

Unum Group
Form DEF 14A
April 07, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Unum Group

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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April 7, 2008

Unum Group Stockholders:

On behalf of the board of directors and all of the employees of Unum, I d like to invite you to our 2008 Annual Meeting of Stockholders. This year s meeting will be held at 10:00 a.m. Eastern Daylight Time on Thursday, May 22, 2008, at our headquarters offices in Chattanooga.

The purpose of the meeting is to consider and vote upon the following matters:

1. The election of four directors for terms expiring in 2011;
2. The approval of the Management Incentive Compensation Plan of 2008;
3. The approval of the Unum Limited Savings-Related Share Option Scheme 2008;
4. The approval of the Unum Ireland Limited Savings-Related Share Option Scheme 2008;
5. The ratification of the selection of Ernst & Young LLP as the Company s independent registered public accounting firm; and
6. The transaction of any other business that may properly come before the meeting.

Stockholders of record of the Company at the close of business on March 24, 2008, are entitled to notice of and to vote at the Annual Meeting of Stockholders and at any and all adjournments or postponements of the meeting. Please note our procedures for admission to the meeting described on page 4 of the Proxy Statement.

The Board of Directors recommends that you vote in favor of Items 1, 2, 3, 4 and 5, which are described in the attached Proxy Statement.

You can vote by proxy any one of three ways: Internet, mail or telephone. You can also vote in person at the meeting. Detailed proxy voting instructions are provided both in the Proxy Statement and in the proxy card. Even if you plan to attend the meeting, we encourage you to vote promptly by proxy using one of the three ways provided.

In accordance with new rules approved by the Securities and Exchange Commission (SEC), we sent a Notice of Internet Availability of Proxy Materials on or about April 7, 2008. This notice alerted you that access to our proxy materials was provided over the Internet, beginning on that date.

Thank you for your support of Unum Group.

Sincerely,

Thomas R. Watjen

President and Chief Executive Officer

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April 7, 2008

NOTICE OF 2008 ANNUAL MEETING OF STOCKHOLDERS

**Time and Date
Place**

10:00 a.m. Eastern Daylight Time on Thursday, May 22, 2008
Unum Group

1 Fountain Square

Webcast

Chattanooga, Tennessee 37402

An audio webcast of the Annual Meeting will be available on Unum's website at www.unum.com, under the Investor Information tab, starting at 10:00 a.m. Eastern Daylight Time on May 22, 2008. An archived copy of the webcast will be available through June 5, 2008. Information on the website, other than the Proxy Statement and form of proxy, is not a part of Unum's proxy soliciting material.

Items of Business

To elect four members of the Board of Directors, each for a term of three years

To approve the Management Incentive Compensation Plan of 2008

To approve the Unum Limited Savings-Related Share Option Scheme 2008

To approve the Unum Ireland Limited Savings-Related Share Option Scheme 2008

To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2008 fiscal year

To transact such other business as may properly come before the meeting

Record Date

You can vote if you are a stockholder of record on March 24, 2008.

Proxy Voting

Every stockholder's vote is important. Please complete, sign, date and return your proxy form, or submit your vote and proxy by Internet or telephone.

Annual Report to Stockholders

The Annual Report to Stockholders, including Unum's audited financial statements for the fiscal year ended December 31, 2007, and the proxy card enclosed with this Proxy Statement are being mailed or provided electronically to stockholders of record on or about April 7, 2008.

Susan N. Roth

Vice President, Transactions, SEC and Corporate Secretary

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GENERAL QUESTIONS

Why did I receive these proxy materials?

You are receiving these materials in connection with the solicitation of proxies on behalf of the Board of Directors of Unum Group to be voted at the Annual Meeting of Stockholders (the Meeting) on Thursday, May 22, 2008, or any adjournment or postponement of the Meeting. The materials are being provided by Internet, email, or by delivery of printed versions by mail if you have requested this method. This proxy statement and form of proxy are first being made available to stockholders on or about April 7, 2008.

What is included in these materials?

These materials include Unum's proxy statement for the Meeting and 2007 Annual Report to Stockholders, which includes the Company's audited consolidated financial statements. Those who requested printed versions of these materials by mail will, in addition to the above, also receive a proxy card for the Meeting.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full printed set?

As outlined in the new rules adopted by the Securities and Exchange Commission, Unum has elected to provide access to its proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (Notice) to stockholders of record and beneficial owners. All stockholders will have the ability to access the proxy materials on a website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found on the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

How can I get electronic access to the proxy materials?

The Notice you received provides you with instructions on how to:

- View proxy materials for the Meeting on the Internet; and
- Instruct Unum to send future proxy materials to you by email.

If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

Where are Unum's principal executive offices located, and what is the Company's main telephone number?

Unum's principal executive offices are located at 1 Fountain Square, Chattanooga, Tennessee 37402. The Company's main telephone number is 423-294-1011.

When and where is the Meeting?

The Meeting will be held on Thursday, May 22, 2008 at 10:00 a.m. Eastern Daylight Time, at Unum's headquarters offices at 1 Fountain Square, Chattanooga, Tennessee, 37402. There will be signs on the campus directing you to parking and the meeting site. Directions to our headquarters offices are available on our website at www.unum.com/directions, or by calling the Office of the Corporate Secretary at 800-718-8824.

Will I need a ticket to attend the Meeting?

You will need an admission ticket or proof of ownership of the Company's common stock as of March 24, 2008, and valid picture identification (such as a driver's license or passport) to enter the Meeting. An admission ticket is attached to your proxy card. In addition, the Notice can also substitute for an admission ticket. Please bring the ticket or the Notice with you to the Meeting.

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If your shares are held beneficially in the name of a bank, broker or other holder of record and you plan to attend the Meeting, a recent brokerage statement or letter from a bank or broker is an example of proof of ownership. If you arrive at the Meeting without an admission ticket, you will be admitted only after the Company can verify that you are a stockholder.

No cameras, recording equipment, electronic devices, large bags, briefcases, or packages will be permitted in the Meeting. For your safety and that of other stockholders, Unum reserves the right to inspect all personal items prior to admission to the Meeting.

Will the Meeting be webcast?

The Meeting will be audio webcast on May 22, 2008. You are invited to access the webcast on the Company's website at www.unum.com, under the "Investor Information" tab, at 10:00 a.m. Eastern Daylight Time. Registration for the webcast is required. The webcast will be archived on this website through June 5, 2008.

Who can vote at the Meeting?

Holders of Unum common stock at the close of business on March 24, 2008, are entitled to receive this notice and vote their shares. On that date there were approximately 346,796,025 shares of Unum common stock outstanding. The common stock is the only class of equity securities entitled to be voted at the Meeting. Each share of common stock is entitled to one vote on each matter properly brought before the Meeting.

Who is the Holder of Record?

You may own stock either (1) directly in your name as the stockholder of record, in which case you are the Holder of Record, or (2) indirectly through a bank, broker or other nominee. If your shares are registered directly in your name, you are the Holder of Record and these proxy materials are being sent directly to you by the Company.

If you own your shares in a stock brokerage account or through a bank or other Holder of Record, you are the beneficial owner of shares held in street name. As a result, these proxy materials have been forwarded to you by your broker, bank or other holder of record, who is considered to be the Holder of Record with respect to those shares. As the beneficial owner, you have the right to direct the Holder of Record how to vote your shares. You must follow the instructions provided to you by the Holder of Record in order to have your vote counted.

