordinary course of business in connection with the obtaining of materials or services, or
- which is a direct or indirect obligation which arises as a result of banker's acceptances or bank letters of credit issued to secure our obligations, or to secure the payment of revenue bonds issued for our benefit, whether contingent or otherwise;

(2) any debt of others described in (1) which we have guaranteed or for which we are otherwise liable;

(3) our obligation as lessee under any lease of property which is reflected on our balance sheet as a capitalized lease; and

(4) any deferral, amendment, renewal, extension, supplement or refunding of any liability of the kind described in any of (1), (2), and (3);

except that in computing our indebtedness, the following are not included in such computation:

- any particular indebtedness if, upon or prior to the maturity thereof, there shall have been deposited with a depository in trust money (or evidence of indebtedness if permitted by the instrument creating such indebtedness) in the necessary amount to pay, redeem or satisfy such indebtedness as it becomes due, and the amount so deposited shall not be included in any computation of our assets;
- any indebtedness, obligation or liability referred to in (1) through (4) above as to which, in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such indebtedness, obligation or liability is not superior in right of payment to the junior subordinated notes, or ranks *pari passu* with the junior subordinated notes;
- any indebtedness, obligation or liability which is subordinated to Unum Group's indebtedness to substantially the same extent as or to a greater extent than the junior subordinated notes are subordinated;

- any indebtedness to one of our subsidiaries;
- our 7.405% Junior Subordinated Deferrable Interest Debentures, Series A; and
- the junior subordinated notes.

Optional Redemption

The junior subordinated notes are redeemable at our election on or after June 15, 2023 or within 90 days after the occurrence of certain events prior to June 15, 2023, in each case at the applicable redemption price set forth below and are not subject to any sinking fund or similar provisions.

We may redeem the junior subordinated notes:

- in whole at any time or in part from time to time on or after June 15, 2023 at a redemption price per $25 principal amount of such junior subordinated notes equal to 100% of their principal amount plus accrued and unpaid interest to but excluding the date of redemption; provided that if the junior subordinated notes are not redeemed in whole, at least $25 million aggregate principal amount of the junior subordinated notes, excluding any junior subordinated notes held by Unum Group or any of our affiliates, must remain outstanding after giving effect to such redemption;
- in whole, but not in part, at any time prior to June 15, 2023, within 90 days after the occurrence of a “tax event”, a “regulatory capital event” or a “rating agency event” at a redemption price per $25 principal amount of such junior subordinated notes equal to (i) in the case of a “tax event” or a “regulatory capital event”, 100% of their principal amount or (ii) in the case of a “rating agency event”, 102% of their principal amount, in each case plus accrued and unpaid interest to but excluding the date of redemption.

In either case, such amounts will be calculated by us.

“Tax event” means the receipt by Unum Group of an opinion of independent counsel experienced in such matters to the effect that, as a result of any:

- amendment to or change (including any officially announced proposed change) in the laws or regulations of the United States or any political subdivision or taxing authority of or in the United States that is enacted or effective on or after the initial issuance of the junior subordinated notes;
- official administrative decision or judicial decision or administrative action or other official pronouncement (including a private letter ruling, technical advice memorandum or other similar pronouncement) by any court, government agency or regulatory authority that reflects an amendment to, or change in, the interpretation or application of those laws or regulations that is announced on or after the initial issuance of the junior subordinated notes; or
- threatened challenge asserted in connection with an audit of Unum Group, or a threatened challenge asserted in writing against any taxpayer that has raised capital through the issuance of securities that are substantially similar to the junior subordinated notes, which challenge is asserted against Unum Group or becomes publicly known on or after the initial issuance of the junior subordinated notes;

there is more than an insubstantial increase in the risk that interest payable by Unum Group on the junior subordinated notes is not, or within 90 days of the date of such opinion will not be, deductible by Unum Group, in whole or in part, for U.S. federal income tax purposes; provided that a change of tax law under section 163(j) of the Internal Revenue Code of 1986, as amended (“section 163(j)”) (including any amendment to section 163(j), and any amendment to or the issuance of regulations or another official administrative pronouncement under section 163(j)), shall not give rise to a “tax event” unless, in the opinion of independent counsel experienced in such matters, the change of tax law under section 163(j) limits, defers or prohibits the deduction of interest on the junior subordinated notes in a manner or to an extent different from interest on senior debt obligations of ours by reason of the specific characteristics of the junior subordinated.

“Rating agency event” means that any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Securities Exchange Act of 1934, as amended, that then publishes a rating for Unum Group (a “rating agency”) amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the junior subordinated notes, which amendment, clarification or change results in:

- the shortening of the length of time the junior subordinated notes are assigned a particular level of equity credit by that rating agency as compared to the length of time they would have been assigned that level of equity credit by that rating agency or its predecessor on the initial issuance of the junior subordinated notes; or

- the lowering of the equity credit (including up to a lesser amount) assigned to the junior subordinated notes by that rating agency as compared to the equity credit assigned by that rating agency or its predecessor on the initial issuance of the junior subordinated notes.

"Regulatory capital event" means that we become subject to capital adequacy supervision by a capital regulator and the capital adequacy guidelines that apply to us as a result of being so subject set forth criteria pursuant to which the full principal amount of the junior subordinated notes would not qualify as capital under such capital adequacy guidelines, as we may determine at any time, in our sole discretion.

Notice of any redemption will be mailed at least 30 but not more than 60 days before the redemption date to each holder of record of the junior subordinated notes to be redeemed at its registered address. The notice of redemption for the junior subordinated notes will state, among other things, the amount of the junior subordinated notes to be redeemed, the redemption date, the manner of calculation of the redemption price and the place or places that payment will be made upon presentation and surrender of the junior subordinated notes to be redeemed. If less than all of the junior subordinated notes are to be redeemed at our option, the trustee will select, in a manner it deems fair and appropriate, the junior subordinated notes, or portions of the junior subordinated notes, to be redeemed, or if the junior subordinated notes are in global form, in accordance with the procedures of DTC. Unless we default in the payment of the redemption price, interest will cease to accrue on any junior subordinated notes that have been called for redemption at the redemption date.

We may not redeem the junior subordinated notes in part unless all accrued and unpaid interest, including deferred interest, has been paid in full on all outstanding junior subordinated notes for all interest periods terminating on or before the redemption date.

Neither we nor the trustee will be required (i) to issue, register the transfer of or exchange any junior subordinated notes during a period beginning at the opening of business 15 days before the day of the delivery of a notice to holders of redemption of the junior subordinated notes selected for redemption and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any junior subordinated notes so selected for redemption in whole or in part, except the unredeemed portion of any such junior subordinated notes being redeemed in part.

Option to Defer Interest Payments

So long as no event of default with respect to the junior subordinated notes has occurred and is continuing, we may elect at one or more times to defer payment of interest on the junior subordinated notes for one or more consecutive interest periods that do not exceed five years. We may not defer interest beyond the maturity date, any earlier accelerated maturity date arising from an event of default (which, under the subordinated indenture, is limited to certain events of bankruptcy, insolvency or receivership involving Unum Group) or any other earlier redemption of the junior subordinated notes.

During a deferral period, interest will continue to accrue on the junior subordinated notes, and deferred interest on the junior subordinated notes will bear additional interest at the interest rate, compounded on each interest payment date, subject to applicable law. As used herein, a "deferral period" refers to the period beginning on an interest payment date with respect to which we defer interest and ending on the earlier of (i) the fifth anniversary of that interest payment date and (ii) the next interest payment date on which we have paid all deferred and unpaid amounts (including compounded interest on such deferred amounts) and all other accrued interest on the junior subordinated notes. When we use the term "interest" in this summary, we are referring not only to regularly scheduled interest payments but also to interest on interest payments not paid on the applicable interest payment date.

At the end of five years following the commencement of a deferral period, we must pay all accrued and unpaid deferred interest, including compounded interest. If we have paid all deferred interest (including compounded interest thereon) on the junior subordinated notes, we can again defer interest payments on the junior subordinated notes as described above.

We will give the holders of the junior subordinated notes and the trustee written notice of our election to commence or continue a deferral period at least five and not more than 60 business days before the next interest payment date.

We have no present intention to defer interest payments.

Dividend and Other Payment Stoppages During Deferral Periods and Under Certain Other Circumstances

We have agreed in the subordinated indenture that, so long as any junior subordinated notes remain outstanding, if we have given notice of our election to defer interest payments on the junior subordinated notes but the related deferral period has not yet commenced, or a deferral period is continuing; then we will not, nor will we permit our subsidiaries to:

- declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any shares of our capital stock;
- make any payment of principal of, or interest or premium, if any, on, or repay, purchase or redeem any of our debt securities that rank upon our liquidation on a parity with or junior to the junior subordinated notes; or
- make any guarantee payments regarding any guarantee issued by Unum Group of securities of any of our subsidiaries if the guarantee ranks upon our liquidation on a parity with or junior to the junior subordinated notes.

The restrictions listed above do not apply to:

- any purchase, redemption or other acquisition of shares of our capital stock in connection with:
  - any employment contract, benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors, consultants or independent contractors;
  - the satisfaction of our obligations pursuant to any contract entered into prior to the beginning of the applicable deferral period;
  - a dividend reinvestment or shareholder purchase plan; or
  - the issuance of our capital stock, or securities convertible into or exercisable for such capital stock, as consideration in an acquisition transaction, the definitive agreement for which is entered into prior to the applicable deferral period;
- any exchange, redemption or conversion of any class or series of our capital stock, or the capital stock of one of our subsidiaries, for any other class or series of our capital stock, or of any class or series of our indebtedness for any class or series of our capital stock;
- any purchase of fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of such capital stock or the securities being converted or exchanged;
- any declaration of a dividend in connection with any shareholder rights plan, or the issuance of rights, stock or other property under any shareholder rights plan, or the redemption or purchase of rights pursuant thereto;
- any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock; or
- (i) any payment of current or deferred interest on parity securities that is made pro rata to the amounts due on such parity securities (including the junior subordinated notes) and (ii) any payment of principal or current or deferred interest on parity securities that, if not made, would cause Unum Group to breach the terms of the instrument governing such parity securities.

For the avoidance of doubt, no terms of the junior subordinated notes will restrict in any manner the ability of any of our subsidiaries to pay dividends or make any distributions to us or to any of our other subsidiaries.

Events of Default; Notice and Waiver

An “event of default” with respect to the junior subordinated notes shall occur only upon certain events of bankruptcy, insolvency or receivership involving Unum Group.

The subordinated indenture refers to breaches that are not “events of default” as “defaults”. They include, among other things:

- the failure to pay interest, including compounded interest, in full on any junior subordinated notes for a period of 30 days after the conclusion of a five-year period following the commencement of any deferral period if such deferral period has not ended prior to the conclusion of such five-year period;
- the failure to pay principal of or premium, if any, on the junior subordinated notes when due; or
- a failure to comply with our covenants under the subordinated indenture.

A “default” also includes, for example, a failure to pay interest within 30 days of the relevant interest payment date if we do not give a timely written notice of our election to commence or continue a deferral period. If we do not give a timely written notice of our election to commence or continue a deferral period and fail to pay interest within 30 days of the relevant interest payment date, any holder of junior subordinated notes may seek to enforce our obligation to make the missed interest payment, including through legal process. However, there is no right of acceleration except upon the occurrence of an event of default as described above.

If we do give a timely written notice of our election to commence or continue a deferral period on any interest payment date (and, if such notice continues a deferral period, the deferral period has not continued for five years), then no “default” arises from our non-payment of interest on such interest payment date.

The subordinated indenture provides that the trustee must give holders notice of all defaults or events of default within 90 days after it becomes actually known to a responsible officer of the trustee. However, except in the case of a default in payment on the junior subordinated notes, the trustee will be protected in withholding the notice if its responsible officers determine that withholding of the notice is in the interest of such holders.

If an event of default under the subordinated indenture occurs, the entire principal amount of the junior subordinated notes will automatically become due and payable without any declaration or other action on the part of the trustee or any holder of the junior subordinated notes. There is no right of acceleration in the case of any payment default or other breaches of covenants under the subordinated indenture or the junior subordinated notes.

Notwithstanding the foregoing, in the case of a default in the payment of principal of or interest on the junior subordinated notes including any compound interest (and, in the case of payment of deferred interest, such failure to pay shall have continued for 30 calendar days after the conclusion of the deferral period), the holder of a junior subordinated note may, or if directed by the holders of a majority in principal amount of the junior subordinated notes the trustee shall, subject to the conditions set forth in the subordinated indenture, demand payment of the amount then due and payable and may institute legal proceedings for the collection of such amount if we fail to make payment thereof upon demand.

The holders of a majority in aggregate principal amount of the outstanding junior subordinated notes may waive any past default, except:

- a default in payment of principal or interest; or
- a default under any provision of the subordinated indenture that itself cannot be modified or amended without the consent of the holders of all outstanding junior subordinated notes.

The holders of a majority in principal amount of the junior subordinated notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, subject to the provisions of the subordinated indenture.

The trustee shall have no right or obligation under the subordinated indenture or otherwise to exercise any remedies on behalf of any holders of the junior subordinated notes pursuant to the subordinated indenture in connection with any “default”, unless such remedies are available under the subordinated indenture and the trustee is directed to exercise such remedies by the holders of a majority in principal amount of the junior subordinated notes pursuant to and subject to the conditions of the subordinated indenture. In connection with any such exercise of remedies the trustee shall be entitled to the same immunities and protections and remedial rights (other than acceleration) as if such “default” were an “event of default”.

Actions Not Restricted by the Subordinated Indenture

The subordinated indenture does not contain restrictions on our ability to:

- incur, assume or become liable for any type of debt or other obligation;
- create liens on our property for any purpose; or
- pay dividends or make distributions on our capital stock or purchase or redeem our capital stock, except as set forth under “—Dividend and Other Payment Stoppages During Deferral Periods and Under Certain Other Circumstances” above, or make debt payments on, or purchase, redeem or retire, any senior debt.

The subordinated indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. In addition, the subordinated indenture does not contain any provisions that would require Unum Group to repurchase or redeem or modify the terms of any of the junior subordinated notes upon a change of control or other event involving Unum Group that may adversely affect the creditworthiness of the junior subordinated notes.

Denominations, Transfer and Exchange

The junior subordinated notes are held in the form of one or more global securities registered in the name of Cede & Co., as nominee of DTC, as described below under “— Book-Entry Delivery and Settlement”. The junior subordinated notes were issued only in denominations of $25 and integral multiples of $25 in excess thereof.

Defeasance

The junior subordinated notes are subject to the defeasance and covenant defeasance provisions of the subordinated indenture.

Merger, Consolidation or Sale

We may consolidate with, or sell, lease or otherwise transfer all or substantially all of our assets to, or merge with or into, any other corporation or trust or entity, provided that:

- we are the survivor in the merger, or the survivor, if not us, expressly assumes by supplemental indenture the due and punctual payment of the principal of, and any premium, interest or additional amounts on, all of the outstanding junior subordinated notes and the due and punctual performance and observance of all of the covenants and conditions contained in the subordinated indenture;
- immediately after giving effect to the transaction and treating any indebtedness that becomes an obligation of ours or one of our subsidiaries as a result of the transaction, as having been incurred by us or the subsidiary at the time of the transaction, there is no event of default under the indenture applicable to the junior subordinated notes, and no event which, after notice or the lapse of time, or both, would become an event of default; and
- certain other conditions that are described in the subordinated indenture.

Upon any such consolidation, merger, or sale, the successor corporation formed, or into which we are merged or to which we are sold, shall succeed to, and be substituted for, us under the subordinated indenture.

This covenant would not apply to any recapitalization transaction, change of control of us or a transaction in which we incur a large amount of additional debt unless the transactions or change of control included a merger or

consolidation or transfer of all or substantially all of our assets. There are no covenants or other provisions in the subordinated indenture providing for a put or increased interest or that would otherwise afford holders of the junior subordinated notes additional protection in the event of a recapitalization transaction, a change of control of us or a transaction in which we incur or acquire a large amount of additional debt.

Also, if we merge, consolidate or sell our assets substantially as an entirety and the successor is a non-U.S. entity, neither we nor any successor would have any obligation to compensate you for any resulting adverse tax consequences relating to the junior subordinated notes.

Modification of the Subordinated Indenture

Modification and amendment of the subordinated indenture may be made only with the consent of the holders of not less than a majority in principal amount of all outstanding debt securities issued under the indenture which are affected by the modification or amendment, voting together as one class. However, no modification or amendment may, without the consent of the holder of each debt security affected, including the junior subordinated notes, do any of the following:

- change the stated maturity of the principal of, or any premium, make-whole amount, installment of principal of, interest or additional amounts payable on, any debt security;
- reduce the principal amount of, or the rate or amount of interest on, any premium, make-whole amount payable on redemption of or any additional amounts payable with respect to, any debt security;
- reduce the amount of principal of an original issue discount security, indexed security or any make-whole amount that would be due and payable upon declaration of acceleration of the maturity of an original issue discount security or indexed security, or would be provable in bankruptcy, or adversely affect any right of repayment of the holder of any debt security;
- change the place of payment or the currency or currencies of payment of the principal of, and any premium, make-whole amount, interest or additional amounts on, any debt security;
- impair the right to institute suit for the enforcement of any payment on or with respect to any debt security;
- reduce the percentage of the holders of outstanding debt securities of any series necessary to modify or amend the applicable indenture, to waive compliance with certain provisions thereof or certain defaults and consequences thereunder, or to reduce the quorum or voting requirements contained in the applicable indenture;
- make any change that adversely affects the right to convert or exchange any security or decrease the conversion or exchange rate or increase the conversion or exchange price of any security; or
- modify any of the foregoing provisions or any of the provisions relating to the waiver of certain past defaults or certain covenants, except to increase the required percentage to effect such action or to provide that certain other provisions may not be modified or waived without the consent of the holder of the debt security.

We and the trustee may modify or amend the subordinated indenture, without the consent of any holder of debt securities, for any of the following purposes:

- to evidence the succession of another person to us as obligor under the subordinated indenture;
- to add to the covenants for the benefit of the holders of all or any series of debt securities, including the junior subordinated notes, or to surrender any right or power conferred upon us in the indenture;
- to add events of default for the benefit of the holders of all or any series of debt securities, including the junior subordinated notes;
- to secure the debt securities, including the junior subordinated notes;

- to provide for the acceptance or appointment of a successor trustee or facilitate the administration of the trusts under an indenture by more than one trustee;
- to cure any ambiguity, defect or inconsistency in the subordinated indenture;
- to close the subordinated indenture with respect to the authentication and delivery of additional series of debt securities or to qualify, or maintain qualification of, an indenture under the Trust Indenture Act;
- to supplement any of the provisions of the subordinated indenture to the extent necessary to permit or facilitate defeasance and discharge of any series of the debt securities, including the junior subordinated notes; or
- to make any provisions with respect to the conversion or exchange rights of the holders of any debt securities, including providing for the conversion or exchange of any debt securities, including the junior subordinated notes, into any of our securities or property;

provided that, in each case above, the action does not adversely affect the interests of the holders of the debt securities of any series, including the junior subordinated notes, issued under the subordinated indenture in any material respect.

Book-Entry Delivery and Settlement

Global Notes

We issued the junior subordinated notes in the form of one or more global notes in definitive, fully registered, book-entry form. The global notes were deposited with or on behalf of DTC and registered in the name of Cede & Co., as nominee of DTC.

DTC, Clearstream and Euroclear

Beneficial interests in the global notes are represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may hold interests in the global notes through either DTC (in the United States), Clearstream Banking, société anonyme, Luxembourg, which we refer to as Clearstream, or Euroclear Bank S.A./N.V., as operator of the Euroclear System, which we refer to as Euroclear, in Europe, either directly if they are participants in such systems or indirectly through organizations that are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their U.S. depositaries, which in turn will hold such interests in customers' securities accounts in the U.S. depositaries' names on the books of DTC.

DTC has advised us as follows:

- DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934.
- DTC holds securities that its participants deposit with DTC and facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates.
- Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations.
- DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the Financial Industry Regulatory Authority, Inc.
- Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

- The rules applicable to DTC and its direct and indirect participants are on file with the SEC.

Clearstream has advised us that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream holds securities for its customers and facilitates the clearance and settlement of securities transactions between its customers through electronic book-entry changes in accounts of its customers, thereby eliminating the need for physical movement of certificates. Clearstream provides to its customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depositary, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Section. Clearstream customers are recognized financial institutions around the world, including

underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream customer either directly or indirectly.

Euroclear has advised us that it was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V., which we refer to as the Euroclear Operator, under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation, which we refer to as the Cooperative. All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers, and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear Operator has advised us that it is licensed by the Belgian Banking and Finance Commission to carry out banking activities on a global basis. As a Belgian bank, it is regulated and examined by the Belgian Banking and Finance Commission.

We have provided the descriptions of the operations and procedures of DTC, Clearstream and Euroclear solely as a matter of convenience. These operations and procedures are solely within the control of those organizations and are subject to change by them from time to time. None of us, the underwriters nor the trustee takes any responsibility for these operations or procedures, and you are urged to contact DTC, Clearstream and Euroclear or their participants directly to discuss these matters.

We expect that under procedures established by DTC:

- upon deposit of the global notes with DTC or its custodian, DTC will credit on its internal system the accounts of direct participants designated by the underwriters with portions of the principal amounts of the global notes; and

- ownership of the junior subordinated notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee, with respect to interests of direct participants, and the records of direct and indirect participants, with respect to interests of persons other than participants.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the junior subordinated notes represented by a global note to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in the junior subordinated notes represented by a global note to pledge or transfer those interests to persons or entities that do not participate in DTC's system, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global note, DTC or that nominee will be considered the sole owner or holder of the junior subordinated notes represented by that global note for all purposes under the subordinated indenture and under the junior subordinated notes. Except as provided below, owners of beneficial

interests in a global note will not be entitled to have the junior subordinated notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the subordinated indenture or under the junior subordinated notes for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of junior subordinated notes under the subordinated indenture or a global note.

Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of junior subordinated notes by DTC, Clearstream or Euroclear, or for maintaining, supervising or reviewing any records of those organizations relating to the junior subordinated notes.

Payments on the junior subordinated notes represented by the global notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. We expect that DTC or its nominee, upon receipt of any payment on the junior subordinated notes represented by a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the global note as shown in the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Distributions on the junior subordinated notes held beneficially through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by the U.S. depositary for Clearstream.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Distributions on the junior subordinated notes held beneficially through Euroclear will be credited to the cash accounts of its participants in accordance with the Terms and Conditions, to the extent received by the U.S. depositary for Euroclear.

Clearance and Settlement Procedures

Initial settlement for the junior subordinated notes was made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds. Secondary market trading between Clearstream customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable, and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream customers or Euroclear participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the U.S. depositary; however, such cross-market transactions will require delivery of instructions to the relevant

European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the U.S. depositary to take action to effect final settlement on its behalf by delivering or receiving the junior subordinated notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream customers and Euroclear participants may not deliver instructions directly to their U.S. depositaries.

Because of time-zone differences, credits of the junior subordinated notes received in Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in the junior subordinated notes settled during such processing will be reported to the relevant Clearstream customers or Euroclear participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of the junior subordinated notes by or through a Clearstream customer or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures to facilitate transfers of the junior subordinated notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

Certificated Notes

We will issue certificated notes to each person that DTC identifies as the beneficial owner of the junior subordinated notes represented by a global note upon surrender by DTC of the global note if:

- DTC notifies us that it is no longer willing or able to act as a depositary for such global note or ceases to be a clearing agency registered under the Securities Exchange Act of 1934, and we have not appointed a successor depositary within 90 days of that notice or becoming aware that DTC is no longer so registered;
- an event of default has occurred and is continuing, and DTC requests the issuance of certificated notes; or
- we determine (subject to the procedures of DTC) not to have the junior subordinated notes represented by a global note.

Neither we nor the trustee will be liable for any delay by DTC, its nominee or any direct or indirect participant in identifying the beneficial owners of the junior subordinated notes. We and the trustee may conclusively rely on, and will be protected in relying on, instructions from DTC or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the certificated notes to be issued.

Exhibit 10.21

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIRST AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT, dated as of November 30, 2023 (this "First Amendment"), is made among Unum Group, a Delaware corporation (the "Company"), Unum Life Insurance Company of America, a Maine corporation, Provident Life and Accident Insurance Company, a Tennessee corporation, Colonial Life & Accident Insurance Company, a South Carolina corporation (collectively with the Company, the "Borrowers", and each, a "Borrower"), the lenders party hereto, and Wells Fargo Bank, National Association, as administrative agent for the Lenders (the "Administrative Agent").

RECITALS

A. Reference is hereby made to the Second Amended and Restated Credit Agreement dated as of April 15, 2022 (as amended, restated, amended and restated, supplemented or otherwise modified and in effect prior to the date hereof, the "Existing Credit Agreement"; the Existing Credit Agreement as amended hereby, the "Credit Agreement") among the Borrowers, the lenders and other financial institutions from time to time party thereto (the "Lenders"), and the Administrative Agent. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement.

B. The Borrowers have requested that the Lenders agree to amend certain provisions of the Existing Credit Agreement, and the Lenders are willing to make such amendments to the Existing Credit Agreement, subject to the terms and conditions set forth herein.

STATEMENT OF AGREEMENT

NOW, **THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

AMENDMENTS TO CREDIT AGREEMENT

1.1 Amendments to the Credit Agreement. The Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: **double underlined text**) as set forth on **Exhibit A** attached hereto on and as of the First Amendment Effective Date.

ARTICLE II

CONDITIONS OF EFFECTIVENESS

This First Amendment shall become effective on the date (such date being referred to as the "First Amendment Effective Date") on which each of the following conditions precedent is satisfied:

(a) The Administrative Agent shall have received counterparts of this First Amendment duly executed by each Borrower, the Required Lenders and the Administrative Agent.

(b) The Administrative Agent shall have received a certificate, signed by an Authorized Officer of the Company, certifying that (A) all representations and warranties of the Borrowers contained in the Credit Agreement and the other Credit Documents are true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) as of the First Amendment Effective Date, both immediately before and after giving effect to this First Amendment (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty shall be true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) as of such date), provided that the representations and warranties contained in subsection (a) and (b) of Section 4.12 of the Credit Agreement shall be deemed to refer to the most recent financial statement furnished pursuant to Section 5.1 of the Credit Agreement and (B) no Default or Event of Default has occurred and is continuing, both immediately before and after giving effect to the consummation of the transactions contemplated hereby.

(c) All fees and expenses due to the Administrative Agent pursuant to Section 5.3 hereof shall have been paid, in each case, to the extent invoiced in reasonable detail prior to the date that is two (2) Business Days (or such lesser period as may be reasonably acceptable to the Company) prior to the date hereof.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this First Amendment, the Borrowers represents and warrants to the Administrative Agent and the Lenders as follows:

3.1 Representations and Warranties. Each of the representations and warranties set forth in the Credit Agreement and in the other Credit Documents is true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) on and as of the First Amendment Effective Date, with the same effect as if made on and as of such date, both immediately before and after giving effect to this First Amendment (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty shall be true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) as of such date), provided that the representations and warranties contained in subsection (a) and (b) of Section 4.12 of the Credit Agreement shall be deemed to refer to the most recent financial statement furnished pursuant to Section 5.1 of the Credit Agreement.

3.2 No Default. No Default or Event of Default has occurred and is continuing on the First Amendment Effective Date, both immediately before and after giving effect to this First Amendment.

ARTICLE IV

ACKNOWLEDGEMENT AND CONFIRMATION OF THE BORROWERS

The Borrowers hereby confirm and agree that, after giving effect to this First Amendment, the Credit Agreement and the other Credit Documents remain in full force and effect and enforceable against the Borrowers in accordance with their respective terms and shall

not be discharged, diminished, limited or otherwise affected in any respect, and the amendments contained herein shall not, in any manner, be construed to constitute payment of, or impair, limit, cancel or extinguish, or constitute a novation in respect of, the Obligations of the Borrowers evidenced by or arising under the Credit Agreement and the other Credit Documents, which shall not in any manner be impaired, limited, terminated, waived or released, but shall continue in full force and effect. This acknowledgement and confirmation by the Borrowers is made and delivered to induce the Administrative Agent and the Lenders to enter into this First Amendment, and the Borrowers acknowledge that the Administrative Agent and the Lenders would not enter into this First Amendment in the absence of the acknowledgement and confirmation contained herein.

ARTICLE V

MISCELLANEOUS

5.1 Governing Law. This First Amendment shall be governed by and construed and enforced in accordance with the laws of the State of New York.

5.2 Full Force and Effect. Except as expressly amended hereby, the Credit Agreement shall continue in full force and effect in accordance with the provisions thereof on the date hereof. As used in the Credit Agreement, "hereinafter," "hereto," "hereof," and words of similar import shall, unless the context otherwise requires, mean the Credit Agreement after amendment by this First Amendment. Any reference to the Credit Agreement or any of the other Credit Documents herein or in any such documents shall refer to the Credit Agreement and Credit Documents as amended hereby. This First Amendment is limited as specified and shall not constitute or be deemed to constitute an amendment, modification or waiver of any provision of the Credit Agreement except as expressly set forth herein. This First Amendment shall constitute a Credit Document under the terms of the Credit Agreement.

5.3 Expenses. The Borrowers agree (i) to pay all reasonable and documented fees and expenses of counsel to the Administrative Agent, and (ii) to reimburse the Administrative Agent for all reasonable and documented out-of-pocket expenses, in each case, in connection with the preparation, negotiation, execution and delivery of this First Amendment and the other Credit Documents delivered in connection herewith.

5.4 Severability. To the extent any provision of this First Amendment is prohibited by or invalid under the applicable law of any jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity and only in any such jurisdiction, without prohibiting or invalidating such provision in any other jurisdiction or the remaining provisions of this First Amendment in any jurisdiction.

5.5 Successors and Assigns. This First Amendment shall be binding upon, inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties hereto.

5.6 Construction. The headings of the various sections and subsections of this First Amendment have been inserted for convenience only and shall not in any way affect the meaning or construction of any of the provisions hereof.

5.7 Counterparts; Electronic Execution. This First Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to this First Amendment or any

document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this First Amendment or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention.

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IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

UNUM GROUP

By: /s/ Benjamin Katz
Name: Benjamin Katz
Title: Vice President, Treasurer

UNUM LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Benjamin Katz
Name: Benjamin Katz
Title: Vice President, Treasurer

PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY

By: /s/ Benjamin Katz
Name: Benjamin Katz
Title: Vice President, Treasurer

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

By: /s/ Benjamin Katz
Name: Benjamin Katz
Title: Vice President, Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, L/C Agent, the Fronting Bank, Swingline Lender, and as a Lender

By: /s/ Jason Hafener
Name: Jason Hafener
Title: Managing Director

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Austin Bennett
Name: Austin Bennett
Title: Vice President

TRUIST BANK, as successor by merger to SunTrust Bank, as Lender

By: /s/ Michael J. Landry
Name: Michael J. Landry
Title: Director

BANK OF AMERICA, N.A., as Lender

By: /s/ Daniel Chapman
Name: Daniel Chapman
Title: Vice President

CITIBANK, N.A., as Lender

By: /s/ Robert Chesley
Name: Robert Chesley
Title: Vice President &
Managing Director

U.S. BANK, NATIONAL ASSOCIATION, as Lender

By: /s/ Kyle Rinderle
Name: Kyle Rinderle
Title: Vice President

THE BANK OF NEW YORK MELLON, as Lender

By: /s/ Yadilsa Fernandez
Name: Yadilsa Fernandez
Title: Director

GOLDMAN SACHS BANK USA, as Lender

By: /s/ Dan Martis
Name: Dan Martis
Title: Authorized Signatory

CREDIT SUISSE AG, NEW YORK BRANCH, as Lender

By: /s/ Doreen Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Heesu Sin
Name: Heesu Sin
Title: Authorized Signatory

REGIONS BANK, as Lender

By: /s/ Travis Lovell
Name: Travis Lovell
Title: Managing Director

FIFTH THIRD BANK, NATIONAL ASSOCIATION, as Lender

By: /s/ Darius C. Scott
Name: Darius C. Scott
Title: Vice President

BARCLAYS BANK PLC, as Lender

By: /s/ Warren Veech III
Name: Warren Veech III
Title: Vice President

PNC BANK, N.A., as Lender

By: /s/ Kathleen J. McClure
Name: Kathleen J. McClure
Title: VP-UW

Exhibit A

Amended Credit Agreement

See Attached.

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

among

UNUM GROUP,
UNUM LIFE INSURANCE COMPANY OF AMERICA,
PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY, and
COLONIAL LIFE & ACCIDENT INSURANCE COMPANY
as Borrowers,

THE LENDERS NAMED HEREIN,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, L/C Agent, Fronting Bank and Swingline Lender

BANK OF AMERICA, N.A.,
and
JPMORGAN CHASE BANK, N.A.,
as Co-Syndication Agents

and

CITIBANK, N.A.,
CREDIT SUISSE AG, NEW YORK BRANCH,
GOLDMAN SACHS BANK USA,
THE BANK OF NEW YORK MELLON,
and
U.S. BANK NATIONAL ASSOCIATION
as Co-Documentation Agents,

$500,000,000 Revolving Credit Facility

WELLS FARGO SECURITIES, LLC,
BOFA SECURITIES, INC.
and
JPMORGAN CHASE BANK, N.A.
as Joint Lead Arrangers and Joint Bookrunners

BOFA SECURITIES, INC.
as Sustainability Structuring Agent

Dated as of April 15, 2022

as amended by Amendment No. 1, dated November 30, 2023.

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS

1.1 Defined Terms 1
1.2 Accounting Terms; GAAP and SAP 27
1.3 Other Terms; Construction 27
1.4 Divisions 28
1.5 Rates 28

ARTICLE II
AMOUNT AND TERMS OF THE CREDIT

2.1 Commitments 29
2.2 Borrowing 29
2.3 Disbursements; Funding Reliance; Domicile of Loans 31
2.4 Evidence of Debt; Notes 32
2.5 Letters of Credit 33
2.6 Termination and Reduction of Commitments and Swingline Commitment 42
2.7 Mandatory Payments and Prepayments 43
2.8 Voluntary Prepayments 43
2.9 Interest 44
2.10 Fees 45
2.11 [Reserved] 46
2.12 Conversions and Continuations 46
2.13 Method of Payments; Computations; Apportionment of Payments 47
2.14 Recovery of Payments 49
2.15 Use of Proceeds 49
2.16 Pro Rata Treatment 49
2.17 Increased Costs; Change in Circumstances; Illegality 50
2.18 Taxes 54
2.19 Compensation 57
2.20 Replacement of Lenders; Mitigation of Costs 58
2.21 Increase in Commitments 59
2.22 Defaulting Lenders 61
2.23 Extension of Commitment Termination Date 64
2.24 Additional Borrowers 66
2.25 Termination of Subsidiary Borrowers 66
2.26 ESG Amendment 67
2.27 Sustainability Structuring Agent 67

ARTICLE III
CONDITIONS PRECEDENT

3.1 Conditions Precedent to the Closing Date 66
3.2 Conditions to All Credit Extensions 68

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

4.1 Corporate Organization and Power 69
4.2 Authorization; Enforceability 69
4.3 No Violation 70
4.4 Governmental and Third-Party Authorization; Permits 70
4.5 Insurance Licenses 70
4.6 Litigation 71
4.7 Taxes 71
4.8 Subsidiaries 71

TABLE OF CONTENTS
(Continued)

Page

4.9 Full Disclosure 71
4.10 Margin Regulations 72
4.11 No Material Adverse Effect 72
4.12 Financial Matters 72
4.13 Ownership of Properties 73
4.14 ERISA 73
4.15 Compliance with Laws 73
4.16 Investment Company Act 73
4.17 Insurance 74
4.18 Senior Debt Status 74
4.19 Anti-Corruption Laws; Anti-Money Laundering Laws and Sanctions 74

ARTICLE V
AFFIRMATIVE COVENANTS

5.1 Financial Statements 74
5.2 Other Business and Financial Information 76
5.3 Maintenance of Existence; Conduct of Business 77
5.4 Compliance with Laws 77
5.5 Payment of Obligations 77
5.6 Insurance 78
5.7 Maintenance of Books and Records; Inspection 78
5.8 Compliance with Anti-Corruption Laws; Beneficial Ownership Regulation, Anti-Money Laundering Laws and Sanctions 78

ARTICLE VI
FINANCIAL COVENANTS

6.1 Maximum Consolidated Indebtedness to Total Capitalization 79
6.2 Minimum Consolidated Net Worth 79

ARTICLE VII
NEGATIVE COVENANTS

7.1 Fundamental Changes 79
7.2 Subsidiary Indebtedness 80
7.3 Liens 81
7.4 Restricted Payments 82
7.5 Transactions with Affiliates 83
7.6 Lines of Business 83
7.7 Fiscal Year 83
7.8 Accounting Changes 83

ARTICLE VIII
EVENTS OF DEFAULT

8.1 Events of Default 83
8.2 Remedies: Termination of Commitments, Acceleration, etc 86
8.3 Remedies; Set-Off 86

ARTICLE IX
THE ADMINISTRATIVE AGENT

9.1 Appointment and Authority 87
9.2 Rights as a Lender 87
9.3 Exculpatory Provisions 87
9.4 Reliance by Administrative Agent 88

Page

9.5 Delegation of Duties 88
9.6 Resignation of Administrative Agent 89
9.7 Non-Reliance on Administrative Agent and Other Lenders 89
9.8 Administrative Agent May File Proofs of Claim 90
9.9 Issuing Bank and Swingline Lender 90
9.10 No Other Duties, etc 90
9.11 Lender ERISA Matters 90
9.12 Erroneous Payments 91

ARTICLE X
MISCELLANEOUS

10.1 Expenses; Indemnity; Damage Waiver 93
10.2 Governing Law; Submission to Jurisdiction; Waiver of Venue; Service of Process 95
10.3 Waiver of Jury Trial 96
10.4 Notices; Effectiveness; Electronic Communication 96
10.5 Amendments, Waivers, etc 97
10.6 Successors and Assigns 98
10.7 No Waiver 102
10.8 Survival 103
10.9 Severability 103
10.10 Construction 103
10.11 Confidentiality 103
10.12 Counterparts; Integration; Effectiveness; Electronic Execution 104
10.13 No Fiduciary Relationship Established By Credit Documents 105
10.14 Judgment Currency 105
10.15 Disclosure of Information 106
10.16 Acknowledgement and Consent to Bail-In of Affected Financial Institutions 106
10.17 PATRIOT Act Notice 106
10.18 Amendment and Restatement; No Novation 106
10.19 Acknowledgement Regarding Any Supported QFCs 107

TABLE OF CONTENTS
(Continued)

Page

ARTICLE XI
THE GUARANTY

11.1 The Guaranty 108

[SIGNATURE PAGES FOLLOW]

EXHIBITS

Exhibit A-1 Form of Note
Exhibit A-2 Form of Syndicated Letter of Credit
Exhibit B-1 Form of Notice of Borrowing
Exhibit B-2 Form of Notice of Swingline Borrowing
Exhibit B-3 Form of Notice of Conversion/Continuation
Exhibit C Form of Compliance Certificate
Exhibit D Form of Assignment and Assumption
Exhibit E Form of Financial Condition Certificate
Exhibit F Form of Lender Joinder Agreement
Exhibit G-1 Form of U.S. Tax Certificate (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit G-2 Form of U.S. Tax Certificate (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit G-3 Form of U.S. Tax Certificate (For Non-U.S. Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit G-4 Form of U.S. Tax Certificate (For Non-U.S. Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit H-1 Form of Additional Borrower Joinder Agreement
Exhibit H-2 Form of Subsidiary Borrower Termination Notice

SCHEDULES

Schedule 1.1(a) Commitments and Notice Addresses
Schedule 4.5 Licenses
Schedule 4.8 Subsidiaries
Schedule 7.2 Indebtedness
Schedule 7.3 Liens

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT , dated as of the 15th day of April, 2022~~.~~ (and amended by Amendment No. 1 on November 30, 2023), is made among **UNUM GROUP**, a Delaware corporation (the "Company"), **UNUM LIFE INSURANCE COMPANY OF AMERICA**, a Maine corporation, **PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY**, a Tennessee corporation, and **COLONIAL LIFE & ACCIDENT INSURANCE COMPANY**, a South Carolina corporation (collectively with the Company and any Additional Borrowers, the "Borrowers" and each, a "Borrower"), the Lenders (as hereinafter defined), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as Administrative Agent, L/C Agent, the Fronting Bank and Swingline Lender.

