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## UnumProvident Corp. Q3 2008 Earnings Conference Call Transcript

### Question-and-Answer Session

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Thank you. [Operator Instructions]. We'll take our first question from Colin Devine with Citigroup.

**Colin Devine - Citigroup**

Good morning, gentlemen.

**Thomas R. Watjen - President and Chief Executive Officer**

Good morning Colin.

**Colin Devine - Citigroup**

Two questions. One, if you can comment or perhaps Kevin is available to comment on renewal and pricing trends for the U.S. business. And then secondly, perhaps for Randy, it seems to me that Colonial is doing okay. It seems to be, I think a little bit behind plan from perhaps where we expected it last year at the investor meeting and I don't think that's just the economy, is it more the strategy struggling a little bit or is it just a real economic change?

**Thomas R. Watjen - President and Chief Executive Officer**

Good. Let me... Kevin, why don't you take that first one in terms of renewals and pricing?

**Kevin P. McCarthy - President, Unum U.S.**

Good morning, Colin.

**Colin Devine - Citigroup**

Hey, Kevin.

**Kevin P. McCarthy - President, Unum U.S.**

New business pricing is basically pretty stable. We are prepared to adjust rates going forward, if we see an uptick in incidence in claim activity, but we haven't seen that yet. And most of our first quarter 2009 rules are out. Our rate increases are relatively modest, more modest than in prior years around 3% or so, in comparison to as you know, in prior years we had much more significant rate increases. And our renewal program itself is also a bit smaller in 2009 because we've gone through most of that work during 2005, 2006 or 2007 and 2008. So unless we see an economic shift, I expect pretty stable pricing.

**Colin Devine - Citigroup**

This rising investment rates gave you some room of pricing then is that also what we are seeing, you don't have to put rates up as much?

**Kevin P. McCarthy - President, Unum U.S.**

We haven't made any shift in instead of our interest rate assumptions and our pricing. Certainly, at higher yields, you'd have that flexibility to consider, but that's not what we're doing at the moment.

**Colin Devine - Citigroup**

Okay. Thanks.

**Thomas R. Watjen - President and Chief Executive Officer**

Good. Randy, maybe if I can ask you to answer... address that Colin's questions about the strategies. But I would say again I think as we try to position all the businesses, try to get the focus primarily in the small and mid-sized marketplace, I think Randy has been some good successes with that probably the places where some of the comparisons are little more challenging as we look at the large-case private business. But let me ask you to sort of speak the strategy, but also just what you are seeing in the current environment right now?

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