How do I vote?

You may vote by using any of the following methods:

By Internet

The website for Holders of Record to vote by Internet is www.envisionreports.com/unum. Internet voting is available 24 hours a day. You will need your control numbers from the enclosed proxy card. Your vote by Internet must be received by 1:00 a.m. Eastern Daylight Time, May 22, 2008. If you vote by Internet, you do not have to return your proxy card or voting instruction card. If you hold your shares in street name, please refer to the ballot provided to you by your broker, bank or other holder of record for Internet voting instructions.

The Internet and telephone voting procedures are designed to authenticate stockholders' identities, allow stockholders to give their voting instructions and confirm that stockholders' instructions have been recorded properly. Unum has been advised that the Internet and telephone voting procedures that have been made available to you are consistent with the requirements of applicable law. Stockholders voting via the Internet and

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by telephone should understand that there may be costs associated with voting in these manners. Examples of such costs include usage charges from Internet access providers and telephone companies. These charges must be borne by the stockholder.

By Telephone

If you are the Holder of Record, you can vote by calling 800-652-VOTE (8683). This toll free number is also on the proxy card. Telephone voting is available 24 hours a day. Your vote by phone must be received by 1:00 a.m. Eastern Daylight Time, May 22, 2008. If you vote by telephone, you do not have to return your proxy card or voting instruction card. If you hold your shares in street name, please refer to the ballot provided to you by your broker, bank or other holder of record for telephone voting instructions.

By Mail

If you requested that a printed copy of the proxy materials be mailed to you, you should complete, sign, and date the proxy card or voting instruction card and return it in the enclosed self-addressed, stamped envelope. Your vote by mail must be received by our tabulator, Computershare Investor Services, at the below address by the close of business on May 21, 2008.

Proxy Services

c/o Computershare Investor Services

P.O. Box 43126

Providence, RI 02940-5138

In Person at the Meeting

You may also vote in person at the Meeting. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the meeting. If you intend to vote in person at the Meeting, please notify the tellers prior to the beginning of the Meeting.

How are votes counted?

All shares that have been properly voted, and not revoked, will be voted at the Meeting in accordance with your instructions. If you sign and return your proxy card, but do not indicate how you want your shares to be voted, the shares represented by that proxy will be voted as follows based on the recommendation of the Board of Directors:

FOR all the nominees for Director;

FOR approval of the Management Incentive Compensation Plan of 2008;

FOR approval of the Unum Limited Savings-Related Share Option Scheme 2008;

FOR approval of the Unum Ireland Limited Savings-Related Share Option Scheme 2008; and

FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2008.

Proxies that are not signed or returned, including those not returned by banks, brokers, or other holders of record, will not be counted for quorum or voting purposes.

Directors are elected by a majority of the votes cast at the Meeting. For this purpose, our Bylaws provide that a majority of the votes cast means the number of votes for a director must exceed 50 percent of the votes cast with respect to that director. Each vote against will count as a vote cast with respect to that director, but an abstention will not count as a vote cast with respect to that director. If a director is not elected, our Bylaws provide that the director shall offer to tender his or her resignation to the Board. The Governance Committee will

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make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. If the director who tenders his or her resignation is a member of the Governance Committee, that director will not participate in the Governance Committee's recommendation to the Board. The Board will act on the Governance Committee's recommendation and publicly disclose its decisions and the rationale behind it within 90 days from the date of the certification of the election results.

A New York Stock Exchange (NYSE) member broker who holds shares in street name for a customer has the authority to vote on certain items if the broker does not receive instructions from the customer. The NYSE rules permit member brokers who do not receive instructions to vote on the election of directors and the proposal to ratify the appointment of our independent registered public accounting firm. The NYSE rules do not permit member brokers who do not receive instructions to vote on the Management Incentive Compensation Plan of 2008, the Unum Limited Savings-Related Share Option Scheme 2008 or the Unum Ireland Limited Savings-Related Share Option Scheme 2008, because these are non-discretionary items. In tabulating the voting results for these plans, shares that constitute broker non-votes (1) are not considered entitled to vote on that proposal; (2) are counted for quorum purposes; and (3) are considered entitled to vote at the Meeting. Since approval of these plans will require the affirmative vote of at least a majority of the votes of the stockholders represented and entitled to vote at the Meeting, broker non-votes will have the same effect as votes Against the matter.

How can I revoke my proxy or change my vote?

If you are a Holder of Record, you can revoke your proxy before it is exercised by giving written notice to our Corporate Secretary; timely delivering a valid later-dated proxy or a later-dated vote by telephone or on the Internet; or voting by ballot at the Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker, bank or other Holder of Record. You may also vote in person at the Meeting if you obtain a legal proxy from your broker, bank or other Holder of Record and present it to the inspectors of election with your ballot at the Meeting.

What vote is required?

A quorum is required to transact business at the Meeting. A quorum is reached if the holders of at least a majority of the shares entitled to vote are present at the Meeting, either in person or by proxy.

If a quorum is present, the affirmative vote of a majority of the votes cast at the Meeting is required to elect each of the directors. Ratification of the following items requires the affirmative vote of at least a majority of the votes entitled to be cast by the stockholders represented and entitled to vote at the Meeting:

Approval of the Management Incentive Compensation Plan of 2008;

Approval of the Unum Limited Savings-Related Share Option Scheme 2008;

Approval of the Unum Ireland Limited Savings-Related Share Option Scheme 2008; and

Appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2008.

Who will count the votes?

Representatives of the Company's transfer agent, Computershare Investor Services, tabulate the votes and act as inspectors of the election.

How can I find the voting results of the Annual Meeting?

We will include the voting results in Quarterly Report on Form 10-Q for the quarter ending June 30, 2008 which we expect to file with the SEC in August 2008.

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How can I access the Company's Annual Report on Form 10-K on the Internet or obtain a written copy?

You can access Unum's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (the 2007 Annual Report on Form 10-K) via the Internet by going to the investor relations section of the Company's website at www.unum.com, under the Investor Information tab. The 2007 Annual Report on Form 10-K is not incorporated into this proxy statement and is not considered proxy soliciting material.

Upon written request to the following address, or by calling toll-free 800-718-8824, we will provide without charge to each person solicited a copy of the 2007 Annual Report on Form 10-K, including the financial statements and financial statement schedules filed therewith.

Susan N. Roth

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee, 37402

Who pays for the cost of this proxy solicitation?

Unum pays the cost of soliciting proxies from its stockholders. Proxies are solicited by mail, e-mail, and may also be solicited personally or by telephone by our directors, officers and employees. We have also retained the services of Innisfree M&A Incorporated, a proxy soliciting firm, to assist in distributing and soliciting the proxies for the Meeting, and Computershare Investor Services, to provide certain administrative services in connection with distributing the proxies for the Meeting. Unum pays Innisfree a fee of \$20,000 and reasonable out-of-pocket expenses. Unum also makes appropriate arrangements with brokerage houses, banks and other custodians, nominees and fiduciaries, to help solicit proxies from the beneficial owners of shares held of record by such persons.

Will other business be conducted at the Meeting?