BACKGROUND STATEMENT

The Company, the Administrative Agent, L/C Agent, Fronting Bank, Swingline Lender and the Lenders are parties to that certain Amended and Restated Credit Agreement, dated as of April 29, 2019 (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Credit Agreement"), providing for a $500,000,000 revolving credit facility for the Company. The Company desires that the Existing Credit Agreement be amended and restated in its entirety in order to, among other things, join certain of its Subsidiaries as Borrowers hereunder, and to extend the maturity thereof. The Administrative Agent, L/C Agent, Fronting Bank, Swingline Lender and the Lenders have agreed to amend and restate the Existing Credit Agreement, on the terms and conditions set forth in this Agreement. This Agreement constitutes a continuation, and not a novation, of the Existing Credit Agreement as amended and restated hereby.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual provisions, covenants and agreements herein contained, the parties hereto hereby agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Defined Terms. For purposes of this Agreement, in addition to the terms defined elsewhere herein, the following terms have the meanings set forth below (such meanings to be equally applicable to the singular and plural forms thereof):

"Account Designation Letter" means a letter from the applicable Borrower to the Administrative Agent, duly completed and signed by an Authorized Officer of the applicable Borrower and in form and substance reasonably satisfactory to the Administrative Agent, listing any one or more accounts to which such Borrower may from time to time request the Administrative Agent to forward the proceeds of any Loans made hereunder.

"Additional Borrower" has the meaning assigned thereto in **Section 2.24**.

"Additional Borrower Joinder Agreement" has the meaning assigned thereto in **Section 2.24**.

"Additional Commitment Lender" has the meaning assigned thereto in **Section 2.23(a)(iii)**.

"Additional Lender" has the meaning given to such term in **Section 2.21(a).**

"Adjusted Base Rate" means, at any time with respect to any Base Rate Loan, a rate per annum equal to the Base Rate as in effect at such time plus the Applicable Percentage for Base Rate Loans in effect at such time.

"Adjusted Term SOFR" means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"Administrative Agent" means Wells Fargo, in its capacity as administrative agent appointed under **Section 9.1**, or any successor administrative agent.

"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Administrative Agent to each Lender.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. Notwithstanding the foregoing, neither the Administrative Agent, the Issuing Banks nor any Lender shall be deemed an "Affiliate" of any Borrower.

"Agent Parties" has the meaning given to such term in **Section 10.4(c)**.

"Aggregate Credit Exposure" means, at any time, the sum of (i) the aggregate principal amount of Revolving Loans outstanding at such time, (ii) the aggregate Letter of Credit Exposure of all Lenders at such time and (iii) the aggregate principal amount of Swingline Loans outstanding at such time.

"Agreement" means this Second Amended and Restated Credit Agreement, as amended by Amendment No. 1.

"Agreement Currency" has the meaning given to such term in **Section 10.14**.

"Amendment No. 1" means the First Amendment to this Agreement, dated as of November 30, 2023.

"Annual Statement" means, with respect to any Insurance Subsidiary, the annual financial statements of such Person as required to be filed with any Insurance Regulatory Authority of competent jurisdiction, prepared in conformity with SAP and in accordance with the laws of such jurisdiction, together with all exhibits, schedules, certificates and actuarial opinions required to be filed or delivered therewith.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Company and its Subsidiaries (including the Securitization Subsidiary and its Wholly Owned Subsidiaries) concerning or relating to money laundering, bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder and the U.K. Bribery Act 2010 and the rules and regulations thereunder.

"Anti-Money Laundering Laws" means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to the Company or its Subsidiaries (including the Securitization Subsidiary and its Wholly Owned Subsidiaries) related to terrorism financing or money laundering, including any applicable provision of the PATRIOT Act and The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act," 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

"Applicable Percentage" means, from time to time, the following percentages per annum, based on the Debt Rating as set forth below:

Pricing Level	Debt Rating (S&P / Moody's)	Commitment Fee	Letter of Credit Fee	SOFR Loans	Base Rate Loans
I	A-/A3 and above	0.125%	1.000%	1.125%	0.125%
II	BBB+/Baa1	0.150%	1.125%	1.250%	0.250%
III	BBB/Baa2	0.175%	1.250%	1.375%	0.375%
IV	BBB-/Baa3	0.225%	1.375%	1.625%	0.625%
V	BB+/Ba1 and below	0.275%	1.625%	1.875%	0.875%

"Approved Fund" means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender, or (iii) a Person (or an Affiliate of a Person) that administers or manages a Lender.

"Arrangers" means Wells Fargo Securities, LLC, BofA Securities, Inc. and JPMorgan Chase Bank, N.A.

"Assignment and Assumption" means an Assignment and Assumption entered into by a Lender and an Eligible Assignee (with the consent of any Person whose consent is required by **Section 10.6(b)**), and accepted by the Administrative Agent, in substantially the form of **Exhibit D** or any other form approved by the Administrative Agent.

"Authorized Officer" means, with respect to any action specified herein to be taken by or on behalf of a Borrower, the chief executive officer, chief financial officer, treasurer or any other officer of such Borrower duly authorized by resolution of its board of directors or other governing body to take such action on its behalf, and whose signature and incumbency shall have been certified to the Administrative Agent by the secretary or an assistant secretary of such Borrower.

"Availability Period" means the period from and including the Closing Date to but excluding the Commitment Termination Date.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to **Section 2.17(f)(iv)**.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom,

Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Code" means 11 U.S.C. §§ 101 et seq., and all regulations from time to time promulgated thereunder.

"Bankruptcy Event" means the occurrence of an Event of Default pursuant to **Section 8.1(f)** or **Section 8.1(g)**.

"Base Rate" means the highest of (i) the per annum interest rate publicly announced from time to time by Wells Fargo to be its prime commercial lending rate (which may not necessarily be its lowest or best lending rate), as adjusted to conform to changes as of the opening of business on the date of any such change in such prime rate, (ii) the Federal Funds Rate plus 0.5% per annum, as adjusted to conform to changes as of the opening of business on the date of any such change in the Federal Funds Rate, and (iii) Adjusted Term SOFR for a one-month tenor in effect on such day plus 1%; each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the prime rate (as determined pursuant to clause (i)), the Federal Funds Rate or Adjusted Term SOFR, as applicable (provided that clause (iii) shall not be applicable during any period in which Adjusted Term SOFR is unavailable or unascertainable). Notwithstanding the foregoing, in no event shall the Base Rate be less than 1.0%.

"Base Rate Loan" means, at any time, any Loan that bears interest at such time at the applicable Adjusted Base Rate.

"Base Rate Term SOFR Determination Day" has the meaning assigned thereto in the definition of "Term SOFR".

"Benchmark" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to **Section 2.17(f)(i)**.

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate Benchmark rate that has been selected by the Administrative Agent and the Company giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment, if any; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Credit Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, if any, or method for calculating or determining such spread adjustment, if any (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Company giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Start Date" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with **Section 2.17(f)(i)** and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with **Section 2.17(f)(i)**.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 CFR § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" has the meaning given to such term in **Section 10.19(b).**

"Borrower" or "Borrowers" has the meaning given to such term in the introductory paragraph hereof.

"Borrower Materials" has the meaning given to such term in **Section 5.1(d)**.

"Borrowing" means the incurrence by a Borrower (including as a result of conversions and continuations of outstanding Loans pursuant to **Section 2.12**) on a single date of a group of Loans pursuant to**Section 2.2** of a single Type (or a Swingline Loan made by the Swingline Lender) and, in the case of SOFR Loans, as to which a single Interest Period is in effect.

"Borrowing Date" means, with respect to any Borrowing, the date upon which such Borrowing is made.

"Business Day" means any day that is not a Saturday, Sunday or other day on which the Federal Reserve Bank of New York is closed.

"Capital Lease" means, with respect to any Person, any lease of property (whether real, personal or mixed) by such Person as lessee that is or is required to be, in accordance with GAAP, recorded as a finance lease on such Person's balance sheet.

"Capital Lease Obligations" means, with respect to any Person, the obligations of such Person to pay rent or other amounts under any Capital Lease of such Person, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Collateral Account" has the meaning given to such term in **Section 2.5(f)**.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Bank(s) and the Lenders, as collateral for the Letter of Credit Exposure or obligations of Lenders to fund participations in respect of Letter of Credit Exposure, cash or deposit account balances or, if the Administrative Agent, the applicable Borrowers and the applicable Issuing Banks shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent, each applicable Borrower and each applicable Issuing Bank. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalents" means (i) securities issued or unconditionally guaranteed or insured by the United States or any agency or instrumentality thereof, backed by the full faith and credit of the United States and maturing within one year from the date of acquisition, (ii) commercial paper issued by any

Person organized under the laws of the United States, maturing within 180 days from the date of acquisition and, at the time of acquisition, having a rating of at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody's, (iii) time deposits and certificates of deposit maturing within 270 days from the date of issuance and issued by a bank or trust company organized under the laws of the United States or any state thereof (y) that has combined capital and surplus of at least $500,000,000 or (z) that has (or is a subsidiary of a bank holding company that has) a long-term unsecured debt rating of at least A or the equivalent thereof by S&P or at least A2 or the equivalent thereof by Moody's, (iv) repurchase obligations with a term not exceeding 30 days with respect to underlying securities of the types described in clause (i) above entered into with any bank or trust company meeting the qualifications specified in clause (iii) above, (v) money market funds at least 95% of the assets of which are continuously invested in securities of the foregoing types and (vi) investments of a type substantially similar to the foregoing approved by the Administrative Agent.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law, regardless of the date enacted, adopted or issued.

"Closing Date" has the meaning given to such term in **Section 3.1**.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commitment" means, with respect to any Lender at any time, the commitment of such Lender to make Loans to the Borrowers, to Issue and/or participate in Letters of Credit, and to participate in Swingline Loans for the account of the Borrowers in an aggregate principal amount up to the amount set forth opposite such Lender's name on **Schedule 1.1(a)** under the caption "Commitment" or, if such Lender has entered into one or more Assignment and Assumptions, the amount set forth for such Lender at such time in the Register maintained by the Administrative Agent pursuant to **Section 10.6(c)** as such Lender's "Commitment," in either case, as such amount may be reduced or increased at or prior to such time pursuant to the terms hereof.

"Commitment Fee" has the meaning given to such term in **Section 2.10(a).**

"Commitment Increase" has the meaning given to such term in **Section 2.21(a).**

"Commitment Increase Date" has the meaning given to such term in **Section 2.21(c).**

"Commitment Termination Date" means April 15, 2027, as such date may be extended from time to time with respect to any Lender pursuant to **Section 2.23(a)** (or if such day is not a Business Day, the immediately preceding Business Day), or such earlier date of termination of the Commitments pursuant to **Section 2.6** or **Section 8.2**.

"Company" has the meaning given such term in the introductory paragraph hereof.

"Compliance Certificate" means a fully completed and duly executed certificate in the form of **Exhibit C**, together with a Covenant Compliance Worksheet.

"Conforming Changes" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of

"Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of **Section 2.19** and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Indebtedness" means, at any time, the aggregate Indebtedness of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP; provided, however, that, for purposes of calculating the financial covenants set forth in **Article VI**, Consolidated Indebtedness shall not include (i) the obligation of the Company or any Insurance Subsidiary under letters of credit to the extent undrawn supporting the liability of the Company or such Insurance Subsidiary in respect of any Primary Policy or Reinsurance Agreement underwritten by such Subsidiary or supporting the obligations of any Subsidiary in its capacity as a reinsurer under any Reinsurance Agreement with respect to credit for reinsurance, (ii) the obligations of the Company or any of its Subsidiaries under any Hybrid Equity Securities, but solely to the extent treated as equity by S&P and to the extent that the total book value of such Hybrid Equity Securities does not exceed 15% of Total Capitalization, (iii) Securitization Indebtedness, and (iv) the obligations of the Company or any Subsidiary (A) to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities (or other property) (including repurchase agreements and securities lending transactions constituting a borrowing of funds by the Company or any Subsidiary in the ordinary course of business for liquidity purposes) or (B) to return collateral consisting of securities arising out of or in connection with the loan by the Company or its Subsidiaries of securities owned or held by the Company or its Subsidiaries; and provided further that only the net termination obligations of the Company and any trust or other special purpose entity created by the Company under any Hedge Agreements shall be included as Consolidated Indebtedness. For the purpose of calculating Consolidated Indebtedness, Hybrid Equity Securities shall be treated in a manner consistent with S&P's treatment of such Hybrid Equity Securities as of the later of (x) the date of such Hybrid Equity Securities' issuance or (y) the Closing Date.

"Consolidated Net Worth" means, at any time, the consolidated stockholders' equity of the Company and its Subsidiaries determined in accordance with GAAP and as reflected on the consolidated financial statements of the Company and its Subsidiaries excluding (i) any accumulated other comprehensive income balance according to FASB Accounting Standards Codification 220, (ii) all amounts in respect of any change in the fair value of embedded derivatives associated with funds withheld or modified coinsurance arrangements, (iii) any Disqualified Equity Interests, and (iv) the amount of the capital associated with the non-recourse debt of the Securitization Subsidiary owned, directly or indirectly, by the Company.

"Control" means, with respect to any Person, the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "Controlled" and "Controlling" have correlative meanings.

"Covenant Compliance Worksheet" means a fully completed worksheet in the form of **Attachment A** to **Exhibit C**.

"Covered Entity." has the meaning given to such term in **Section 10.19(b).**

"Covered Party" has the meaning assigned thereto in Section **10.19(a).**

"Credit Documents" means this Agreement, the Notes, the Letter of Credit Documents, the Fee Letter, each Additional Borrower Joinder Agreement and all other agreements, instruments, documents and certificates now or hereafter executed and delivered to the Administrative Agent or any Lender by or on behalf of any Borrower with respect to this Agreement.

"Credit Exposure" means, with respect to any Lender at any time, the sum of (i) the aggregate principal amount of all Loans made by such Lender that are outstanding at such time, (ii) such Lender's Swingline Exposure at such time and (iii) such Lender's Letter of Credit Exposure at such time.

"Credit Extension" means any of the following: (i) a Borrowing and (ii) the Issuance of any Letter of Credit.

"Debt Rating" means, with respect to the Company as of any date of determination, the rating as determined by S&P and Moody's (collectively, the "Debt Ratings") of the Company's non-credit-enhanced, senior unsecured long-term debt; provided that (i) if the respective Debt Ratings issued by the foregoing rating agencies differ by one Pricing Level (as referenced in the table set forth in the definition of "Applicable Percentage"), then the Pricing Level for the higher of such Debt Ratings shall apply (with the Debt Rating for Pricing Level I being the highest and the Debt Rating for Pricing Level V being the lowest); (ii) if there is a split in Debt Ratings of more than one Pricing Level, then the Pricing Level that is one level lower than the Pricing Level of the higher Debt Rating shall apply; (iii) if the Company has only one Debt Rating, the Pricing Level that is one level lower than that of such Debt Rating shall apply; and (iv) if the Company does not have any Debt Rating, Pricing Level V shall apply.

"Debtor Relief Laws" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, rehabilitation, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that, with the passage of time or giving of notice, or both, would constitute an Event of Default.

"Defaulting Lender" means, subject to **Section 2.22(b)**, any Lender that (i) has failed to (x) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrowers in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (y) pay to the Administrative Agent, the L/C Agent, any Issuing Bank, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of participations in Letters of Credit or Swingline Loans and funding obligations under Syndicated Letters of Credit) within two Business Days of the date when due, (ii) has notified the Borrowers, the Administrative Agent, any Issuing Bank or the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (iii) has failed, within three Business Days after written request by the Administrative Agent or any Borrower, to confirm in writing to the Administrative Agent and such Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (iii) upon receipt of such written confirmation by the Administrative Agent and such Borrower), or (iv) has, or has a direct or indirect parent company that (x) has become the subject of a proceeding under any Debtor Relief Law, (y) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (z) has become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the

United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (i) through (iv) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to **Section 2.22(b)**) upon delivery of written notice of such determination to the Borrowers, the Fronting Bank, the Swingline Lender and each Lender.

"Default Right" has the meaning given to such term in **Section 10.19(b).**

"Disqualified Equity Interest" means, with respect to any Person, any Equity Interest of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event or otherwise, (i) matures or is mandatorily redeemable or subject to any mandatory repurchase requirement, pursuant to a sinking fund obligation or otherwise, (ii) is redeemable or subject to any mandatory repurchase requirement at the sole option of the holder thereof, or (iii) is convertible into or exchangeable for (whether at the option of the issuer or the holder thereof) (y) debt securities or (z) any Equity Interest referred to in clause (i) or (ii) above, in each case under clause (i), (ii) or (iii) above at any time on or prior to the first anniversary of the Final Maturity Date; provided, however, that only the portion of any Equity Interest that so matures or is mandatorily redeemable, is so redeemable at the option of the holder thereof, or is so convertible or exchangeable on or prior to such date shall be deemed to be a Disqualified Equity Interest.

"Dollars" or "$" means dollars of the United States.

"Domestic Insurance Subsidiary" means any Domestic Subsidiary that is also an Insurance Subsidiary.

"Domestic Subsidiary" means any Subsidiary of the Company that is organized under the laws of the United States, any state thereof or the District of Columbia.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Record" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Electronic Signature" has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under **Sections 10.6(b)(i)**, **(iii)**, **(v)** and **(vi)** (subject to such consents, if any, as may be required under **Section 10.6(b)(i)** and **(iii)**).

"Environmental Claim" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, allegations, notices of noncompliance or violation, investigations by a Governmental Authority, or proceedings (including, without limitation, administrative, regulatory and judicial proceedings) relating in any way to any Hazardous Substance, any actual or alleged violation

of or liability under any Environmental Law or any permit issued, or any approval given, under any Environmental Law (collectively, "claims"), including, without limitation, (i) any and all claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from any Hazardous Substance or arising from alleged injury or threat of injury to human health or the environment; provided, however, with respect to any such claims, a Unum Party shall have either been served with legal process or otherwise shall have received written notice of such claims.

"Environmental Laws" means any and all federal, state and local laws, statutes, ordinances, rules, regulations, permits, licenses, approvals, rules of common law and orders of courts or Governmental Authorities, relating to the protection of human health, occupational safety with respect to exposure to Hazardous Substances, or the environment, now or hereafter in effect, including, without limitation, requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Substances.

"Equity Interests" means, with respect to any Person, shares of capital stock of, or any partnership, membership, limited liability company, trust or other ownership or profit interests in, such Person, together with (i) warrants, options or other rights for the purchase or other acquisition from such Person of any of the foregoing, (ii) securities convertible into or exchangeable for any of the foregoing or warrants, options or other rights for the purchase or other acquisition from such Person of any such securities, and (iii) any other ownership or profit interests in such Person, in each case, whether voting or nonvoting, and whether or not any of the foregoing are authorized or otherwise existing on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and all rules and regulations from time to time promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with any Unum Party, is treated as (i) a single employer under Section 414(b), (c), (m) or (o) of the Code or Section 4001(a)(14) of ERISA.

"ERISA Event" means any of the following: (i) a "reportable event" as defined in Section 4043(c) of ERISA with respect to a Plan or, if any Unum Party or any ERISA Affiliate has received notice, a Multiemployer Plan, for which the requirement to give notice has not been waived by the PBGC (provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code shall be considered a "reportable event" regardless of the issuance of any waiver), (ii) the application by any Unum Party or any ERISA Affiliate for a funding waiver pursuant to Section 412 of the Code, (iii) the incurrence by any Unum Party or any ERISA Affiliate of any Withdrawal Liability, or the receipt by any Unum Party or any ERISA Affiliate of notice from a Multiemployer Plan that it is insolvent pursuant to Section 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA, (iv) the distribution by any Unum Party or any ERISA Affiliate under Section 4041 or 4041A of ERISA of a notice of intent to terminate any Plan or the taking of any action to terminate any Plan, (v) the commencement of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by any Unum Party or any ERISA Affiliate of a notice from any Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan, (vi) the institution of a proceeding by any fiduciary of any Multiemployer Plan against any Unum Party or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days, (vii) the imposition upon any Unum Party or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, or the imposition or threatened imposition of any Lien upon any assets of any Unum Party or any ERISA Affiliate as a result of any alleged failure to comply with the Code or ERISA with respect to any Plan, or (viii) the engaging in or otherwise becoming liable for a Prohibited Transaction by any Unum Party or any ERISA Affiliate.

"Erroneous Payment" has the meaning assigned thereto in **Section 9.12(a)**.

"Erroneous Payment Deficiency Assignment" has the meaning assigned thereto in **Section 9.12(d)**.

"Erroneous Payment Return Deficiency" has the meaning assigned thereto in **Section 9.12(d)**.

"ESG" has the meaning set forth in **Section 2.26**.

"ESG Amendment" has the meaning set forth in **Section 2.26**.

"ESG Pricing Provisions" has the meaning set forth in **Section 2.26**.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Event of Default" has the meaning given to such term in **Section 8.1**.

"Exchange Act" means the Securities Exchange Act of 1934, and all rules and regulations from time to time promulgated thereunder.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (x) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (y) that are Other Connection Taxes; (ii) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (x) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Company under **Section 2.20**) or (y) such Lender changes its Lending Office, except in each case to the extent that, pursuant to**Section 2.18**, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office; (iii) Taxes attributable to such Recipient's failure to comply with **Section 2.18(f)**; and (iv) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Commitment Termination Date" has the meaning assigned thereto in **Section 2.23(a)**.

"Existing Credit Agreement" has the meaning given to such term in the Background Statement.

"Existing Letters of Credit" means those letters of credit issued and outstanding under the Existing Credit Agreement as of the Closing Date and continued under this Agreement as Letters of Credit issued hereunder.

"Extension Date" has the meaning assigned thereto in **Section 2.23(a)**.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that if such rate is not so published for any day which is a Business Day, the Federal Funds Rate for such day shall be the average of the quotation for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by the Administrative Agent.

Notwithstanding the foregoing, if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"FRB" means the Board of Governors of the Federal Reserve System.

"Fee Letter" means the fee letter dated as of March 22, 2022 between the Company, the Administrative Agent and Wells Fargo Securities, LLC with respect to fees payable in connection with this Agreement.

"Final Expiry Date" means the date when the Final Maturity Date has occurred, all Letters of Credit have expired with no pending drawings or terminated and all Obligations owing hereunder and in the other Credit Documents have been indefeasibly paid in full.

"Final Maturity Date" means the first anniversary of the Commitment Termination Date.

"Financial Condition Certificate" means a fully completed and duly executed certificate in the form of **Exhibit E**.

"Financial Officer" means, with respect to any Borrower, the chief executive officer, chief financial officer, chief investment officer or treasurer of such Borrower.

"fiscal quarter" means a fiscal quarter of the Company and its Subsidiaries.

"fiscal year" means a fiscal year of the Company and its Subsidiaries.

"Floor" means a rate of interest equal to 0%.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than the United States, each state thereof or the District of Columbia.

"Fronting Bank" means Wells Fargo, in its capacity as an issuer of Participated Letters of Credit.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (i) with respect to the Fronting Bank, such Defaulting Lender's Letter of Credit Exposure with respect to Letters of Credit issued by the Fronting Bank other than such portion of such Defaulting Lender's Letter of Credit Exposure as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (ii) with respect to the Swingline Lender, such Defaulting Lender's Swingline Exposure with respect to outstanding Swingline Loans made by the Swingline Lender other than Swingline Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funding Agreement" means any funding agreement issued by the Company or any Subsidiary, provided that such funding agreement is eligible for treatment as a funding agreement, rather than borrowed money, pursuant to both GAAP and SAP.

"GAAP" means generally accepted accounting principles in the United States as in effect from time to time (subject to the provisions of **Section 1.2**).

"Guarantor" means the Company, in its capacity as the Guarantor under **Article XI**.

"Guaranty" means the undertakings by the Company under **Article XI**.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body (including any insurance regulatory authority), self-regulatory body, court, arbitrator, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guaranty Obligation" means, with respect to any Person, at the time of determination, any direct or indirect liability of such Person with respect to any Indebtedness, liability or other obligation (the "primary obligation") of another Person (the "primary obligor"), whether or not contingent, (i) to purchase, repurchase or otherwise acquire such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or provide funds (y) for the payment or discharge of any such primary obligation or (z) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor (including, without limitation, keep well agreements, maintenance agreements, comfort letters or similar agreements or arrangements), (iii) to lease or purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor in respect thereof to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss or failure or inability to perform in respect thereof; provided, however, that, with respect to the Company and its Subsidiaries, the term Guaranty Obligation shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guaranty Obligation of any guaranteeing Person hereunder shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made and (b) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guaranty Obligation, unless such primary obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of such Guaranty Obligation shall be such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as determined by such guaranteeing Person in good faith.

"Hazardous Substance" means any substance or material meeting any one or more of the following criteria: (i) it is or contains a substance designated as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law, (ii) it is toxic, explosive, corrosive, ignitable, infectious, radioactive, mutagenic or otherwise hazardous to human health or the environment and is or becomes regulated by any Governmental Authority, (iii) its presence may require investigation or response under any Environmental Law, (iv) it constitutes a nuisance, trespass or health or safety hazard to Persons or neighboring properties, or (v) it is or contains, without limiting the foregoing, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or wastes, crude oil, nuclear fuel, natural gas or synthetic gas.

"Hedge Agreement" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, emission rights, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Historical Statutory Statements" has the meaning given to such term in **Section 4.12(b)**.

"Hybrid Equity Securities" shall mean any hybrid preferred securities consisting of trust preferred securities, deferrable interest subordinated debt securities, mandatory convertible debt or other hybrid securities that are shown on the consolidated financial statements of the Company as liabilities and (i) treated at least partially as equity by S&P, and (ii) that, by its terms (or by the terms of any security into which it is convertible for or which it is exchangeable) or upon the happening of any event or otherwise, does not mature or is not mandatorily redeemable or is not subject to any mandatory repurchase requirement, at any time on or prior to the date which is six months after the Final Maturity Date.

"Increasing Lender" has the meaning given to such term in **Section 2.21(a).**

"Indebtedness" means, with respect to any Person, at the time of determination (without duplication), (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments, or upon which interest payments are customarily made, (iii) the maximum stated or face amount of all surety bonds, letters of credit and bankers' acceptances issued or created for the account of such Person and, without duplication, all drafts drawn thereunder (to the extent unreimbursed), (iv) all obligations of such Person to pay the deferred purchase price of property or services (excluding trade payables incurred in the ordinary course of business), (v) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (vi) all Capital Lease Obligations of such Person, (vii) all Disqualified Equity Interests issued by such Person, with the amount of Indebtedness represented by such Disqualified Equity Interests being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, (viii) the principal balance outstanding and owing by such Person under any synthetic lease, tax retention operating lease or similar off-balance sheet financing product, (ix) all Guaranty Obligations of such Person with respect to Indebtedness of another Person, (x) the net termination obligations of such Person under any Hedge Agreements, calculated as of any date as if such agreement or arrangement were terminated as of such date, and (xi) all indebtedness of the types referred to in clauses (i) through (x) above (A) of any partnership or unincorporated joint venture in which such Person is a general partner or joint venturer to the extent such Person is liable therefor or (B) secured by any Lien on any property or asset owned or held by such Person regardless of whether or not the indebtedness secured thereby shall have been incurred or assumed by such Person or is nonrecourse to the credit of such Person, the amount thereof being equal to the value of the property or assets subject to such Lien, provided that, Indebtedness shall not include payment or performance guaranties by any Unum Party of the obligations of any Insurance Subsidiary under Primary Policies, Reinsurance Agreements or Retrocession Agreements which are entered into in the ordinary course of business. For the avoidance of doubt, ~~notes~~debt issued by a special purpose trust or other special purpose entity formed solely to hold Funding Agreements and to issue funding agreement backed ~~notes~~debt shall not be deemed to be Indebtedness of the Company or any of its Subsidiaries for purposes of this Agreement if the obligations in connection with such ~~notes~~debt are non-recourse with respect to the Company and its Subsidiaries (other than the Insurance Subsidiary that issued any such Funding Agreements to the extent of the obligations under such Funding Agreements).

"Indemnified Taxes" means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Borrower under any Credit Document and (ii) to the extent not otherwise described in clause (i), Other Taxes.

"Indemnitee" has the meaning given to such term in **Section 10.1(b)**.

"Insurance Regulatory Authority" means, with respect to any Insurance Subsidiary or any Borrower, the insurance department or similar Governmental Authority charged with regulating insurance companies or insurance holding companies, in its jurisdiction of domicile and, to the extent that it has regulatory authority over such Insurance Subsidiary, in each other jurisdiction in which such Insurance Subsidiary conducts business or is licensed to conduct business.

"Insurance Subsidiary" means any Subsidiary of the Company the ability of which to pay dividends is regulated by an Insurance Regulatory Authority or that is otherwise required to be regulated thereby in accordance with the Requirements of Law of its jurisdiction of domicile.

"Interest Period" means, as to any SOFR Loan, the period commencing on the date such SOFR Loan is disbursed or converted to or continued as a SOFR Loan and ending on the numerically corresponding day in the calendar month that is one (1), three (3) or six (6) months thereafter, in each case as selected by the applicable Borrower in its Notice of Borrowing or Notice of Conversion/Continuation and subject to availability; provided that:

(a) the Interest Period shall commence on the date of advance of or conversion to any SOFR Loan and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(b) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(c) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period;

(d) no Interest Period shall extend beyond the Commitment Termination Date; and

(e) no tenor that has been removed from this definition pursuant to **Section 2.17(f)(iv)** shall be available for specification in any Notice of Borrowing or Notice of Conversion/Continuation.

"Invested Assets" means cash, Cash Equivalents, short term investments, investments held for sale and any other assets which are treated as investments under GAAP.

"IRS" means the United States Internal Revenue Service.

"ISP" means the International Standby Practices of the International Chamber of Commerce, as in effect from time to time.

"Issue" means, with respect to any Letter of Credit, to issue, to amend, to extend the expiry of, or to increase the Stated Amount of, such Letter of Credit; and the terms "Issued", "Issuing" and "Issuance" have correlative meanings.

"Issuing Bank" means (i) with respect to any Participated Letter of Credit, the Fronting Bank and (ii) with respect to a Syndicated Letter of Credit, the Lenders who have Issued such Syndicated Letter of Credit.

"Judgment Currency" has the meaning given to such term in **Section 10.14**.

"KPIs" has the meaning set forth in **Section 2.25**.

"L/C Advance" has the meaning given to such term in **Section 2.5(b)(vi)**.

"L/C Agent" means Wells Fargo.

"L/C Disbursement" means (i) with respect to any Participated Letter of Credit, a payment made by the Fronting Bank pursuant thereto and (ii) with respect to any Syndicated Letter of Credit, a payment made by an Issuing Bank pursuant thereto.

"L/C Disbursement Date" means, with respect to each L/C Disbursement made under any Letter of Credit, if the applicable Borrower receives notice from the Administrative Agent of any L/C

Disbursement prior to 2:00 p.m. on any Business Day, such Business Day and if such notice is received after 2:00 p.m. on any Business Day, the following Business Day.

"L/C Reimbursement Amount" has the meaning given to such term in **Section 2.5(a)(vii)**.

"Lender" means each Person signatory hereto as a "Lender" and each other Person that becomes a "Lender" hereunder pursuant to **Section 2.20(a)** or **Section 10.6**.

"Lender Joinder Agreement" means a joinder agreement in the form of **Exhibit F**.

"Lending Office" means, with respect to any Lender, the office of such Lender designated by it as such in such Lender's Administrative Questionnaire or in connection with an Assignment and Assumption, or such other office as may be otherwise designated in writing from time to time by such Lender to the Company and the Administrative Agent. A Lender may designate separate Lending Offices as provided in the foregoing sentence for the purposes of making or maintaining different Types of Loans and Letters of Credit, and such office may be a domestic or foreign branch or Affiliate of such Lender.

"Letter of Credit" means any standby letter of credit Issued hereunder, whether Issued as a Syndicated Letter of Credit or Participated Letter of Credit, and "Letters of Credit" means all of the foregoing.

"Letter of Credit Documents" means, with respect to any Letter of Credit, collectively, any application therefor and any other agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit.

"Letter of Credit Exposure" means, at any time for each Lender, such Lender's Ratable Share of thesum of (i) the aggregate Stated Amount of all outstanding Letters of Credit and (ii) the aggregate amount of all outstanding Reimbursement Obligations at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.13 or Rule 3.14 of the ISP, or any similar rule or law to which the Letter of Credit is subject or any similar express term of the Letter of Credit, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Letter of Credit Fee" has the meaning given to such term in **Section 2.10(b)**.

"Letter of Credit Notice" means a Syndicated Letter of Credit Notice or a Participated Letter of Credit Notice, as the context may require.

"Letter of Credit Sublimit" means $100,000,000 or, if less, the aggregate Commitments at the time of determination, as such amount may be reduced at or prior to such time pursuant to the terms hereof, it being understood that the Letter of Credit Sublimit is part of, and not in addition to, the aggregate Commitments.

"Licenses" has the meaning given to such term in **Section 4.5**.

"Lien" means any mortgage, pledge, hypothecation, assignment, security interest, lien (statutory or otherwise), charge or other encumbrance of any nature, whether voluntary or involuntary, including, without limitation, the interest of any vendor or lessor under any conditional sale agreement, title retention agreement, Capital Lease or any other lease or arrangement having substantially the same effect as any of the foregoing.

"Loans" shall mean any or all of the Revolving Loans and the Swingline Loans.

"Margin Stock" has the meaning given to such term in Regulation U.

"Material Adverse Effect" means a material adverse effect upon (i) the business, assets, liabilities (actual or contingent), operations, or financial condition of the Company and its Subsidiaries, taken as a whole, (ii) the ability of any Borrower to perform its payment or other material obligations under this Agreement or any of the other Credit Documents or (iii) the legality, validity or enforceability of this Agreement or any of the other Credit Documents or the rights and remedies of the Administrative Agent and the Lenders hereunder and thereunder.

"Material Subsidiaries" means, collectively, each Subsidiary of the Company that is a "significant subsidiary" as such term is defined in Regulation S-X, excluding the Securitization Subsidiary.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA to which any Unum Party or any ERISA Affiliate makes, is making or is obligated to make contributions or has made or been obligated to make contributions.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment to any Credit Document that (i) requires the approval of all Lenders (or all Lenders directly affected thereby) in accordance with the terms of **Section 10.5** and (ii) has been approved by the Required Lenders.

"Non-Extending Lender" has the meaning assigned thereto in **Section 2.23(a)(i)**.

"Note" means any promissory note of any Borrower in the form of **Exhibit A-1** prepared in accordance with **Section 2.4(d)**.

"Notice Date" has the meaning assigned thereto in **Section 2.23(a)(i)**.

"Notice of Borrowing" has the meaning given to such term in **Section 2.2(a)**.

"Notice of Conversion/Continuation" has the meaning given to such term in **Section 2.12(b)**.

"Notice of Swingline Borrowing" has the meaning given to such term in **Section 2.2(c)**.

"Obligations" means all principal of and interest (including interest and fees accruing after the filing of a petition or commencement of a case by or with respect to any Borrower seeking relief under any applicable Debtor Relief Laws, whether or not the claim for such interest and fees is allowed in such proceeding) on the Loans and Reimbursement Obligations and all fees, expenses, indemnities and other obligations owing, due or payable at any time by any Borrower to the Administrative Agent, the L/C Agent, any Issuing Bank, the Swingline Lender, any Lender or any other Person entitled thereto, under this Agreement or any of the other Credit Documents, in each case whether direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, and whether existing by contract, operation of law or otherwise.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Operating Indebtedness" of any Person means, at any date, any Indebtedness of such Person that is excluded from financial leverage by both of S&P and Moody's in their evaluation of such Person.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to **Section 2.20(a)**).

"Outstanding Loans" has the meaning given to such term in **Section 2.21(e).**

"Overnight Rate" means, for any day, the greater of (a) the Federal Funds Rate and (b) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

"Participant" has the meaning given to such term in **Section 10.6(e)**.

"Participant Register" has the meaning given to such term in **Section 10.6(e)**.

"Participated L/C Honor Date" has the meaning given to such term in **Section 2.5(b)(v)**.

"Participated Letter of Credit Notice" has the meaning given to such term in **Section 2.5(b)(ii)**.

"Participated Letter of Credit Sublimit" means $30,000,000 or, if less, the aggregate Commitments at the time of determination, as such amount may be reduced at or prior to such time pursuant to the terms hereof, it being understood that the Participated Letter of Credit Sublimit is part of, and not in addition to, the aggregate Commitments.

"Participated Letters of Credit" means Letters of Credit Issued by the Fronting Bank under **Section 2.5(b)(i)**.

"PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act) of 2001, and all rules and regulations from time to time promulgated thereunder.

"Payment Office" means the office of the Administrative Agent designated on **Schedule 1.1(a)** under the heading "Instructions for wire transfers to the Administrative Agent," or such other office as the Administrative Agent may designate to the Lenders and the Borrowers for such purpose from time to time.

"Payment Recipient" has the meaning assigned thereto in **Section 9.12(a)**.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Periodic Term SOFR Determination Day" has the meaning assigned thereto in the definition of "Term SOFR".

"Permitted Liens" has the meaning given to such term in **Section 7.3**.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any "employee pension benefit plan" within the meaning of Section 3(2) of ERISA that is subject to the provisions of Title IV of ERISA (other than a Multiemployer Plan) and to which any Unum Party or any ERISA Affiliate may have any liability.

"Platform" means SyndTrak or another similar secure electronic system to which each of the Administrative Agent and each Lender has access without charge.

"Primary Policies" means any insurance policies issued by an Insurance Subsidiary.

"Prohibited Transaction" means any transaction described in (i) Section 406 of ERISA that is not exempt by reason of Section 408 of ERISA or by reason of a Department of Labor prohibited transaction individual or class exemption or (ii) Section 4975(c) of the Code that is not exempt by reason of Section 4975(c)(2) or 4975(d) of the Code.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning given to such term in **Section 5.1(d)**.

"QFC" has the meaning given to such term in **Section 10.19(b).**

"Quarterly Statement" means, with respect to any Insurance Subsidiary, the quarterly financial statements of such Person as required to be filed with any Insurance Regulatory Authority of competent jurisdiction, prepared in conformity with SAP and in accordance with the laws of such jurisdiction, together with all exhibits, schedules, certificates and actuarial opinions required to be filed or delivered therewith.

"Ratable Share" of any amount means, at any time for each Lender, a percentage obtained by dividing such Lender's Commitment at such time by the aggregate Commitments then in effect, provided that, if the Commitment Termination Date has occurred, the Ratable Share of each Lender shall be determined by dividing such Lender's Credit Exposure by the Aggregate Credit Exposure as of any date of determination.

"Recipient" means (i) the Administrative Agent, (ii) any Lender and (iii) any Issuing Bank, as applicable.

"Refunded Swingline Loans" has the meaning given to such term in **Section 2.2(d)**.

"Register" has the meaning given to such term in **Section 10.6(d)**.

"Regulations D, T, U and X" mean Regulations D, T, U and X, respectively, of the FRB, and any successor regulations.

"Reimbursement Obligations" means the obligation of each Borrower to reimburse the applicable Issuing Banks and the Lenders for any payment made by such Issuing Banks and the Lenders under, or in respect of, any Letter of Credit issued for the account of such Borrower, together with interest thereon payable as provided herein.

"Reinsurance Agreement" means any agreement, contract, treaty, policy, certificate or other arrangement whereby any reinsurer agrees to assume from or reinsure an insurer or reinsurer all or part of the liability of such insurer or reinsurer under a policy or policies of insurance issued by such insurer or reinsurer.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the FRB or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB or the Federal Reserve Bank of New York, or any successor thereto.

"Required Lenders" means, (a) prior to the Commitment Termination Date, Lenders having Commitments representing more than 50% of the aggregate Commitments at such time, or (b) on and after the Commitment Termination Date, the Lenders holding outstanding Credit Exposure (excluding

Swingline Loans), representing more than 50% of the Aggregate Credit Exposure at such time. The Commitment of, and the portion of the outstanding Credit Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Requirement of Law" means, with respect to any Person, any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject or otherwise pertaining to any or all of the transactions contemplated by this Agreement and the other Credit Documents.

"Resignation Effective Date" has the meaning given to such term in **Section 9.6(a)**.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means, with respect to any Borrower, the president, the chief executive officer, the chief financial officer, any executive officer, or any other Financial Officer of such Borrower, and any other officer or similar official thereof directly responsible for the administration of the obligations of such Borrower in respect of this Agreement or any other Credit Document.

"Retrocession Agreement" means any agreement, treaty, certificate or other arrangement whereby any Subsidiary cedes to another insurer all or part of such Subsidiary's liability under a policy or policies of insurance reinsured by such Subsidiary.

"Revolving Loans" has the meaning given to such term in **Section 2.1(a)**.

"S&P" means Standard & Poor's Financial Services LLC, a part of McGraw-Hill Financial.

"Sanctioned Country" means at any time, a country, region or territory which is itself (or whose government is) the subject or target of any Sanctions.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including OFAC's Specially Designated Nationals and Blocked Persons List and OFAC's Consolidated Non-SDN List), the U.S. Department of State, the United Nations Security Council, the European Union, ~~Her~~His Majesty's Treasury, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) and (b), including a Person that is deemed by OFAC to be a Sanctions target based on the ownership of such legal entity by Sanctioned Person(s).

"Sanctions" means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and restrictions and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, ~~Her~~His Majesty's Treasury, or other relevant sanctions authority with jurisdiction over any Lender, any Borrower or any of the Company's Subsidiaries or Affiliates.

"SAP" means, with respect to any Insurance Subsidiary or the Company, the statutory accounting practices prescribed or permitted by the relevant Insurance Regulatory Authority of its jurisdiction of domicile, consistently applied and maintained, as in effect from time to time, subject to the provisions of **Section 1.2**.

"Securitization" means any securitization or monetization arrangement involving the Securitization Subsidiary with respect to obligations arising out of or relating to Securitized Assets.

"Securitization Indebtedness" means Indebtedness for borrowed money of the Securitization Subsidiary incurred in connection with a Securitization; provided that such Indebtedness is recourse only to the assets of such Securitization Subsidiary.

"Securitization Subsidiary" means Northwind Holdings, LLC, so long as Northwind Holdings, LLC is engaged in securitization transactions.

"Securitized Assets" means Primary Policies, Reinsurance Agreements and Retrocession Agreements.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Loan" means any Loan bearing interest at a rate based on Adjusted Term SOFR as provided in **Section 2.9(a)**.

"Stated Amount" means, with respect to any Letter of Credit at any time, the aggregate amount available to be drawn thereunder at such time (regardless of whether any conditions for drawing could then be met); provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Letter of Credit Document related thereto, provides for one or more automatic increases in the amount available to be drawn thereunder, the Stated Amount of such Letter of Credit shall be deemed to be the maximum amount available to be drawn thereunder after giving effect to all such increases, whether or not such maximum amount is in effect at such time.

"Subsidiary" means, with respect to any Person, any corporation or other Person of which more than 50% of the outstanding Equity Interests having ordinary voting power to elect a majority of the board of directors, board of managers or other governing body of such Person, is at the time, directly or indirectly, owned or controlled by such Person and one or more of its other Subsidiaries or a combination thereof (irrespective of whether, at the time, securities of any other class or classes of any such corporation or other Person shall or might have voting power by reason of the happening of any contingency). When used without reference to a parent entity, the term "Subsidiary" shall be deemed to refer to a Subsidiary of the Company. The term "Subsidiary" excludes (i) the Securitization Subsidiary and its Wholly Owned Subsidiary, except as expressly set forth herein, and (ii) any special purpose trust or other special purpose entity formed solely to hold Funding Agreements and to issue funding agreement backed ~~notes~~debt.

"Subsidiary Borrower" has the meaning given to such term in **Section 2.25**.

"Subsidiary Borrower Termination Notice" has the meaning given to such term in **Section 2.25**.

"Sustainability Structuring Agent" means BofA Securities, Inc. in its capacity as Sustainability Structuring Agent.

"Swingline Commitment" means the lesser of (i) $50,000,000 and (ii) the Unutilized Commitment of Wells Fargo.

"Swingline Exposure" means, with respect to any Lender at any time, its maximum aggregate liability to make Refunded Swingline Loans pursuant to **Section 2.2(d)** to refund, or to purchase participations pursuant to **Section 2.2(e)** in, Swingline Loans that are outstanding at such time.

"Swingline Lender" means Wells Fargo in its capacity as maker of Swingline Loans.

"Swingline Loans" has the meaning given to such term in **Section 2.1(b)**.

"Syndicated L/C Honor Date" has the meaning given to such term in **Section 2.5(a)(vii)**.

"Syndicated Letter of Credit Notice" has the meaning given to such term in **Section 2.5(a)(ii)**.

"Syndicated Letters of Credit" means Letters of Credit Issued under **Section 2.5(a)(i)**, which shall be substantially in the form of **Exhibit A-2** or in such other form as may be agreed upon by the applicable Borrower and the L/C Agent.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means,

(a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "Base Rate Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate SOFR Determination Day.

"Term SOFR Adjustment" means a percentage equal to 0.10% per annum.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Total Capitalization" means, as of any date of determination, the sum of (i) Consolidated Net Worth as of such date, (ii) Consolidated Indebtedness (but excluding any Hybrid Equity Securities) as of such date and (iii) the obligations of any Unum Party under any Hybrid Equity Securities as of such date.

"Total Voting Power" means, with respect to any Person, the total number of votes which may be cast in the election of directors of such Person at any meeting of shareholders of such Person if all securities entitled to vote in the election of directors of such Person (on a fully diluted basis, assuming the exercise, conversion or exchange of all rights, warrants, options and securities exercisable for, exchangeable for or convertible into, such voting securities) were present and voted at such meeting (other than votes that may be cast only upon the happening of a contingency).

"Type" means with respect to a Loan, its character as a Base Rate Loan or a SOFR Loan.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Unfunded Pension Liability" means, with respect to any Plan, the excess of its benefit liabilities under Section 4001(a)(16) of ERISA over the current value of its assets, determined in accordance with the applicable assumptions used for funding under Section 412 of the Code, each as reported in the most recent annual report for such Plan.

"United States" and "U.S." mean the United States of America.

"Unum Parties" means, collectively, the Company and the Company's Subsidiaries.

"Unutilized Commitment" means, at any time for each Lender, such Lender's Commitment less the sum of (i) the outstanding principal amount of Loans made by such Lender (ii) such Lender's Swingline Exposure and (iii) such Lender's Letter of Credit Exposure.

"Unutilized Swingline Commitment" means, with respect to the Swingline Lender at any time, the Swingline Commitment at such time less the aggregate principal amount of all Swingline Loans that are outstanding at such time.

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities; provided, that for purposes of notice requirements in **Sections 2.2(a), 2.8(a),** and **2.12(b)**, in each case, such day is also a Business Day.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in **Section 2.18(g)(ii)(B)(3)**.

"Wells Fargo" means Wells Fargo Bank, National Association.

"Wells Notice" means, with respect to any Person, a written notice by the staff of the Securities and Exchange Commission (the "SEC") to the effect that the staff has completed an investigation of such Person and intends to recommend that the SEC take enforcement action against such Person in respect of alleged securities laws violations.

"Wholly Owned" means, with respect to any Subsidiary of any Person, that 100% of the outstanding Equity Interests of such Subsidiary is owned, directly or indirectly, by such Person.

"Withholding Agent" means the applicable Borrower or the Administrative Agent.

"Write-Down and Conversion Powers" means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers

are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Accounting Terms; GAAP and SAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP or SAP, as the context requires, each as in effect from time to time; provided that, if the Company notifies the Administrative Agent that it requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or SAP, as the case may be, or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or SAP, as the case may be, or in the application thereof, then such provision shall be interpreted on the basis of GAAP or SAP, as the case may be, as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities and any other accounting rule to the contrary shall be disregarded.

1.3 Other Terms; Construction.

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein or in any other Credit Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns permitted hereunder, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Credit Document, shall be construed to refer to such Credit Document in its entirety and not to any particular provision thereof, (iv) all references in a Credit Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Credit Document in which such references appear, (v) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) All references to IRS Forms shall be deemed to include any successor form to any such IRS Form.

(c) All references herein to the Lenders or any of them shall be deemed to include the Fronting Bank, the Issuing Banks and the Swingline Lender unless specifically provided otherwise or unless the context otherwise requires.

(d) Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.4 Divisions. For all purposes under this Agreement, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if

any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

1.5 Rates. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR, or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to **Section 2.17(f)**, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrowers. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE II

AMOUNT AND TERMS OF THE CREDIT

2.1 Commitments.

(a) Each Lender severally agrees, subject to and on the terms and conditions of this Agreement, to make loans (each, a "Revolving Loan," and collectively, the "Revolving Loans") to the Borrowers from time to time on any Business Day during the Availability Period; provided that no Lender shall be obligated to make any Revolving Loan if, immediately after giving effect thereto (and to any concurrent repayment of Swingline Loans with proceeds of Revolving Loans made pursuant to such Borrowing), (x) the Credit Exposure of any Lender would exceed its Commitment at such time or (y) the Aggregate Credit Exposure would exceed the aggregate Commitments at such time. Within the foregoing limits, and subject to and on the terms and conditions hereof, the Borrowers may borrow, repay and reborrow Revolving Loans.

(b) The Swingline Lender agrees, subject to and on the terms and conditions of this Agreement, to make loans (each, a "Swingline Loan," and collectively, the "Swingline Loans") to the Borrowers, from time to time on any Business Day during the Availability Period in an aggregate principal amount at any time outstanding not exceeding the Swingline Commitment, provided that no Borrowing of Swingline Loans shall be made if, immediately after giving effect thereto, (x) the Credit Exposure of any Lender (other than the Swingline Lender) would exceed its Commitment at such time, (y) the Aggregate Credit Exposure would exceed the aggregate Commitments at such time or (z) if any Lender is at such time a Defaulting Lender hereunder, unless the Swingline Lender has entered into satisfactory arrangements with the applicable Borrower or such Lender to eliminate the Swingline Lender's risk with respect to such Lender, and provided, further, that the Borrowers shall not use the proceeds of any Swingline Loan to refinance any outstanding Swingline Loan. Immediately upon the making of a Swingline Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swingline Lender a risk participation in such Swingline Loan in an amount equal to such Lender's Ratable Share of such Swingline Loan. Subject to and on the terms and conditions

of this Agreement, the Borrowers may borrow, repay (including by means of a Borrowing of Revolving Loans pursuant to **Section 2.2(d)**) and reborrow Swingline Loans.

2.2 Borrowing.

(a) The Loans shall, at the option of the applicable Borrower and subject to the terms and conditions of this Agreement, be either Base Rate Loans or SOFR Loans, provided that (i) the Swingline Loans shall be made and maintained as Base Rate Loans and (ii) all Loans comprising the same Borrowing shall, unless otherwise specifically provided herein, be of the same Type. In order to make a Borrowing (other than (x) Borrowings of Swingline Loans, which shall be made pursuant to **Section 2.2(c)**, (y) Borrowings for the purpose of repaying Refunded Swingline Loans, which shall be made pursuant to **Section 2.2(d)**, or (z) continuations or conversions of outstanding Loans made pursuant to **Section 2.12**), the applicable Borrower shall deliver to the Administrative Agent a fully executed, irrevocable notice of borrowing in the form of **Exhibit B-1** (the "Notice of Borrowing") no later than 11:00 a.m. three (3) U.S. Government Securities Business Days prior to each Borrowing of SOFR Loans and not later than 10:00 a.m. on the same Business Day as, but prior to, each Borrowing of Base Rate Loans. Upon its receipt of the Notice of Borrowing, the Administrative Agent shall promptly notify each Lender of the proposed borrowing. Notwithstanding anything to the contrary contained herein:

(i) each Borrowing of Base Rate Loans shall be in a principal amount not less than $3,000,000 or, if greater, an integral multiple of $1,000,000 in excess thereof, and each Borrowing of SOFR Loans shall be in a principal amount not less than $5,000,000 or, if greater, an integral multiple of $1,000,000 in excess thereof (or, in each case if less than the minimum amount, in the amount of the aggregate Unutilized Commitments);

(ii) if the applicable Borrower shall have failed to designate the Type of Loans in a Notice of Borrowing, then the Loans shall be made as Base Rate Loans; and

(iii) if the applicable Borrower shall have failed to specify an Interest Period to be applicable to any Borrowing of SOFR Loans, then the applicable Borrower shall be deemed to have selected an Interest Period of one month.

(b) Not later than 1:00 p.m. on the requested Borrowing Date, each Lender will make available to the Administrative Agent at the Payment Office an amount, in Dollars and in immediately available funds, equal to its Ratable Share of such requested Borrowing as its Loan or Loans. Upon satisfaction or waiver of the applicable conditions set forth in **Section 3.2** (and, if such Borrowing is to occur on the Closing Date, **Section 3.1**), the Administrative Agent will make the proceeds of the Loans available to the applicable Borrower in accordance with **Section 2.3(a)** by causing an amount of like funds equal to the amount received from the Lenders to be credited to an account of such Borrower.

(c) In order to make a Borrowing of a Swingline Loan, the applicable Borrower will give the Administrative Agent (and the Swingline Lender, if the Swingline Lender is not also the Administrative Agent) written notice not later than 3:00 p.m. on the date of such Borrowing. Each such notice (each, a "Notice of Swingline Borrowing") shall be given in the form of **Exhibit B-2**, shall be irrevocable and shall specify (i) the principal amount of the Swingline Loan to be made pursuant to such Borrowing (which shall not be less than $500,000 and, if greater, shall be in an integral multiple of $100,000 in excess thereof (or, if less, in the amount of the Unutilized Swingline Commitment)) and (ii) the requested Borrowing Date, which shall be a Business Day. Not later than 5:00 p.m. on the requested Borrowing Date, the Swingline Lender will make available to the Administrative Agent at the Payment Office an amount, in Dollars and in immediately available funds, equal to the amount of the requested Swingline Loan. To the extent the Swingline Lender has made such amount available to the Administrative Agent as provided hereinabove, upon satisfaction or waiver of the applicable conditions set forth in **Section 3.2** (and, if such Borrowing is to occur on the Closing Date, **Section 3.1**), the Administrative Agent will make such amount available to the applicable Borrower in accordance with **Section 2.3(a)** and in like funds as received by the Administrative Agent.

(d) With respect to any outstanding Swingline Loans, the Swingline Lender may at any time (whether or not an Event of Default has occurred and is continuing) in its sole and absolute discretion,

and is hereby authorized and empowered by the applicable Borrower to, cause a Borrowing of Revolving Loans to be made for the purpose of repaying such Swingline Loans by delivering to the Administrative Agent (if the Administrative Agent is not also the Swingline Lender) and each other Lender (on behalf of, and with a copy to, the applicable Borrower), not later than 11:00 a.m. one Business Day prior to the proposed Borrowing Date therefor, a notice (which shall be deemed to be a Notice of Borrowing given by the applicable Borrower) requesting the Lenders to make Revolving Loans (which shall be made initially as Base Rate Loans) on such Borrowing Date in an aggregate amount equal to the amount of such Swingline Loans (the "Refunded Swingline Loans") outstanding on the date such notice is given that the Swingline Lender requests to be repaid. Not later than 1:00 p.m. on the requested Borrowing Date, each Lender (other than the Swingline Lender) will make available to the Administrative Agent at the Payment Office an amount, in Dollars and in immediately available funds, equal to its Ratable Share of the Refunded Swingline Loans. To the extent the Lenders have made such amounts available to the Administrative Agent as provided hereinabove, the Administrative Agent will make the aggregate of such amounts available to the Swingline Lender in like funds as received by the Administrative Agent, which shall apply such amounts in repayment of the Refunded Swingline Loans. Notwithstanding any provision of this Agreement to the contrary, on the relevant Borrowing Date, the Refunded Swingline Loans (including the Swingline Lender's Ratable Share thereof, in its capacity as a Lender) shall be deemed to be repaid with the proceeds of the Revolving Loans made as provided above (including a Revolving Loan deemed to have been made by the Swingline Lender), and such Refunded Swingline Loans deemed to be so repaid shall no longer be outstanding as Swingline Loans but shall be outstanding as Revolving Loans. If any portion of any such amount repaid (or deemed to be repaid) to the Swingline Lender shall be recovered by or on behalf of the applicable Borrower from the Swingline Lender in any bankruptcy, insolvency or similar proceeding or otherwise, the loss of the amount so recovered shall be shared ratably among all the Lenders in the manner contemplated by **Section 2.16(b)**.

(e) If, as a result of any bankruptcy, insolvency or similar proceeding with respect to the applicable Borrower, Revolving Loans are not made pursuant to **Section 2.2(d)** in an amount sufficient to repay any amounts owed to the Swingline Lender in respect of any outstanding Swingline Loans, or if the Swingline Lender is otherwise precluded for any reason from giving a notice on behalf of such Borrower as provided for hereinabove, the Swingline Lender shall be deemed to have sold without recourse, representation or warranty (except for the absence of Liens thereon created, incurred or suffered to exist by, through or under the Swingline Lender), and each Lender shall be deemed to have purchased and hereby agrees to purchase, a participation in such outstanding Swingline Loans in an amount equal to its Ratable Share of the unpaid amount thereof together with accrued interest thereon. Upon one Business Day's prior notice from the Swingline Lender, each Lender (other than the Swingline Lender) will make available to the Administrative Agent at the Payment Office an amount, in Dollars and in immediately available funds, equal to its respective participation. To the extent the Lenders have made such amounts available to the Administrative Agent as provided hereinabove, the Administrative Agent will make the aggregate of such amounts available to the Swingline Lender in like funds as received by the Administrative Agent. In the event any such Lender fails to make available to the Administrative Agent the amount of such Lender's participation as provided in this **Section 2.2(e)**, the Swingline Lender shall be entitled to recover such amount on demand from such Lender, together with interest thereon for each day from the date such amount is required to be made available for the account of the Swingline Lender until the date such amount is made available to the Swingline Lender at the Overnight Rate for the first three Business Days and thereafter at the Adjusted Base Rate plus any administrative, processing or similar fees customarily charged by the Swingline Lender in connection with the foregoing. Promptly following its receipt of any payment by or on behalf of the applicable Borrower in respect of a Swingline Loan, the Swingline Lender will pay to each Lender that has acquired a participation therein such Lender's Ratable Share of such payment.

(f) Notwithstanding any provision of this Agreement to the contrary, the obligation of each Lender (other than the Swingline Lender) to make Revolving Loans for the purpose of repaying any Swingline Loans pursuant to **Section 2.2(d)** and each such Lender's obligation to purchase a participation in any unpaid Swingline Loans pursuant to **Section 2.2(e)** shall be absolute and unconditional and shall not be affected by any circumstance or event whatsoever, including, without limitation, (i) any set-off, counterclaim, recoupment, defense or other right that such Lender may have against the Swingline Lender, the Administrative Agent, the Borrowers or any other Person for any reason whatsoever, (ii) the occurrence or continuance of any Default or Event of Default, (iii) the failure of the amount of such

Borrowing of Revolving Loans to meet the minimum Borrowing amount specified in **Section 2.2(a)**, or (iv) the failure of any conditions set forth in **Section 3.2** or elsewhere herein to be satisfied.

2.3 Disbursements; Funding Reliance; Domicile of Loans.

(a) Each Borrower hereby authorizes the Administrative Agent to disburse the proceeds of each Borrowing it makes in accordance with the terms of any written instructions from any Authorized Officer of such Borrower, provided that the Administrative Agent shall not be obligated under any circumstances to forward amounts to any account not listed in an Account Designation Letter.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent its Ratable Share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with **Section 2.2(b)** and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if any Lender has not in fact made its Ratable Share of the applicable Borrowing to the Administrative Agent, then such Lender and the applicable Borrower severally (and not jointly) agrees to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the Overnight Rate plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing and (ii) in the case of a payment to be made by the applicable Borrower, the Adjusted Base Rate. If the applicable Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the applicable Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan made on the applicable Borrowing Date and such payment shall absolve any obligation of the applicable Borrower in respect of any demand made under this Section in respect of such Loan. Any payment by any Borrower under this **Section 2.3(b)** shall be without prejudice to any claim such Borrower may have against any Lender that shall have failed to make such payment to the Administrative Agent.

(c) The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swingline Loans and to make payments pursuant to **Section 10.1(c)** are several and not joint. The failure of any Lender to make any such Loan, fund its participation or to make any such payment on any date shall not relieve any other Lender of its corresponding obligation, if any, hereunder to do so on such date, but no Lender shall be responsible for the failure of any other Lender to so make its Loan, fund its participation or to make any such payment required hereunder.

(d) Each Lender may, at its option, make and maintain any Loan at, to or for the account of any of its Lending Offices, provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan to or for the account of such Lender in accordance with the terms of this Agreement.

2.4 Evidence of Debt; Notes.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to the applicable Lending Office of such Lender resulting from each Credit Extension made by such Lending Office of such Lender, including the amounts of principal and interest payable and paid to such Lending Office of such Lender in respect of its Loans from time to time under this Agreement.

(b) The Administrative Agent shall maintain the Register pursuant to **Section 10.6(c)**, and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each such Loan, the Type of each such Loan and the Interest Period applicable thereto, (ii) the date and amount of each applicable L/C Disbursement made under a Letter of Credit, (iii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder in respect of each such Loan, (iv) the amount of any Reimbursement Obligation or

interest due and payable or to become due and payable from each Borrower to each Lender and the Issuing Banks and (v) the amount of any sum received by the Administrative Agent hereunder from each Borrower and each Lender's Ratable Share thereof.

(c) The entries made in the Register and subaccounts maintained pursuant to **Section 2.4(b)** (and, if consistent with the entries of the Administrative Agent, the accounts maintained pursuant to **Section 2.4(a)**) shall be conclusive evidence of the existence and amounts of the obligations of each Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such account, such Register or such subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of each Borrower to repay (with applicable interest) its Obligations under this Agreement.

(d) The Loans made by each Lender shall, if requested by any Lender (which request shall be made to the Administrative Agent), be evidenced by a Note, executed by the applicable Borrower and payable to such Lender. Each Note shall be entitled to all of the benefits of this Agreement and the other Credit Documents and shall be subject to the provisions hereof and thereof.

2.5 Letters of Credit.

(a) Syndicated Letters of Credit.

(i) General. Each Lender agrees, on and subject to the terms and conditions of this Agreement, to Issue Letters of Credit as Syndicated Letters of Credit for the account of the requesting Borrower in Dollars from time to time during the Availability Period. Absent the prior written consent of each Issuing Bank, no Syndicated Letter of Credit may be Issued that would vary the several and not joint nature of the obligations of the Issuing Banks thereunder as provided in the next succeeding sentence. Each Syndicated Letter of Credit shall be Issued by all of the Issuing Banks acting through the L/C Agent, at the time of Issuance as a single multi-bank letter of credit, but the obligation of each Issuing Bank thereunder shall be several and not joint, in the amount of its Ratable Share of the Stated Amount of such Syndicated Letter of Credit.

(ii) Notice of Issuance. To request the Issuance of a Syndicated Letter of Credit, the applicable Borrower shall deliver by hand or overnight courier service (or transmit by electronic communication, if arrangements for doing so have been approved by the L/C Agent) to the L/C Agent and the Administrative Agent (which will promptly notify the Lenders) at least three Business Days in advance of the requested date of Issuance (or such shorter period as is acceptable to the L/C Agent) a notice in a form reasonably acceptable to the L/C Agent (a "Syndicated Letter of Credit Notice") requesting the Issuance of a Syndicated Letter of Credit, or identifying the Syndicated Letter of Credit to be amended, extended or increased, as the case may be, and specifying the date of Issuance (which shall be a Business Day), the date on which such Syndicated Letter of Credit is to expire (which shall comply with **Section 2.5(a)(iii)**), the amount of such Syndicated Letter of Credit, the name and address of the beneficiary thereof and the terms and conditions of (and such other information as shall be necessary to prepare, amend, extend or increase, as the case may be) such Syndicated Letter of Credit, it being understood and agreed that Syndicated Letters of Credit may be extended in accordance with **Section 2.5(a)(iii)**. If requested by the L/C Agent, the applicable Borrower shall submit a letter of credit application on the L/C Agent's standard form (with such changes as the L/C Agent shall reasonably deem appropriate) in connection with any request for a Syndicated Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application submitted by the applicable Borrower to the L/C Agent relating to any Syndicated Letter of Credit, the terms and conditions of this Agreement shall control.

(iii) Expiration of Syndicated Letters of Credit. Each Syndicated Letter of Credit shall expire at or prior to the earlier of (i) the close of business on the date one year after the date of the Issuance of such Syndicated Letter of Credit or (ii) the Final Maturity Date; provided, however, that at the applicable Borrower's request a Syndicated Letter of Credit shall provide by its terms, and on terms reasonably acceptable to the L/C Agent, for extension for successive

periods of one year or less (but not beyond the Final Maturity Date) unless and until the L/C Agent shall have delivered prior written notice of non-extension to the beneficiary of such Syndicated Letter of Credit no later than the time specified in such Syndicated Letter of Credit (which the L/C Agent shall do only if (A) the L/C Agent has determined that it would not be permitted, or would have no obligation, at such time to Issue such Syndicated Letter of Credit in its revised form (as extended) under the terms hereof, or (B) the L/C Agent has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the applicable non-extension notice date from the Administrative Agent that (1) the Required Lenders have elected not to permit such extension or (2) one or more of the applicable conditions under **Section 3.2** (other than the delivery of a Letter of Credit Notice) is not then satisfied). The L/C Agent shall promptly provide a copy of any such notice to the applicable Borrower.

(iv) Obligation of Lenders. The obligation of any Issuing Bank under any Syndicated Letter of Credit shall be several and not joint and shall be in an amount equal to such Issuing Bank's Ratable Share of the aggregate Stated Amount of such Syndicated Letter of Credit at the time such Syndicated Letter of Credit is Issued, and each Syndicated Letter of Credit shall expressly so provide. No increase of Commitments under **Section 2.21** or assignment of Commitments under **Section 2.20** or **Section 10.6** shall change or affect the liability of any Issuing Bank under any outstanding Syndicated Letter of Credit until such Syndicated Letter of Credit is amended giving effect to such increase, assignment or reallocation, as the case may be. The failure of any Issuing Bank to make any L/C Disbursement in respect of any Syndicated Letter of Credit on any date shall not relieve any other Issuing Bank of its corresponding obligation, if any, hereunder to do so on such date, but no Issuing Bank shall be responsible for the failure of any other Issuing Bank to make its L/C Disbursement in respect of any Syndicated Letter of Credit.

(v) Issuance Administration. Each Syndicated Letter of Credit shall be executed and delivered by the L/C Agent in the name and on behalf of, and as attorney-in-fact for, each Issuing Bank, and the L/C Agent shall act under each Syndicated Letter of Credit, and each Syndicated Letter of Credit shall expressly provide that the L/C Agent shall act, as the agent of each such Issuing Bank to (i) execute and deliver such Syndicated Letter of Credit, (ii) receive drafts, other demands for payment and other documents presented by the beneficiary under such Syndicated Letter of Credit, (iii) determine whether such drafts, demands and documents are in compliance with the terms and conditions of such Syndicated Letter of Credit, (iv) notify such Issuing Bank and the applicable Borrower if a valid drawing has been made and the date that the related L/C Disbursement is to be made and (v) exercise all rights held by the issuer of a letter of credit under the documents for which such Syndicated Letter of Credit shall provide credit enhancement (or designate any Person as its representative for all such purposes under such documents); provided that the L/C Agent shall have no obligation or liability for any L/C Disbursement under such Syndicated Letter of Credit (other than as an Issuing Bank), and each Syndicated Letter of Credit shall expressly so provide. Each Issuing Bank hereby irrevocably appoints and designates the L/C Agent as its attorney-in-fact, acting through any duly authorized officer, to execute and deliver in the name and on behalf of such Issuing Bank each Syndicated Letter of Credit to be Issued by such Issuing Bank hereunder and to take such other actions contemplated by this **Section 2.5(a)(v)**. The L/C Agent shall promptly furnish to the Issuing Banks copies of any Syndicated Letters of Credit Issued hereunder. Promptly upon the request of the L/C Agent, each Issuing Bank will furnish to the L/C Agent such additional powers of attorney or other evidence as any beneficiary of any Syndicated Letter of Credit may reasonably request in order to demonstrate that the L/C Agent has the power to act as attorney-in-fact for such Issuing Bank to execute and deliver such Syndicated Letter of Credit.

(vi) Disbursement Procedures. The L/C Agent shall, within a reasonable time following its receipt thereof (and, in any event, within any specific time specified in the text of the relevant Syndicated Letter of Credit), examine all documents purporting to represent a demand for payment under any Syndicated Letter of Credit. The L/C Agent shall promptly after such examination and before such L/C Disbursement notify each applicable Issuing Bank and the applicable Borrower of such demand for payment. With respect to any demand for payment

made under a Syndicated Letter of Credit which the L/C Agent has informed the applicable Issuing Banks is valid, each such Issuing Bank will promptly make an L/C Disbursement in respect of such Syndicated Letter of Credit in accordance with the amount of its liability under such Syndicated Letter of Credit and this Agreement, such L/C Disbursement to be made to the account of the L/C Agent most recently designated by it for such purpose by notice to the Issuing Banks. The L/C Agent will make such L/C Disbursement available to the beneficiary of such Syndicated Letter of Credit by promptly crediting the amounts so received, in the funds so received, to the account of the beneficiary identified by such beneficiary in connection with such demand for such L/C Disbursement. Promptly following any L/C Disbursement by any Issuing Bank in respect of any Syndicated Letter of Credit, the L/C Agent will notify the applicable Borrower of such L/C Disbursement.

(vii) Reimbursement. Each applicable Borrower agrees that it shall reimburse the applicable Issuing Banks in respect of L/C Disbursements made under Syndicated Letters of Credit by paying to the Administrative Agent an amount in Dollars equal to the aggregate amount of each L/C Disbursement (the "L/C Reimbursement Amount") no later than 2:00 p.m. on the Business Day following the L/C Disbursement Date (the "Syndicated L/C Honor Date") with respect to such Syndicated Letter of Credit together with interest thereon payable as provided in **Section 2.5(e)**. If the applicable Borrower fails to reimburse the Issuing Banks the L/C Reimbursement Amount on the Syndicated L/C Honor Date, so long as the conditions set forth in **Section 3.2** (other than the delivery of a Notice of Borrowing) are satisfied and subject to the amount of the Unutilized Commitments, such Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Syndicated L/C Honor Date in an amount equal to the L/C Reimbursement Amount, without regard to the minimum and multiples specified in **Section 2.2(a)(i)** for the principal amount of Borrowings, and the L/C Disbursements of each of the Issuing Banks shall be deemed to have satisfied their obligation to fund their Ratable Share of such Borrowing.

(b) Participated Letters of Credit.

(i) General. The Fronting Bank agrees, on and subject to the terms and conditions of this Agreement and in reliance upon the agreements of the Lenders set forth in this **Section 2.5(b)**, to Issue Letters of Credit as Participated Letters of Credit for the account of the requesting Borrower in Dollars from time to time during the Availability Period. Each Participated Letter of Credit shall be in a form customarily used or otherwise approved by the applicable Borrower and the Fronting Bank.

(ii) Notice of Issuance. To request the Issuance of a Participated Letter of Credit, the applicable Borrower shall deliver by hand or overnight courier service (or transmit by electronic communication, if arrangements for doing so have been approved by the Fronting Bank and Administrative Agent) to the Fronting Bank and the Administrative Agent (which will promptly notify the Lenders) at least three Business Days in advance of the requested date of Issuance (or such shorter period as is acceptable to the Fronting Bank) a notice in a form reasonably acceptable to the Fronting Bank (a "Participated Letter of Credit Notice") requesting the Issuance of a Participated Letter of Credit, or identifying the Participated Letter of Credit to be amended, extended or increased, as the case may be, and specifying the date of Issuance (which shall be a Business Day), the date on which such Participated Letter of Credit is to expire (which shall comply with **Section 2.5(b)(iii)**), the amount of such Participated Letter of Credit, the name and address of the beneficiary thereof and the terms and conditions of (and such other information as shall be necessary to prepare, amend, extend or increase, as the case may be) such Participated Letter of Credit, it being understood and agreed that Participated Letters of Credit may be extended in accordance with **Section 2.5(b)(iii)**. If requested by the Fronting Bank, the applicable Borrower shall submit a letter of credit application on the Fronting Bank's standard form (with such changes as the Fronting Bank shall reasonably deem appropriate) in connection with any request for a Participated Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application submitted by such Borrower to the Fronting Bank relating to any Participated Letter of Credit, the terms and conditions of this Agreement shall control.