At the time this proxy was printed, there are no other matters that the Board intends to present, or has reason to believe others will present, at the Meeting. If other matters come before the Meeting, the persons named in the accompanying form of proxy will vote in accordance with their best judgment with respect to such matters.

How can stockholders include proposals for presentation at Unum's Annual Meeting?

SEC rules and the Company's Bylaws allow for the submission of proposals by stockholders for presentation at the Annual Meeting, although they also make clear that simply submitting a proposal does not guarantee its inclusion. While it is too late for proposals to be submitted for presentation at this year's Annual Meeting, if a stockholder wants to include a proposal in the Proxy Statement and form of proxy for presentation at the Company's 2009 Annual Meeting of Stockholders, the proposal must be received at the below address by December 8, 2008.

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee, 37402

Are you householding for stockholders sharing the same address?

The SEC's rules for delivery of proxy materials to stockholders permit Unum to deliver a single copy of these documents to an address shared by two or more of our stockholders. This method of delivery is called *householding*, and its use can significantly reduce the volume of mail you

receive. This year, we are delivering

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only one set of proxy materials to multiple stockholders sharing a single address unless we receive instructions to the contrary from one or more of those stockholders. We will still be required, however, to send you and each other Unum stockholder at your address an individual proxy voting card. If you would like to receive more than one set of proxy materials, copies are available by writing the address below or calling toll-free 800-446-2617:

Computershare Investor Services

P.O. Box 43069

Providence, RI 02940-3069

The same phone number and address may be used to notify us that you wish to receive a separate set of proxy materials in the future, or to request delivery of a single copy our proxy materials if you are receiving multiple copies.

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During 2007, Unum's Board of Directors met 10 times. Each incumbent director attended at least 75 percent of the total of full Board and Committee meetings (held during the period for which each was a director and/or served on a Committee). In addition to executive sessions of the standing Committees, the independent directors met four times in executive session during 2007. The Chairman of the Board and lead independent director, Jon S. Fossil, presides over the executive sessions of the non-management and independent directors.

As stated in the Company's *Corporate Governance Guidelines*, all directors are expected to make every effort to attend the Annual Meeting of Stockholders and meetings of the Board and Committees of which they are members. All members of our Board attended the Annual Meeting of Stockholders in 2007.

What are the standing Committees of the Board?

The Board of Directors has five standing Committees: Audit, Human Capital, Finance, Governance and Regulatory Compliance. In addition to the duties contained in their respective charters, each Committee may be assigned additional duties by the Board from time to time, and each is charged with reporting its activities to the Board. Each standing Committee has a charter, and each charter is available free of charge on the Company's website at www.unum.com, under the Investor Information and Corporate Governance tabs. Copies also are available from the below address or by calling toll-free 800-718-8824.

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee, 37402

Which Board members serve on what Committees?

Below is a list of current Board members and the respective Committee(s) each serves on. A C means the director is a Committee chairperson.

	Term Expires	Audit	Governance	Human Capital	Finance	Regulatory Compliance
E. Michael Caulfield	2010	X			C	
Jon S. Fossil	2008	X				
Pamela H. Godwin	2009		X	X		
Ronald E. Goldsberry	2010	X				C
Thomas Kinser	2009			X		X
Gloria C. Larson	2008		X			X
A.S. (Pat) MacMillan, Jr.	2009		C	X		
Edward J. Muhl	2009				X	X
Michael J. Passarella	2010	C			X	
William J. Ryan	2008		X	C		
Thomas R. Watjen	2008					

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Audit Committee

The primary purpose of the Audit Committee is to oversee Unum's financial reporting process on behalf of the Board of Directors. Under the charter, the Audit Committee's overall responsibilities include the selection and engagement of the independent auditors and monitoring and oversight of:

- integrity of the financial statements of the Company;
- effectiveness of the Company's internal control over financial reporting;
- compliance by the Company with legal and regulatory requirements;
- performance of the Company's internal audit function and independent auditors, as well as engagement of internal auditors;
- policies and procedures regarding the Code of Business Conduct and Ethics; and
- financial risks, operational risks and any other risks the oversight of which is not allocated to another Committee of the Board.

Members as of December 31, 2007, were:

Michael J. Passarella (Chairman),
E. Michael Caulfield,
Jon S. Fossil, and
Ronald E. Goldsberry.

The Audit Committee met 10 times during 2007. All members of the Audit Committee are independent as required by SEC rules and regulations and the listing standards of the NYSE, and otherwise satisfy the requirements of our *Corporate Governance Guidelines*. The Board has determined that two members of the Audit Committee, Michael J. Passarella and E. Michael Caulfield, are audit committee financial experts as defined by SEC regulations. Both Mr. Passarella and Mr. Caulfield also have accounting or related financial management expertise within the meaning of the listing standards of the NYSE. All members of the Audit Committee have been determined by the Board to be financially literate as required by the NYSE.

Human Capital Committee

The Human Capital Committee oversees the compensation and benefit strategies of the Company. Under the charter, the Human Capital Committee's overall responsibilities include to review and:

- approve the CEO's compensation and compensation for the other senior executives;
- evaluate compensation programs for employees;
- oversee regulatory compliance with respect to compensation matters;
- recommend to the Board the compensation of directors;
- recommend to the Board any equity-based compensation plan;
- advise the Board with respect to the Compensation Discussion and Analysis to be included in the proxy statement;
- advise the Board with respect to the charter;
- oversee compliance with the NYSE requirement that stockholders approve equity compensation plans; and
- prepare an annual report of the Committee for inclusion in the Company's proxy statement as required by regulations of the SEC.

Members as of December 31, 2007, were:

William J. Ryan (Chairman),
Pamela H. Godwin,
Thomas Kinser, and
A.S. (Pat) MacMillan, Jr.

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The Human Capital Committee met eight times during 2007. All members of the Human Capital Committee are independent as required by the listing standards of the NYSE and otherwise satisfy the requirements of our *Corporate Governance Guidelines* to serve as members of the Human Capital Committee and are Non-Employee Directors for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 and outside directors for purposes of Section 162(m) of the Internal Revenue Code.

Committee Support

The Executive Compensation group in Unum's Human Resources Department supports the Human Capital Committee in its work. The Human Capital Committee has used Towers, Perrin, Forster & Crosby, Inc. (Towers Perrin) as its independent compensation consultant since 2003 for advice on the principal aspects of executive compensation, including the competitiveness of program design and award values. Human Capital Committee meetings are generally attended by Towers Perrin, which also participates in executive sessions without members of management in attendance, and communicates with members of the Human Capital Committee outside of meetings. Towers Perrin reports directly to the Committee, although the consultants may meet with management of the Company from time to time to gather information on proposals management may make to the Human Capital Committee. In addition to the services for which the Human Capital Committee uses Towers Perrin, management has also used the firm for compensation survey administration; employee engagement surveys; sourcing of market data for job evaluations and competitive market assessments of salary ranges.

Human Capital Committee Interlocks and Insider Participation

None of the members of the Human Capital Committee were officers or employees of the Company or any of its subsidiaries during the last fiscal year, or at any other time. During the last fiscal year, none of the members of the Human Capital Committee had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K and none of our executive officers served on the compensation committee (or equivalent) or the board of directors of another entity whose executive officer(s) served on our Board of Directors.