(iii) Expiration of Participated Letters of Credit. Each Participated Letter of Credit shall expire at or prior to the earlier of (i) the close of business on the date one year after the date of the Issuance of such Participated Letter of Credit or (ii) the Final Maturity Date; provided, however, that at the applicable Borrower's request a Participated Letter of Credit shall provide by its terms, and on terms reasonably acceptable to the Fronting Bank, for extension for successive periods of one year or less (but not beyond the Final Maturity Date) unless and until the Fronting Bank shall have delivered prior written notice of non-extension to the beneficiary of such Participated Letter of Credit no later than the time specified in such Participated Letter of Credit (which the Fronting Bank shall do only if (A) the Fronting Bank has determined that it would not be permitted, or would have no obligation, at such time to Issue such Participated Letter of Credit in its revised form (as extended) under the terms hereof, or (B) the Fronting Bank has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the applicable non-extension notice date from the Administrative Agent that (1) the Required Lenders have elected not to permit such extension or (2) one or more of the applicable conditions under **Section 3.2** (other than the delivery of a Letter of Credit Notice) is not then satisfied). The Fronting Bank shall promptly provide a copy of any such notice to the applicable Borrower and the Administrative Agent.

(iv) Participations. By the Issuance of a Participated Letter of Credit by the Fronting Bank (including any Existing Letters of Credit continued and deemed Issued as Participated Letters of Credit as of the Closing Date) and without any further action on the part of the Fronting Bank or the Lenders, the Fronting Bank hereby grants to each Lender in respect of such Participated Letter of Credit, and each such Lender hereby acquires from the Fronting Bank, a participation in such Participated Letter of Credit in an amount equal to the amount of such Lender's Ratable Share of the Stated Amount of such Participated Letter of Credit and the applicable Borrower's reimbursement obligations with respect thereto. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Participated Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment or extension of any such Letter of Credit or the existence of a Default or Event of Default or reduction or termination of the aggregate Commitments. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Fronting Bank, the amount of such Lender's Ratable Share of each L/C Disbursement made by the Fronting Bank in respect of any Participated Letter of Credit promptly upon the request of the Fronting Bank at any time from the time such L/C Disbursement is made until such L/C Disbursement is reimbursed by the applicable Borrower or at any time after any reimbursement payment is required to be disgorged or refunded to the applicable Borrower for any reason. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Promptly following receipt by the Administrative Agent of any payment from the applicable Borrower pursuant to **Section 2.5(b)(vi)**, the Administrative Agent shall distribute such payment to the Fronting Bank or, to the extent that any Lender has made payments pursuant to this paragraph to reimburse the Fronting Bank, then to such Lenders and the Fronting Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Fronting Bank for any L/C Disbursement made by it shall not relieve the applicable Borrower of its obligation to reimburse such L/C Disbursement. Notwithstanding anything in this Agreement to the contrary, effective upon the increase of the Commitments pursuant to **Section 2.21**, each Lender's participation in any Participated Letter of Credit outstanding on such date shall be automatically adjusted to reflect its Ratable Share after giving effect to such increase.

(v) Disbursement Procedures; Reimbursement.

(A) The Fronting Bank shall, within a reasonable time following its receipt thereof (and, in any event, within any time specified in the text of the relevant Participated Letters of Credit Issued by it), examine all documents purporting to represent a demand for payment under a Participated Letter of Credit. The Fronting Bank shall promptly after such examination notify the Administrative Agent and the applicable Borrower of such demand for payment and whether the Fronting Bank has made or will make a L/C Disbursement thereunder.

(B) Each Borrower agrees that it shall reimburse the Fronting Bank in respect of any L/C Disbursement made under such Borrower's Participated Letter of Credit by paying to the Administrative Agent an amount in Dollars equal to the amount of such L/C Disbursement no later than 2:00 p.m. on the Business Day following the L/C Disbursement Date (the "Participated L/C Honor Date") with respect to such Participated Letter of Credit together with interest thereon payable as provided in **Section 2.5(e)**. If applicable Borrower fails to so reimburse the Lenders by such time, the Administrative Agent shall promptly notify each Lender of the amount of the L/C Reimbursement Amount, and the amount of such Lender's Ratable Share thereof. In such event, the applicable Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Participated L/C Honor Date in an amount equal to the L/C Reimbursement Amount, without regard to the minimum and multiples specified in **Section 2.2(a)(i)** for the principal amount of Borrowings, but subject to the amount of the Unutilized Commitments, and subject to the conditions set forth in **Section 3.2** (other than the delivery of a Notice of Borrowing), and each Lender shall fund its Ratable Share of such Borrowing as set forth in **Section 2.2(b)**. If the applicable Borrower is unable to request a Borrowing of Base Rate Loans because such Borrower cannot satisfy each of the conditions set forth in **Section 3.2** (other than the delivery of a Notice of Borrowing) or for any other reason, each Lender shall fund its L/C Advance as set forth in **Section 2.5(b)(vi)**.

(vi) Funding of Participations. If the applicable Borrower shall fail to reimburse the Fronting Bank for any L/C Disbursement on the Participated L/C Honor Date, the Administrative Agent shall notify each Lender of the applicable L/C Disbursement, the payment then due from the applicable Borrower in respect thereof and the amount of such Lender's Ratable Share thereof. Each Lender shall upon such notice make funds available to the Administrative Agent in Dollars for the account of the Fronting Bank at the Payment Office in an amount equal to the amount of its Ratable Share of the unpaid L/C Disbursement (such amount, its "L/C Advance") not later than 2:00 p.m. on the Business Day specified in such notice by the Administrative Agent. No such making of an L/C Advance shall relieve or otherwise impair the obligation of the applicable Borrower to reimburse the Fronting Bank for the amount of any payment made by the Fronting Bank under such Participated Letter of Credit, together with interest as provided herein. If any Lender fails to make available to the Administrative Agent for the account of the Fronting Bank any amount required to be paid by such Lender pursuant to the foregoing provisions of this **Section 2.5(b)(vi)**, the Fronting Bank shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Fronting Bank at a rate per annum equal to the Overnight Rate from time to time in effect. A certificate of the Fronting Bank submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this **Section 2.5(b)(vi)** shall be conclusive absent manifest error. Until a Lender funds its L/C Advance pursuant to this **Section 2.5(b)(vi)** to reimburse the Fronting Bank for any L/C Disbursement made by it, interest in respect of such Lender's L/C Advance shall be solely for the account of the Fronting Bank.

(vii) Repayment of Participations.

(A) At any time after the Fronting Bank has made a payment under any Participated Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with **Section 2.5(b)(vi)**, if the Administrative Agent receives for the account of the Fronting Bank any payment in respect of the related unpaid L/C Disbursement or interest thereon (whether directly from the applicable Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Ratable Share thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(B) If any payment received by the Administrative Agent for the account of the Fronting Bank pursuant to **Section 2.5(b)(v)** is required to be returned under any of the circumstances described in **Section 2.14** (including pursuant to any settlement entered into by the Fronting Bank in its discretion), each Lender shall pay to the Administrative Agent for the account of the Fronting Bank its Ratable Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Overnight Rate from time to time in effect.

(viii) Failure to Make L/C Advances. The failure of any Lender to make the L/C Advance to be made by it on the date specified in **Section 2.5(b)(vi)** shall not relieve any other Lender of its obligation hereunder to make its L/C Advance on such date, but no Lender shall be responsible for the failure of any other Lender to make the L/C Advance to be made by such other Lender on such date.

(c) Conditions Precedent to the Issuance of Letters of Credit. Each Issuing Bank (and the L/C Agent, on behalf of the Issuing Banks) shall be under no obligation to Issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall purport by its terms to enjoin or restrain the Issuance of such Letter of Credit or any law applicable to such Issuing Bank or any Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over it shall prohibit, or request that it refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon it with respect to such Letter of Credit any restriction or reserve or capital requirement (for which such Issuing Bank or any Lender is not otherwise compensated) not in effect on the Closing Date, or any unreimbursed loss, cost or expense which was not applicable, in effect or known to it as of the Closing Date;

(ii) immediately after giving effect thereto, the Aggregate Credit Exposure would exceed the aggregate Commitments at such time;

(iii) immediately after giving effect thereto, the aggregate Letter of Credit Exposure would exceed the Letter of Credit Sublimit at such time;

(iv) with respect to the Issuance of a Participated Letter of Credit, immediately after giving effect thereto, the aggregate Letter of Credit Exposure in respect of Participated Letters of Credit would exceed the Participated Letter of Credit Sublimit at such time;

(v) the L/C Agent or the Fronting Bank, as the case may be, shall have delivered the written notice of non-extension described in **Section 2.5(a)(iii)** or **Section 2.5(b)(iii)** with respect to such Letter of Credit;

(vi) the L/C Agent or the Fronting Bank, as the case may be, shall have actual knowledge, or shall have received notice from any Lender prior to the Issuance of such Letter of Credit that one or more of the applicable conditions under **Section 3.2** is not then satisfied (or has not been waived in writing as required herein);

(vii) the expiry date of such Letter of Credit would occur more than twelve months after the date of Issuance or last extension unless the Required Lenders have approved such expiry date in writing as required pursuant to **Section 10.5**;

(viii) the expiry date of such Letter of Credit occurs after the Final Maturity Date, unless all of the Lenders have approved such expiry date in writing as required pursuant to **Section 10.5**;

(ix) such Letter of Credit is not substantially in form and substance reasonably acceptable to the L/C Agent or the Fronting Bank, as applicable, or the issuance of such Letter of

Credit would violate the policies of the L/C Agent or Fronting Bank applicable to letters of credit in general;

(x) such Letter of Credit is denominated in a currency other than Dollars; or

(xi) with respect to the issuance of a Participated Letter of Credit, any Lender is at that time a Defaulting Lender, unless the Fronting Bank has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the Fronting Bank (in its sole discretion) with such Lender and/or the applicable Borrower to eliminate the Fronting Bank's actual or potential Fronting Exposure (after giving effect to **Section 2.22(a)(iii)**) with respect to such Defaulting Lender as it may elect in its sole discretion.

(d) Obligations Absolute. The Reimbursement Obligations of each Borrower with respect to an L/C Disbursement under any Letter of Credit for such Borrower's account and the obligations of any Lender to reimburse the Fronting Bank with respect to any L/C Disbursement made by the Fronting Bank under any Participated Letter of Credit shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement and any Letter of Credit Document under all circumstances, including the following circumstances:

(i) any lack of validity or enforceability of this Agreement, any other Credit Document, any Letter of Credit Document, any Letter of Credit or any other agreement or instrument relating thereto;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligations of any Borrower in respect of any Letter of Credit Document, any Letter of Credit or any other amendment or waiver of or any consent to or departure from all or any of the Letter of Credit Documents or any Letter of Credit;

(iii) the existence of any claim, set-off, defense or other right that any Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for which any such beneficiary or any such transferee may be acting), any Issuing Bank, the Administrative Agent, the L/C Agent, any Lender or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any Letter of Credit Document or any unrelated transaction;

(iv) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment by any Issuing Bank under a Letter of Credit against presentation of a document that does not strictly comply with the terms of such Letter of Credit;

(vi) any payment made by any Issuing Bank under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(vii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to or departure from any guarantee, for all or any of the Obligations of any Borrower; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including, without limitation, any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Borrower or any guarantor, other than as may be expressly set forth in this Agreement.

None of the Administrative Agent, the L/C Agent, any Issuing Bank or any Lender or any of their Related Parties shall have any liability or responsibility to any Borrower by reason of or in connection with the Issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder, or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond their control; provided that the foregoing and the other provisions of this **Section 2.5(d)** shall not be construed to excuse the Administrative Agent, the L/C Agent, any Issuing Bank or any Lender from liability to a Borrower to the extent of any direct damages (as opposed to consequential or exemplary damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by applicable law) suffered by such Borrower that are caused by the gross negligence or willful misconduct of the Administrative Agent, the L/C Agent, such Issuing Bank or such Lender, as determined by a court of competent jurisdiction by final and nonappealable judgment, when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof.

(e) Interest. Unless the applicable Borrower reimburses each L/C Disbursement made in respect of Letters of Credit issued for its account in full on the date such L/C Disbursement is made, the unpaid amount of the Reimbursement Obligation thereof shall bear interest from the date of each L/C Disbursement until such amount shall be paid in full at the rate per annum then applicable to Base Rate Loans (plus an additional 2% per annum, payable on demand, if not reimbursed by the third Business Day after the date of such L/C Disbursement). The Administrative Agent shall give prompt notice to the applicable Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of this Section.

(f) Collateralization of Letters of Credit.

(i) If (i) as of the Commitment Termination Date, any Letter of Credit may for any reason remain outstanding, (ii) at any time, the Aggregate Credit Exposure shall exceed the aggregate Commitments (after giving effect to any concurrent termination or reduction thereof) pursuant to **Section 2.7(b)** or (iii) any Event of Default occurs and is continuing and the Administrative Agent requires the applicable Borrower to Cash Collateralize the aggregate Letter of Credit Exposure pursuant to **Section 8.2(c)**, such Borrower shall deliver to the Administrative Agent as Cash Collateral an amount in cash equal to 103% of the aggregate Stated Amount of all Letters of Credit of such Borrower outstanding at such time (whether or not any beneficiary under any Letter of Credit shall have drawn or be entitled at such time to draw thereunder) or, in the case of clause (ii) above, an amount in cash equal to such excess. The Administrative Agent shall deposit such cash in a special collateral account of such Borrower pursuant to arrangements satisfactory to the Administrative Agent (such account, the "Cash Collateral Account") for the benefit of the Administrative Agent, the Issuing Banks and the Lenders.

(ii) Each Borrower hereby grants to the Administrative Agent, for the benefit of the Issuing Banks and the Lenders, a Lien upon and security interest in its Cash Collateral Account and all amounts held therein from time to time as security for the Letter of Credit Exposure of such Borrower, and for application to its aggregate Reimbursement Obligations as and when the same shall arise. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account for the benefit of the Issuing Banks and the Lenders, and the applicable Borrower shall have no interest therein except as set forth in clause (iii) of this **Section 2.5(f)**. Other than any interest on the investment of such amounts in Cash Equivalents, which investments shall be made at the direction of the applicable Borrower (unless a Default or Event of Default shall have occurred and be continuing, in which case the determination as to investments shall be made at the option and in the sole discretion of the Administrative Agent), amounts in the Cash Collateral Account shall not bear interest. Interest and profits, if any, on such investments shall accumulate in the Cash Collateral Account.

(iii) In the event of a drawing, and subsequent payment by any Issuing Bank, under any Letter of Credit at any time during which any amounts are held in the applicable Cash Collateral Account, the Administrative Agent will deliver to such Issuing Bank an amount equal to the Reimbursement Obligation created as a result of such payment (or, if the amounts so held

are less than such Reimbursement Obligation, all of such amounts) to reimburse such Issuing Bank therefor. Any amounts remaining in any Cash Collateral Account (including interest and profits) after the expiration of the Letters of Credit of the applicable Borrower and reimbursement in full of the Issuing Banks for all of their respective obligations thereunder shall be held by the Administrative Agent, for the benefit of the applicable Borrower, to be applied against the Obligations of the applicable Borrower in such order and manner as the Administrative Agent may direct. If any Borrower is required to provide Cash Collateral pursuant to **Section 2.7(b)**, such amount (including interest and profits), to the extent not applied as aforesaid, shall be returned to such Borrower, provided that after giving effect to such return (i) the Aggregate Credit Exposure would not exceed the aggregate Commitments at such time and (ii) no Default or Event of Default shall have occurred and be continuing at such time. If any Borrower is required to provide Cash Collateral as a result of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to such Borrower within three Business Days after all Events of Default have been cured or waived.

(g) Use of Letters of Credit. The Letters of Credit shall be available and each Borrower agrees that any Letters of Credit shall be used to support obligations of each such Borrower or any Subsidiary under any Primary Policies or Reinsurance Agreements underwritten by such Subsidiary, the obligations of any Subsidiary as a reinsurer under any Reinsurance Agreement with respect to credit for reinsurance, and for its general corporate purposes.

(h) Existing Letters of Credit. Each Borrower, the Fronting Bank and the Lenders agree that, as of the Closing Date, each Existing Letter of Credit issued for the account of any Borrower and outstanding on the Closing Date will continue and be deemed Issued under this Agreement for the account of such Borrower as a Participated Letter of Credit. There are no Syndicated Letters of Credit outstanding under the Existing Credit Agreement as of the Closing Date.

2.6 Termination and Reduction of Commitments and Swingline Commitment

(a) The aggregate Commitments shall be automatically and permanently terminated on the Commitment Termination Date. The Swingline Commitment shall be automatically and permanently terminated on the Commitment Termination Date.

(b) At any time and from time to time after the date hereof, upon not less than three Business Days' prior written notice to the Administrative Agent (and in the case of a termination or reduction of the Unutilized Swingline Commitment, the Swingline Lender), the Company may terminate in whole or reduce in part the aggregate Unutilized Commitments or the Unutilized Swingline Commitment; provided that any such partial reduction shall be in an aggregate amount of not less than $1,000,000 ($500,000 in the case of the Unutilized Swingline Commitment) or, if greater, an integral multiple of $1,000,000 in excess thereof ($100,000 in the case of the Unutilized Swingline Commitment), and applied ratably among the Lenders according to their respective Commitments. Any such notice delivered by the Company may be conditioned upon the effectiveness of other transactions, in which case such notice may be revoked or its effectiveness deferred by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. The amount of any termination or reduction made under this **Section 2.6(b)** may not thereafter be reinstated. Notwithstanding any provision of this Agreement to the contrary, any reduction of the Commitments pursuant to this **Section 2.6** that has the effect of reducing the aggregate Commitments to an amount less than the amount of the Swingline Commitment, the Letter of Credit Sublimit and/or the Participated Letter of Credit Sublimit at such time shall result in an automatic corresponding reduction of the Swingline Commitment, the Letter of Credit Sublimit and/or the Participated Letter of Credit Sublimit, as the case may be, to the amount of the aggregate Commitments (as so reduced), without any further action on the part of the Borrowers, the Issuing Banks, the Swingline Lender or any other Lender.

(c) All fees accrued in respect of the Unutilized Commitments until the effective date of any termination thereof shall be paid on the effective date of such termination.

2.7 Mandatory Payments and Prepayments.

(a) Except to the extent due or paid sooner pursuant to the provisions of this Agreement, each Borrower agrees to repay to the Lenders the aggregate outstanding principal of the Revolving Loans of such Borrower on the Commitment Termination Date. The aggregate outstanding principal of each Swingline Loan shall be due and payable in full on the earlier of (i) the date 10 Business Days after such Swingline Loan is made and (ii) the Commitment Termination Date.

(b) In the event that, at any time, the Aggregate Credit Exposure (excluding the aggregate amount of any Swingline Loans to be repaid with proceeds of Revolving Loans made on the date of determination) shall exceed the aggregate Commitments at such time (after giving effect to any concurrent termination or reduction thereof), the Borrowers severally (and not jointly) agree to prepay, immediately upon notice from the Administrative Agent, (i) the outstanding principal amount of the Swingline Loans and, to the extent of any excess remaining after prepayment in full of outstanding Swingline Loans and (ii) the outstanding principal amount of the Revolving Loans in the amount of such excess. Each Borrower is only obligated to prepay Swingline Loans and Revolving Loans borrowed by such Borrower and is not responsible for the prepayment of any Swingline Loan or Revolving Loan borrowed by any other Borrower. To the extent such excess amount is greater than the aggregate principal amount of Loans outstanding immediately prior to the application of such prepayment, the amount so prepaid shall be retained by the Administrative Agent and held in the Cash Collateral Account as cover for the aggregate Letter of Credit Exposure, as more particularly described in **Section 2.5(f)**, and thereupon such cash shall be deemed to reduce the aggregate Letter of Credit Exposure by an equivalent amount. Each payment or prepayment pursuant to the provisions of this **Section 2.7** shall be applied ratably among the Lenders holding the Loans being prepaid, in proportion to the principal amount held by each. Each payment or prepayment of a SOFR Loan made pursuant to the provisions of this Section on a day other than the last day of the Interest Period applicable thereto shall be made together with all amounts required under **Section 2.19** to be paid as a consequence thereof.

2.8 Voluntary Prepayments.

(a) At any time and from time to time, each Borrower shall have the right to prepay the Loans, in whole or in part, together with accrued interest to the date of prepayment, without premium or penalty (except as provided in clause (iii) below), upon written notice given to the Administrative Agent not later than 11:00 a.m. three (3) U.S. Government Securities Business Days prior to each intended prepayment of SOFR Loans and one Business Day prior to each intended prepayment of Base Rate Loans (other than Swingline Loans, which may be prepaid on a same-day basis), provided that (i) each partial prepayment of SOFR Loans shall be in an aggregate principal amount of not less than $5,000,000 or, if greater, an integral multiple of $1,000,000 in excess thereof, and each partial prepayment of Base Rate Loans shall be in an aggregate principal amount of not less than $3,000,000 or, if greater, an integral multiple of $1,000,000 in excess thereof ($100,000 and $100,000, respectively, in the case of Swingline Loans), (ii) no partial prepayment of SOFR Loans made pursuant to any single Borrowing shall reduce the aggregate outstanding principal amount of the remaining SOFR Loans under such Borrowing to less than $5,000,000 or to any greater amount not an integral multiple of $1,000,000 in excess thereof, and (iii) unless made together with all amounts required under **Section 2.19** to be paid as a consequence of such prepayment, a prepayment of a SOFR Loan may be made only on the last day of the Interest Period applicable thereto. Each such notice shall specify the proposed date of such prepayment and the aggregate principal amount and Type of the Loans to be prepaid (and, in the case of SOFR Loans, the Interest Period of such Borrowing pursuant to which made), and shall be irrevocable and shall bind such Borrower to make such prepayment on the terms specified therein, subject to any condition specified in such notice. Any such notice delivered by a Borrower may be conditioned upon the effectiveness of other transactions, in which case such notice may be revoked or its effectiveness deferred by the applicable Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Revolving Loans and Swingline Loans prepaid pursuant to this **Section 2.8(a)** may be reborrowed, subject to the terms and conditions of this Agreement. In the event the Administrative Agent receives a notice of prepayment under this Section, the Administrative Agent will give prompt notice thereof to the Lenders; provided that if such notice has also been furnished to the Lenders, the Administrative Agent shall have no obligation to notify the Lenders with respect thereto.

(b) Each prepayment of the Loans made pursuant to **Section 2.8(a)** shall be applied ratably among the Lenders holding the Loans being prepaid, in proportion to the principal amount held by each.

2.9 Interest.

(a) Subject to **Section 2.9(b)**, at the election of the applicable Borrower, (i) Revolving Loans shall bear interest at (A) the Base Rate plus the Applicable Percentage or (B) Adjusted Term SOFR plus the Applicable Percentage and (ii) any Swingline Loan shall bear interest at the Base Rate plus the Applicable Percentage. The applicable Borrower shall select the rate of interest and Interest Period, if any, applicable to any Loan at the time a Notice of Borrowing is given or at the time a Notice of Conversion/Continuation is given pursuant to **Section 2.12(b)**.

(b) Upon the occurrence and during the continuance of any Default or Event of Default under **Section 8.1(a)**, **Section 8.1(f)** or **Section 8.1(g)** and at the election of the Required Lenders upon the occurrence and during the continuance of any other Event of Default, (A) the applicable Borrower shall no longer have the option to request SOFR Loans, Swingline Loans or Letters of Credit, (B) all outstanding SOFR Loans shall bear interest at a rate per annum of two percent (2%) in excess of the rate (including the Applicable Percentage) then applicable to SOFR Loans until the end of the applicable Interest Period and thereafter at a rate per annum of two percent (2%) in excess of the rate (including the Applicable Percentage) then applicable to Base Rate Loans, (C) all outstanding Base Rate Loans and other Obligations arising hereunder or under any other Credit Document (to the extent not already bearing an additional 2% per annum pursuant to **Section 2.5(e)**) shall bear interest at a rate per annum of two percent (2%) in excess of the rate (including the Applicable Percentage) then applicable to Base Rate Loans or such other Obligations arising hereunder or under any other Credit Document and (D) all accrued and unpaid interest shall be due and payable on demand of the Administrative Agent. Interest shall continue to accrue on the Obligations after the filing by or against any Borrower of any petition seeking any relief in bankruptcy or under any Debtor Relief Law.

(c) Accrued (and theretofore unpaid) interest in respect of any Loan shall be payable as follows:

(i) in respect of each Base Rate Loan and Swingline Loan, in arrears on the last Business Day of each calendar quarter, beginning with the first such day to occur after the Closing Date;

(ii) in respect of each SOFR Loan, in arrears (y) on the last Business Day of the Interest Period applicable thereto and (z) if such Interest Period extends over three (3) months, at the end of each three (3) month interval during such Interest Period; provided that (i) in the event of any repayment or prepayment of any SOFR Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (ii) in the event of any conversion of any SOFR Loan prior to the end of the Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion; and

(iii) in respect of any Loan, at maturity (whether pursuant to acceleration or otherwise) and, after maturity, on demand.

(d) Nothing contained in this Agreement or in any other Credit Document shall be deemed to establish or require the payment of interest to any Lender at a rate in excess of the maximum rate permitted by applicable law. If the amount of interest payable for the account of any Lender on any interest payment date would exceed the maximum amount permitted by applicable law to be charged by such Lender, the amount of interest payable for its account on such interest payment date shall be automatically reduced to such maximum permissible amount. In the event of any such reduction affecting any Lender, if from time to time thereafter the amount of interest payable for the account of such Lender on any interest payment date would be less than the maximum amount permitted by applicable law to be charged by such Lender, then the amount of interest payable for its account on such subsequent interest payment date shall be automatically increased to such maximum permissible amount, provided that at no time shall the aggregate amount by which interest paid for the account of any Lender has been increased

pursuant to this sentence exceed the aggregate amount by which interest paid for its account has theretofore been reduced pursuant to the previous sentence.

(e) The Administrative Agent shall promptly notify the applicable Borrower and the Lenders upon determining the interest rate for each Borrowing of SOFR Loans after its receipt of the relevant Notice of Borrowing or Notice of Conversion/Continuation, and upon each change in the Base Rate; provided, however, that the failure of the Administrative Agent to provide the applicable Borrower or the Lenders with any such notice shall neither affect any obligations of the applicable Borrower or the Lenders hereunder nor result in any liability on the part of the Administrative Agent to such Borrower or any Lender. Each such determination shall, absent manifest error, be conclusive and binding on all parties hereto.

(f) In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time in consultation with the Company and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document. The Administrative Agent will promptly notify the Borrowers and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

2.10 Fees.

(a) The Company agrees to pay to the Administrative Agent, for the account of each Lender, a commitment fee (the "Commitment Fee"), which shall accrue at a per annum rate equal to the Applicable Percentage in effect for such fee from time to time during each calendar quarter (or portion thereof) on such Lender's Unutilized Commitment (excluding clause (ii) of the definition thereof for purposes of this **Section 2.10(a)** only), during the period from and including the date hereof to but excluding the Commitment Termination Date; provided, however, that no Commitment Fee shall accrue on the Unutilized Commitments of a Defaulting Lender during any period that such Lender shall be a Defaulting Lender. Accrued Commitment Fees shall be payable in arrears (i) on the last Business Day of each calendar quarter, beginning with the first such day to occur after the date hereof and (ii) on the Commitment Termination Date. All Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day);

(b) The applicable Borrower agrees to pay to the Administrative Agent, for the account of each Lender, a letter of credit fee (the "Letter of Credit Fee") for each calendar quarter (or portion thereof) in respect of all Letters of Credit outstanding for such Borrower's account during such quarter, at a per annum rate equal to the Applicable Percentage in effect for such fee from time to time during such quarter on such Lender's Ratable Share of the average daily aggregate Stated Amount of Letters of Credit outstanding during such quarter; provided, however, that any Letter of Credit Fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the Fronting Bank pursuant to **Section 2.5(c)(xi)** shall be payable, to the maximum extent permitted by applicable Law, to the other Lenders in accordance with the upward adjustments in their respective Ratable Shares allocable to such Letter of Credit pursuant to **Section 2.22(a)(iii)**, with the balance of such fee, if any, payable to the Fronting Bank for its own account. The Letter of Credit Fee shall be due and payable quarterly in arrears (i) on the last Business Day of each calendar quarter, commencing with the first such date to occur after the Closing Date through the Final Maturity Date and (ii) on the Final Maturity Date;

(c) The Company agrees to pay to the Administrative Agent, for its own account, the annual administrative agent's fee described in the Fee Letter, on the terms, in the amount and at the times set forth therein; and

(d) The applicable Borrower agrees to pay to the Fronting Bank, for its own account, with respect to the Issuance of each Participated Letter of Credit for such Borrower's account hereunder, a fronting fee described in the Fee Letter, on the terms, in the amount and at the times set forth therein and, to the Fronting Bank and the L/C Agent, such reasonable fees and expenses as the Fronting Bank or L/C

Agent customarily requires in connection with the issuance, amendment, transfer, negotiation, processing and/or administration of letters of credit.

2.11 [Reserved].

2.12 Conversions and Continuations.

(a) Each Borrower shall have the right, on any Business Day occurring on or after the Closing Date, to elect (i) to convert all or a portion of the outstanding principal amount of any Base Rate Loans into SOFR Loans, or to convert any SOFR Loans the Interest Periods for which end on the same day into Base Rate Loans, or (ii) upon the expiration of any Interest Period, to continue all or a portion of the outstanding principal amount of any SOFR Loans the Interest Periods for which end on the same day for an additional Interest Period, provided that (w) any such conversion of SOFR Loans of the same Borrowing into Base Rate Loans shall involve an aggregate principal amount of not less than $3,000,000 or, if greater, an integral multiple of $1,000,000 in excess thereof; any such conversion of Base Rate Loans of the same Borrowing into, or continuation of, SOFR Loans shall involve an aggregate principal amount of not less than $5,000,000 or, if greater, an integral multiple of $1,000,000 in excess thereof; and no partial conversion of SOFR Loans of the same Borrowing shall reduce the outstanding principal amount of SOFR Loans to less than $5,000,000 or to any greater amount not an integral multiple of $1,000,000 in excess thereof, (x) if a SOFR Loan is converted into a Base Rate Loan on any day other than the last day of the Interest Period applicable thereto, the applicable Borrower will pay, upon such conversion, all amounts required under **Section 2.19** to be paid as a consequence thereof, (y) no such conversion or continuation shall be permitted with regard to any Swingline Loans and (z) no conversion of Base Rate Loans into SOFR Loans or continuation of SOFR Loans shall be permitted during the continuance of a Default or Event of Default.

(b) The applicable Borrower shall make each such election by giving the Administrative Agent written notice not later than 11:00 a.m. three (3) U.S. Government Securities Business Days prior to the intended effective date of any conversion of Base Rate Loans into, or continuation of, SOFR Loans and one Business Day prior to the intended effective date of any conversion of SOFR Loans into Base Rate Loans. Each such notice (each, a "Notice of Conversion/Continuation") shall be irrevocable, shall be given in the form of **Exhibit B-3** and shall specify (x) the date of such conversion or continuation (which shall be a Business Day), (y) in the case of a conversion into, or a continuation of, SOFR Loans, the Interest Period to be applicable thereto, and (z) the aggregate amount and Type of the Loans being converted or continued. Upon the receipt of a Notice of Conversion/Continuation, the Administrative Agent will promptly notify each Lender of the proposed conversion or continuation. In the event that the Borrowers shall fail to deliver a Notice of Conversion/Continuation as provided herein with respect to any outstanding SOFR Loans, such SOFR Loans shall automatically be converted to Base Rate Loans upon the expiration of the then-current Interest Period applicable thereto (unless repaid pursuant to the terms hereof). In the event the applicable Borrower shall have failed to select in a Notice of Conversion/Continuation the duration of the Interest Period to be applicable to any conversion into, or continuation of, SOFR Loans, then such Borrower shall be deemed to have selected an Interest Period with a duration of one month.

2.13 Method of Payments; Computations; Apportionment of Payments.

(a) All payments by any Borrower hereunder shall be made without setoff, counterclaim or other defense, in Dollars and in immediately available funds to the Administrative Agent, for the account of the Lenders entitled to such payment or the Swingline Lender, as the case may be (except as otherwise expressly provided herein as to payments required to be made directly to the Administrative Agent, the Issuing Banks or the Lenders), at the Payment Office prior to 2:00 p.m. on the date payment is due. Any payment made as required hereinabove, but after 2:00 p.m. shall be deemed to have been made on the next succeeding Business Day. If any payment falls due on a day that is not a Business Day, then such due date shall be extended to the next succeeding Business Day (subject in the case of SOFR Loans to the definition of "Interest Period"), and such extension of time shall then be included in the computation of payment of interest, fees or other applicable amounts.

(b) The Administrative Agent will distribute to the Lenders like amounts relating to payments made to the Administrative Agent for the account of the Lenders as follows: (i) if the payment is received by 12:00 noon in immediately available funds, the Administrative Agent will make available to each relevant Lender on the same date, by wire transfer of immediately available funds, such Lender's Ratable Share of such payment, and (ii) if such payment is received after 12:00 noon or in other than immediately available funds, the Administrative Agent will make available to each such Lender its Ratable Share of such payment by wire transfer of immediately available funds on the next succeeding Business Day (or in the case of uncollected funds, as soon as practicable after collected). Notwithstanding the foregoing or any contrary provision hereof, if any Lender shall fail to make any payment required to be made by it hereunder to the Administrative Agent, the Fronting Bank or the Swingline Lender, then the Administrative Agent may, in its discretion, apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations to the Administrative Agent, the Fronting Bank or the Swingline Lender, as the case may be, until all such unsatisfied obligations are fully paid. If the Administrative Agent shall not have made a required distribution to the appropriate Lenders as required hereinabove after receiving a payment for the account of such Lenders, the Administrative Agent will pay to each such Lender, on demand, its Ratable Share of such payment with interest thereon at the Federal Funds Rate for each day from the date such amount was required to be disbursed by the Administrative Agent until the date repaid to such Lender. The Administrative Agent will distribute to the Issuing Banks and Swingline Lender like amounts relating to payments made to the Administrative Agent for the account of the Issuing Banks and Swingline Lender in the same manner, and subject to the same terms and conditions, as set forth hereinabove with respect to distributions of amounts to the Lenders.

(c) Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the relevant Lenders or the Issuing Banks hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the relevant Lenders, the Issuing Banks or the Swingline Lender, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the relevant Lenders, the Issuing Banks or the Swingline Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the Issuing Banks, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

(d) All computations of interest and fees hereunder shall be made on the basis of a year consisting of (i) in the case of interest on Base Rate Loans based on the prime commercial lending rate of the Administrative Agent, 365/366 days, as the case may be, or (ii) in all other instances, 360 days; and in each case under (i) and (ii) above, with regard to the actual number of days (including the first day, but excluding the last day) elapsed.

(e) Notwithstanding any other provision of this Agreement or any other Credit Document to the contrary, all amounts collected or received by the Administrative Agent or any Lender after acceleration of the Loans pursuant to **Section 8.2** shall be applied by the Administrative Agent as follows:

(i) first, to the payment of all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' and consultants' fees irrespective of whether such fees are allowed as a claim after the occurrence of a Bankruptcy Event) of the Administrative Agent in connection with enforcing the rights of the Lenders under the Credit Documents;

(ii) second, to the payment of any fees owed to the Administrative Agent and the Fronting Bank hereunder or under any other Credit Document;

(iii) third, to the payment of all reasonable and documented out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' and consultants' fees irrespective of whether such fees are allowed as a claim after the occurrence of a Bankruptcy Event) of each of the Lenders, the Swingline Lender, the Issuing Banks and the L/C Agent in connection with

enforcing its rights under the Credit Documents or otherwise with respect to the Obligations owing to such Lender;

(iv) fourth, to the payment of all of the Obligations consisting of accrued fees and interest (including, without limitation, fees incurred and interest accruing at the then applicable rate after the occurrence of a Bankruptcy Event irrespective of whether a claim for such fees incurred and interest accruing is allowed in such proceeding);

(v) fifth, to the payment of the outstanding principal amount of the Obligations (including the payment of any outstanding Reimbursement Obligations);

(vi) sixth, to Cash Collateralize Letter of Credit Exposure and to the payment of all other Obligations and other obligations that shall have become due and payable under the Credit Documents or otherwise and not repaid; and

(vii) seventh, to the payment of the surplus (if any) to the Borrowers, pro rata, or whomever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (x) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category, (y) all amounts shall be apportioned ratably among the Lenders, the Swingline Lender and the Issuing Banks in proportion to the amounts of such principal, interest, fees or other Obligations owed to them respectively pursuant to clauses (iii) through (vii) above, and (z) to the extent that any amounts available for distribution pursuant to clause (v) above are attributable to the issued but undrawn amount of outstanding Letters of Credit, such amounts shall be held by the Administrative Agent to Cash Collateralize Letter of Credit Exposure pursuant to **Section 2.5(f)**.

2.14 Recovery of Payments.

(a) Each Borrower agrees that to the extent such Borrower makes a payment or payments to or for the account of the Administrative Agent, the Swingline Lender, any Lender or any Issuing Bank, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, common law or equitable cause (whether as a result of any demand, settlement, litigation or otherwise), then, to the extent of such payment or repayment, the Obligation intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been received.

(b) If any amounts distributed by the Administrative Agent to any Lender or any Issuing Bank are subsequently returned or repaid by the Administrative Agent to the applicable Borrower, its representative or successor in interest, or any other Person, whether by court order, by settlement approved by such Lender or such Issuing Bank, or pursuant to applicable Requirements of Law, such Lender or such Issuing Bank will, promptly upon receipt of notice thereof from the Administrative Agent, pay the Administrative Agent such amount. If any such amounts are recovered by the Administrative Agent from the applicable Borrower, its representative or successor in interest or such other Person, the Administrative Agent will redistribute such amounts to the Lenders or the Issuing Banks on the same basis as such amounts were originally distributed.

2.15 Use of Proceeds. The proceeds of the Loans shall be used to provide for the working capital and general corporate requirements of the Borrowers and their respective Subsidiaries not in contravention of any Requirement of Law or any provision of this Agreement or any other Credit Document. Without limiting the generality of the foregoing, no proceeds from any Credit Extension shall be used, directly or, to the applicable Borrower's knowledge after due care and inquiry, indirectly, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (iii) in any manner that would result in the violation of any Anti-Money Laundering Laws or Sanctions applicable to any party hereto.

2.16 Pro Rata Treatment.

(a) Except in the case of Swingline Loans, all fundings, continuations and conversions of Loans shall be made by the Lenders pro rata on the basis of their Ratable Share (in the case of the initial making of the Loans) or on the basis of their respective outstanding Loans (in the case of continuations and conversions of the Loans), as the case may be from time to time. All payments on account of principal of or interest on any Loans, fees or any other Obligations owing to or for the account of any one or more Lenders shall be apportioned ratably among such Lenders in proportion to the amounts of such principal, interest, fees or other Obligations owed to them respectively.

(b) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other Obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such Obligations greater than its Ratable Share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other Obligations owing them, provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section shall not be construed to apply to (x) any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans, Reimbursement Obligations or Swingline Loans to any assignee or Participant, other than to any Borrower or any Subsidiary thereof (as to which the provisions of this **Section 2.16(b)** shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation. If under any applicable Debtor Relief Law, any Lender receives a secured claim in lieu of a setoff to which this **Section 2.16(b)** applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this **Section 2.16(b)** to share in the benefits of any recovery on such secured claim.

2.17 Increased Costs; Change in Circumstances; Illegality.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of the FRB, as amended and in effect from time to time)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or any Issuing Bank;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any Issuing Bank any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make or participate in any such Loan, or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, such Issuing Bank or other Recipient hereunder (whether of principal, interest or any other amount), then, upon request of such Lender, such Issuing Bank or other Recipient, the applicable Borrowers will pay to such Lender, such Issuing Bank or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Bank or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law affecting such Lender or such Issuing Bank or any Lending Office of such Lender or such Lender's or such Issuing Bank's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the applicable Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the calculation in reasonable detail of the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in **Section 2.17(a)** or **Section 2.17(b)** and delivered to the applicable Borrowers shall be conclusive absent manifest error. The applicable Borrowers shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation, provided that the applicable Borrowers shall not be required to compensate a Lender or such Issuing Bank pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the applicable Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Subject to clause (f) below, in connection with any request for a SOFR Loan or a conversion to or continuation thereof or otherwise, if for any reason, (i) the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining Adjusted Term SOFR for the applicable Interest Period with respect to a proposed SOFR Loan on or prior to the first day of such Interest Period or (ii) the Administrative Agent shall have received written notice from the Required Lenders of their determination that Adjusted Term SOFR does not adequately and fairly reflect the cost to such Lenders of making or maintaining SOFR Loans during such Interest Period, the Administrative Agent will promptly so notify the Borrowers and the Lenders. Upon notice thereof by the Administrative Agent to the Borrowers, any obligation of the Lenders to make SOFR Loans, and any right of the Borrowers to convert any Loan to or continue any Loan as a SOFR Loan, shall be suspended (to the extent of the affected SOFR Loans or the affected Interest Periods) until the Administrative Agent (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (A) each Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the

affected SOFR Loans or the affected Interest Periods) or, failing that, such Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans in the amount specified therein and (B) any outstanding affected SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period. Upon any such prepayment or conversion, the applicable Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to **Section 2.19**.

(f) Benchmark Replacement Setting.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Credit Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrowers may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5^{th}) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrowers so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this **Section 2.17(f)(i)** will occur prior to the applicable Benchmark Transition Start Date.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowers and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrowers of the removal or reinstatement of any tenor of a Benchmark pursuant to **Section 2.17(f)(iv)**. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this **Section 2.17(f)**, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this **Section 2.17(f)**.

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Credit Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (1) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrowers' receipt of notice of the commencement of a Benchmark Unavailability Period, (A) each Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, such Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans and (B) any outstanding affected SOFR Loans will be deemed to have been converted to Base Rate Loans at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

(g) Notwithstanding any other provision in this Agreement, if, at any time after the date hereof and from time to time, any Lender determines in good faith that any Change in Law has or would have the effect of making it unlawful for such Lender or its applicable Lending Office to make or to continue to make or maintain any SOFR Loan, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, such Lender shall promptly give notice thereof to the Administrative Agent and the Administrative Agent shall promptly give notice to the Borrowers and the other Lenders (an "Illegality Notice"). Thereafter, until each affected Lender notifies the Administrative Agent and the Administrative Agent notifies the Borrowers that the circumstances giving rise to such determination no longer exist, (i) any obligation of the Lenders to make SOFR Loans, and any right of the Borrowers to convert any Loan to a SOFR Loan or continue any Loan as a SOFR Loan, shall be suspended and (ii) if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (iii) of the definition of "Base Rate". Upon receipt of an Illegality Notice, the Borrowers shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, in their sole discretion elect to convert all SOFR Loans to Base Rate Loans (in each case, if necessary to avoid such illegality, the Administrative Agent shall compute the Base Rate without reference to clause (iii) of the definition of "Base Rate"), on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such SOFR Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such SOFR Loans to such day. Upon any such prepayment or conversion, the applicable Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to **Section 2.19**.

(h) Similar Treatment. Notwithstanding the foregoing **Sections 2.17(a)** and **2.17(b)**, no Lender, Issuing Bank or Recipient shall impose any costs specified therein or make any request for compensation pursuant thereto (or be entitled to any such additional costs) unless such Lender, Issuing Bank or Recipient is then generally imposing such cost upon or requesting such compensation from borrowers in connection with similar credit facilities containing similar provisions and at the time of such request certifies to the Borrowers to the effect of the foregoing; provided such Lender, Issuing Bank or Recipient shall not be required to disclose any of its records or any other information that it deems confidential.

2.18 Taxes.

(a) For purposes of this **Section 2.18**, the term "Lender" includes each Issuing Bank.

(b) Any and all payments by or on account of any obligation of any Borrower under any Credit Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings for Indemnified Taxes applicable to additional sums payable under this **Section 2.18**) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Each Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Each Borrower shall indemnify each Recipient, within 10 days after demand therefor, for its applicable share of the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this **Section 2.18**) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Borrower by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(e) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrowers have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrowers to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of **Section 10.6(e)** relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this **Section 2.18(e)**.

(f) As soon as practicable after any payment of Taxes by any Borrower to a Governmental Authority pursuant to this **Section 2.18**, the applicable Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the applicable Borrower and the Administrative Agent, at the time or times reasonably requested by the applicable Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the applicable Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the applicable Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrowers or the Administrative Agent as will enable the applicable Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in **Sections 2.18(g)(ii)(A)**, **2.18(g)(ii)(B)** and **2.18(g)(ii)(D)**) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to the applicable Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the applicable Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the applicable Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the applicable Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of **Exhibit G-1** to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the applicable Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of **Exhibit G-2** or **Exhibit G-3**, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of **Exhibit G-4** on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the applicable Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the applicable Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the applicable Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the applicable Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the applicable Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the applicable Borrower or the Administrative Agent as may be necessary for the applicable Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this **Section 2.18(g)(ii)(D)**, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrowers and the Administrative Agent in writing of its legal inability to do so.

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this **Section 2.18** (including by the payment of additional amounts pursuant to this**Section 2.18**), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this **Section 2.18** with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this **Section 2.18(h)** (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this **Section 2.18(h)**, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this **Section 2.18(h)** the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This **Section 2.18(h)** shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Each party's obligations under this **Section 2.18** shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

2.19 Compensation. Each Borrower will compensate each Lender upon demand for all losses (other than loss of Applicable Percentage), expenses and liabilities (including, without limitation, any loss, expense or liability incurred by reason of the liquidation or reemployment of deposits or other funds or from any fees payable) which may arise, be attributable to or result due to or as a consequence of (a) any failure by such Borrower to make any payment when due of any amount due hereunder in connection with a SOFR Loan, (b) any failure of such Borrower to borrow or continue a SOFR Loan or convert to a SOFR Loan on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation, (c) any failure of such Borrower to prepay any SOFR Loan on a date specified therefor in any notice of prepayment (regardless of whether any such notice of prepayment may be revoked under **Section 2.8(a)** and is revoked in accordance therewith), (d) any payment, prepayment or conversion of any SOFR Loan on a date other than the last day of the Interest Period therefor (including as a result of an Event of Default) or (e) the assignment of any SOFR Loan other than on the last day of the Interest Period applicable thereto as a result of a request by such Borrower pursuant to **Section 2.20(a)**. A certificate of such Lender setting forth the basis for determining such amount or amounts necessary to compensate such

Lender shall be forwarded to the Borrowers through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error. All of the obligations of the Borrowers under this **Section 2.19** shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

2.20 Replacement of Lenders; Mitigation of Costs

(a) If any Lender requests compensation under **Sections 2.17(a)** or **2.17(b)**, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to **Section 2.18**, and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with **Section 2.20(b)**, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, **Section 10.6**), all of its interests, rights (other than its existing rights to payments pursuant to **Sections 2.17(a)**, **2.17(b)** or **2.18**) and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Administrative Agent shall have received the assignment fee specified in **Section 10.6(b)(iv)**;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, any L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents (including any amounts under **Section 2.19**) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a request for compensation under **Sections 2.17(a)** or **2.17(b)** or payments required to be made pursuant to **Section 2.18**, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable Requirements of Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable Eligible Assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

Each party hereto agrees that (x) an assignment required pursuant to this **Section 2.20** may be effected pursuant to an Assignment and Assumption executed by the Borrowers, the Administrative Agent and the assignee and (y) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender or the Administrative Agent, provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

(b) If any Lender requests compensation under **Sections 2.17(a)** or **2.17(b)**, or requires any Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to **Section 2.18**, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans or L/C Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts

payable pursuant to **Sections 2.17(a)**, **2.17(b)** or **2.18**, as the case may be, in the future, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender as it so deems in good faith. Each Borrower hereby agrees to pay all reasonable out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

2.21 Increase in Commitments.

(a) The Company shall have the right, at any time and from time to time after the Closing Date but prior to the date 30 days prior to the Commitment Termination Date by written notice to and in consultation with the Administrative Agent, to request an increase in the aggregate Commitments (each such requested increase, a "Commitment Increase"), by having one or more existing Lenders increase their respective Commitments then in effect (each, an "Increasing Lender"), by adding as a Lender with a new Commitment hereunder one or more Persons that are not already Lenders (each, an "Additional Lender"), or a combination thereof; provided that (i) any such request for a Commitment Increase shall be in a minimum amount of $25,000,000 or an integral multiple of $1,000,000 in excess thereof, (ii) immediately after giving effect to any Commitment Increase, the aggregate of all Commitment Increases effected after the Closing Date shall not exceed $200,000,000, and (iii) no existing Lender shall be obligated to increase its Commitment as a result of any request for a Commitment Increase by the Company unless it agrees in its sole discretion to do so.

(b) Each Additional Lender must qualify as an Eligible Assignee (the approval of which by the Administrative Agent, the Swingline Lender and the Fronting Bank shall not be unreasonably withheld or delayed) and the Borrowers and each Additional Lender shall execute a Lender Joinder Agreement together with all such other documentation as the Administrative Agent and the Borrowers may reasonably require, all in form and substance reasonably satisfactory to the Administrative Agent and the Borrowers, to evidence the Commitment of such Additional Lender and its status as a Lender hereunder.

(c) If the aggregate Commitments are increased in accordance with this Section, the Administrative Agent and the Borrowers shall determine the effective date (the "Commitment Increase Date," which shall be a Business Day not less than 30 days prior to the Commitment Termination Date) and the final allocation of such increase. The Administrative Agent shall promptly notify the Borrowers and the Lenders of the final allocation of such increase and the Commitment Increase Date. The Administrative Agent is hereby authorized, on behalf of the Lenders, to enter into any amendments to this Agreement and the other Credit Documents as the Administrative Agent shall reasonably deem appropriate to effect such Commitment Increase.

(d) Notwithstanding anything set forth in this **Section 2.21**, no increase in the aggregate Commitments pursuant to this **Section 2.21** shall be effective unless:

(i) The Administrative Agent shall have received the following, each dated the Commitment Increase Date and in form and substance reasonably satisfactory to the Administrative Agent:

(A) as to each Increasing Lender, evidence of its agreement to provide a portion of the Commitment Increase, and as to each Additional Lender, a duly executed Lender Joinder agreement together with all other documentation required by the Administrative Agent and the Borrowers pursuant to **Section 2.21(b)**;

(B) an instrument, duly executed by each Borrower and the Guarantor, acknowledging and reaffirming its obligations under this Agreement and the other Credit Documents;

(C) a certificate of the secretary or an assistant secretary of each Borrower, certifying to and attaching the resolutions adopted by the board of directors (or similar governing body) of such Borrower approving or consenting to such Commitment Increase;

(D) a certificate of an Authorized Officer of the Company, certifying that (y) as of the Commitment Increase Date, all representations and warranties of the Borrowers contained in this Agreement and the other Credit Documents are true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects), both immediately before and after giving effect to the Commitment Increase and any Borrowings or Letters of Credit issued in connection therewith (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty is true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects), in each case as of such date), and (z) no Default or Event of Default has occurred and is continuing, both immediately before and after giving effect to such Commitment Increase (including any Borrowings or Letters of Credit issued in connection therewith and the application of the proceeds thereof);

(ii) If there is a non-ratable increase in the aggregate Commitments, each outstanding Syndicated Letter of Credit shall have been amended giving effect to the reallocation of the Commitments or, if required, returned by each respective beneficiary to the Administrative Agent and cancelled and/or exchanged for a new or amended Syndicated Letter of Credit giving effect to the reallocated Commitments; and

(iii) The conditions precedent set forth in **Section 3.2** shall have been satisfied.

(e) On the Commitment Increase Date, to the extent necessary to keep the outstanding Loans ratable in the event of any non-ratable increase in the aggregate Commitments, (i) all then outstanding Revolving Loans (the "Outstanding Loans") shall, to the extent not then maintained as Base Rate Loans, automatically be converted into Base Rate Loans, (ii) immediately after the effectiveness of the Commitment Increase, each Borrower may, if it so requests, convert any such Base Rate Loans into SOFR Loans in the amounts and for the Interest Periods specified in a Notice of Conversion/Continuation delivered to the Administrative Agent in accordance with **Section 2.12**, (iii) each Lender shall pay to the Administrative Agent in immediately available funds an amount equal to the difference, if positive, between (y) such Lender's Ratable Share, calculated after giving effect to the Commitment Increase, of the Outstanding Loans and (z) such Lender's Ratable Share, calculated without giving effect to the Commitment Increase, of the Outstanding Loans, (iv) after the Administrative Agent receives the funds specified in clause (iii) above, the Administrative Agent shall pay to each Lender the portion of such funds equal to the difference, if positive, between (y) such Lender's Ratable Share, calculated without giving effect to the Commitment Increase, of the Outstanding Loans and (z) such Lender's Ratable Share, calculated after giving effect to the Commitment Increase, of the amount of the Outstanding Loans, (v) the Lenders shall be deemed to hold the Outstanding Loans ratably in accordance with their respective Commitment (calculated after giving effect to the Commitment Increase), (vi) each Borrower shall pay all accrued but unpaid interest on the Outstanding Loans as of the Commitment Increase Date to the Lenders entitled thereto, and (vii) **Schedule 1.1(a)** shall automatically be amended to reflect the Commitments of all Lenders after giving effect to the Commitment Increase. The conversion of SOFR Loans pursuant to clause (i) above shall be subject to indemnification by the applicable Borrower pursuant to the provisions of **Section 2.19** if the Commitment Increase Date occurs other than on the last day of the Interest Period relating thereto.

2.22 Defaulting Lenders.

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in **Section 10.5**.

(ii) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or

mandatory, at maturity, pursuant to **Article VIII** or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to **Section 8.3** shall be applied at such time or times as may be determined by the Administrative Agent as follows:

(A) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder;

(B) second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Fronting Bank or the Swingline Lender hereunder;

(C) third, if so determined by the Administrative Agent or requested by the Fronting Bank or the Swingline Lender, to be held as Cash Collateral for the Fronting Exposure of the Fronting Bank or the Swingline Lender with respect to such Defaulting Lender in accordance with **Section 2.22(c)**;

(D) fourth, as the Company may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent;

(E) fifth, if so determined by the Administrative Agent or the Borrowers, to be held in a non-interest bearing deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Fronting Bank's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit Issued under this Agreement, in accordance with **Section 2.22(c)**;

(F) sixth, to the payment of any amounts owing to the Lenders, the Fronting Bank or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Fronting Bank or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement;

(G) seventh, so long as no Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and

(H) eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction;

provided that if (x) such payment is a payment of the principal amount of any Loans or any Letter of Credit Exposure in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in **Section 3.2** were satisfied or waived, such payment shall be applied solely to pay the Loans of, and obligations in respect of Letters of Credit owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or obligations in respect of Letters of Credit owed to, such Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this **Section 2.22(a)(ii)** shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) (A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which such Lender is a Defaulting Lender and the Company shall not be required to pay any such fee that otherwise would have been required to have been paid to such Lender.

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which such Lender is a Defaulting Lender only to the extent allocable to its Letter of Credit Exposure for which it has provided Cash Collateral in accordance with **Section 2.22(c)**.

(C) With respect to any Commitment Fee or Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to **Section 2.22(a)(iii)(A)** or **2.22(a)(iii)(B)**, the Borrowers shall (x) pay to each non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's Letter of Credit Exposure or Swingline Exposure that has been reallocated to such non-Defaulting Lender pursuant to **Section 2.22(a)(iv)**, (y) pay to the Fronting Bank and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Fronting Bank's or Swingline Lender's Fronting Exposure to such Defaulting Lender and (z) not be required to pay the remaining amount of any such fee.

(iv) All or any part of such Defaulting Lender's Letter of Credit Exposure and Swingline Exposure shall automatically (effective on the day such Lender becomes a Defaulting Lender) be reallocated among the non-Defaulting Lenders in accordance with their respective Credit Exposures (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the Credit Exposure of any non-Defaulting Lender to exceed such non-Defaulting Lender's Commitment.

(v) If the reallocation described in **Section 2.22(a)(iv)** cannot, or can only partially, be effected, the applicable Borrowers shall, without prejudice to any right or remedy available to it hereunder or under law, (A) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (b) second, Cash Collateralize the Fronting Bank's Fronting Exposure in accordance with the procedures set forth in **Section 2.22(c)**.

(b) If the Borrowers, the Administrative Agent, the Fronting Bank and the Swingline Lender agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans, Syndicated Letters of Credit and funded and unfunded participations in Participated Letters of Credit and Swingline Loans to be held on a pro rata basis by the Lenders in accordance with their respective Credit Exposures (without giving effect to **Section 2.22(a)(iii)**), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of any Borrower while such Lender was a Defaulting Lender; provided further that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

(c) At any time that there shall exist a Defaulting Lender, within two Business Days upon the request of the Administrative Agent, the Fronting Bank or the Swingline Lender, the applicable Borrowers shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to **Section 2.22(a)(iii)** and any Cash Collateral provided by the Defaulting Lender).

(i) All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts with the Administrative Agent. The applicable Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Fronting Bank and the Lenders (including the Swingline Lender), and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as

collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to **Section 2.22(c)(ii)**. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the applicable Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(ii) Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this **Section 2.22** in respect of Letters of Credit or Swingline Loans shall be held and applied to the satisfaction of the Defaulting Lender's obligation to fund participations in specific Letter of Credit Exposure or specific Swingline Exposure (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee)) or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; provided, however, that (x) Cash Collateral furnished by or on behalf of the applicable Borrower shall not be released during the continuance of a Default (and following application as provided in this **Section 2.22** may be otherwise applied in accordance with **Section 2.13**) and (y) the Person providing Cash Collateral and the Fronting Bank or Swingline Lender, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.23 Extension of Commitment Termination Date.

(a) The Company may, by notice to the Administrative Agent (who shall promptly notify the Lenders) given in writing not more than ninety (90) days and not later than thirty (30) days prior to any anniversary of the Closing Date (each such anniversary date, the relevant "Extension Date"), on no more than two (2) occasions during the term of this Agreement, request that each Lender extend such Lender's Commitment Termination Date for a period of one (1) year from the Commitment Termination Date then in effect hereunder (the "Existing Commitment Termination Date"); *provided* that the Commitment Termination Date, after giving effect to any such extension, shall not be later than five (5) years after the effective date of such extension.

(i) Each Lender, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given in writing not earlier than sixty (60) days prior to the Extension Date and not later than fifteen (15) days prior to the Extension Date (the date that is fifteen (15) days prior to the Extension Date being the "Notice Date"), advise the Administrative Agent if such Lender accepts the extension request from the Company (and each Lender that determines not to so extend its Commitment Termination Date (each, a "Non-Extending Lender") shall notify the Administrative Agent of such fact promptly after such determination and in any event no later than the Notice Date) and any Lender that does not so advise the Administrative Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(ii) The Administrative Agent shall notify the Company of each Lender's determination under this **Section 2.23(a)** no later than the date that is ten (10) days prior to the Extension Date (or, if such date is not a Business Day, on the next preceding Business Day).

(iii) The Company shall have the right on or before the Extension Date to replace each Non-Extending Lender with, and add as "Lenders" under this Agreement in place thereof, one or more Eligible Assignees (each, an "Additional Commitment Lender") with the approval of the Administrative Agent, the Swingline Lender and the Fronting Bank (which approvals shall

not be unreasonably withheld, conditioned or delayed), each of which Additional Commitment Lenders shall have entered into an agreement in form and substance reasonably satisfactory to the Borrowers and the Administrative Agent pursuant to which such Additional Commitment Lender shall, effective as of the Extension Date, undertake a Commitment (and, if any such Additional Commitment Lender is already a Lender, its Commitment shall be in addition to such Lender's Commitment hereunder on such date).

(iv) If (and only if) the total of the Commitments of the Lenders that have agreed to extend their Commitment Termination Date and the additional Commitments of the Additional Commitment Lenders shall be more than 50% of the aggregate amount of the Commitments in effect immediately prior to the Extension Date, then, effective as of the Extension Date, the Commitment Termination Date of each extending Lender and of each Additional Commitment Lender shall be extended to the date falling one (1) year after the Existing Commitment Termination Date (except that, if such date is not a Business Day, such Commitment Termination Date as so extended shall be the next preceding Business Day) and each Additional Commitment Lender shall thereupon become a "Lender" for all purposes of this Agreement and the other Credit Documents.

(v) Notwithstanding the foregoing, the extension of the Commitment Termination Date pursuant to this **Section 2.23(a)** shall not be effective with respect to any Lender unless:

(A) no Default or Event of Default shall have occurred and be continuing on the date of such extension and after giving effect thereto; and

(B) the representations and warranties contained in this Agreement are true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) on and as of the date of such extension and after giving effect thereto, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

(vi) On or before the Commitment Termination Date of each Non-Extending Lender, the applicable Borrowers shall pay in full (i) the principal of and interest on all of the Revolving Loans made by such Non-Extending Lender to the Borrowers hereunder and (ii) all other amounts owing to such Lender hereunder.

2.24 Additional Borrowers. The Company may at any time, upon not less than ten (10) Business Days' notice to the Administrative Agent, designate any Wholly-Owned Subsidiary of the Company that is organized under the laws of the United States or a State thereof as a Borrower (each such Subsidiary, an "Additional Borrower") to request Letters of Credit and Loans hereunder by delivering to the Administrative Agent (which shall promptly deliver counterparts thereof to each Lender) a duly executed notice and agreement in substantially the form of **Exhibit H-1** (an "Additional Borrower Joinder Agreement"). As a condition to any Additional Borrower joining this Agreement as a Borrower and becoming entitled to utilize the credit facilities provided for herein, the Administrative Agent shall have received such supporting resolutions, incumbency certificates, opinions of counsel and other documents or information that it may reasonably request and any information reasonably necessary for any Lender to satisfy its "know-your-customer" obligations as required by law. Promptly following receipt of the executed Additional Borrower Joinder Agreement and all such requested resolutions, incumbency certificates, opinions of counsel and other documents or information, the Administrative Agent shall notify the Company and the Lenders specifying the effective date upon which the Additional Borrower shall constitute a Borrower for purposes hereof, whereupon such Additional Borrower may request Letters of Credit and Loans hereunder on the terms and conditions set forth herein, and each of the parties agrees that such Additional Borrower otherwise shall be a Borrower for all purposes of this Agreement.

2.25 Termination of Subsidiary Borrowers. So long as there shall be no Loans or Letters of Credit outstanding with respect to any Borrower who is a subsidiary of the Company (a "Subsidiary Borrower") or other amounts owing hereunder or under the other Credit Documents by such Subsidiary Borrower (or any pending borrowing request by such Subsidiary Borrower), the Company may elect to terminate such Subsidiary Borrower as a Borrower hereunder by delivering to the Administrative Agent a

notice substantially in the form of **Exhibit H-2** or any other form approved by the Administrative Agent (each a "Subsidiary Borrower Termination Notice"), duly completed and executed by an Authorized Officer of the Company. Any Subsidiary Borrower Termination Notice furnished hereunder shall be effective upon receipt thereof by the Administrative Agent (which shall promptly so notify the Lenders), whereupon all commitments of the Lenders to make Loans to such Subsidiary Borrower or to Issue Letters of Credit for the account of such Subsidiary Borrower, and the rights of such Subsidiary Borrower to borrow Loans and request Letters of Credit hereunder shall terminate and such Subsidiary Borrower shall immediately cease to be a Borrower hereunder and a party hereto; provided that, notwithstanding anything herein to the contrary, the delivery of a Subsidiary Borrower Termination Notice with respect to any Subsidiary Borrower shall not terminate or discharge (i) any obligation of such Subsidiary Borrower that remains unpaid at such time or (ii) the obligations of the Company under **Article XI** with respect to any such unpaid obligations.

2.26 ESG Amendment. After the Closing Date, the Company, in consultation with the Sustainability Structuring Agent, shall be entitled to establish specified Key Performance Indicators ("KPIs") with respect to certain Environmental, Social and Governance ("ESG") targets of the Borrowers and their respective Subsidiaries to be mutually agreed between the Company and the Sustainability Structuring Agent. The Sustainability Structuring Agent, the Borrowers and the Required Lenders may amend this Agreement (such amendment, the "ESG Amendment") solely for the purpose of incorporating the KPIs and other related provisions (the "ESG Pricing Provisions") into this Agreement. Upon effectiveness of any such ESG Amendment, based on the Borrowers' performance against the KPIs, certain adjustments to the Commitment Fee and Applicable Percentage for Loans and Letter of Credit Fees may be made; provided that the amount of any such adjustments made pursuant to an ESG Amendment shall not result in an increase or decrease of more than (a) 1.00 basis point in the Commitment Fee and/or (b) 5.00 basis points in the Applicable Percentage for Loans and Letter of Credit Fees, and such adjustments shall not be cumulative year-over-year. The pricing adjustments will require, among other things, reporting and validation of the measurement of the KPIs in a manner that is aligned with the Sustainability Linked Loan Principles (as published from time to time by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association) or with precedent Sustainability Linked Loans in the insurance syndicated loan market at the time of the ESG Amendment and is to be agreed between the Company and the Sustainability Structuring Agent (each acting reasonably). Following the effectiveness of the ESG Amendment, any modification to the ESG Pricing Provisions which does not have the effect of reducing the Commitment Fee or Applicable Percentage for Loans and Letter of Credit Fees to a level not otherwise permitted by this paragraph shall be subject only to the consent of the Required Lenders.

2.27 Sustainability Structuring Agent. The Sustainability Structuring Agent will (i) assist the Company in determining the ESG Pricing Provisions in connection with the ESG Amendment and (ii) assist the Company in preparing informational materials focused on KPIs to be used in connection with the ESG Amendment, in each case, based upon the information provided by the Company with respect to the applicable KPIs selected in accordance with **Section 2.26**. Each party hereto agrees that neither the Administrative Agent nor the Sustainability Structuring Agent (x) makes any assurances with regard to environmental or social impact and sustainability performance or that the characteristics of the relevant KPI metrics (including any environmental, social and sustainability criteria or any computation methodology) meet any industry standards for sustainability-linked credit facilities, (y) shall have any duty (or liability in respect of) to ascertain, inquire into or otherwise independently verify any such information, or (z) shall have any responsibility for (or be liable for) the completeness or accuracy of any such information. The Sustainability Structuring Agent shall have the benefit of the provisions in Sections **9.1, 9.2, 9.3, 9.4, 9.5, 9.7, 10.1** and **10.13** in each case to the same effect as the Administrative Agent thereunder.

ARTICLE III

CONDITIONS PRECEDENT

3.1 Conditions Precedent to the Closing Date. The amendment and restatement of the Existing Credit Agreement and the obligation of each Lender to make Credit Extensions hereunder shall

become effective on the date (such date, the "Closing Date") on which each of the following conditions precedent is satisfied:

(a) The Administrative Agent shall have received the following, each of which shall be originals or in an electronic format acceptable to the Administrative Agent (followed promptly by originals in the case of Notes) unless otherwise specified, each properly executed by a Responsible Officer of the applicable Borrower, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date prior to the Closing Date) and each in form and substance reasonably satisfactory to the Administrative Agent and each of the Lenders:

(i) executed counterparts of this Agreement;

(ii) Notes executed by each Borrower in favor of each Lender requesting a Note;

(iii) customary opinions requested by the Administrative Agent, all in form and substance reasonably satisfactory to the Administrative Agent;

(iv) a certificate, signed by an Authorized Officer of the Company, certifying that (A) all representations and warranties of the Borrowers contained in this Agreement and the other Credit Documents are true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) as of the Closing Date, both immediately before and after giving effect to the transactions contemplated hereby (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty shall be true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) as of such date), (B) no Default or Event of Default has occurred and is continuing, both immediately before and after giving effect to the consummation of the transactions contemplated hereby, (C) no change, occurrence or development shall have occurred or become known to the Company since December 31, 2021 that would reasonably be expected to have a Material Adverse Effect, and (D) all conditions precedent to the Closing Date set forth in this **Section 3.1** have been satisfied or waived as required hereunder;

(v) a certificate of the secretary or an assistant secretary of each Borrower certifying (A) that attached thereto is a true and complete copy of the articles or certificate of incorporation or formation and all amendments thereto of such Borrower, certified as of a recent date by the Secretary of State of its jurisdiction of organization, and that the same has not been amended since the date of such certification, (B) that attached thereto is a true and complete copy of the bylaws or operating agreement of such Borrowers, as then in effect and as in effect at all times from the date on which the resolutions referred to in clause (C) below were adopted to and including the date of such certificate, (C) that attached thereto is a true and complete copy of resolutions adopted by the board of directors (or similar governing body) of such Borrower, authorizing the execution, delivery and performance of this Agreement and the other Credit Documents, and (D) as to the incumbency and genuineness of the signature of each officer of such Borrower executing this Agreement or any of such other Credit Documents, and attaching all such copies of the documents described above;

(vi) the Financial Condition Certificate signed by an Authorized Officer of the Company confirming that, as of the Closing Date, after giving effect to the consummation of the transactions contemplated hereby each of the Borrowers and their respective Subsidiaries is solvent; and

(vii) a certificate as of a recent date of the good standing of each Borrower under the laws of its jurisdiction of organization, from the Secretary of State of such jurisdiction.

(b) All material governmental authorizations and third-party consents and approvals necessary in connection with the consummation of any of the transactions contemplated hereby shall have been obtained and shall remain in effect and shall not impose any restriction or condition materially adverse to the Administrative Agent or the Lenders; all applicable waiting periods shall have expired

without any action being taken or threatened by any Governmental Authority; and no law or regulation shall be applicable, or event shall have occurred, that seeks to enjoin, restrain, restrict, set aside or prohibit, or impose materially adverse conditions upon, the consummation of any of the transactions contemplated hereby.

(c) There shall be no action, suit, proceeding or investigation (whether previously existing, newly instituted or threatened in writing) before, and no order, injunction or decree shall have been entered by, any court, arbitrator or other Governmental Authority, in each case seeking to enjoin, restrain, restrict, set aside or prohibit, to impose material conditions upon, or to obtain substantial damages in respect of, the consummation of any of the transactions contemplated hereby or, other than as may have been specifically disclosed in the Company's annual report on Form 10-K for the fiscal year ending December 31, 2021, that has, or would reasonably be expected to have, a Material Adverse Effect.

(d) The Administrative Agent shall have received copies of the financial statements referred to in **Section 4.12**.

(e) Since December 31, 2021, both immediately before and after giving effect to the consummation of the transactions contemplated hereby, there shall not have occurred (i) a Material Adverse Effect or (ii) any event, condition or state of facts that would reasonably be expected to have a Material Adverse Effect.

(f) The Company shall have paid (i) to Wells Fargo Securities, LLC and the Administrative Agent, the fees required under the Fee Letter to be paid on the Closing Date, in the amounts due and payable on the Closing Date as required by the terms thereof, (ii) to the Administrative Agent, the initial payment of the annual administrative fee described in the Fee Letter, and (iii) all other fees and reasonable expenses of the Arrangers, the Administrative Agent, the L/C Agent, the Fronting Bank and the Lenders required to be paid on or prior to the Closing Date (including reasonable fees and expenses of counsel) in connection with this Agreement, the other Credit Documents and the transactions contemplated hereby to the extent invoiced at least two Business Days prior to the Closing Date; provided, however, that nothing in the preceding sentence shall be deemed a waiver of the Company's obligations set forth in **Section 10.1**.

(g) The Company shall have paid all accrued and unpaid fees and interest, if any, under the Existing Credit Agreement as of the Closing Date.

(h) The Administrative Agent shall have received an Account Designation Letter, together with written instructions from an Authorized Officer of each Borrower, including wire transfer information, directing the payment of the proceeds of the Loans to be made hereunder.

(i) The Administrative Agent and the Lenders shall have received from each Borrower all documentation and other information requested by the Administrative Agent that is required to satisfy applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act. At least five (5) day prior to the Closing Date, each Borrower shall have delivered to the Administrative Agent and directly to any Lender requesting the same, a Beneficial Ownership Certification in relation to it (or a certification that such Borrower qualifies for an express exclusion to the "legal entity customer" definition under the Beneficial Ownership Regulation).

Without limiting the generality of the provisions of **Section 9.4**, for purposes of determining compliance with the conditions specified in this **Section 3.1**, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

3.2 Conditions to All Credit Extensions. The obligation of each Lender to make any Credit Extensions hereunder (but excluding Revolving Loans made for the purpose of repaying Refunded Swingline Loans pursuant to **Section 2.2(d)** and Borrowings as a result of conversions and continuations of outstanding Loans pursuant to **Section 2.12**), and the obligation of each Issuing Bank to Issue any

Letters of Credit hereunder, is subject to the satisfaction of the following conditions precedent on the relevant Borrowing Date or date of Issuance:

(a) The applicable Borrower shall have delivered a Notice of Borrowing in accordance with **Section 2.2(a),** a Notice of Swingline Borrowing in accordance with **Section 2.2(c)**, or a Letter of Credit Notice in accordance with **Section 2.5(a)(ii)** or **2.5(b)(ii)**, as applicable;

(b) Each of the representations and warranties set forth in this Agreement and in the other Credit Documents shall be true and correct in all material respects (or if qualified by materiality or Material Adverse Effect, in all respects) on and as of the date of any Credit Extension, with the same effect as if made on and as of such date, both immediately before and after giving effect to such Credit Extension (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty shall be true and correct in all material respects (or if qualified by materiality or material adverse effect, in all respects) as of such date), provided that the representations and warranties contained in subsection (a) and (b) of **Section 4.12** shall be deemed to refer to the most recent financial statement furnished pursuant to **Section 5.1**;

(c) No Default or Event of Default shall have occurred and be continuing on such date, both immediately before and after giving effect to such Credit Extension;

(d) With respect to the making of any Loan, the applicable limitation on amounts set forth under **Section 2.1** shall not have been exceeded; and

(e) With respect to the Issuance of any Letter of Credit, the applicable conditions in **Section 2.5(c)** shall have been satisfied.

Each giving of a Notice of Borrowing, a Notice of Swingline Borrowing or a Letter of Credit Notice, and the consummation of each Credit Extension, shall be deemed to constitute a representation and warranty by the applicable Borrower that the statements contained in **Sections 3.2(b)** through **3.2(e)** above are true as of the date such Credit Extension is made.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent, the Issuing Banks and the Lenders to enter into this Agreement and to induce the Lenders and the Issuing Banks to extend the credit contemplated hereby, the Company represents and warrants to the Administrative Agent, the Issuing Banks and the Lenders as follows:

4.1 Corporate Organization and Power. Each Borrower and each Material Subsidiary (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has the full corporate power and authority to own and hold its property and to engage in its business as presently conducted, and (iii) is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the nature of its business or the ownership of its properties requires it to be so qualified, except in the case of clauses (ii) and (iii) where the failure to have such power and authority or to be so qualified would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Borrower or any of their respective Subsidiaries is an Affected Financial Institution.

4.2 Authorization; Enforceability.

(a) Each Borrower has the full corporate power and authority to execute, deliver and perform its obligations under the Credit Documents and has taken all necessary corporate action to execute, deliver and perform its obligations under each of the Credit Documents, and has validly executed and delivered each of the Credit Documents.

(b) This Agreement constitutes, and each of the other Credit Documents upon execution and delivery by each Borrower will constitute, the legal, valid and binding obligation of each Borrower, enforceable against them in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, fraudulent transfer, moratorium or other similar laws affecting creditors' rights generally or by general equitable principles regardless of whether enforceability is considered in a proceeding in equity or at law, including, without limitation, (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy; and (ii) concepts of materiality, reasonableness, good faith, and fair dealing.