Finance Committee

The Finance Committee assists the Board in oversight of the risk associated with the Company's investments and related financial matters. Oversight of financial risk, however, is primarily the responsibility of the Audit Committee. Under the charter, the Finance Committee has overall responsibilities including to:

- monitor, evaluate and recommend to the Board present and future capital and financing plans and the capital requirements and opportunities relative to the Company's business;
- develop, adopt, revise, and oversee implementation of and compliance with investment strategies, guidelines and policies;
- authorize loans and investments, either directly or, in accordance with applicable laws, rules or regulations, for its subsidiaries through a sub-committee (the Investment Sub-Committee) appointed by the Committee to supervise such loan and investment activity;
- establish, charge and monitor the activities of the Investment Sub-Committee to the extent required or permitted by applicable laws, rules or regulations;
- review, advise and report to the Board of Directors as to the financial resources and investments of the Company;
- authorize borrowing by the Company;
- review material proposed mergers, acquisitions, divestitures, restructurings, and joint ventures and report to the Board on implications to the financial and capital plans of the Company; and
- review, assess and report on the impact of various finance activities on debt ratings of the Company.

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Members as of December 31, 2007, were:

E. Michael Caulfield (Chairman),
Edward J. Muhl, and
Michael J. Passarella.

The Finance Committee met six times during 2007. All members of the Finance Committee are independent and otherwise satisfy the requirements of our *Corporate Governance Guidelines*.

Governance Committee

The Governance Committee has primary responsibility for developing, implementing and oversight of the Company's corporate governance policies. Under the charter, the Governance Committee's overall responsibilities include:

oversight of compliance with our corporate governance guidelines;
reviewing the criteria for selecting new directors;
identifying qualified candidates for the Board;
developing and implementing a process for evaluating the Board as a whole and its members;
developing standards for determining independence of directors; and
periodically reviewing and making recommendations to the Board regarding membership on the Board's standing Committees.

Members as of December 31, 2007, were:

A.S. (Pat) MacMillan, Jr. (Chairman),
Pamela H. Godwin,
Gloria C. Larson, and
William J. Ryan.

The Governance Committee met four times during 2007. All members of the Governance Committee are independent as required by the listing standards of the NYSE and otherwise satisfy the requirements of our *Corporate Governance Guidelines*.

Regulatory Compliance Committee

The Regulatory Compliance Committee's primary responsibility is oversight of state and federal insurance regulatory matters that arise in connection with our business that are not presently covered as part of the specifically delegated responsibility of one of the other standing Committees of the Board. Under the charter, the Regulatory Compliance Committee's overall responsibilities include monitoring and oversight of:

compliance by the Company and its insurance subsidiaries with applicable laws and regulations concerning market conduct and Title I of the Employee Retirement Income Security Act of 1974, as amended;
surveys, complaints and other sources of information relating to customer satisfaction with the products and services of the Company and its insurance subsidiaries, particularly in claims handling services; and
compliance with the Plan of Corrective Action entered into by our insurance subsidiaries as part of the Regulatory Settlement Agreements under the Multistate Market Conduct Examination (RSA) and the California Settlement Agreement (CSA) (Information with respect to the RSA and CSA is posted on our website at www.unum.com/settlementagreement/).

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Members as of December 31, 2007, were:

Ronald E. Goldsberry (Chairman),
Thomas Kinser,
Gloria C. Larson, and
Edward J. Muhl.

The Regulatory Compliance Committee met nine times during 2007. All members of the Regulatory Compliance Committee are independent and satisfy the requirements of our *Corporate Governance Guidelines*.

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AUDIT COMMITTEE REPORT

The primary purpose of the Audit Committee is to oversee our financial reporting process on behalf of the Board of Directors and is more fully described in its charter, which is available on the Company's website www.unum.com under the Investors Information and Corporate Governance tabs. The charter is also available by writing to the below address or by calling toll-free 800-718-8824.

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee, 37402

Management has the primary responsibility for our financial statements and the reporting process, including the establishment and effectiveness of our systems of internal controls over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. Our independent registered public accounting firm (independent auditor) is responsible for performing an independent audit of the financial statements and expressing an opinion on whether they conform to generally accepted accounting principles. The firm also is responsible for auditing management's assessment of the effectiveness of financial reporting's internal controls. The auditors report directly to the Audit Committee and the Audit Committee is responsible for the appointment, compensation and oversight of the work performed by the auditors.

The Audit Committee reviewed with the independent auditors their judgments of the quality and acceptability of our accounting principles and other matters required to be discussed with the Audit Committee under generally accepted auditing standards, including Statement on Auditing Standards No. 61 (as amended). The Audit Committee also has discussed the auditor's independence from management and the Company, including the matters in the written disclosures required by the Independence Standards Board Standard No. 1, and considered the compatibility of non-audit services with the auditors' independence.

The Audit Committee and the Company's internal and independent auditors discussed the overall scope and plans for their respective audits. The Audit Committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Audit Committee held 10 meetings during 2007.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board approved) that our audited financial statements for 2007 be included in our Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

Michael J. Passarella, Chairman

E. Michael Caulfield

Jon S. Fossel

Ronald E. Goldsberry

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REPORT OF THE GOVERNANCE COMMITTEE

Selection of Nominees for the Board

The Governance Committee considers candidates for Board membership suggested by Board members, management and stockholders. The Committee retains a national executive search firm to help it identify candidates for the Board, obtain information about prospective candidates backgrounds and experience, determine the candidates' levels of interest in becoming a director of our Company, and make arrangements for meetings with prospective candidates. A stockholder who wishes to recommend a prospective nominee for the Board should notify the Company's Corporate Secretary in writing at:

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee, 37402

The nominee recommendation should include information required by the Company's bylaws regarding stockholder nominations. Those requirements can be found in this document under Governance-Related Items How are nominations for election to the Board made? , or on our website at www.unum.com under the Investor Information and Corporate Governance tabs.

Once the Governance Committee has identified a prospective nominee, a decision is made on whether to conduct a full evaluation of the candidate. This decision is based on information provided to the Committee as well as its own knowledge of the prospective candidate. This may be supplemented by information from the search firm assisting the Committee, or by inquiries to the person making the recommendation, or others. The preliminary determination to proceed further is based primarily on the need for additional Board members and the likelihood that the prospective nominee fulfills the Board's requirements. The Committee evaluates the prospective nominee against criteria in the Company's *Corporate Governance Guidelines*, which include:

- Evidence of high ethical conduct, integrity, sound judgment and accountability for one's decisions and actions;
- Current knowledge and experience that fulfill skills needed on the Board;
- A willingness to commit time to the Board in order to fulfill its responsibilities;
- A fit with other directors to build a Board that is effective and responsive to the needs of the Company;
- Embracing a diversity of viewpoints, gender, ethnic background, age, professional experience and other demographics; and
- Fulfillment of the requirements of independence (if the person is being considered for a position as an independent director).

The Governance Committee also considers the number of other public company boards and audit committees on which a prospective nominee serves. The *Corporate Governance Guidelines* limit the number of public company boards on which a director of the Company serves to no more than three in addition to Unum's Board. The *Corporate Governance Guidelines* further limit members of the Audit Committee of the Board to serving on no more than two other audit committees of public companies.