4.3 No Violation. The execution, delivery and performance by each Borrower of this Agreement and each of the other Credit Documents, and compliance by it with the terms hereof and thereof, and any Credit Extensions made hereunder, in each case do not and will not (i) violate any provision of its certificate of incorporation, bylaws or other organizational documents, (ii) contravene any Requirement of Law applicable to it or (iii) conflict with, result in a breach of, or the creation of any Lien under, or require any payment to be made under, or constitute (with notice, lapse of time or both) a default under any material indenture, agreement or other instrument to which it is a party, by which it or any of its properties is bound or to which it is subject, other than, in the case of clauses (ii) and (iii), such contraventions, conflicts, breaches, Liens, payments and defaults that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Governmental and Third-Party Authorization; Permits.

(a) No consent, approval, authorization or other action by, notice to, or registration or filing with, any Governmental Authority or other Person is or will be required as a condition to or otherwise in connection with the due execution, delivery and performance by any Borrower of this Agreement or any of the other Credit Documents or the legality, validity or enforceability hereof or thereof or the request by any Borrower of any Credit Extensions hereunder, in each case other than such consents, approvals, authorizations and other actions that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Each Borrower and the Material Subsidiaries have, and are in good standing with respect to, all governmental approvals, licenses, permits and authorizations necessary to conduct their business as presently conducted and to own or lease and operate its properties, except for those the failure to obtain which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.5 Insurance Licenses. **Schedule 4.5** lists with respect to each Domestic Insurance Subsidiary that is a Material Subsidiary, as of the Closing Date, all of the jurisdictions in which such Insurance Subsidiary holds licenses (including, without limitation, licenses or certificates of authority from relevant Insurance Regulatory Authorities), permits or authorizations to transact insurance and reinsurance business (collectively, "Licenses"), and indicates the type or types of insurance in which each such Insurance Subsidiary is permitted to be engaged with respect to each License therein listed. (i) No License held by any Insurance Subsidiary that is a Material Subsidiary is the subject of a proceeding for suspension, revocation or limitation or any similar proceedings, and (ii) no such suspension, revocation or limitation is threatened in writing by any relevant Insurance Regulatory Authority, that, in each instance under (i) and (ii) above, would individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. As of the Closing Date, no Insurance Subsidiary that is a Material Subsidiary transacts any insurance or reinsurance business, directly or indirectly, in any jurisdiction without a license where such business requires any license, permit or other authorization of an Insurance Regulatory Authority of such jurisdiction except to the extent that the failure to have any such license, permit or other authorization would not reasonably be expected to have a Material Adverse Effect.

4.6 Litigation. There are no actions, investigations, suits or proceedings pending or, to the knowledge of a Responsible Officer of any Borrower, threatened in writing, at law or in equity before any court, arbitrator or other Governmental Authority, against or affecting, and no Wells Notice has been received by, any Borrower (other than, solely with respect to the following clause (i), as may have been specifically disclosed in the Company's annual report on Form 10-K for the fiscal year ending December 31, 2021) (i) that would reasonably be expected, individually or in the aggregate, to result in a Material

Adverse Effect, or (ii) with respect to this Agreement, any of the other Credit Documents or the consummation of the transactions contemplated hereby.

4.7 Taxes. Each Borrower and each Material Subsidiary has filed all federal, state, local and foreign tax returns and reports required to be filed by it and has paid all Taxes, assessments, fees and other charges levied upon it or upon its properties that are shown thereon as due and payable, other than (i) those Taxes, assessments, fees and other charges that are being contested in good faith and by proper proceedings and for which adequate reserves have been established in accordance with GAAP (if so required), or (ii) where the failure to file such returns and reports or the failure to pay such Taxes, assessments, fees and other charges would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There is no ongoing audit or examination or other investigation by any Governmental Authority of the tax liability of any Borrower or any Material Subsidiary the outcome of which would reasonably be expected to have a Material Adverse Effect. There is no unresolved claim by any Governmental Authority concerning the tax liability of any Borrower or any Material Subsidiary for any period for which tax returns have been or were required to have been filed, other than claims for which adequate reserves have been established in accordance with GAAP (if so required) or that would not reasonably be expected to have a Material Adverse Effect.

4.8 Subsidiaries.

(a) Set forth on **Schedule 4.8** is a complete and accurate list of all of the Material Subsidiaries of the Company as of the Closing Date, together with, for each such Subsidiary, (i) the jurisdiction of organization of such Subsidiary, (ii) each Person holding Equity Interests in such Subsidiary and (iii) the percentage of ownership of such Subsidiary represented by such Equity Interests. Each of the Company and its Material Subsidiaries owns, free and clear of Liens, and has the unencumbered right to vote, all outstanding Equity Interests in each Person shown to be held by it on **Schedule 4.8**.

(b) No Material Subsidiary is a party to any agreement or instrument or otherwise subject to any restriction or encumbrance that restricts or limits its ability to make dividend payments or other distributions in respect of its Equity Interests, to repay Indebtedness owed to any Borrower, to make loans or advances to any Borrower, or to transfer any of its assets or properties to any Borrower, in each case other than such restrictions or encumbrances existing under or by reason of the Credit Documents or applicable Requirements of Law.

4.9 Full Disclosure. All written information heretofore, contemporaneously or hereafter furnished in writing to the Administrative Agent, the Arrangers or any Lender by or on behalf of each Borrower for purposes of or in connection with this Agreement, the other Credit Documents and the transactions contemplated hereby (other than projections, estimates, forecasts and information of a general economic or industry specific nature), is and will be complete and correct in all material respects as of the date so furnished and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not materially misleading in light of the circumstances under which the same were made; provided that, with respect to projected financial information, the Company represents only that such information was prepared in good faith based upon assumptions believed by the Company to be reasonable at the time made. As of the Closing Date, there is no fact known to any Borrower that has, or would reasonably be expected to have, a Material Adverse Effect, which fact has not been set forth herein, in the financial statements of the Company and its Subsidiaries furnished to the Administrative Agent and/or the Lenders, or in any certificate, opinion or other written statement made or furnished by such Borrower to the Administrative Agent and/or the Lenders. As of the Closing Date, all of the information included in each Borrower's Beneficial Ownership Certification is true and correct in all respects.

4.10 Margin Regulations. No Borrower or any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. No proceeds of any Credit Extension will be used, directly or indirectly, by any Borrower or any of its Subsidiaries to purchase or carry any Margin Stock, to extend credit for such purpose or for any other purpose, in each case that would violate Regulations T, U or X or any provision of the Exchange Act as if such regulations or statute applied to such Person. After applying the proceeds

of any Credit Extension, not more than 25 percent of the assets (as determined by any reasonable method) of any Borrower or any of its Subsidiaries is represented by Margin Stock.

4.11 No Material Adverse Effect. Since December 31, 2021, there has not occurred any event, condition or state of facts, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

4.12 Financial Matters.

(a) The Company has heretofore made available to the Administrative Agent copies of the audited consolidated balance sheets of the Company and its Subsidiaries for the fiscal years ending December 31, 2019, December 31, 2020 and December 31, 2021 and the related statements of income, stockholders' equity and cash flows for the fiscal years or period then ended, together with the opinion of Ernst & Young LLP thereon. Such consolidated financial statements (A) have been prepared in accordance with GAAP (subject, with respect to the unaudited financial statements, to the absence of notes required by GAAP and to normal year-end adjustments) and (B) present fairly in all material respects the consolidated financial condition of the Company and its Subsidiaries, and the results of their operations and their cash flows, as of the dates and for the periods indicated.

(b) The Company has heretofore made available to the Administrative Agent copies of the Annual Statements of each Insurance Subsidiary that is a Material Subsidiary as of December 31, 2019, 2020 and 2021 for the fiscal years then ended, each as filed with the relevant Insurance Regulatory Authority (collectively, the "Historical Statutory Statements"). The Historical Statutory Statements (including, without limitation, the provisions made therein for investments and the valuation thereof, reserves, policy and contract claims and statutory liabilities) have been prepared, in all material respects, in accordance with SAP (except as may be reflected in the notes thereto), were in all material respects, in compliance with applicable Requirements of Law when filed and present fairly in all material respects the financial condition of the respective Insurance Subsidiaries covered thereby as of the respective dates thereof and the results of operations, changes in capital and surplus and cash flows of the respective Insurance Subsidiaries covered thereby for the respective periods then ended. Except for liabilities and obligations disclosed or provided for in the Historical Statutory Statements (including, without limitation, reserves, policy and contract claims and statutory liabilities), no Insurance Subsidiary that is a Material Subsidiary had, as of the date of its respective Historical Statutory Statements, any material liabilities or obligations of any nature whatsoever (whether absolute, contingent or otherwise and whether or not due) that, in accordance with SAP, would have been required to have been disclosed or provided for in such Historical Statutory Statements.

4.13 Ownership of Properties. Each Borrower and each Material Subsidiary (i) has good and marketable title to all real property owned by it, (ii) holds interests as lessee under valid leases in full force and effect with respect to all material leased real and personal property used in connection with its business, and (iii) has good title to all of its other material properties and assets necessary or used in the ordinary course of its business, except, with respect to the foregoing clauses (i) – (iii), such defects in title that would be a Permitted Liens hereunder or would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.14 ERISA.

(a) The Company and each of its ERISA Affiliates is in compliance with the applicable provisions of ERISA, and each Plan is and has been administered in compliance with all applicable Requirements of Law, including, without limitation, the applicable provisions of ERISA and the Code, in each case except where the failure so to comply, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No ERISA Event (i) has occurred within the five year period prior to the Closing Date, (ii) has occurred and is continuing, or (iii) to the knowledge of the Company, is reasonably expected to occur with respect to any Plan, except where the occurrence of ERISA Events, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No Plan has any Unfunded Pension Liability as of the most recent annual valuation date applicable thereto, and neither the Company nor any of its ERISA Affiliates has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA, except where the incurrence of any Unfunded Pension

Liability or liability in connection with such transactions, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any of its ERISA Affiliates has any outstanding liability on account of a complete or partial withdrawal from any Multiemployer Plan, and neither the Company nor any of its ERISA Affiliates would become subject to any liability under ERISA if any such Person were to withdraw completely from all Multiemployer Plans as of the most recent valuation date, except where the incurrence of any such liabilities, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No Multiemployer Plan is "insolvent" within the meaning of such term under ERISA, except where the existence of such insolvency, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(c) The Borrowers shall not use any of the "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA or otherwise) of one or more of their Benefit Plans in connection with the Loans, the Letters of Credit or Commitments.

4.15 Compliance with Laws. Each Borrower has filed all material reports, documents and other materials required to be filed by it under all applicable Requirements of Law with any Governmental Authority, has retained all material records and documents required to be retained by it under all applicable Requirements of Law, and is otherwise in compliance with all applicable Requirements of Law in respect of the conduct of its business and the ownership and operation of its properties, except in each case to the extent that the failure to comply therewith, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

4.16 Investment Company Act. No Borrower or any of the Domestic Insurance Subsidiaries is an "investment company," a company "controlled" by an "investment company," or an "investment advisor," within the meaning of the Investment Company Act of 1940.

4.17 Insurance. The assets, properties and business of each Borrower and each Material Subsidiary are insured against such hazards and liabilities, under such coverages and in such amounts, as are customarily maintained by prudent companies similarly situated and under policies issued by insurers of recognized responsibility.

4.18 Senior Debt Status. Each Borrower's obligations under this Agreement and each other Credit Document to which it is a party rank *pari passu* as to priority of payment and in all other respects with all other material unsecured and unsubordinated Indebtedness of such Borrower, with the exception of those obligations that are mandatorily preferred by law and not by contract.

4.19 Anti-Corruption Laws; Anti-Money Laundering Laws and Sanctions.

(a) None of (i) the Company, any Subsidiary, or, to the knowledge of the Company or such Subsidiary, any of their respective directors, officers or employees, or (ii) to the knowledge of the Company or any Subsidiary, any agent or representative of the Company or any Subsidiary that will act in any capacity in connection with or benefit from this Agreement, (A) is a Sanctioned Person or currently the subject or target of any Sanctions, (B) is controlled by or is acting on behalf of a Sanctioned Person, (C) is under administrative, civil or criminal investigation for an alleged violation of, or received notice from or made a voluntary disclosure to any governmental entity regarding a possible violation of, Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions by a governmental authority that enforces Sanctions or any Anti-Corruption Laws or Anti-Money Laundering Laws or (D) directly or indirectly derives revenues from investments in, or transactions with, Sanctioned Persons.

(b) Each of the Company and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by the Company and its Subsidiaries and their respective directors, officers, employees and agents with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(c) Each of the Company and its Subsidiaries and, to the knowledge of the Company or any of its Subsidiaries, each director, officer, employee and agent of the Company and each such Subsidiary,

is in compliance in all material respects with all applicable Anti-Corruption Laws and Anti-Money Laundering Laws and is in compliance with all applicable Sanctions.

(d) No proceeds of any Credit Extension have been used in violation of **Section 2.15**.

Each reference to "Subsidiary" in this Section includes the Securitization Subsidiary and its Wholly Owned Subsidiaries.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the termination of the Commitments, the termination or expiration with no pending drawings of all Letters of Credit and the payment in full in cash of all principal and interest with respect to the Loans and all Reimbursement Obligations together with all fees, expenses and other amounts then due and owing hereunder, the Company covenants and agrees that:

5.1 Financial Statements. The Company will deliver to the Administrative Agent (which shall promptly make such information available to each Lender):

(a) Within 45 days (or, if earlier and if applicable to the Company, the quarterly report deadline under the Exchange Act rules and regulations) after the end of each of the first three fiscal quarters in each fiscal year of the Company, beginning with the first quarter of fiscal year 2022, an unaudited consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal quarter and unaudited (i) consolidated income statement and consolidated statement of stockholders' equity for the Company and its Subsidiaries and (ii) a consolidated statement of cash flow for the Company for that portion of the fiscal year then ended, all in reasonable detail and certified by the chief executive officer or chief financial officer of the Company to the effect that such financial statements present fairly in all material respects the financial condition, results of operations and cash flows of the Company as of the dates and for the periods indicated, in accordance with GAAP (subject to the absence of notes required by GAAP and normal year-end adjustments) applied on a basis consistent with that of the preceding quarter or containing disclosure of the effect on the financial condition or results of operations of any change in the application of accounting principles and practices during such quarter, it being understood and agreed that the filing of the Company's Form 10-Q with the SEC shall satisfy the requirements in this **Section 5.1(a)** (subject to the time periods set forth in this **Section 5.1(a)**);

(b) Within 90 days (or, if earlier and if applicable to the Company, the annual report deadline under the Exchange Act rules and regulations) after the end of each fiscal year, beginning with fiscal year 2022, an audited consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and the related (i) audited consolidated income statements and consolidated statements of stockholders' equity for the Company and its Subsidiaries and (ii) an audited consolidated statement cash flow for the Company for the fiscal year then ended, including the notes thereto, all in reasonable detail and (with respect to the audited statements) certified by Ernst & Young LLP or another independent certified public accounting firm of recognized national standing reasonably acceptable to the Administrative Agent, together with (y) a report thereon by such accountants that is not qualified as to going concern or scope of audit and to the effect that such financial statements present fairly in all material respects the consolidated financial condition, results of operations and cash flows of the Company and its Subsidiaries as of the dates and for the periods indicated, in accordance with GAAP applied on a basis consistent with that of the preceding year or containing disclosure of the effect on the financial condition or results of operations of any change in the application of accounting principles and practices during such year, it being understood and agreed that the filing of the Company's Form 10-K with the SEC shall satisfy the requirements in this **Section 5.1(b)** (subject to the time periods set forth in this **Section 5.1(b)**);

(c) Concurrently with each delivery of the financial statements described in **Sections 5.1(a)** and **5.1(b)**, a Compliance Certificate with respect to the period covered by the financial statements being delivered thereunder, executed by a Financial Officer of the Company, together with a Covenant

Compliance Worksheet reflecting the computation of the financial covenants set forth in **Article VI** as of the last day of the period covered by such financial statements; and

(d) Promptly after the required filing date, any Annual Statement and Quarterly Statement required to be filed with any Insurance Regulatory Authority by any Borrower or any Insurance Subsidiary that is a Material Subsidiary, in each case in the form filed with such Insurance Regulatory Authority in conformity with the requirements thereof.

Documents required to be delivered pursuant to this **Section 5.1** and **5.2(a)** may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the earlier of (i) the date on which such documents have been posted on the Company's website (for the documents delivered pursuant to **Section 5.1(d)**) or on the SEC's website (for the documents delivered pursuant to **Sections 5.1(a), 5.1(b)** and **5.2(a)**); or (ii) the date on which such documents are posted on the Company's behalf on the Platform. If the Company is unable to deliver such documents electronically, the Company shall deliver paper copies of such documents to the Administrative Agent or such Lender. The Company shall notify (which may be by electronic mail) the Administrative Agent of the posting on its website of the documents delivered pursuant to **Section 5.1(d)**. The Administrative Agent shall have no obligation to request the delivery of, or to maintain copies of, the documents to be delivered pursuant to this **Section 5.1** or **5.2(a)**, and each Lender shall be solely responsible for maintaining its copies of such documents.

Each Borrower hereby acknowledges that (a) the Administrative Agent will make available to the Lenders materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on the Platform and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrowers or their securities) (each, a "Public Lender"). The Borrowers hereby agree that so long as the Borrowers or any of their Affiliates thereof is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or is actively contemplating issuing any such securities (i) the Borrowers shall ensure that all Borrower Materials that contain only publicly available information regarding the Borrowers and their business are clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," the Borrowers shall be deemed to have authorized the Administrative Agent and the Lenders to treat the Borrower Materials as not containing material non-public information with respect to the Borrowers or their securities for purposes of United States federal and state securities laws; (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor"; and (iv) the Administrative Agent shall be entitled to treat any Information not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not marked as "Public Investor".

5.2 Other Business and Financial Information. The Company shall, and shall cause each of its Subsidiaries to, deliver to the Administrative Agent (which shall promptly make such information available to each Lender):

(a) Promptly upon the sending or filing thereof, copies of (i) all financial statements, reports, notices and proxy statements that the Company shall send or make available generally to its shareholders and (ii) all regular, periodic and special reports, registration statements and prospectuses (other than on Form S-8) that the Company shall render to or file with the SEC;

(b) Promptly upon (and in any event within (1) for clause (i) below, five Business Days after, and (2) for clauses (ii) – (v) below, 10 Business Days after) any Responsible Officer of the Company obtaining knowledge thereof, written notice of any of the following:

(i) the occurrence of any Default or Event of Default, together with a written statement of a Responsible Officer of the Company specifying the nature of such Default or Event of Default, the period of existence thereof and the action that the Company has taken and proposes to take with respect thereto;

(ii) the institution or written threat of institution of any action, suit, investigation or proceeding against or affecting any Unum Party, including any such investigation or proceeding

by any Insurance Regulatory Authority or other Governmental Authority (other than routine periodic inquiries, investigations or reviews), that would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(iii) the receipt by any Unum Party from any Insurance Regulatory Authority or other Governmental Authority of (A) any Wells Notice, (B) any written notice asserting any failure by any Unum Party to be in compliance with any Requirement of Law or that threatens the taking of any action against any Unum Party or sets forth circumstances that, if taken or adversely determined, would reasonably be expected to have a Material Adverse Effect, or (C) any notice of any actual or threatened suspension, limitation or revocation of, failure to renew, imposition of any restraining order, escrow or impoundment of funds in connection with, or the taking of any other materially adverse action in respect of, any license, permit, accreditation or authorization of any Unum Party, where such action would reasonably be expected to have a Material Adverse Effect;

(iv) the occurrence of any ERISA Event that would reasonably be expected to have a Material Adverse Effect, together with (x) a written statement of a Responsible Officer of the Company specifying the details of such ERISA Event and the action that the Company or the applicable ERISA Affiliate has taken and proposes to take with respect thereto, (y) a copy of any notice with respect to such ERISA Event that may be required to be filed with the PBGC and (z) a copy of any notice delivered by the PBGC to the Company or the applicable ERISA Affiliate with respect to such ERISA Event; and

(v) any other matter or event that has, or would reasonably be expected to have, a Material Adverse Effect, together with a written statement of a Responsible Officer of the Company setting forth the nature and period of existence thereof and the action that the affected Unum Parties have taken and propose to take with respect thereto; and

(c) As promptly as reasonably possible, such other information about the business, condition (financial or otherwise), operations or properties of any Unum Party as the Administrative Agent or any Lender may from time to time reasonably request.

5.3 Maintenance of Existence; Conduct of Business. Each Borrower shall, and shall cause each of the Material Subsidiaries to, (i) maintain and preserve in full force and effect its legal existence, except as expressly permitted otherwise by **Section 7.1**, (ii) obtain, maintain and preserve in full force and effect all other rights, franchises, licenses, permits, certifications, approvals and authorizations required by Governmental Authorities and necessary to the ownership, occupation or use of its properties or the conduct of its business, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect, and (iii) keep all material properties in good working order and condition (normal wear and tear and damage by casualty excepted) and from time to time make all necessary repairs to and renewals and replacements of such properties, except to the extent that any of such properties are obsolete or are being replaced or, in the good faith judgment of such Borrower, are no longer useful or desirable in the conduct of the business of the Unum Parties or to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

5.4 Compliance with Laws. Each Borrower shall, and shall cause each of the Material Subsidiaries to, comply in all respects with all Requirements of Law applicable in respect of the conduct of its business and the ownership and operation of its properties, except to the extent the failure so to comply would not reasonably be expected to have a Material Adverse Effect.

5.5 Payment of Obligations. Such Borrower shall, and shall cause each of the Material Subsidiaries to, (i) pay, discharge or otherwise satisfy at or before maturity all liabilities and obligations as and when due (subject to any applicable subordination, grace and notice provisions), except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect, and (ii) pay and discharge all material taxes, assessments and governmental charges or levies imposed upon it, upon its income or profits or upon any of its properties, prior to the date on which penalties would attach thereto, and all lawful claims that, if unpaid, would become a Lien (other than a Permitted Lien) upon any of the properties of any Unum Party; provided, however, that no Unum Party shall be required to pay any

such tax, assessment, charge, levy or claim that is being contested in good faith and by proper proceedings and as to which such Unum Party is maintaining adequate reserves with respect thereto in accordance with GAAP (if so required) or where the failure to pay would not reasonably be expected to have a Material Adverse Effect.

5.6 Insurance. Each Borrower shall, and shall cause each of the Material Subsidiaries to, maintain with financially sound and reputable insurance companies not Affiliates of the Borrowers insurance with respect to its assets, properties and business, against such hazards and liabilities, of such types and in such amounts, as is customarily maintained by companies in the same or similar businesses similarly situated.

5.7 Maintenance of Books and Records; Inspection. Each Borrower shall, and shall cause each of its Subsidiaries to, (i) maintain adequate books, accounts and records, in which entries that are full, true and correct in all material respects shall be made of all financial transactions in relation to its business and properties, and prepare all financial statements required under this Agreement, in each case in accordance with GAAP or SAP, as applicable, in all material respects and in compliance in all material respects with the requirements of any Governmental Authority having jurisdiction over it, and (ii) permit employees or agents of the Administrative Agent and, after the occurrence of and during the continuation of a Default or an Event of Default, any Lender, to visit and inspect its properties and examine or audit its books, records, working papers and accounts and make copies and memoranda of them, and to discuss its affairs, finances and accounts with its officers and, upon notice to such Borrower, the independent public accountants of the Company and its Subsidiaries (and by this provision the Company authorizes such accountants to discuss the finances and affairs of the Company and its Subsidiaries), all at such times and from time to time, upon reasonable notice and during business hours, as may be reasonably requested; provided that, (x) so long as no Event of Default has occurred and is continuing, such Borrower shall only be required to pay the reasonable fees and expenses with respect to one such visit per year and (y) nothing in this **Section 5.7** shall require such Borrower to disclose, permit the inspection, examination or making of copies of or taking abstracts from, or discuss any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information of the Borrowers and their Subsidiaries, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or any of their respective representatives or contractors) is prohibited by applicable Laws, (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) in respect of which the Borrowers or any of their Subsidiaries owes confidentiality obligations to any third party (provided such confidentiality obligations were not entered into in contemplation of the requirements of this **Section 5.7**).

5.8 Compliance with Anti-Corruption Laws; Beneficial Ownership Regulation, Anti-Money Laundering Laws and Sanctions. Such Borrower will (a) maintain in effect and enforce policies and procedures designed to ensure compliance by such Borrower, its Subsidiaries (including the Securitization Subsidiary and its Wholly Owned Subsidiaries, if applicable) and their respective directors, officers, employees and agents with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions, (b) notify the Administrative Agent and each Lender that previously received a Beneficial Ownership Certification (or a certification that such Borrower qualifies for an express exclusion to the “legal entity customer” definition under the Beneficial Ownership Regulation) of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein (or, if applicable, such Borrower ceasing to qualify for an express exclusion to the “legal entity customer” definition under the Beneficial Ownership Regulation) and (c) promptly upon the reasonable request of the Administrative Agent or any Lender, provide the Administrative Agent or such Lender, as the case may be, any information or documentation requested by it for purposes of complying with the Beneficial Ownership Regulation.

ARTICLE VI

FINANCIAL COVENANTS

Until the termination of the Commitments, the termination or expiration with no pending drawings of all Letters of Credit and the payment in full in cash of all principal and interest with respect to the Loans and all Reimbursement Obligations together with all fees, expenses and other amounts then due and owing hereunder, the Company covenants and agrees that:

6.1 Maximum Consolidated Indebtedness to Total Capitalization. The ratio of Consolidated Indebtedness to Total Capitalization shall not be greater than 0.35 to 1.0 at any time.

6.2 Minimum Consolidated Net Worth. Consolidated Net Worth shall be at all times an amount not less than the sum of (x) $7,487,370,000, plus (y) 50% of the aggregate net cash proceeds received from any issuance of Equity Interests of the Company or any of its Subsidiaries consummated on or after December 31, 2021 (excluding Equity Interests of a Subsidiary issued to the Company or another Subsidiary and Equity Interests issued to employees, officers and directors under incentive or employee stock purchase plans).

The Company's obligation in this Agreement to maintain compliance at all times with the financial covenants in **Sections 6.1** and **6.2** does not mean that the Company will be required to affirmatively calculate such ratios on a daily basis (rather, the Company will affirmatively calculate such ratios when required by **Section 5.1(c)** or as may otherwise be required by applicable law); provided that this sentence shall in no case limit or otherwise alter the Company's absolute obligation (x) to maintain compliance with such ratios in **Sections 6.1** and **6.2** at all times and (y) to notify the Administrative Agent and Lenders pursuant to **Section 5.2(b)(i)** of any such non-compliance with any of those ratios at any time. Notwithstanding the foregoing, the financial covenant in this **Section 6.2** will be measured for fiscal year 2022 without taking into account financial statements that will be required to be restated for fiscal year 2022 in accordance with Financial Accounting Standards Board Accounting Standard Update 2018-12.

ARTICLE VII

NEGATIVE COVENANTS

Until the termination of the Commitments, the termination or expiration with no pending drawings of all Letters of Credit and the payment in full in cash of all principal and interest with respect to the Loans and all Reimbursement Obligations together with all fees, expenses and other amounts then due and owing hereunder the Company covenants and agrees that:

7.1 Fundamental Changes. The Company will not, and will not permit or cause any of its Material Subsidiaries or any Borrower to, liquidate, wind up or dissolve, divide, consolidate or merge with or into any other Person, or sell, lease or otherwise transfer, directly or indirectly, all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any other Person, except for:

(a) any Borrower may consolidate or merge with or into any other Person so long as (i) in the case of any consolidation or merger of the Company, the surviving Person is the Company, (ii) in the case of any consolidation or merger of a Borrower that is a Subsidiary of the Company, the surviving Person is a Borrower, (iii) immediately before and after giving effect thereto, no Default or Event of Default would occur or exist and (iv) on a pro forma basis after giving effect to any such merger or consolidation, the Company is in compliance with the financial covenants set forth in **Article VI**;

(b) any Material Subsidiary of the Company that is not a Borrower may consolidate or merge with, or into, (i) a Borrower (so long as a Borrower is the surviving Person), (ii) any Subsidiary of the Company that is not a Borrower so long as either the Material Subsidiary or a Wholly Owned Subsidiary is the surviving Person, or (iii) so long as no Event of Default would occur or exist, any other Person, so long as the Material Subsidiary is the surviving Person and remains a Subsidiary, and, if the Material Subsidiary is a Wholly Owned Subsidiary, then the surviving Person remains a Wholly Owned Subsidiary;

(c) any Material Subsidiary that is not a Borrower may liquidate and distribute its assets to a Borrower or another Material Subsidiary; and

(d) any Borrower that is a Subsidiary may liquidate and distribute its assets to another Borrower.

7.2 Subsidiary Indebtedness. The Company will not permit or cause any of its Subsidiaries to, create, incur or assume any Indebtedness, or become liable (contingent or otherwise) to do any of the foregoing, except for:

(a) Indebtedness incurred under this Agreement and the other Credit Documents;

(b) unsecured Indebtedness incurred by any trust or other special purpose entity created by the Company solely for the purposes of issuing any such unsecured Indebtedness, provided that (i) such Indebtedness is recourse only to such trust or special purpose entity or its assets or equity and (ii) upon the incurrence thereof no Default or Event of Default would occur or exist;

(c) Indebtedness existing on the Closing Date and described in **Schedule 7.2** and any renewals, replacements, refinancings or extensions of any such Indebtedness; provided that the principal amount of such Indebtedness is not increased at the time of such renewal, replacement, refinancing or extension except by (1) the amount of any existing commitments thereunder, (2) accrued and unpaid interest and premiums thereon and (3) underwriting discounts or other amount paid, and fees, commissions, premiums (including tender premiums) and expenses (including upfront fees, original issue discount or initial yield payments) incurred, in connection with any such renewal, replacement, refinancing or extension;

(d) accrued expenses, current trade or other accounts payable and other current liabilities arising in the ordinary course of business and not incurred through the borrowing of money, in each case to the extent constituting Indebtedness;

(e) Indebtedness which is incurred in connection with any Lien permitted under **Section 7.3** (other than **Section 7.3(r)**);

(f) Securitization Indebtedness;

(g) Indebtedness existing or arising under any Hedge Agreement entered in the ordinary course of business and not for purposes of speculation;

(h) Indebtedness of any Subsidiary to the Company or any other Subsidiary;

(i) Indebtedness which is incurred in connection with any obligation of any Insurance Subsidiary under letters of credit to the extent undrawn supporting the liability of such Insurance Subsidiary in respect of any Primary Policy or Reinsurance Agreement underwritten by such Subsidiary or supporting the obligations of any Subsidiary in its capacity as a reinsurer under any Reinsurance Agreement with respect to credit for reinsurance; ~~and~~

(j) Operating Indebtedness; and

(k) ~~(j) additional unsecured~~ Indebtedness (including any unsecured Indebtedness incurred in connection with Hybrid Equity Securities) ~~of any Unum Party (other than the Company) in an~~ not otherwise permitted under the foregoing clauses of this **Section 7.2**, provided that the sum of (1) the aggregate principal amount ~~not to exceed $500,000,000 at any one time outstanding~~ of all Indebtedness under this **Section 7.2(k)** and (2) the aggregate principal amount of all Indebtedness and other obligations secured by Liens incurred pursuant to **Section 7.3(r)**, without duplication, shall not exceed, as of the date such Indebtedness is created, incurred or assumed, the greater of (A) 10% of Consolidated Net Worth as of the last day of the most recently ended fiscal quarter or fiscal year, as applicable, for which financial statements have been delivered to the Administrative Agent pursuant to **Section 5.1(a)** or **5.1(b)** and (B) $1,276,960,000.

7.3 Liens. The Company will not, and will not permit or cause any of its Subsidiaries to, permit, create, assume, incur or suffer to exist any Lien on any asset tangible or intangible now owned or hereafter acquired by it except for the following (collectively, "Permitted Liens"):

(a) Liens in existence on the Closing Date and set forth on **Schedule 7.3**, and any extensions, renewals or replacements thereof; provided that any such extension, renewal or replacement Lien shall be limited to all or a part of the property that secured the Lien so extended, renewed or replaced (plus any improvements on such property) and shall secure only those obligations that it secures on the date hereof (and any renewals, replacements, refinancings or extensions of such obligations that do not increase the outstanding principal amount thereof);

(b) Liens on Invested Assets of any Insurance Subsidiary securing obligations of such Insurance Subsidiary in respect of trust arrangements, withheld balances or any other collateral or security arrangements entered into in the ordinary course of business for the benefit of policyholders or cedents to secure insurance or reinsurance recoverables owed to them by such Insurance Subsidiary;

(c) Liens granted by the Securitization Subsidiary pursuant to trust or other security arrangements in connection with Securitization Indebtedness;

(d) Liens in respect of Capital Lease Obligations, synthetic lease obligations and purchase money obligations ~~in an amount not to exceed $40,000,000~~, provided that in each case (x) the amount of the Indebtedness secured by such Lien shall not exceed the lesser of (A) the fair market value of the property acquired with such Indebtedness at the time of such acquisition and (B) the cost thereof to the applicable Unum Party and (y) any such Lien shall not encumber any other property of the Company or any of its Subsidiaries;

(e) Liens securing repurchase and reverse repurchase agreements and securities lending transactions ~~constituting a borrowing of funds~~ entered into by the Company or any Subsidiary in the ordinary course of business ~~for liquidity purposes~~;

(f) Liens imposed by law, such as Liens of carriers, warehousemen, mechanics, materialmen and landlords, incurred in the ordinary course of business for sums not constituting borrowed money that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP;

(g) Liens (other than any Lien imposed by ERISA, the creation or incurrence of which would result in an Event of Default under **Section 8.1(i)**) incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, letters of credit, bids, tenders, statutory obligations, surety and appeal bonds, leases, public or statutory obligations, government contracts and other similar obligations (other than obligations for borrowed money) entered into in the ordinary course of business;

(h) Liens for taxes, assessments or other governmental charges or statutory obligations that are not delinquent or remain payable without any penalty or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP (if so required);

(i) any attachment or judgment Lien not constituting an Event of Default under **Section 8.1(h)**;

(j) customary rights of set-off, revocation, refund or chargeback under deposit agreements or under the Uniform Commercial Code of banks or other financial institutions where the Company or any of its Subsidiaries maintains deposits (other than deposits intended as cash collateral) in the ordinary course of business;

(k) all easements, rights of way, reservations, licenses, encroachments, variations and similar restrictions, charges and encumbrances on title that do not secure Indebtedness and do not materially interfere with the conduct of the business of the Company or any of its Subsidiaries;

(l) any leases, subleases, licenses or sublicenses granted by the Company or any of its Subsidiaries to third parties in the ordinary course of business and not interfering in any material respect

with the business of the Company and its Subsidiaries, and any interest or title of a lessor, sublessor, licensor or sublicensor under any lease or license permitted under this Agreement;

(m) Liens arising from escrow accounts established by any Unum Party for the benefit of another Unum Party in connection with tax allocation arrangements;

(n) Liens securing obligations under Funding Agreements;

(o) Liens on Invested Assets securing Hedge Agreements entered into for non-speculative hedging purposes, including any re-hypothecation of such Invested Assets by the counterparty banks; ~~and~~

~~(p) other Liens securing obligations of the Company and its Subsidiaries not exceeding $50,000,000 in aggregate principal amount outstanding at any time.~~

(p) Liens on Invested Assets securing (i) any Operating Indebtedness or (ii) any obligations in respect of letters of credit issued for the benefit of any Insurance Subsidiary in the ordinary course of business to the extent undrawn, including any obligations of the Company or any Insurance Subsidiary under letters of credit to the extent undrawn supporting the liability of any Insurance Subsidiary in respect of any Primary Policy or Reinsurance Agreement underwritten by such Subsidiary or supporting the obligations of any Subsidiary in its capacity as a reinsurer under any Reinsurance Agreement with respect to credit for reinsurance;

(q) Liens securing Indebtedness or other obligations owed by (i) any Subsidiary of the Company to the Company, or (ii) any Subsidiary of the Company to any other Subsidiary of the Company; and

(r) Liens not otherwise permitted under the foregoing clauses of this **Section 7.3**, provided that the sum of (1) the aggregate principal of all Indebtedness and other obligations secured by Liens incurred pursuant to this **7.3(r)** and (2) the aggregate principal amount of all Indebtedness incurred pursuant to **Section 7.2(k)**, without duplication, shall not to exceed, as of the date such Lien is created, incurred or assumed (or as of the date the principal amount of any Indebtedness or other obligation subject to such Lien is increased), the greater of (A) 10% of the Consolidated Net Worth as of the last day of the most recently ended fiscal quarter or fiscal year, as applicable, for which financial statements have been delivered to the Administrative Agent pursuant to **Section 5.1(a)** or **5.1(b)** and (B) $1,276,960,000;

provided, however, that no Lien shall be permitted to exist on the Equity Interest of any Insurance Subsidiary, any Borrower that is a Subsidiary or any other Unum Party that is a direct or indirect owner of any Insurance Subsidiary or any Borrower.

7.4 Restricted Payments. The Company will not, and will not permit or cause any of its Subsidiaries to, directly or indirectly, declare or make any dividend payment, or make any other distribution of cash, property or assets, in respect of any of its Equity Interests or any warrants, rights or options to acquire its Equity Interests, or purchase, redeem, retire or otherwise acquire for value any shares of its Equity Interests or any warrants, rights or options to acquire its Equity Interests (other than pursuant to and in accordance with stock option plans and other benefit plans for directors, officers or employees of the Company and its Subsidiaries), or set aside funds for any of the foregoing, except (i) that any Subsidiary may declare and pay dividends on or make distributions to any Person that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of such Equity Interests in respect of which such dividend or distribution is made, or set aside funds for the foregoing, (ii) the Company may declare and pay dividends on, make distributions in respect of or repurchase, redeem, retire or otherwise acquire its Equity Interests or set aside funds for the foregoing so long as no Default or Event of Default has occurred and is continuing before or after giving effect to the declaration or payment of such dividends, distributions, repurchases or other acquisitions, and (iii) the Company and its Subsidiaries may declare and pay dividends in respect of any Hybrid Equity Securities or preferred stock if, at the time of and after giving effect to any such payment, no Default or Event of Default under **Section 8.1(a),** clause (i) of **Section 8.1(e)**, **Section 8.1(f)** or **Section 8.1(g)** shall have occurred and be continuing. Notwithstanding anything to the contrary herein, this **Section 7.4** shall not prohibit the

payment of a dividend if such dividend is made within 45 days of the declaration thereof provided such dividend was not prohibited by this **Section 7.4** at the time of its declaration.

7.5 Transactions with Affiliates. The Company will not, and will not permit or cause any of its Subsidiaries to, enter into any transaction (including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service) with any Affiliate of the Company or such Subsidiary other than:

(a) transactions between or among the Company and its Wholly-Owned Subsidiaries, or between or among any of such Wholly-Owned Subsidiaries;

(b) transactions with Affiliates in the ordinary course of the Company's or such Subsidiary's business on terms no less favorable to the Company or such Subsidiary than those that could have been obtained in a comparable transaction on an arm's length basis from a Person that is not an Affiliate; and

(c) any payment permitted to be made under **Section 7.4**.

7.6 Lines of Business. The Company will not, and will not permit or cause any of its Subsidiaries to, engage to any material extent in any business other than long-term care insurance, life insurance, disability insurance, dental insurance, vision insurance, employer- and employee-paid group and individual benefits, including retirement products, and other businesses engaged in by the Company and such Subsidiaries on the date hereof or any business reasonably related, ancillary or incidental thereto or that are reasonable extensions thereof.

7.7 Fiscal Year. The Company will not, and will not permit or cause any of its Subsidiaries to, change the ending date of its fiscal year to a date other than December 31.

7.8 Accounting Changes. Other than as permitted pursuant to **Section 1.2**, the Company will not, and will not permit or cause any of its Domestic Subsidiaries to, make or permit any material change in its accounting policies or reporting practices, except as may be required or permitted by GAAP or SAP.

ARTICLE VIII

EVENTS OF DEFAULT

8.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default":

(a) Any Borrower shall fail to pay (i) any principal of any Loan or any Reimbursement Obligation when due or (ii) within three Business Days after the same becomes due, any interest on any Loan, any fee payable under this Agreement or any other Credit Document, or (except as provided in clause (i) above) any other Obligation; or

(b) Any Borrower shall (i) fail to observe, perform or comply with any condition, covenant or agreement contained in any of **Sections 2.15, 5.2(b)(i)-(iii)**, or **5.3(i)**, or in **Articles VI** or **VII** or (ii) fail to observe, perform or comply with any condition, covenant or agreement contained in **Section 5.2** (other than **Sections 5.2(b)(i)-(iii)**) or **5.7(ii)** and (in the case of this clause (ii) only) such failure shall continue unremedied for a period of five Business Days after the earlier of (y) the date on which a Responsible Officer of such Borrower acquires knowledge thereof and (z) the date on which written notice thereof is delivered by the Administrative Agent or any Lender to such Borrower; or

(c) Any Borrower shall fail to observe, perform or comply with any condition, covenant or agreement contained in this Agreement or any of the other Credit Documents other than those enumerated in **Sections 8.1(a)**, and **8.1(b)**, and such failure shall continue unremedied for a period of 30 days after the earlier of (y) the date on which a Responsible Officer of such Borrower acquires knowledge thereof and (z) the date on which written notice thereof is delivered by the Administrative Agent or any Lender to such Borrower; or

(d) Any representation or warranty made or deemed made by or on behalf of any Borrower in this Agreement, any of the other Credit Documents or in any certificate, instrument, report or other document furnished at any time in connection herewith or therewith shall prove to have been incorrect, false or misleading in any material respect as of the time made, deemed made or furnished; or

(e) Any Borrower or any other Unum Party shall (i) fail to pay when due (whether by scheduled maturity, required prepayment, demand, acceleration or otherwise and after giving effect to any applicable cure period, grace period or notice provision) (y) any principal of or interest on any Indebtedness (other than the Indebtedness incurred pursuant to this Agreement or a Hedge Agreement) having an aggregate principal amount of at least $150,000,000 or (z) any termination or other payment under any Hedge Agreement having a net termination obligation of at least $150,000,000, or (ii) fail to observe, perform or comply with any condition, covenant or agreement contained in any agreement or instrument evidencing or relating to any such Indebtedness or Hedge Agreement, or any other event shall occur or condition exist in respect thereof, and the effect of such failure, event or condition is to cause, or permit the holder or holders of such Indebtedness or Hedge Agreement (or a trustee or agent on its or their behalf) to cause (with or without the giving of notice, lapse of time, or both), without regard to any subordination terms with respect thereto, such Indebtedness or Hedge Agreement to become due, or to be prepaid, redeemed, purchased or defeased, prior to its stated maturity; or

(f) Any Borrower or any Material Subsidiary shall (i) file a voluntary petition or commence a voluntary case seeking liquidation, winding-up, reorganization, dissolution, arrangement, readjustment of debts or any other relief under any applicable Debtor Relief Laws, now or hereafter in effect, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any petition or case of the type described in **Section 8.1(g)**, (iii) apply for or consent to the appointment of or taking possession by a rehabilitator, receiver, custodian, trustee, conservator or liquidator or similar official for or of itself or all or a substantial part of its properties or assets, (iv) fail generally, or admit in writing its inability, to pay its debts generally as they become due, (v) make a general assignment for the benefit of creditors or (vi) take any corporate action to authorize or approve any of the foregoing; or

(g) Any involuntary petition or case shall be filed or commenced against any Borrower or any Material Subsidiary seeking liquidation, winding-up, reorganization, dissolution, arrangement, readjustment of debts, the appointment of a rehabilitator, receiver, custodian, trustee, conservator or liquidator or similar official for it or all or a substantial part of its properties or any other relief under any applicable Debtor Relief Laws, now or hereafter in effect, and such petition or case shall continue undismissed and unstayed for a period of 60 days; or an order, judgment or decree approving or ordering any of the foregoing shall be entered in any such proceeding; or

(h) Any one or more money judgments, writs or warrants of attachment, executions or similar processes involving an aggregate amount (to the extent not paid or fully bonded or covered by third-party insurance as to which the surety or insurer, as the case may be, does not dispute coverage) in excess of $150,000,000 shall be entered or filed against any Borrower or any Material Subsidiary or any of their respective properties and the same shall not be paid, dismissed, bonded, vacated, stayed or discharged within a period of 30 days; or

(i) Any ERISA Event or any other event or condition shall occur or exist with respect to any Plan or Multiemployer Plan and, as a result thereof, together with all other ERISA Events and other events or conditions then existing or the Company and its ERISA Affiliates have incurred, would reasonably be expected to result in a Material Adverse Effect; or

(j) Any Insurance Regulatory Authority or other Governmental Authority having jurisdiction shall issue any order of conservation, supervision, rehabilitation or liquidation or any other order of similar effect in respect of any Borrower or any Domestic Insurance Subsidiary that is a Material Subsidiary; or

(k) Any Insurance Regulatory Authority or other Governmental Authority revokes or fails to renew any insurance license, permit, or franchise of any Domestic Insurance Subsidiary that is a Material Subsidiary, or imposes any restriction or condition on any insurance license, permit, or franchise of any

Domestic Insurance Subsidiary that is a Material Subsidiary, if such revocation, non-renewal, condition, or restriction is reasonably likely to have a Material Adverse Effect; or

(l) Any material provision of any Credit Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Borrower contests in writing in any manner the validity or enforceability of any Credit Document; or any Borrower denies in writing that it has any or further liability or obligation under any Credit Document, or purports to revoke, terminate, or rescind any material provision of any Credit Document, in any case other than (y) as expressly permitted hereunder or thereunder or (z) the occurrence of the Final Expiry Date; or

(m) Any of the following shall occur:

(i) any Person or group of Persons acting in concert as a partnership or other group, shall, as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise, have become, after the date hereof, the "beneficial owner" (within the meaning of such term under Rule 13d-3 under the Exchange Act) of securities of the Company representing 35% or more of the Total Voting Power of the then outstanding securities of the Company ordinarily (and apart from rights accruing under special circumstances) having the right to vote in the election of directors; or (B) during any period of up to 24 consecutive months, commencing after the Closing Date, the board of directors of the Company shall cease to consist of a majority of the individuals who constituted the board of directors as of the beginning of such 24-month period or who shall have become a member thereof subsequent to the beginning of such 24-month period after having been nominated, or otherwise approved in writing, by at least a majority of individuals who constituted the board of directors of the Company as of the beginning of such 24-month period (or their replacements approved as herein required);

(ii) the occurrence of a "Change of Control" (or similar event, however denominated), as defined in any agreement in respect of Indebtedness having an aggregate principal amount of at least $150,000,000 of any Borrower or any Subsidiary; or

(iii) any Borrower (other than the Company) shall cease to be Wholly Owned by the Company.

8.2 Remedies: Termination of Commitments, Acceleration, etc. Upon and at any time after the occurrence and during the continuance of any Event of Default, the Administrative Agent shall at the direction, or may with the consent, of the Required Lenders, take any or all of the following actions at the same or different times:

(a) Declare the Commitments, the Swingline Commitment, and the Issuing Banks' obligation to Issue Letters of Credit to be terminated, and thereupon the same shall terminate immediately; provided that, upon the occurrence of a Bankruptcy Event, the Commitments, the Swingline Commitment, and the Issuing Banks' obligation to Issue Letters of Credit shall automatically be terminated;

(b) Declare all or any part of the outstanding principal amount of the Loans to be immediately due and payable, whereupon the principal amount so declared to be immediately due and payable, together with all interest accrued thereon and all other amounts payable under this Agreement, the Notes and the other Credit Documents shall become immediately due and payable without presentment, demand, protest, notice of intent to accelerate or other notice or legal process of any kind, all of which are hereby knowingly and expressly waived by each Borrower; provided that, upon the occurrence of a Bankruptcy Event, all of the outstanding principal amount of the Loans and all other amounts described in this **Section 8.2(b)** shall automatically become immediately due and payable without presentment, demand, protest, notice of intent to accelerate or other notice or legal process of any kind, all of which are hereby knowingly and expressly waived by each Borrower;

(c) Direct each Borrower to deposit (and each applicable Borrower hereby agrees, forthwith upon receipt of notice of such direction from the Administrative Agent, to deposit) with the Administrative Agent from time to time such amount of cash as is equal to 103% of the aggregate Stated

Amount of all of such Borrower's Letters of Credit then outstanding (whether or not any beneficiary under any such Letter of Credit shall have drawn or be entitled at such time to draw thereunder), such amount to be held by the Administrative Agent in such Borrower's Cash Collateral Account as security for the aggregate Letter of Credit Exposure as described in **Section 2.5(f)**; provided that, upon the occurrence of a Bankruptcy Event, such obligation shall be deemed automatically effective;

(d) Terminate or cause the L/C Agent or the Fronting Bank, as applicable, to terminate any or all of the Letters of Credit or give a notice of nonrenewal in respect thereof if permitted in accordance with its terms; and

(e) Exercise all rights and remedies available to it under this Agreement, the other Credit Documents and applicable law.

8.3 Remedies; Set-Off. Upon and at any time after the occurrence and during the continuance of any Event of Default, each Lender, each Issuing Bank and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such Issuing Bank or any such Affiliate, to or for the credit or the account of the applicable Borrower against any and all of the obligations of such Borrower now or hereafter existing under this Agreement or any other Credit Document to such Lender or such Issuing Bank or their respective Affiliates, irrespective of whether or not such Lender, such Issuing Bank or such Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of such Borrower may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such Issuing Bank different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of **Section 2.22** and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks and the Lenders (including the Swingline Lender), and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the Issuing Banks and their respective Affiliates under this **Section 8.3** are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Bank or their respective Affiliates may have. Each Lender and each Issuing Bank agrees to notify the applicable Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

ARTICLE IX

THE ADMINISTRATIVE AGENT

9.1 Appointment and Authority. Each of the Lenders (for purposes of this Article, references to the Lenders shall also mean the Issuing Banks and the Swingline Lender) hereby irrevocably appoints Wells Fargo to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as set forth in **Section 9.6**, the provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrowers nor any other Unum Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" (or any other similar term) herein or in any other Credit Document with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as

though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrowers or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.3 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Credit Document or applicable law, including, for the avoidance of doubt, any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrowers or any of their Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in **Sections 10.5** and **8.2**) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent in writing by the Borrowers or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in **Article III** or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making

of any Credit Extension that by its terms must be fulfilled to the satisfaction of a Lender or any Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Bank prior to the making of such Credit Extension. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

9.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Company and subject to the approval of the Company (such approval not to be unreasonably withheld, conditioned or delayed), to appoint a successor Administrative Agent, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Regardless of whether a successor has been appointed or has accepted such appointment, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Credit Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for in **Section 9.6(a)**. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to indemnity payments owed to the retiring Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Credit Documents, the provisions of this Article and **Section 10.1** shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

9.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any

of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

9.8 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrowers, the Administrative Agent (irrespective of whether the principal of any Loan or Reimbursement Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise (i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Reimbursement Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents, sub-agents and counsel and all other amounts due the Lenders and the Administrative Agent under **Sections 2.10** and **10.1**) allowed in such judicial proceeding and (ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same. Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents, sub-agents and counsel, and any other amounts due the Administrative Agent under **Section 2.10** or **10.1**.

9.9 Issuing Bank and Swingline Lender. The provisions of this **Article IX** (other than **Section 9.2**) shall apply to Wells Fargo as the Fronting Bank, LC Agent and the Swingline Lender mutatis mutandis to the same extent as such provisions apply to the Administrative Agent.

9.10 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Sustainability Structuring Agent, Bookrunners, Arrangers, Co-Syndication Agents, Co-Documentation Agents or other agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in their respective capacity, as applicable, as the Administrative Agent, Issuing Banks, the Swingline Lender or a Lender hereunder.

9.11 Lender ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers, that none of the Administrative Agent, any Arranger nor any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related hereto or thereto).

9.12 Erroneous Payments.

(a) Each Lender, each Issuing Bank, each other Lender party and any other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or Issuing Bank or any other Lender party (or the Lender Affiliate of a Lender party) or any other Person that has received funds from the Administrative Agent or any of its Affiliates, either for its own account or on behalf of a Lender, Issuing Bank or other Lender party (each such recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion that any funds received by such Payment Recipient were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) or (ii) any Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, as applicable, or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this **Section 9.12(a)**, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an "Erroneous Payment"), then, in each case, such Payment Recipient is deemed to have knowledge of such

error at the time of its receipt of such Erroneous Payment; provided that nothing in this Section shall require the Administrative Agent to provide any of the notices specified in clauses (i) or (ii) above. Each Payment Recipient agrees that it shall not assert any right or claim to any Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly notify the Administrative Agent in writing of such occurrence.

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent such Payment Recipient shall (or, shall cause any Person who received any portion of an Erroneous Payment on its behalf to), promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds and in the currency so received, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent at the Overnight Rate.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient or an Affiliate of a Payment Recipient (such unrecovered amount as to such Lender, an "Erroneous Payment Return Deficiency"), then at the sole discretion of the Administrative Agent and upon the Administrative Agent's written notice to such Lender (i) such Lender shall be deemed to have made a cashless assignment of the full face amount of the portion of its Loans (but not its Commitments) to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent's applicable lending affiliate in an amount that is equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments), the "Erroneous Payment Deficiency Assignment") plus any accrued and unpaid interest on such assigned amount, without further consent or approval of any party hereto and without any payment by the Administrative Agent or its applicable lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment. The parties hereto acknowledge and agree that (1) any assignment contemplated in this clause (d) shall be made without any requirement for any payment or other consideration paid by the applicable assignee or received by the assignor, (2) the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of **Section 10.6** and (3) the Administrative Agent may reflect such assignments in the Register without further consent or action by any other Person.

(e) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent (1) shall be subrogated to all the rights of such Payment Recipient with respect to such amount and (2) is authorized to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Credit Document, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under this **Section 9.12** or under the indemnification provisions of this Agreement, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of any Obligations owed by the Borrowers or any other Unum Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrowers or any other Unum Party for the purpose of making a payment on the Obligations and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the Obligations, the Obligations or any part thereof that were so credited, and all rights of the Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received.

(f) Each party's obligations under this **Section 9.12** shall survive the resignation or replacement of the Administrative Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Credit Document.

(g) Nothing in this **Section 9.12** will constitute a waiver or release of any claim of the Administrative Agent hereunder arising from any Payment Recipient's receipt of an Erroneous Payment.

ARTICLE X

MISCELLANEOUS

10.1 Expenses; Indemnity; Damage Waiver.

(a) The Company shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable and documented out-of-pocket fees, charges and disbursements of one outside counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Credit Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or the Issuing Banks in connection with the Issuance of any Letter of Credit or any demand for payment thereunder, and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Banks (including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for the Administrative Agent, the Lenders and the Issuing Banks, but limited to one outside counsel for the Lenders, the Issuing Banks and the Administrative Agent taken as a whole and, in the case of any actual or potential conflict of interest, one additional counsel to each group of affected parties similarly situated taken as a whole (and, if necessary, one local counsel in any relevant material jurisdiction)), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit Issued hereunder, including all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Company shall indemnify the Administrative Agent (and any sub-agent thereof), the L/C Agent, each Issuing Bank, the Swingline Lender, each Lender, and each Related Party of any of the foregoing persons (each such person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, penalties, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnitee, but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements and other charges of one outside counsel to all Indemnitees (taken as a whole) and, if necessary, one local counsel for all Indemnitees (taken as a whole) in each relevant jurisdiction, and in the case of an actual or perceived conflict of interest, one additional counsel to the affected Indemnitees similarly situated and taken as a whole), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Borrower or any other Unum Party) other than such Indemnitee or its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Substances on or from any property owned or operated by any Unum Party, or any Environmental Claim related in any way to any Unum Party, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing clauses (i) through (iii), whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Unum Party, and regardless of whether any Indemnitee is a party thereto; provided that such

indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or its Related Parties, (y) result from a claim brought by any Borrower or any other Unum Party against such Indemnitee for material breach of such Indemnitee's obligations hereunder or under any other Credit Document, if such Borrower or such Unum Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from any dispute solely among Indemnitees, other than any claims against any Indemnitee in its respective capacity or in fulfilling its role as the Administrative Agent, Swingline Bank, Arranger or Fronting Bank, and other than any claims arising out of any act or omission on the part of any Borrower or any other Unum Party. This **Section 10.1(b)** shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages or related liabilities or expenses arising from any non-Tax claim.

(c) To the extent that the Company for any reason fails to indefeasibly pay any amount required under **Section 10.1(a)** or **Section 10.1(b)** to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Agent, any Issuing Bank, the Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Agent, such Issuing Bank, the Swingline Lender or such Related Party, as the case may be, such Lender's proportion (based on the percentages as used in determining the Required Lenders as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the L/C Agent, the Swingline Lender or such Issuing Bank in their capacities as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Swingline Lender or such Issuing Bank in connection with such capacity. The obligations of the Lenders under this **Section 10.1(c)** are subject to the provisions of **Section 2.3(c)**.

(d) To the fullest extent permitted by applicable law, no party hereto shall assert, and each party hereto hereby waives, any claim on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof; provided, that this shall not limit the Company's indemnification obligations herein to the extent such special, indirect, consequential or punitive damages are included in any third party claim in connection with which an Indemnitee is otherwise entitled to indemnification hereunder. No Indemnitee referred to in **Section 10.1(b)** shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems (including the Platform, IntraLinks, SyndTrak or similar systems) in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby other than for direct or actual damages (as opposed to indirect, special, incidental, consequential or punitive damages, losses or expenses) resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) All amounts due under this Section shall be payable by the Company upon demand therefor.

10.2 Governing Law; Submission to Jurisdiction; Waiver of Venue; Service of Process

(a) This Agreement and the other Credit Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Credit Document (except as may be expressly otherwise provided in any Credit Document) shall be governed by, and construed in accordance with, the law of the State of New York (including Sections 5-1401 and 5-1402 of the New York General Obligations Law, but excluding all other choice of law and conflicts of law rules).

(b) Each of the parties hereto irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any way relating to this Agreement or any other Credit Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York City and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such state court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that the Administrative Agent, any Issuing Bank, the Swingline Lender or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Borrower or its properties in the courts of any jurisdiction in the event such action or proceeding cannot be heard or otherwise determined in the courts of the State of New York sitting in New York City or the United States District Court of the Southern District of New York.

(c) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in **Section 10.2(b)**. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party hereto irrevocably consents to service of process in the manner provided for notices in **Section 10.4**. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

10.3 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.4 Notices; Effectiveness; Electronic Communication.

(a) Except in the cases of notices and other communications expressly permitted to be given by telephone (and except as provided in **Section 10.4(b)**), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail as follows:

(i) if to a Borrower, the Administrative Agent, the Swingline Lender or the Fronting Bank, to it at the address specified for such person on **Schedule 1.1(a)**; and

(ii) if to any Lender or any Issuing Bank other than Wells Fargo, to it at its address set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through electronic communications to the extent provided in **Section 10.4(b)** shall be effective as provided in **Section 10.4(b)**.

(b) Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites such as the Platform) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the Fronting Bank pursuant to **Article II** if such Lender or the Fronting Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication and the Administrative Agent has so notified the Borrowers. The Administrative Agent or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communication pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent by 8:00 p.m., such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or other communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." The Agent Parties do not warrant the adequacy of the platform and expressly disclaim liability for errors or omissions in the communications effected thereby. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with any such communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrowers, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise), arising out of the Borrowers' or the Administrative Agent's transmission of any notices or communications through the Platform, other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Agent Party as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) Any party hereto may change its address for notices and other communications hereunder by notice to the other parties hereto (except that each Lender need not give notice of any such change to the other Lenders in their capacities as such).

10.5 Amendments, Waivers, etc. No amendment, modification, waiver or discharge or termination of, or consent to any departure by any Borrower from, any provision of this Agreement or any other Credit Document shall be effective unless in a writing signed by the Borrowers and the Required Lenders (or by the Administrative Agent at the direction or with the consent of the Required Lenders), and then the same shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, modification, waiver, discharge, termination or consent shall:

(a) unless agreed to in writing by each Lender directly affected thereby, (i) reduce or forgive the principal amount of any Loan or the amount of any Reimbursement Obligation, (ii) reduce the rate of or forgive any interest thereon (provided that only the consent of the Required Lenders shall be required to waive the applicability of any post-default increase in interest rates), (iii) reduce or forgive any fees hereunder (other than fees payable to the Administrative Agent, the Fronting Bank or any Arranger for its own account), (iv) extend the final scheduled maturity date or any other scheduled date for the payment of any principal of or interest on any Loan (including the Commitment Termination Date), (v) extend the expiry date of any Letter of Credit beyond the Final Maturity Date, or extend the time of payment of any fees hereunder (other than fees payable to the Administrative Agent, the Fronting Bank or any Arranger for its own account), or (vi) increase any Commitment of any such Lender over the amount thereof in effect or extend the maturity thereof (it being understood that a waiver of any condition precedent set forth in **Section 3.2** or of any Default or Event of Default, if agreed to by the Required Lenders, or all

Lenders (as may be required hereunder with respect to such waiver), shall not constitute such an increase);

(b) unless agreed to by all of the Lenders, (i) change the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, (ii) change or waive any provision of **Section 2.13(e)**, (iii) change or waive any provision of **Section 2.16** or any other provision of this Agreement or any other Credit Document requiring pro rata treatment of any Lenders in a manner that would alter the pro rata sharing of payments required thereby, or (iv) change any provision of this **Section 10.5**;

(c) unless agreed to by the L/C Agent, the Fronting Bank, the Swingline Lender, the Administrative Agent or the Sustainability Structuring Agent in addition to the Lenders required as provided hereinabove to take such action, affect the respective rights or obligations of the L/C Agent, the Fronting Banks, the Swingline Lender, the Administrative Agent or the Sustainability Structuring Agent, as applicable, hereunder or under any of the other Credit Documents; and

and provided further that the Fee Letter may only be amended or modified, and any rights thereunder waived, in a writing signed by the parties thereto, and provided further, that the Administrative Agent and the Borrowers may, without the consent of any Lender, enter into amendments or modifications to this Agreement or any of the other Credit Documents or enter into additional Credit Documents as the Administrative Agent reasonably deems appropriate in order to implement any Replacement Rate or otherwise effectuate the terms of **Section 2.17(f)** in accordance with the terms of **Section 2.17(f)**.

Notwithstanding the fact that the consent of all Lenders is required in certain circumstances as set forth above, each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code supersedes the unanimous consent provisions set forth herein.

Notwithstanding anything to the contrary in this **Section 10.5**, if the Administrative Agent and the Company shall have jointly identified (each in its sole discretion) an obvious error or omission of a technical or immaterial nature, in each case, in any provision of the Credit Documents, then the Administrative Agent and the Company shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Credit Document if the same is not objected to in writing by the Required Lenders within five Business Days following the posting of such amendment to the Lenders.

Notwithstanding anything in this Agreement to the contrary, each Lender hereby irrevocably authorizes the Administrative Agent on its behalf, and without further consent of any Lender (but with the consent of the Borrowers and the Administrative Agent), to (x) amend and restate this Agreement if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that (A) the Commitment of such Lender may not be increased or extended without the consent of such Lender, and (B) any amendment, waiver, or consent hereunder which requires the consent of all Lenders or each affected Lender that by its terms disproportionately and adversely affects any such Defaulting Lender relative to other affected Lenders shall require the consent of such Defaulting Lender.

10.6 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any

of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of **Section 10.6(b)**, (ii) by way of participation in accordance with the provisions of **Section 10.6(e)** or (iii) by way of pledge or assignment of a security interest subject to the restrictions of **Section 10.6(f)** (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in **Section 10.6(e)** and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may at any time assign to one or more Eligible Assignees, all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Credit Extensions (including participations in Letters of Credit and in Swingline Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) (A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Credit Extensions at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned, or (B) in any case not described in clause (A) above, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Credit Extensions of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than (y) $5,000,000, in the case of any assignment in respect of a Commitment (which for this purpose includes Revolving Loans outstanding), or (z) the entire Swingline Commitment and the full amount of the outstanding Swingline Loans, in the case of Swingline Loans, in any case, treating assignments to two or more Approved Funds under common management as one assignment for purposes of the minimum amounts, unless each of the Administrative Agent and, so long as no Default or Event of Default has occurred and is continuing, the Company otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Commitment and/or Credit Extensions assigned, except that this clause (ii) shall not apply to rights in respect of Swingline Loans;

(iii) no consent shall be required for any assignment except to the extent required by clause (B) of **Section 10.6(b)(i)** and, in addition:

(A) the consent of the Company (such consent not to be unreasonably withheld or delayed) shall be required unless (y) a Default or Event of Default has occurred and is continuing at the time of such assignment or (z) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 10 Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the Fronting Bank (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Participated Letters of Credit (whether or not then outstanding).

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 for each assignment and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and to the Administrative Agent and the Borrowers such documentation required pursuant to **Section 2.18(g)**;

(v) no such assignment shall be made to (A) the Borrowers or any of their Affiliates or Subsidiaries or (B) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B); and

(vi) no such assignment shall be made to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person).

Subject to acceptance and recording thereof by the Administrative Agent pursuant to **Section 10.6(d)**, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of **Sections 2.17(a)**, **2.17(b)**, **2.18**, **2.19** and **10.1** with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender. If requested by or on behalf of the assignee, the Borrowers, at their own expense, will execute and deliver to the Administrative Agent a new Note or Notes to the order of the assignee (and, if the assigning Lender has retained any portion of its rights and obligations hereunder, to the order of the assigning Lender), prepared in accordance with the applicable provisions of **Section 2.4** as necessary to reflect, after giving effect to the assignment, the Commitment and/or outstanding Credit Extensions, as the case may be, of the assignee and (to the extent of any retained interests) the assigning Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this **Section 10.6(b)** shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with **Section 10.6(e)**.

(c) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrowers and the Administrative Agent, the applicable Ratable Share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full Ratable Share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Credit Exposure. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(d) The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at its address for notices referred to in **Schedule 1.1(a)** a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be

conclusive absent manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by each of the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person) or the Borrowers or any of the Borrowers' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Credit Extensions owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the L/C Agent, the Fronting Bank and the Swingline Lender and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in **Section 10.5(a)** and clause (i) of **Section 10.5(b)** that affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of **Sections 2.17(a)**, **2.17(b)**, **2.18** and **2.19** to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to **Section 10.6(b)**; provided that such Participant (A) agrees to be subject to the provisions of **Section 2.20** as if it were an assignee under **Section 10.6(b)** and (B) shall not be entitled to receive any greater payment under **Section 2.17** or **2.18**, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Company's request and expense, to use reasonable efforts to cooperate with the Company to effectuate the provisions of **Section 2.20** with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of **Section 8.3** as though it were a Lender; provided that such Participant agrees to be subject to **Section 2.16(b)** as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other Obligations under the Credit Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and

as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act or any state laws based on the Uniform Electronic Transactions Act.

(h) Any Lender or Participant may, in connection with any assignment, participation, pledge or proposed assignment, participation or pledge pursuant to this **Section 10.6**, disclose to the Eligible Assignee, Participant or pledgee or proposed Eligible Assignee, Participant or pledgee any information relating to the Borrowers and their Subsidiaries furnished to it by or on behalf of any other party hereto, provided that such Eligible Assignee, Participant or pledgee or proposed Eligible Assignee, Participant or pledgee agrees in writing to keep such information confidential to the same extent required of the Lenders under **Section 10.11**.

(i) Notwithstanding anything to the contrary contained herein, if Wells Fargo assigns all of its Commitment and Credit Extensions in accordance with this **Section 10.6**, Wells Fargo may resign as Fronting Bank, Swingline Lender and L/C Agent upon written notice to the Borrowers and the Lenders. Upon any such notice of resignation, the Borrowers shall have the right to appoint from among the Lenders a successor Fronting Bank, Swingline Lender and L/C Agent with the agreement of said Lender; provided that no failure by the Borrowers to make such appointment shall affect the resignation of Wells Fargo as Fronting Bank, Swingline Lender and L/C Agent. Wells Fargo shall retain all of the rights and obligations of the Fronting Bank, Swingline Lender and L/C Agent hereunder with respect to all Letters of Credit issued by it or Swingline Loans made by it and outstanding as of the effective date of its resignation and all obligations of the Borrowers and the Lenders with respect thereto.

10.7 No Waiver. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders expressly set forth in this Agreement and the other Credit Documents are cumulative and in addition to, and not exclusive of, all other rights and remedies available at law, in equity or otherwise. No failure or delay on the part of the Administrative Agent, any Issuing Bank or any Lender in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude other or further exercise thereof or the exercise of any other right, power or privilege or be construed to be a waiver of any Default or Event of Default. No course of dealing between the Borrowers, the Administrative Agent, the Issuing Banks or the Lenders or their agents or employees shall be effective to amend, modify or discharge any provision of this Agreement or any other Credit Document or to constitute a waiver of any Default or Event of Default. No notice to or demand upon the Borrowers in any case shall entitle the Borrowers to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Administrative Agent, any Issuing Bank or any Lender to exercise any right or remedy or take any other or further action in any circumstances without notice or demand.

10.8 Survival. All representations, warranties, covenants and agreements made by or on behalf of the Borrowers in this Agreement and in the other Credit Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof or thereof and the making and repayment of the Loans and the Issuance of Letters of Credit and repayment of all Reimbursement Obligations, and shall continue in full force and effect as long as any Loan, Letter of Credit or any other Obligation hereunder shall remain unpaid or unsatisfied. In addition, notwithstanding anything herein or under applicable law to the contrary, the provisions of this Agreement and the other Credit Documents relating to indemnification or payment of costs and expenses, including, without limitation, the provisions of **Sections 2.17(a), 2.17(b), 2.18, 2.19**, **10.1** and **Article IX**, shall survive the payment in full of all Credit Extensions, the termination of the Commitments and all Letters of Credit, and any termination of this Agreement or any of the other Credit Documents or any provision hereof or thereof.

10.9 Severability. To the extent any provision of this Agreement is prohibited by or invalid under the applicable law of any jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity and only in such jurisdiction, without prohibiting or invalidating such provision in any other jurisdiction or the remaining provisions of this Agreement in any jurisdiction. Without limiting the foregoing provisions of this **Section 10.9**, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the Fronting Bank or the Swingline Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.10 Construction. The headings of the various articles, sections and subsections of this Agreement and the table of contents have been inserted for convenience only and shall not in any way affect the meaning or construction of any of the provisions hereof. Except as otherwise expressly provided herein and in the other Credit Documents, in the event of any inconsistency or conflict between any provision of this Agreement and any provision of any of the other Credit Documents, the provision of this Agreement shall control.

10.11 Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Requirements of Law or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, or (ii) any actual or prospective counterparty (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the applicable Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis, to (i) any rating agency in connection with the Borrowers or their Subsidiaries or the facilities created hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance monitoring of CUSIP numbers with respect to the facilities created hereunder; (h) with the consent of the applicable Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Issuing Bank any Lender, or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrowers or any of their Subsidiaries or Affiliates that is not, to such Person's knowledge, subject to confidentiality obligations to the Borrowers.

For purposes of this Section, "Information" means all information received from or on behalf of the Unum Parties relating to any Unum Party or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by any Unum Party. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

10.12 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Credit Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof (except for the Fee Letter). Except as provided in **Section 3.1,** this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

(b) The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to this Agreement, any other Credit Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Credit Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-

based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept such Electronic Signature from any party hereto, the Administrative Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and any of the Borrowers, electronic images of this Agreement or any other Credit Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (B) waives any argument, defense or right to contest the validity or enforceability of the Credit Documents based solely on the lack of paper original copies of any Credit Documents, including with respect to any signature pages thereto.

10.13 No Fiduciary Relationship Established By Credit Documents. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document), the Borrowers acknowledge and agree, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between the Borrowers and their Subsidiaries and any Arranger, the Administrative Agent, any Issuing Bank, any Swingline Lender or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Credit Documents, irrespective of whether any Arranger, the Administrative Agent, any Issuing Bank, any Swingline Lender or any Lender has advised or is advising the Borrowers or any Subsidiary on other matters, (ii) the arranging and other services regarding this Agreement provided by the Arrangers, the Administrative Agent, the Issuing Banks, the Swingline Lenders and the Lenders are arm's-length commercial transactions between the Borrowers and their Affiliates, on the one hand, and the Arrangers, the Administrative Agent, the Issuing Banks, the Swingline Lenders and the Lenders, on the other hand, (iii) the Borrowers have consulted their own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) the Borrowers are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents; and (b) (i) the Arrangers, the Administrative Agent, the Issuing Banks, the Swingline Lenders and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrowers or any of their Affiliates, or any other Person; (ii) none of the Arrangers, the Administrative Agent, the Issuing Banks, the Swingline Lenders and the Lenders has any obligation to the Borrowers or any of their Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; and (iii) the Arrangers, the Administrative Agent, the Issuing Banks, the Swingline Lenders and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrowers and their Affiliates, and none of the Arrangers, the Administrative Agent, the Issuing Banks, the Swingline Lenders and the Lenders has any obligation to disclose any of such interests to the Borrowers or their Affiliates. To the fullest extent permitted by Law, the Borrowers hereby waive and release any claims that they may have against any of the Arrangers, the Administrative Agent, the Issuing Banks, the Swingline Lenders and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.14 Judgment Currency. If, for the purposes of obtaining judgment in any court or in respect of any tender made by any Borrower, it is necessary to convert a sum due hereunder or under any other Credit Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given or such tender is made. The obligation of the such Borrower in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Credit Documents shall, notwithstanding any tender or judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender of any sum received or adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or such Lender in the Agreement Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment or tender, to indemnify the Administrative Agent or such Lender or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or such Lender in such currency, the Administrative Agent or such Lender agrees to return the amount of any excess to the applicable Borrower (or to any other Person who may be entitled thereto under applicable law).

10.15 Disclosure of Information. The Borrowers agree and consent to the Administrative Agent's and the Arranger's disclosure of information relating to this transaction to Gold Sheets and other similar bank trade publications. Such information will consist solely of deal terms and other information customarily found in such publications.

10.16 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

10.17 PATRIOT Act Notice. Each Issuing Bank and each Lender that is subject to the PATRIOT Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the PATRIOT Act or any other Anti-Money Laundering Laws, it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name, address, and taxpayer identification number of the Borrowers and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrowers in accordance with the PATRIOT Act or such Anti-Money Laundering Laws.

10.18 Amendment and Restatement; No Novation. This Agreement constitutes an amendment and restatement of the Existing Credit Agreement, effective from and after the Closing Date. The execution and delivery of this Agreement shall not constitute a novation of any indebtedness or other obligations owing to the Lenders or the Administrative Agent under the Existing Credit Agreement based on facts or events occurring or existing prior to the execution and delivery of this Agreement. On the Closing Date, the credit facilities described in the Existing Credit Agreement, shall be amended, supplemented, modified and restated in their entirety by the facilities described herein, and all loans, letters of credit and other obligations of the Borrowers outstanding as of such date under the Existing Credit Agreement, shall be deemed to be loans, letters of credit and obligations outstanding under the corresponding facilities described herein, without any further action by any Person (including, without limitation, any Assignment and Assumption), except that the Administrative Agent shall make such transfers of funds as are necessary in order that the outstanding balance of the Revolving Loans, together with any Revolving Loans funded on the Closing Date, reflect the respective Commitments of the Lenders hereunder. The Letter of Credit Exposure of the Lenders in respect of the Existing Letters of Credit shall be automatically reallocated among the Lenders as of the Closing Date based on their pro rata shares of the Commitments as of the Closing Date.