The Governance Committee also considers other experience or qualifications from time to time, including:

- The current composition of the Board;
- Any needs of the Board; and
- The need for additional members to satisfy Audit Committee requirements.

The Governance Committee then compares prospective nominees and determines whether to interview a nominee, either in person or by telephone. After completing the evaluation and interview, the Committee makes a recommendation to the full Board as to whom, if anyone should be nominated. The Board determines whether

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to accept the nominee after considering the recommendation of the Committee. In accordance with regulatory requirements, the Board may counsel with, or obtain approval of, certain state insurance regulators in connection with the qualifications of individuals asked to become directors.

As outlined in its charter and the *Corporate Governance Guidelines*, the Governance Committee reviewed the continuation on the Board of those directors whose terms expire at this Meeting, taking into account the director's interest in continuing to serve, contributions to the Board, and the needs of the Board in terms of special areas of experience or other traits or skills. Following this review, the Committee recommended the re-election of the four nominees identified in this proxy statement: Jon S. Fossel, Gloria C. Larson, William J. Ryan and Thomas R. Watjen.

Determination of Independence of Directors

In February 2004, the Board adopted *Corporate Governance Guidelines*, which were amended in May 2007. These guidelines meet or exceed the listing standards of the NYSE. The portion of the *Corporate Governance Guidelines* addressing director independence is included in this proxy statement under Governance-Related Items Independence of Directors. The full text of the *Corporate Governance Guidelines* can be found on Unum's website at www.unum.com under the Investor Information and Corporate Governance tabs. A copy of the Corporate Governance Guidelines is also available from the below address or by calling toll-free 800-718-8824.

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee, 37402

Our Corporate Secretary gathers information provided by the directors about their respective relationships and entities with which they are affiliated that might affect their independence from the Company. The Governance Committee reviews this information and makes recommendations to the Board as to the independence of the directors. The Board reviews those findings.

Stockholder Communications with the Board

You and other stockholders may communicate with our lead independent director—currently our Chairman of the Board, Jon S. Fossel—or any Board members by writing to the below address:

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee, 37402

Effective March 16, 2006, the Board approved a process for handling letters received by the Company and addressed to non-management members of the Board. Under this process, the Corporate Secretary reviews all such correspondence and regularly provides a log and copies of the correspondence to the lead independent director, who determines whether further distribution of correspondence is appropriate and to whom it should be sent. Any director may at any time review this log and request copies of correspondence. Concerns received relating to accounting, internal controls or auditing matters are promptly brought to the attention of the internal auditor and handled in accordance with procedures established by the Audit Committee. The Board has requested that certain items that are unrelated to the duties and responsibilities of the Board should be excluded from the process, including mass mailings, resumes and other forms of job inquiries, surveys, business solicitations or advertisements, and matters related to claims.

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Code of Business Practices and Ethics

In May 2003, the Board adopted a code of business practices and ethics applicable to all directors, officers and employees of Unum. Separately, the Board adopted a code of ethics applicable to the CEO and certain senior financial officers of the Company. Both of these codes are available on our website at www.unum.com, under the Investor Information and Corporate Governance tabs. Copies are also available without charge from the below address or by calling toll-free 800-718-8824.

Office of the Corporate Secretary

Unum Group

1 Fountain Square

Chattanooga, Tennessee, 37402

The Company intends to provide notice of waivers of the code of business practices and ethics granted to executive officers or directors on our website and to report waivers of the code of ethics granted to the CEO or certain senior financial officers to the SEC, although no such waivers are anticipated.

A.S. (Pat) MacMillan, Jr., Chairman

Pamela H. Godwin

Gloria C. Larson

William J. Ryan

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GOVERNANCE-RELATED ITEMS

Independence of Directors

The Board presently has one inside director, and the Board believes that there should not be more than two. Inside directors generally include current officers and any person who has been an officer within the past five years. All others are regarded as independent, outside or non-management directors. A substantial majority of the full Board must have no material relationship with Unum and must otherwise meet the criteria for independence required by the NYSE. The Board has determined that the following current directors are independent: E. Michael Caulfield, Jon S. Fossel, Pamela H. Godwin, Ronald E. Goldsberry, Thomas Kinser, Gloria C. Larson, A.S. (Pat) MacMillan, Jr., Edward J. Muhl, Michael J. Passarella, and William J. Ryan. There is only one member of our Board who is not independent, Thomas R. Watjen, who is employed by Unum as its President and Chief Executive Officer. Hugh O. Maclellan, Jr., who retired from the Board in May 2007, was determined not to be independent during his service in 2007 because of the business relationship between one of his sons and the Company. This relationship is described later in this proxy statement under the caption Transactions With Related Persons. In reaching these determinations regarding director independence, the Board applied the standards set forth below which are required by the *Corporate Governance Guidelines* and include certain categorical standards as to immateriality.

Under NYSE standards, a director is not independent if:

He or she is, or has been within the last three years, an employee of Unum, or an immediate family member is, or has been within the last three years, an executive officer of the Company;

The director has received, or has an immediate family member who has received, during any 12-month period within the past three years, more than \$100,000 in direct compensation from Unum, other than director and Committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

(A) The director or an immediate family member is a current partner of a firm that is Unum's internal or external auditor; (B) the director is a current employee of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and worked on the Company's audit within that time;

The director or an immediate family member is, or has been employed as an executive officer of another company within the last three years, where any of Unum's present executive officers at the same time serves or served on that company's compensation committee; and

The director is a current employee, or an immediate family member is a current executive officer of a company that has made payments to, or received payments from, Unum for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or two percent of such other company's consolidated gross revenues.

In accordance with listing standards of the NYSE, the Board has determined that the following categorical standards will be used to determine whether a relationship between a director and Unum is immaterial and requires no further analysis of the relationship in determining independence :

If a director is a current employee, or an immediate family member is a current executive officer, of another company that has made payments to, or received payments from, Unum for property or services in an amount which in any of the last three fiscal years, does not exceed the greater of \$1 million or two percent of such other company's consolidated gross revenues and, where there are comparable transactions, the relationship is in the ordinary course of business of Unum and is on substantially the same terms as those prevailing under competitive circumstances at the time for comparable transactions with non-affiliated parties.

Contributions to a charity in which a director of Unum serves as an officer, director or trustee that do not annually exceed a combined two percent of the charity's goal for the year (or other comparable goal as determined by the Governance Committee) or two percent of Unum's annual charitable contribution budget; provided, however, that this limitation shall not apply to annual United Way

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contributions by Unum that have traditionally been made in communities in which the Company has operation centers with more than 500 employees and do not materially exceed the amount of the contribution in the prior year.

Our Related Party Transaction Policy

Former Policy

Under our former written policy concerning transactions with related persons, related party transactions occur when the director is in a position to make or influence decisions pertaining to a proposed business relationship or transaction between the Company and:

- a) The director or a family member;
- b) A party in which the director or a family member has a direct or indirect financial interest;
- c) A party from which the director or a family member may derive a benefit; or
- d) A party where the director or a family member is employed (in each case, a related party).

Family members covered by this policy include parents, children, brothers, sisters, spouses, spouses' parents, and any persons sharing the same household with the director. Under the policy, the Company means Unum Group and its subsidiaries.

Before the Company enters into a related party transaction, the director must disclose to the General Counsel the nature and extent of the director's relationship with the related party. As a general matter, if the only financial interest is ownership of less than 1% of the outstanding common stock of a publicly held company, then the transaction may proceed.

If feasible, any goods or services sought from the related entity will be subject to a competitive bidding process. Generally, before the related party is asked to submit a bid, there must be written authorization to proceed from the General Counsel. All bids will be evaluated and either accepted or rejected by a group comprised of designated senior officers including the senior officer from the area responsible for the transaction, unless such officer is a related party, in which case the Chief Executive Officer will serve in lieu of such senior officer. If, in the opinion of the General Counsel, competitive bids are not feasible, the General Counsel will determine whether the proposed transaction is on terms no less favorable to the Company than could be obtained from an unrelated third party. In either case, the decision must be based on the conclusion that the terms of the proposed transaction are fair to, and in the best interest of, the Company and the transaction is not a conflict of interest under our code of business practices and ethics. If a director is involved in a potential related party transaction within the scope of this policy, the director also must disclose his or her relationship with the related party to the Audit Committee. If the designated senior officers decide the related party has made the most favorable bid or, if the General Counsel determines the transaction is no less favorable to us than a third-party offer, and that it is fair and in the best interest of the Company, the audit Committee will decide whether we should enter into the proposed transaction or make a recommendation to the board of directors for its determination. Once the director has disclosed his or her relationship with the related party, the director should not participate in the decision, influence any person participating in the decision, or attend the meeting of the Audit Committee or Board while the related party transaction is being discussed.

For related party transactions that would be reportable under Item 404(a) of Regulation S-K of the Securities Exchange Act of 1934, regardless of a director's or an executive officer's ability to make or influence a decision, the above procedures are followed and the Audit Committee or the Board will have authority to approve the transaction or ratify the transaction as it deems appropriate.

When a related party is allowed to proceed with a transaction, appropriate controls are utilized with respect to payment for, and evaluation of the entity's performance.

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Current Policy

Our current written policy concerning related party transactions, which was approved by the Board in May 2007, defines related party transaction as any transaction in which we were or are to be a participant and the amount involved exceeds \$120,000, and in which any related party had or will have a direct or indirect material interest. Related party includes any director, director nominee, executive officer of the Company, any person who beneficially owns more than 5% of the Company's stock, and any member of any of their immediate family or any company or other entity in which they have at least a 10% interest or other material financial interest. Immediate family members covered under this policy include any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law and any other person (other than a tenant or employee) sharing the household with the nominee, director, executive officer, or 5% beneficial owner.

Prior to entering into the transaction, the related party must notify our General Counsel of the facts and circumstances of the transaction. The General Counsel determines whether the proposed transaction is a related party transaction. If the transaction is determined to be a related party transaction, it is submitted to the disinterested members of the Audit Committee for consideration at the next Audit Committee meeting (or to the Chair of the Committee if it is not practical to wait until the next meeting and the Chair is not a related party to the transaction). The Audit Committee considers all relevant facts and circumstances, including the benefits to the Company, benefits to the related party, and if the related party is an independent director or nominee, the potential effect on the director's or nominee's independence of entering into the transaction, any improper conflict of interest that may exist, the availability of other sources for the products and services, the terms of the transaction, and the terms available from or to unrelated third parties generally. The transaction may be approved if it is determined in good faith not to be inconsistent with the best interests of the Company and its stockholders. Certain types of transactions are deemed to be pre-approved by the Audit Committee, including executive officer and director compensation arrangements approved by the Board of Directors or the Human Capital Committee, any transaction between the Company and any entity in which a related party has a relationship solely as a director, less than 10% equity holder, or an employee (other than an executive officer) or all of these relationships.

Transactions with Related Persons

In 2007, we paid broker commissions totaling approximately \$512,000 to Daniel O. Maclellan, the son of former director Hugh O. Maclellan, Jr., and his enrollment firm, Cornerstone Enrollment Services. These commissions related to sales of our products primarily voluntary workplace benefits products and enrollment services. Whether a broker is chosen to place business with us or selected to provide enrollment services depends on the decision of the customer purchasing a policy and/or another broker who may be involved in the transaction, not on a decision by the Company. The commissions were paid in the ordinary course of business and on the same terms and conditions as those paid to other brokers. The amount of commissions paid to Daniel O. Maclellan (and the thousands of other brokers with whom we do business) are based on a schedule of commissions determined by the product sold, the amount of premium collected, and any other services provided. Hugh O. Maclellan, Jr. retired from our Board in May 2007. Under the policy relating to related party transactions at the time Daniel Maclellan became a broker for us, because our director, Hugh O. Maclellan, Jr., was not in a position to make or influence decisions pertaining to the relationship or transactions between us and his son, it was not required to be approved by the Board. However, the Board was informed of the relationship, was advised by management that it was on an arms-length basis and was beneficial to us, and in the course of approving of the relationship in accordance with our then in effect policy, determined that Hugh O. Maclellan, Jr. was not independent because of the relationship, as discussed in Governance-Related Items Independence of Directors above. Subsequently, the Board ratified the relationship under our former Related Party Transaction Policy that existed at the time, which is described above.

On March 31, 2008, E. Liston Bishop, III, Interim General Counsel, became an executive officer of the Company. Mr. Bishop is an equity member in Miller & Martin PLLC. As an equity member, he is entitled to a

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percentage of the firm's distributable net profits. That percentage is 1.55%. The percentage is computed without regard to revenues from a particular client but on all revenues of the firm. Fees for his services and those of other attorneys and paralegals in the firm will be paid by us for services they perform on our behalf. These fees will be based on hourly rates negotiated between us and the firm, which rates are at least as favorable as any rates regularly charged by the firm to any of its other clients. The approximate dollar value to be paid in connection with the services to be provided will depend on the number of hours worked on our behalf and cannot be accurately estimated at this time, but is expected to exceed \$120,000. Mr. Bishop will not engage other members of his firm to provide services to us, and will not review or approve any invoices for payments to the firm. Pursuant to our current Related Party Transactions Policy (as described above), the proposed transaction was reviewed and approved by our Audit Committee.

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ELECTION OF DIRECTORS

(Item 1 on the Proxy Card)

Our Board of Directors currently has 11 members. The Board is divided into three classes. Generally, at each annual meeting, one class of directors, or approximately one-third of the total number of directors, will be elected and the term of that class is three years. The term of the Class III directors expires with this Meeting.

The Board of Directors proposes the election of Jon S. Fossel, Gloria C. Larson, William J. Ryan, and Thomas R. Watjen as Class III directors, each to hold office for a term of three years expiring at the Annual Meeting of Stockholders to be held in 2011 and until their successors are elected and qualified or until his or her earlier death, resignation or retirement. Each nominee is currently serving as a member of the Board of Directors of the Company.

We expect each nominee for election as a director to be able to serve if elected. If any nominee becomes unable to serve, the persons named as proxies on the proxy card will vote for a substitute nominee the Board of Directors recommends, if any.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THESE NOMINEES AS DIRECTORS.

Proxies solicited by the Board of Directors will be voted FOR this proposal unless you specify otherwise in your proxy.