10.19 Acknowledgement Regarding Any Supported QFCs. To the extent that the Credit Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and, each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this **Section 10.19**, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

ARTICLE XI

THE GUARANTY

11.1 The Guaranty.

(a) In order to induce the Lenders, the Fronting Bank, the Swingline Lender and the Issuing Banks to enter into this Agreement and to extend credit hereunder and in recognition of the direct benefits to be received by the Guarantor from the Credit Extensions hereunder, the Guarantor hereby unconditionally, absolutely and irrevocably, guarantees, as a primary obligor and not merely as surety, the full and punctual payment (whether at stated maturity, upon acceleration or otherwise) of all Obligations of each of the other Borrowers under the Credit Documents including the Reimbursement Obligations owing by such other Borrowers pursuant to this Agreement. This Guaranty is a guaranty of payment and not of collection. Upon failure by any Borrower to pay punctually any such amount, the Guarantor agrees to pay forthwith on demand the amount not so paid at the place and in the manner specified in this Agreement.

(b) Guaranty Unconditional. The obligations of the Guarantor under this **Article XI** shall be unconditional, absolute and irrevocable, and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(i) any extension, renewal, settlement, compromise, waiver or release (including with respect to any collateral) in respect of any obligation of any other Borrower under any of the Credit Documents, by operation of law or otherwise;

(ii) any modification or amendment of or supplement to any of the Credit Documents;

(iii) any release, non-perfection or invalidity of any direct or indirect security for any obligation of any other obligor under any of the Credit Documents;

(iv) any change in the corporate existence, structure or ownership of any Borrower, or any Bankruptcy Event or other similar proceeding affecting any other obligor or its assets or any resulting release or discharge of any obligation of any other obligor contained in any of the Credit Documents;

(v) the existence of any claim, set-off or other rights which any obligor may have at any time against any Borrower, the Administrative Agent, the L/C Agent, any Issuing Bank, any Lender or any other corporation or person, whether in connection with any of the Credit Documents or any unrelated transactions, provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(vi) any invalidity or unenforceability relating to or against any Borrower for any reason of any of the Credit Documents, or any provision of applicable law or regulation purporting to prohibit the payment by any other obligor of principal, interest or any other amount payable under any of the Credit Documents;

(vii) any law, regulation or order of any jurisdiction, or any other event, affecting any term of any obligation or the Lenders' rights with respect thereto; or

(viii) any other act or omission to act or delay of any kind by any Borrower, the Administrative Agent, the L/C Agent, any Issuing Bank, any Lender or any other corporation or person or any other circumstance whatsoever (other than the defense of payment) which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of or defense to the Guarantor's obligations under this **Article XI**.

(c) Discharge Only upon Payment in Full; Reinstatement in Certain Circumstances. The Guarantor's obligations under this **Article XI** shall remain in full force and effect until the Commitments of the Lenders hereunder shall have terminated, no Letters of Credit shall be outstanding and all Obligations payable by the Borrowers under the Credit Documents shall have been paid in full. If at any time any payment of any Obligation payable by a Borrower under the Credit Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of such Borrower or otherwise, the Guarantor's obligations under this **Article XI** with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

(d) Waiver by the Guarantor. The Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any corporation or person against any other obligor or any other corporation or person, in each case with respect to its obligations under this **Article XI**. The Guarantor warrants and agrees that each waiver set forth in this **Section 11.1(d)** is made with full knowledge of its significance and consequences, and such waivers shall be effective to the maximum extent permitted by law.

(e) Subrogation. The Guarantor hereby unconditionally and irrevocably agrees not to exercise any rights that it may now have or hereafter acquire against any other Borrower, or any other insider guarantor that arises from the existence, payment, performance or enforcement of the Guarantor's obligations under or in respect of this Guaranty, including any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of any Lender, any Issuing Bank or the Administrative Agent against any Borrower or any other insider guarantor or any collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including the right to take or receive from any other Borrower or any other insider guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until all Obligations payable under this Agreement shall have been paid in full in cash, no Letters of Credit shall be outstanding and the Commitments of the Lenders hereunder shall have expired or been terminated. If any amount shall be paid to the Guarantor in violation of the immediately preceding sentence at any time prior to the later of (a) the payment in full in cash of all amounts payable under this Guaranty, and (b) the Final Expiry Date, such amount shall be received and held in trust for the benefit of the Lenders, shall be segregated from other property and funds of the Guarantor and shall forthwith be paid or delivered to the Administrative Agent in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to all amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the Credit Documents, or to be held as collateral for any amounts payable under this Guaranty thereafter arising. If (i) the Guarantor shall make payment to the Lenders, the Issuing Banks and the Administrative Agent of all or any amounts payable under this Guaranty, (ii) all amounts payable under this Guaranty shall have been paid in full in cash, and (iii) the Final Expiry Date shall have occurred, the Lenders, the Issuing Banks and the Administrative Agent will, at the Guarantor's request and expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the obligations resulting from such payment made by the Guarantor pursuant to this Guaranty.

(f) Stay of Acceleration. If acceleration of the time for payment of any amount payable by any Borrower under any of the Credit Documents is stayed upon the occurrence of any Bankruptcy Event with respect to such Borrower, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantor under this **Article XI**

forthwith on demand by the Administrative Agent made at the request, or with the consent, of the Required Lenders.

(g) Continuing Guaranty; Assignments. This Guaranty is a continuing guaranty and shall (a) remain in full force and effect until the later of (i) the payment in full in cash of all Obligations payable under this Agreement and (ii) the Final Expiry Date, (b) be binding upon the Guarantor, its successors and assigns and (c) inure to the benefit of and be enforceable by the Lenders, the Issuing Banks and the Administrative Agent and their successors, transferees and assigns.

(h) Subordination of Other Obligations. Any Indebtedness of any Borrower now or hereafter held by the Guarantor is hereby subordinated in right of payment to the Obligations of such Borrower, and any such Indebtedness collected or received by the Guarantor after receipt of notice of an Event of Default (which has occurred and is continuing) by Administrative Agent shall be held in trust for Administrative Agent on behalf of the Lenders and shall forthwith be paid over to Administrative Agent for the benefit of Lenders to be credited and applied against such Obligations but without affecting, impairing or limiting in any manner the liability of the Guarantor under any other provision hereof.

[signature pages follow]

Exhibit 10.45

RESTRICTED STOCK UNIT AGREEMENT
(Unum Group 2022 Stock Incentive Plan)

THIS AGREEMENT (this "Agreement"), dated as of **[Grant Date]**, is entered into by and between Unum Group, a Delaware corporation (the "Company"), and **[Participant Name]** (the "Employee").

W I T N E S S E T H

In consideration of the mutual promises and covenants made herein and the mutual benefits to be derived herefrom, the parties hereto agree as follows:

1. Grant, Vesting and Forfeiture of Restricted Stock Units.

(a) Grant. Subject to the provisions of this Agreement and to the provisions of the Unum Group 2022 Stock Incentive Plan (as the same may be amended, the "Plan"), the Company hereby grants to the Employee, as of **[Grant Date]** (the "Grant Date"), **[Quantity Granted]** Restricted Stock Units (the "Restricted Stock Units"), each with respect to one share of common stock of the Company, par value $0.10 per Share. All capitalized terms used herein, to the extent not defined, shall have the meaning set forth in the Plan.

(b) Vesting During the Restriction Period. Subject to the terms and conditions of this Agreement, the Restricted Stock Units shall vest and no longer be subject to any restriction on the anniversaries of the Grant Date set forth below (the period during which restrictions apply, the "Restriction Period"):

Vesting Dates (Anniversaries of Grant Date)	Percentage of Total Grant Vesting
First Anniversary	33%
Second Anniversary	33%
Third Anniversary	34%

(c) Termination of Employment.

(i) Upon the Employee's Termination of Employment for any reason (other than as specified in Section 1(c)(ii) or 1(c)(iii) below) during the Restriction Period, all Restricted Stock Units still subject to restriction shall be forfeited. For the avoidance of doubt, a Termination of Employment due to the Employee's Retirement shall be an event giving rise to a forfeiture described in this Section 1(c)(i).

(ii) Upon the Employee's Termination of Employment during the Restriction Period due to the Employee's death or Disability, the restrictions applicable to the Restricted Stock Units shall lapse, and such Restricted Stock Units shall become free of all restrictions and become fully vested.

(iii) Upon the Employee's Termination of Employment during the Restriction Period by the Company as a result of job elimination or requalification, the Employee shall vest in a number of Restricted Stock Units subject to each tranche that has not vested as of the date of the Termination of Employment equal to the product of (x) the number of Restricted Stock Units subject to such tranche that has not vested as of the date of the Termination of Employment and (y) a fraction, the numerator of which is the number of full and partial months that have lapsed from the Grant Date until the date of the Termination of Employment and the denominator of which is the total number of months in the Restriction Period applicable to such tranche.

(iv) For purposes of this Agreement, employment with the Company shall include employment with the Company's Affiliates and successors. Nothing in this Agreement or the Plan shall confer upon the Employee any right to continue in the employ of the Company or any of its Affiliates or interfere in any way with the right of the Company or any such Affiliates to terminate the Employee's employment at any time.

2. Settlement of Units.

Subject to Section 8 (pertaining to the withholding of taxes), as soon as practicable after the date on which the Restriction Period expires, and in no event later than 30 days after such date, the Company shall deliver to the Employee or his or her personal representative, in book-position or certificate form, one Share that does not bear any restrictive legend making reference to this Agreement for each Share subject to the Restricted Stock Unit. Notwithstanding the foregoing, the Company shall be entitled to hold the Shares

issuable upon settlement of Restricted Stock Units that have vested until the Company shall have received from the Employee a duly executed Form W-9 or W-8, as applicable.

3. Nontransferability of the Restricted Stock Units.

During the Restriction Period and until such time as the Restricted Stock Units are ultimately settled as provided in Section 2 above, the Restricted Stock Units and Shares covered by the Restricted Stock Units shall not be transferable by the Employee by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise; *provided, however*, that nothing in this Section 3 shall prevent transfers by will or by the applicable laws of descent and distribution. Any purported or attempted transfer of such Restricted Stock Units or Shares in contravention of this Section 3 shall be null and void.

4. Rights as a Stockholder.

The Employee shall not be entitled to any rights of a stockholder with respect to the Restricted Stock Units (including, without limitation, any voting rights); *provided* that with respect to any dividends paid on Shares while the Restricted Stock Units remain outstanding, such dividends will be notionally accounted for and shall vest and be settled in cash at such time as the underlying Restricted Stock Units vest and are settled.

5. Adjustment; Change in Control.

In the event of certain transactions during the Restriction Period, the Restricted Stock Units shall be subject to adjustment as provided in Section 3(d) of the Plan or any applicable successor provision under the Plan. Notwithstanding anything in Section 1 to the contrary: (a) upon the occurrence of a Change in Control, unless a Replacement Award is granted in respect of the Restricted Stock Units (in which case this clause (a) shall not apply), the restrictions applicable to the Restricted Stock Units shall lapse and such Restricted Stock Units shall become free of all restrictions and fully vested as of such Change in Control and shall be settled as soon as practicable following the date of such Change in Control (but not later than 30 days thereafter); and (b) if a Replacement Award is granted in respect of the Restricted Stock Units in connection with such Change in Control, upon a Termination of Employment of the Employee occurring upon or during the two years immediately following the date of such Change in Control by reason of death or Disability, by the Company without Cause, or by the Employee for Good Reason (as defined in the Plan, except that if the Employee is covered by a separate written plan or agreement providing for payments upon a Termination of Employment for Good Reason upon or within two years following a Change in Control, then as such term (or a similar term) is defined in such plan or agreement), the restrictions applicable to such Replacement Award, to the extent not vested as of such Termination of Employment, shall lapse, and such Replacement Award shall become free of all restrictions and fully vested and shall be settled as soon as practicable following the date of Termination of Employment (but not later than 30 days thereafter); *provided, however*, that any Restricted Stock Units that constitute "nonqualified deferred compensation" as defined under Section 409A of the Code shall, to the extent necessary to avoid the imposition of penalty taxes under Section 409A of the Code, not be so settled unless the Change in Control constitutes a "change in control event" within the meaning of Section 409A of the Code (it being understood that nothing in this Section 5 shall preclude the Company from settling upon a Change in Control any Restricted Stock Units that are not replaced by a Replacement Award, to the extent effectuated in accordance with Treasury Reg. § 1.409A-3(j)(4)(ix)).

6. Payment of Transfer Taxes, Fees and Other Expenses.

The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by an Employee in connection with the Restricted Stock Units, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

7. Other Restrictions.

(a) The Restricted Stock Units shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the Shares related thereto upon any securities exchange or under any applicable law is required, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the grant of Restricted Stock Units shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

(b) If the Employee is an insider as described under the Company's Insider Trading Policy (as in effect from time to time and any successor policies), the Employee shall be required to obtain pre-

clearance from the General Counsel or Securities Counsel of the Company prior to purchasing or selling any of the Company's securities, including any shares issued upon vesting of the Restricted Stock Units, and may be prohibited from selling such securities other than during an open trading window. The Employee further acknowledges that, in its discretion, the Company may prohibit the Employee from selling such securities even during an open trading window if the Company has concerns over the potential for insider trading.

8. Taxes and Withholding.

No later than the date as of which an amount first becomes includible in the gross income of the Employee for federal, state, local or foreign income, employment or other tax purposes with respect to any Restricted Stock Units, the Employee shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. The obligations of the Company under this Agreement shall be conditioned on compliance by the Employee with this Section 8, and the Company shall, to the extent permitted by law, have the unilateral right to deduct any such taxes from any payment otherwise due to the Employee, including deducting such amount from the delivery of shares upon settlement of the Restricted Stock Units that gives rise to the withholding requirement.

9. Confidentiality; Non-Competition; Non-Solicitation; Non-Disparagement.

(a) The Employee acknowledges that during the course of employment or engagement with the Company and its Affiliates the Employee has received and will continue to have access and exposure to secret and proprietary information, including but not limited to information about the Company's and its Affiliates' business, business practices and processes, customers, and prospective customers, the value of which is derived in part from the fact that the information is not generally known to the public ("Confidential Information"). The Employee acknowledges that the Company and its Affiliates have spent significant time, effort and resources protecting the Confidential Information and that the Confidential Information has contributed to customer goodwill and is of significant competitive value to the Company and its Affiliates in the businesses in which they compete, and that the use or disclosure, even if inadvertent, of the Confidential Information to or for the benefit of a competitor would cause significant damage to the legitimate business interests of the Company and its Affiliates. Accordingly, in order to protect the legitimate business and customer goodwill interests of the Company and its Affiliates, to protect the Confidential Information against inappropriate use or disclosure, and in consideration of the grant of and the opportunity to vest in the Restricted Stock Units in accordance with the provisions of this Agreement, the Employee hereby covenants and agrees to comply with the confidentiality, non-competition, non-solicitation and non-disparagement provisions set forth in this Section 9(a) (collectively, the "RSU Restrictions"). Except to the extent expressly provided otherwise below, the Employee agrees to comply with the RSU Restrictions for the period commencing on the Grant Date and extending through the date that is 12 months following the Employee's Termination of Employment for any reason (such period, the "RSU Restricted Period").

(i) The Employee will use Confidential Information gained during employment or engagement with the Company or any Affiliate for the benefit of the Company only and, without the prior written consent of the Company, shall not, at any time during the RSU Restricted Period or thereafter, directly or indirectly, divulge, reveal or communicate any Confidential Information to any person or entity whatsoever, or use any Confidential Information for the Employee's own benefit or for the benefit of others, other than as required by law or legal process. For purposes of the foregoing, Confidential Information shall not include information that was or is available to the Employee on a non-confidential basis from a source other than the Company or becomes generally available to the public, other than as a result of disclosure by the Employee.

(ii) The Employee shall not, at any time during the RSU Restricted Period, without the prior written consent of the Company, directly or indirectly, own, manage, operate, join, control, or participate in the ownership, management, operation or control of, or be employed by, consult with, render services for, or be connected in any other manner with, any Competing Business, whether for compensation or otherwise. For the purposes of this Agreement, a "Competing Business" shall be any business in the United States which is engaged in the sale or provision of employee benefits or other products or services of the type offered by the Company or its Affiliates (including, without limitation, life, critical illness, income protection, disability, accident, dental, vision, hospital indemnity, and medical stop-loss insurance products, absence management services, and technological products or services provided by the Company's solutions business), unless the Employee's primary duties and responsibilities with respect to such business are not related to the management, operation or provision of such products or services. Notwithstanding the requirements of this paragraph, the Employee shall not be prohibited from owning less than 1% of any publicly traded corporation, whether or not such corporation is deemed to be a Competing Business.

(iii) The Employee shall not, at any time during the RSU Restricted Period, without the prior written consent of the Company, directly or indirectly, either for the Employee's own benefit or purpose or for the benefit or purpose of any other person or entity, solicit, assist, or induce any Covered Employee to terminate his or her relationship with the Company or its Affiliates (regardless of who first initiates the communication), or help another person or entity evaluate any Covered Employee as an employment candidate, or offer to employ, call on, or actively interfere with the Company's or any Affiliate's relationship with any Covered Employee, provided that this paragraph shall not prohibit general solicitations in the form of classified advertisements or the like in newspapers, on the internet, or in other media. For purposes of this Agreement, "Covered Employee" means an individual who is an employee, representative, or officer of the Company or any Affiliate at the time of the solicitation, assistance, or inducement or as of the date of the Employee's Termination of Employment.

(iv) The Employee shall not, at any time during the RSU Restricted Period, without the prior written consent of the Company, directly or indirectly, either for the Employee's own benefit or purpose or for the benefit or purpose of any other person or entity, use any Confidential Information to solicit or accept any business from any customers of the Company or any Affiliate, or any broker with regard to customers of the Company or any Affiliate (regardless of who first initiates the communication), whom the Employee serviced, solicited or had contact with while employed or engaged by the Company or any Affiliate.

(v) The Employee shall not, at any time during the RSU Restricted Period, directly or indirectly, disparage or make any statement, oral or written, public or in private, which is reasonably foreseeable as harming the Company's or any Affiliate's business interests or impacts negatively on the Company's or any Affiliate's business reputation or reputation in the community. Nothing in this paragraph will be construed to prevent the Employee from (x) truthfully communicating with or responding to a request for information from a federal, state, administrative agency or court or (y) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Employee has reason to believe is unlawful.

(b) Any termination of the Employee's employment or the termination or expiration of this Agreement shall have no effect on the continuing operation of this Section 9.

(c) The terms and provisions of this Section 9 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement shall thereby be affected. The parties hereto acknowledge that the potential restrictions on the Employee's future employment imposed by this Section 9 are reasonable in both duration and geographic scope and in all other respects. If for any reason any court of competent jurisdiction shall find any provisions of this Section 9 unreasonable in duration or geographic scope or otherwise, the Employee and the Company agree that the restrictions and prohibitions contained herein shall be effective to the fullest extent allowed under applicable law in such jurisdiction.

(d) The Employee acknowledges and agrees that any breach or threatened breach of the RSU Restrictions will result in substantial, continuing and irreparable injury to the Company and/or its Affiliates. Therefore, in addition to any other remedy that may be available to the Company and/or its Affiliates, the Company and/or its Affiliates shall be entitled to equitable and/or injunctive relief to prevent any breach or threatened breach of such provisions, and to specific performance of each of the terms thereof in addition to any other legal or equitable remedies that the Company or any Affiliate may have.

10. Notices.

All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

At the most recent address
on file at the Company

If to the Company:

Unum Group
1 Fountain Square
Chattanooga, Tennessee 37402
Attention: Executive Compensation, Human Resources

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Section 10. Notices and communications shall be effective when actually received by the addressee. Notwithstanding the foregoing, the Employee consents to electronic delivery of documents required to be delivered by the Company under the securities laws.

11. Effect of Agreement.

This Agreement is personal to the Employee and, without the prior written consent of the Company, shall not be assignable by the Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

12. Laws Applicable to Construction; Consent to Jurisdiction.

The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Agreement, the Restricted Stock Units are subject to the terms and conditions of the Plan, which is hereby incorporated by reference.

13. Severability.

The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

14. Conflicts and Interpretation.

In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan. The Employee hereby acknowledges that a copy of the Plan has been made available to him and agrees to be bound by all the terms and provisions thereof. The Employee and the Company each acknowledge that this Agreement (together with the Plan) constitutes the entire agreement and supersedes all other agreements and understandings, both written and oral, between the parties or either of them, with respect to the subject matter hereof.

15. Amendment.

The Company may modify, amend or waive the terms of the Restricted Stock Unit award, prospectively or retroactively, but no such modification, amendment or waiver shall materially impair the rights of the Employee without his or her consent, except as required by applicable law, stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

16. Section 409A.

It is the intention of the Company that the Restricted Stock Units shall either (a) not constitute "nonqualified deferred compensation" as defined under Section 409A of the Code, or (b) comply in all respects with the requirements of Section 409A of the Code and the regulations promulgated thereunder, such that no delivery of or failure to deliver Shares pursuant to this Agreement will result in the imposition of taxation or penalties as a consequence of the application of Section 409A of the Code. Restricted Stock Units that (i) constitute "nonqualified deferred compensation" as defined under Section 409A of the Code and (ii) vest as a consequence of the Employee's termination of employment shall not be delivered until the date that the Employee incurs a "separation from service" within the meaning of Section 409A of the Code (or, if the Employee is a "specified employee" within the meaning of Section 409A of the Code and the regulations promulgated thereunder, the date that is six months following the date of such "separation from service"). If the Company determines after the Grant Date that an amendment to this Agreement is necessary to ensure the foregoing, it may make such an amendment, notwithstanding Section 15 above, effective as of the Grant Date or any later date, without the consent of the Employee.

17. Headings.

The headings of Sections herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

18. Counterparts.

This Agreement may be executed in counterparts, which together shall constitute one and the same original.

19. Waiver and Release.

In consideration for the granting of the Restricted Stock Units, the Employee hereby waives any and all claims whether known or unknown that the Employee may have against the Company and its Subsidiaries and Affiliates and their respective directors, officers, shareholders, agents or employees arising out of, in connection with or related to the Employee's employment, except for (1) claims under this Agreement, (2) claims that arise after the date hereof and obligations that by their terms are to be performed after the date hereof, (3) claims for compensation or benefits under any compensation or benefit plan or arrangement of the Company and its Subsidiaries and Affiliates, (4) claims for indemnification respecting acts or omissions in connection with the Employee's service as a director, officer or employee of the Company or any of its Subsidiaries and Affiliates, (5) claims for insurance coverage under directors' and officers' liability insurance policies maintained by the Company or any of its Subsidiaries or Affiliates, (6) any right the Employee may have to obtain contribution in the event of the entry of judgment against the Company as a result of any act or failure to act for which both the Employee and the Company or any of its Subsidiaries or Affiliates are jointly responsible, or (7) claims under the California Fair Employment and Housing Act. The Employee waives any and all rights under the laws of any state (expressly including but not limited to Section 1542 of the California Civil Code), which is substantially similar in wording or effect as follows:

> ***A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the Release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.***

This waiver specifically includes all claims under the Age Discrimination in Employment Act of 1967, as amended. The Employee acknowledges that the Employee (a) has been advised to consult an attorney in connection with entering into this Agreement; (b) has 21 days to consider this waiver and release; and (c) may revoke this waiver and release within seven days of execution upon written notice to Legal Counsel, Employment and Labor, Law Department, Unum Group, 1 Fountain Square, Chattanooga, Tennessee 37402. The waiver and release will not become enforceable until the expiration of the seven-day period. If the waiver and release is revoked during such seven-day period, the grant shall be void and of no further effect.

20. Clawback.

Notwithstanding any provisions in this Agreement to the contrary, the Employee hereby acknowledges and agrees that any Shares or other amounts paid or provided to the Employee pursuant to this Agreement (including any gains realized on Shares issued pursuant to this Agreement), which Shares

or amounts are subject to recovery for any reason under any law, government regulation, stock exchange listing requirement, or any policy adopted by the Company from time to time, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation, stock exchange listing requirement, or policy as in effect from time to time.

21. Disclosures.

Nothing in this Agreement shall be construed to restrict the Employee's ability to make a confidential disclosure of any trade secret or other confidential information, without notice to or approval by the Company, to a government official or an attorney for the sole purpose of reporting or assisting in the investigation of a suspected violation of law and the Employee shall not be held liable under this Agreement or under any federal or state trade secret law for any such disclosure.

22. Foreign Jurisdictions. This Agreement shall be construed, interpreted and applied in such a manner as shall be necessary to comply with any legal or regulatory requirements of any non-United States jurisdiction to which the Employee is or becomes subject. The Company hereby delegates to each of the officers of the Company the authority for the interpretation of such matters, whose interpretations shall be final, binding and conclusive on the Employee and all individuals claiming any rights or benefits hereunder. The following provisions shall also apply only with respect to non-U.S. employees:

(a) The Employee shall have no rights under any employment agreement (or any alleged breach of it), whether on termination of his or her employment (whether lawfully or in breach) or otherwise, to any damages for breach of contract in respect of the loss of any benefits or any rights (including the grant or vesting of any share options or equity incentives) that he or she may have received had he or she continued to have been employed.

(b) By executing this Agreement, the Employee also agrees to, and shall be deemed to have provided to the Company, the data protection and monitoring acknowledgement set forth in Schedule 1 attached hereto.

IN WITNESS WHEREOF, as of the date first above written, the Company has caused this Agreement to be executed on its behalf by a duly authorized officer and the Employee has hereunto set the Employee's hand.

Date: **[Acceptance Date]**

EMPLOYEE: **[Participant Name]**

_____

[Signature]

UNUM GROUP

By: _____

[Signature]
[Name]
[Title]

SCHEDULE 1 (FOR NON-U.S. EMPLOYEES)

Data Protection and Monitoring Acknowledgement

To: Unum Group (the “Company”)

I hereby acknowledge having been informed that the Company and Affiliates may hold and process information about me for legal, personnel, administrative and management purposes and, in particular, collecting and processing: (a) contact information to create and maintain my employee records, grant me access to internal systems, manage an internal employee directory, and communicate with me for business purposes or emergencies; (b) national identification information to ensure my eligibility to work; (c) information about the duration of sick leave to monitor sick leave and sick pay, to administer benefits and take decisions as to my fitness to work or the need for adjustments in the workplace; (d) performance and job-related information, qualifications, and professional memberships to administer performance reviews, benefits and other awards, staff restructuring, conflict of interest reporting, as well as assess my personal and professional development; (e) disciplinary, capability, and conduct information required to carry out disciplinary and grievance procedures, internal investigations and considering reports (which may be submitted anonymously) under any whistle-blowing procedure; (f) any information relating to criminal proceedings in which I have been involved to determine my suitability for certain jobs; and (g) financial, salary, and benefits information for the payment of wages and other benefits; (h) biometric information to monitor and record my hours of work where permitted by law; and (i) beneficiaries, dependents, and emergency contact information to administer benefits and contact the designated contacts in the case of emergency (my “Personal Data”).

I understand that, notwithstanding anything to the contrary herein, Company may process my Personal Data without my consent under certain lawful bases, including when processing is necessary for the performance of a contract to which I am a party; when processing is necessary for compliance with a legal requirement; or when processing is necessary to protect vital interests.

I agree that the Company may make my Personal Data available to Affiliates, those who provide products or services to the Company and Affiliates (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organizations, current or potential investors and potential purchasers of the Company or the business in which I work. I agree that the Company may use and make my Personal Data available to third parties to comply with obligations to third parties; establish or defend legal claims or allegations; and detect security incidents, protect against malicious deceptive, fraudulent, or illegal activity.

I understand that my Personal Data may be transferred to any Affiliate established outside the European Economic Area, and in particular to the United States. I acknowledge that these countries may not have laws in place to adequately protect my privacy, but that a Data Transfer Agreement which utilized EU Model Clauses has been implemented with such Affiliates.

I understand that all communications (whether by telephone, email or any other means) which are transmitted, undertaken or received using Company property or on Company premises will be treated by the Company as work related and are subject to occasional interception, recording and monitoring without further notice. I do not regard any such communications as private and I consent to such interception, recording and monitoring.

Interception, recording and monitoring of communications is intended to protect the Company’s business interests (for example, but without limitation, for the purposes of quality control, security of communication and IT systems, record-keeping and evidential requirements, detection and prevention of criminal activity or misconduct and to assist the Company to comply with relevant legal requirements). I acknowledge that intercepted communications may be used as evidence in any disciplinary or legal proceedings.

I understand that I have the right to withdraw my agreement to the collection and processing of my Personal Data. If I would like to withdraw my agreement, I can contact the Privacy Office at privacy@unum.com or 1-877-684-1241.

I have read, understood and agreed to the above of my own free will.

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Subsidiary Name	**State or Jurisdiction of Incorporation**
Claims Services International Limited	England and Wales
Colonial Life & Accident Insurance Company	South Carolina
Duncanson & Holt Europe Ltd.	England and Wales
Duncanson & Holt, Inc.	New York
Fairwind Insurance Company	Vermont
First Look Vision Network, L.L.C.	Missouri
First Unum Life Insurance Company	New York
H&J Capital, L.L.C.	Louisiana
LeaveLogic, Inc.	Delaware
National Dental Plan Limited	England and Wales
Provident Investment Management, LLC	Tennessee
Provident Life and Accident Insurance Company	Tennessee
Provident Life and Casualty Insurance Company	Tennessee
Starmount Life Insurance Company	Maine
Starmount Managed Dental of California, Inc. dba Unum Dental HMO Plan	California
The Paul Revere Life Insurance Company	Massachusetts
UDVAS, LLC	Delaware
Unum European Holding Company Limited	England and Wales
Unum Insurance Agency, LLC	Delaware
Unum Insurance Company	Maine
Unum Ireland Limited	Ireland
Unum Life Insurance Company of America	Maine
Unum Limited	England and Wales
Unum Select Limited	England and Wales
Unum Zycie Towarzystwo Ubezpieczen i Reasekuracji Spolka Akcyjna	Poland

EXHIBIT 23
CONSENT OF ERNST & YOUNG LLP,
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 No. 333-123422) of Unum Group (formerly UnumProvident Corporation) pertaining to:
    a. UnumProvident Corporation Amended and Restated Employee Stock Purchase Plan
    b. UnumProvident Corporation Amended and Restated Non-Employee Director Compensation Plan of 2004,
2. Registration Statement (Form S-8 No. 333-145400) of Unum Group pertaining to the Unum Group Stock Incentive Plan of 2007,
3. Registration Statement (Form S-8 No. 333-183733) of Unum Group pertaining to the Unum Group Stock Incentive Plan of 2012 and the Unum Group Stock Incentive Plan of 2017,
4. Registration Statement (Form S-8 No. 333-265246) of Unum Group pertaining to the Unum Group 2022 Stock Incentive Plan,
5. Registration Statement (Form S-8 No. 333-214501) of Unum Group pertaining to the Unum European Holding Company Limited Savings-Related Share Option Scheme of 2016,
6. Registration Statement (Form S-8 No. 333-218226) of Unum Group pertaining to the Unum Group Stock Incentive Plan of 2017,
7. Registration Statement (Form S-8 No. 333-239239) of Unum Group pertaining to the Unum European Holding Company Limited Savings-Related Share Option Scheme 2021 and the Unum Group 2020 Employee Stock Purchase Plan,
8. Registration Statement (Form S-8 No. 333-269981) of Unum Group pertaining to the Unum Group Approved Profit Share Scheme (Ireland), and
9. Registration Statement (Form S-3 ASR No. 333-271511) of Unum Group;

of our reports dated February 20, 2024, with respect to the consolidated financial statements and schedules of Unum Group and Subsidiaries and the effectiveness of internal control over financial reporting of Unum Group and Subsidiaries included in this Annual Report (Form 10-K) for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Chattanooga, Tennessee
February 20, 2024

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each of the undersigned, as a director of Unum Group, a Delaware corporation (the "Company"), hereby appoints Lisa G. Iglesias and J. Paul Jullienne, each with power to act without the other and with full power of substitution and resubstitution, as his or her true and lawful attorney-in-fact and agent for him or her and in his or her name, place, and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, or such other form or forms as any such attorney-in-fact may deem necessary or advisable, and any and all amendments or supplements thereto, and to file the same, together with all exhibits thereto and any and all other documents in connection therewith, with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, and the rules or regulations thereunder, granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite, necessary, or desirable to be done in connection therewith, as fully and to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their substitutes or resubstitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have each executed this Power of Attorney as of February 20, 2024.

/s/ Theodore H. Bunting, Jr.
Theodore H. Bunting, Jr.

/s/ Timothy F. Keaney
Timothy F. Keaney

/s/ Susan L. Cross
Susan L. Cross

/s/ Gale V. King
Gale V. King

/s/ Susan D. Devore
Susan D. Devore

/s/ Gloria C. Larson
Gloria C. Larson

/s/ Joseph J. Echevarria
Joseph J. Echevarria

/s/ Mojgan M. Lefebvre
Mojgan M. Lefebvre

/s/ Cynthia L. Egan
Cynthia L. Egan

/s/ Richard P. McKenney
Richard P. McKenney

/s/ Kevin T. Kabat
Kevin T. Kabat

/s/ Ronald P. O'Hanley
Ronald P. O'Hanley

EXHIBIT 31.1

CERTIFICATION

I, Richard P. McKenney, certify that:

1. I have reviewed this annual report on Form 10-K of Unum Group;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2024

/s/ Richard P. McKenney

Richard P. McKenney

President and Chief Executive Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 has been provided to Unum Group and will be retained by Unum Group and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 31.2

CERTIFICATION

I, Steven A. Zabel, certify that:

1. I have reviewed this annual report on Form 10-K of Unum Group;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2024

/s/ Steven A. Zabel

Steven A. Zabel

Executive Vice President, Chief Financial Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 has been provided to Unum Group and will be retained by Unum Group and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.1

STATEMENT OF CHIEF EXECUTIVE OFFICER
OF UNUM GROUP
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Unum Group (the Company) on Form 10-K for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned, Richard P. McKenney, President and Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2024

/s/ Richard P. McKenney

Richard P. McKenney

President and Chief Executive Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Unum Group and will be retained by Unum Group and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

STATEMENT OF CHIEF FINANCIAL OFFICER
OF UNUM GROUP
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
§ 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Unum Group (the Company) on Form 10-K for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the Report), the undersigned, Steven A. Zabel, Executive Vice President and Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2024

/s/ Steven A. Zabel

Steven A. Zabel

Executive Vice President, Chief Financial Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Unum Group and will be retained by Unum Group and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 97

UNUM GROUP
RULE 10D-1 COMPENSATION RECOVERY (CLAWBACK) POLICY

(Effective November 30, 2023)

Recoupment of Incentive-Based Compensation

It is the policy of Unum Group, a Delaware corporation (the "Company") that, in the event the Company is required to prepare an accounting restatement of the Company's financial statements due to material non-compliance with any financial reporting requirement under the federal securities laws (including any such correction that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period), the Company will recover on a reasonably prompt basis the amount of any Incentive-Based Compensation Received by any Covered Executive during the Recovery Period that exceeds the amount that otherwise would have been Received had it been determined based on the restated financial statements.

Policy Administration and Definitions

This Policy is administered by the Human Capital Committee of the Company's Board of Directors (the "Committee") and is intended to comply with, and as applicable to be administered and interpreted consistent with, and subject to the exceptions set forth in, Listing Standard 303A.14 adopted by the New York Stock Exchange to implement Rule 10D-1 under the Securities Exchange Act of 1934, as amended (collectively, "Rule 10D-1").

For purposes of this Policy:

"Incentive-Based Compensation" means any compensation that is granted, earned, or vested based in whole or in part on the Company's attainment of a financial reporting measure that was Received by a person (i) on or after October 2, 2023 and after the person began service as a Covered Executive, and (ii) who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation. A financial reporting measure is (1) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and any measure derived wholly or in part from such a measure, and (2) any measure based in whole or in part on the Company's stock price or total shareholder return.

Incentive-Based Compensation is deemed to be "Received" in the fiscal period during which the relevant financial reporting measure is attained, regardless of when the compensation is actually paid or awarded.

"Covered Executive" means any officer of the Company as defined under Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended.

"Recovery Period" means the three completed fiscal years immediately preceding the date that the Company is required to prepare the accounting restatement described in this Policy and any "transition period" of less than nine months that is within or immediately following such three fiscal years, all as determined pursuant to Rule 10D-1.

If the Committee determines the amount of Incentive-Based Compensation Received by a Covered Executive during a Recovery Period exceeds the amount that would have been Received if determined or calculated based on the Company's restated financial results, such excess amount of Incentive-Based Compensation shall be subject to recoupment by the Company pursuant to this Policy. For Incentive-Based Compensation based on stock price or total shareholder return, the Committee will determine the amount based on a reasonable estimate of the effect of the accounting restatement on the relevant stock price or total shareholder return. In all cases, the calculation of the excess amount of Incentive-Based Compensation to be recovered will be determined without regard to any taxes paid with respect to such compensation. Any determinations made by the Committee under this Policy shall be final and binding on all affected individuals.

The Company may effect any recovery pursuant to this Policy by requiring payment of such amount(s) to the Company, by set-off, by reducing future compensation, or by such other means or combination of means as the Committee determines to be appropriate. The Company need not recover the excess amount of Incentive-Based Compensation if and to the extent that the Committee determines that such recovery is impracticable, subject to and in accordance with any applicable exceptions under the New York Stock Exchange listing rules, and not required under Rule 10D-1, including if the Committee determines that the direct expense paid to a third party to assist in

enforcing this Policy would exceed the amount to be recovered after making a reasonable attempt to recover such amounts. The Company is authorized to take appropriate steps to implement this Policy with respect to Incentive-Based Compensation arrangements with Covered Executives.

Any right of recoupment or recovery pursuant to this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be required by applicable law or available to the Company pursuant to the terms of any other policy (including, without limitation the Unum Group Senior Officer Recoupment Policy), any employment agreement or plan or award terms, and any other legal remedies available to the Company. The Company shall not indemnify any Covered Executive against the loss of any Incentive-Based Compensation pursuant to this Policy.