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Nominees for Election for Terms Expiring in 2011

Below are the individuals, along with their photographs, ages, positions, principal occupations, business experience and directorships, who are the four nominees for directors with terms expiring in 2011.

Jon S. Fossel

Mr. Fossel, 66, became Chairman of the Board of the Company effective October 1, 2006. Mr. Fossel retired as Chairman and Chief Executive Officer of the OppenheimerFunds in 1996. He continues to serve as a trustee of 40 of the Denver-based OppenheimerFunds mutual funds. In November 2004, Mr. Fossel also became a director of Northwestern Corporation d/b/a Northwestern Energy. Northwestern Energy is an electricity and natural gas provider. He has been a director since 2002, and his term expires in 2008.

Gloria C. Larson

Ms. Larson, 57, currently holds the position of President of Bentley College. She previously served as Co-Chairperson of the Government Practices Group of the law firm Foley Hoag LLP and Coordinator for the Administrative Practices Group. Prior to joining Foley Hoag, she was Secretary of Economic Affairs for the Commonwealth of Massachusetts from 1993 to 1996 and Secretary of Consumer Affairs and Business Regulation from 1991 to 1993. Before joining the Commonwealth of Massachusetts, she was Deputy Director of Consumer Protection for the Federal Trade Commission and an attorney in private practice. She has been a director since 2004, and her term expires in 2008.

William J. Ryan

Mr. Ryan, 64, is currently Chairman of TD Banknorth Inc. a banking and financial services company. He previously served as President, Chief Executive Officer and a Director of TD Banknorth Inc. until March 2007. He was Chairman, President, Chief Executive Officer and a Director of Banknorth Group Inc. until March 2005, when it was merged into TD Banknorth Inc. He was President and Chief Executive Officer of People's Heritage Savings Bank from 1989 until its merger with Banknorth in 2000. Prior to 1989, he held a number of leadership positions with Bank of New England North, most recently as President and Chief Executive Officer. He is also a director of Wellpoint, Inc. He has been a director since 2004, and his term expires in 2008.

Thomas R. Watjen

Mr. Watjen, 53, has been the Company's President and Chief Executive Officer since March 2003. He served as Vice Chairman and Chief Operating Officer from May 2002 until March 2003. He became Executive Vice President, Finance in June 1999 and assumed additional Risk Management responsibilities in November 1999. He has been a director since 2002, and his term expires in 2008.

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Continuing Directors

Below are the seven directors whose terms are continuing through 2009 and 2010.

E. Michael Caulfield

Mr. Caulfield, 61, served as President of Mercer Human Resource Consulting from September 2005 until September 2006, prior to which he had served as Chief Operating Officer from July 2005. He retired as Executive Vice President of Prudential Insurance Company in 2000. Mr. Caulfield held a number of executive positions with Prudential Insurance Company from 1989 to his retirement, including Executive Vice President of Financial Management, Chief Executive Officer of Prudential Investments, and President of both Prudential Preferred Financial Services and Prudential Property and Casualty Company. Prior to joining Prudential, he was a partner in Greenwich Associates, and held various executive positions at Mellon National Corp. He previously served as a director of the Company from August 2004 to July 2005. He rejoined Unum as a director on January 1, 2007 and his term expires in 2010.

Pamela H. Godwin

Ms. Godwin, 59, has been President of Change Partners, Inc., a consulting firm specializing in organizational change and growth initiatives, since 2001. From 1999 to 2001, she was President and Chief Operating Officer of the personal lines agency division of GMAC Insurance. Previously, she was Senior Vice President of customer management for the credit card division of Advanta Corporation and President and Chief Operating Officer of Academy Insurance Group, a unit of Provident Corporation. From 1974 to 1988, she held a number of executive positions within Colonial Penn Group, Inc., including Senior Vice President of property/casualty claims. She has been a director since 2004, and her term expires in 2009.

Ronald E. Goldsberry

Dr. Goldsberry, 65, is an independent contractor to Deloitte Consulting. He served as Chairman of OnStation Corporation (formerly known as Carstation.com) from November 1999 until August 2006, and as Chief Executive Officer of OnStation from January to May 2002 and from November 1999 to March 2001. He served as Global Vice President and General Manager of Global Ford Customer Service Operations at Ford Motor Company from January 1997 to November 1999. Prior to that time, Dr. Goldsberry served as General Manager of the Customer Service Division of Ford Motor Company from February 1994 to December 1996 and General Sales and Marketing Manager for the Parts and Service Division from October 1991 to February 1994. He has been a director since 1999, and was a director of predecessor company UNUM Corporation from 1993 until its merger with Provident Companies in 1999. His term expires in 2010.

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Thomas Kinser

Mr. Kinser, 64, was President, Chief Executive Officer and a Director of BlueCross BlueShield of Tennessee from 1994 to 2003. From 1991 to 1994, he was Executive Vice President and Chief Operating Officer of BlueCross BlueShield Association in Chicago. Previously, from 1976 to 1991, he held a number of executive positions with BlueCross BlueShield of Georgia, including President and Chief Executive Officer. He has been a director since 2004, and his term expires in 2009.

A.S. (Pat) MacMillan, Jr.

Mr. MacMillan, 64, has served as the Chief Executive Officer of Triaxia Partners, Inc. (formerly known as Team Resources, Inc.) since 1980. Triaxia's practice areas include organizational strategy and design, as well as team and leadership development. Specific services include management consulting, management training and organizational audits. He is also a trustee of The Maclellan Foundation, Inc., and a director of MetoKote Corporation. He has been a director since 1995, and his term expires in 2009.

Edward J. Muhl

Mr. Muhl, 63, served as the National Leader of the Insurance Regulatory Advisory Practice of PricewaterhouseCoopers from 2001 until his retirement in June 2005. He was Senior Managing Director of Navigant Consulting, Inc. from 1998 to 2000, which he joined as Executive Vice President in 1997. Mr. Muhl previously served as the Superintendent of Insurance of the State of New York from 1995 to 1997 and as the Insurance Commissioner of the State of Maryland from 1982 to 1988, and was President of the National Association of Insurance Commissioners. He is also a director of Farm Family Insurance Company. He has been a director since 2005, and his term expires in 2009.

Michael J. Passarella

Mr. Passarella, 66, was an audit partner of PricewaterhouseCoopers LLP from 1975 until his retirement in 2002. He served as the managing partner of that firm's securities industry practice from 1983 to 1998 and was the capital markets industry global audit leader from 1998 to 2001. Mr. Passarella served as a director and Chairman of the Audit Committee of Archipelago Holdings, Inc., from August, 2004 until its merger in March 2006 with the New York Stock Exchange. He is also a director of NYFIX, Inc. He has been a director since 2006, and his term expires in 2010.

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How are nominations for election to the Board made?

Under our Bylaws, nominations of persons for election to the Board of Directors may be made at a meeting of stockholders by or at the direction of the Board of Directors. Such a nomination may be made by any nominating committee or person appointed by the Board, or by any stockholder of Unum entitled to vote for the election of directors at the meeting. Our policy is to consider candidates recommended by stockholders in the same manner as other candidates.

Nomination Timeliness

Notice of such nominations, other than those made by or at the direction of the Board, shall be made in a timely manner in writing to our Corporate Secretary by a stockholder of Unum. To be timely, a stockholder's notice shall be delivered to, or mailed and received at, our principal executive offices not less than 60 days nor more than 90 days prior to the meeting. In the event that less than 75 days' notice or prior public disclosure of the meeting is given or made to stockholders, notice by the stockholder of a nomination must be so received by the close of business on the 15th day following the mailing of notice or public disclosure of the meeting.

Nomination Information

Such stockholder's notice shall set forth the following information:

- a) As to each person whom the stockholder proposes to nominate for election or re-election as a director:
 - I. The name, age, business address and residence address of the person;
 - II. The principal occupation or employment of the person;
 - III. The class and number of shares of the Company which are beneficially owned by the person;
 - IV. A description of all arrangements, understandings or relationships between the stockholder and each nominee, and any other relevant person or persons;
 - V. All information required by the National Association of Insurance Commissioners Biographical Affidavit and attachments, as amended or replaced; and
 - VI. Any other information relating to the person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Rule 14(a) under the Securities Exchange Act of 1934, as amended (the "Act"), and any other applicable laws, rules or regulations of any governmental authority, or of any national securities exchange or similar body overseeing any trading market on which shares of the Company are traded.

- b) As to the stockholder giving the notice:
 - I. The name and address of record of the stockholder and its principals (as hereinafter defined) and the beneficial owner, if any, on whose behalf the nomination is made, and the name and address of record of any person that owns or controls, directly or indirectly, 10% or more of any class of securities or interests in such stockholder or beneficial owner;
 - II. The class and number of shares of the Company which are beneficially owned by the stockholder and such beneficial owner;
 - III. A list of all stockholder proposals and director nominations made by the stockholder during the prior 10 years;
 - IV. A list of all litigation filed against principals of the stockholder during the prior 10 years asserting a breach of fiduciary duty or a breach of loyalty;
 - V. A representation that the stockholder is a holder of record of shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice. A principal of a stockholder shall be the chief executive officer (or the equivalent) of the stockholder and any individual who owns 10% or more, directly or indirectly, of any class of securities or interests in the stockholder and is employed by the stockholder; and

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VI. All information required by the National Association of Insurance Commissioners Biographical Affidavit and attachments, as amended or replaced.

No potential director nominated by a stockholder is eligible for election as a director unless nominated in accordance with these procedures.

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The following table shows the number of shares of common stock beneficially owned as of March 24, 2008, by each director and each named executive and by all directors and executive officers as a group. The table also includes information about stock options, restricted stock and deferred share rights credited to the accounts of directors and executive officers under various compensation and benefit plans. Restricted stock units that represent a contingent right to receive shares of the Company's common stock are also reported below, but are not included in the Total Shares Beneficially Owned. No shares are pledged as security.

Name	Shares Beneficially Owned	Shares Beneficially Owned Subject to Options Exercisable as of May 22, 2008	Shares of Restricted Stock	Restricted Stock Units ⁽⁴⁾	Deferred Share Rights or Phantom Shares	Total Shares Beneficially Owned	% of Company Common Stock
E. Michael Caulfield	797	0	1,840	0	5,877	8,514	*
Jon S. Fossil	7,674	0	1,840	0	7,794	17,308	*
Pamela H. Godwin	2,000	0	1,840	0	18,693	22,533	*
Ronald E. Goldsberry	16,915	9,533	1,840	0	26,380 ⁽¹⁾	54,668	*
Thomas Kinser	1,000	0	1,840	0	13,715	16,555	*
Gloria C. Larson	0	0	1,840	0	18,759	20,599	*
A. S. (Pat) MacMillan, Jr.	327	8,331	1,840	0	5,243	15,741	*
Edward J. Muhl	2,500	0	1,840	0	0	4,340	*
Michael J. Passarella	0	0	1,840	0	2,399	4,239	*
William J. Ryan	1,400	0	1,840	0	13,629	16,689	*
Thomas R. Watjen ⁽²⁾	566,297	1,477,702	145,602	180,787	0	2,189,601	*
Robert O. Best ⁽²⁾	102,012	95,590	25,757	24,794	0	223,359	*
Robert C. Greving ⁽²⁾	39,707	71,780	23,539	24,174	0	135,026	*
Randy C. Horn ⁽²⁾	25,272	0	23,630	20,455	0	48,902	*
Kevin P. McCarthy ⁽²⁾	46,606	48,550	25,285	33,898	0	120,441	*
All directors and executive officers as a group ^{(1) (2) (3)}	850,811	1,731,926	296,507	296,130	112,489	2,991,733	*

* Denotes less than one percent.

- (1) Includes number of deferred share rights credited to Dr. Goldsberry's account under the former UNUM Corporation 1998 Director's Deferred Compensation Plan as well as dividends declared on such rights.
- (2) Shares owned by Messrs. Watjen, Best, and Greving and the executive officers as a group include shares owned in the Company's 401(k) plan.
- (3) Includes shares owned jointly or separately by spouses and minor children of all directors and executive officers as a group. Does not include 445 shares of Company's common stock voted solely by one of Ms. Ring's immediate family members, of which beneficial ownership is disclaimed.
- (4) Does not include performance-based restricted stock units granted under the Equity Performance Grant described in more detail beginning on page 44. The following persons received these grants: Mr. Watjen 300,000; Mr. Best 100,000; Mr. Greving 60,000; Mr. Horn 100,000; Mr. McCarthy 120,000; all other executive officers: 140,000.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under Section 16(a) of the Securities Exchange Act of 1934, our directors, executive officers, and 10 percent beneficial holders of our common stock are required to file with the Securities and Exchange Commission certain forms reporting their beneficial ownership of and transactions in Unum common stock. Based solely upon information provided by each such person, we believe each of its directors and executive officers and 10 percent beneficial owners filed all required reports on a timely basis during the last fiscal year.

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REPORT OF THE HUMAN CAPITAL COMMITTEE

The Human Capital Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with Unum's management. Based on this review and discussion, the Committee recommended to the Board that this Compensation Discussion and Analysis be included in this proxy statement and in the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

William J. Ryan, Chairman

Pamela H. Godwin

Thomas Kinser

A.S. (Pat) MacMillan, Jr.

COMPENSATION DISCUSSION AND ANALYSIS

Summary

In this section, Unum is providing information on its executive compensation practices, including how and why executive compensation decisions are made as well as how the different pieces of compensation fit together. The primary objective of this section is to give stockholders an understanding of the basis and context for granting different types and amounts of executive compensation.

Our compensation programs are designed to reward achievement of corporate objectives through both competitive base pay and incentive opportunities. Because they are tied to corporate objectives, these compensation programs will change as corporate objectives change. For 2007, there were a number of changes to our compensation programs, including: a revision to the peer group used for benchmarking executive pay; the elimination of most perquisites; the introduction of new stock ownership guidelines; a change in the long-term incentive program; and a one-time equity performance grant for certain individuals. Information about these changes, including the rationale for each, is discussed in detail throughout this section, along with a general overview of our compensation programs. This year's proxy statement also includes disclosure of performance targets for both annual incentive and long-term incentive awards.

In addition to the required disclosure and tables, we have included information and supplemental tables that specifically address the following:

Total compensation earned for 2007 by our named executives
Targeted 2008 compensation and the basis of this compensation