



## Q&As – Unum’s market decision regarding GLTC

### **Background**

After a careful and comprehensive review, we have decided to end sales of new group long term care contracts as of Feb. 7, 2012.

Although we recognize there is a market need for products to help individuals pay for long term care expenses, current economic, pricing and risk factors make it impossible for us to meet our financial and risk management objectives.

This decision to end new group long term care sales allows us to sharpen our focus on the markets and products that provide the greatest long term opportunity for our company, and are more compatible with our financial and risk management objectives.

### **Timing**

Beginning Feb. 7, Unum will no longer sell group long term care contracts (GLTC). We will process all quotes submitted before this date and implement any business finalized within 90 days of the quote date.

### **Details**

- As of Feb. 7, no additional group long-term care quotes will be issued.
- Quotes issued prior to Feb. 7 are valid for 90 days from the date they were issued.
- Quotes will be considered sold if the original application is signed prior to the 90-day window closing.
- Unum will honor all cases that have been sold and are in the enrollment process.
- New enrollees can be added to all inforce cases, according to the eligibility provisions in their contracts.

### **Additional Q&As:**

#### **Q. Isn't Unum a leader in this market and growing a strong business?**

**A.** Unum is a leader in the GLTC market. We are serving more than 9,000 employer groups, covering approximately 800,000 insured employees and their families.

While we recognize there is a market need for products to help individuals pay for long term care expenses, current economic, pricing and risk factors make it impossible for us to meet our financial and risk management objectives.

#### **Q. I have several groups interested in this product. What is the deadline for submitting quotes?**

**A.** As of Feb. 7, 2012, Unum will no longer issue any new quotes. Quotes that were issued prior to Feb. 7 will be valid for 90 days.



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### **Q. Will you accept any changes to existing group plans?**

**A.** We will continue to administer existing group plans, including accepting future enrollees on existing policies.

### **Q. How long will Unum support existing customers?**

**A.** Unum will provide responsive service its group customers until they terminate their plans and discontinue paying premiums.

### **Q. How long will Unum support existing customers who are on claim?**

**A.** Unum will support all eligible long term care claimants covered by either individual or group policies who are on claim, or who will submit claims in the future. These claims will be reviewed and administered according to policy provisions.

### **Q. Will Unum adjust its staffing support for GLTC?**

**A.** The customer service and claims teams will remain staffed to meet the needs of our existing group customers, and current and future claimants. We have about 5,000 open claims for group and individual long term care, and expect that number to increase as policyholder’s age.

### **Q. Does Unum have any plans to increase rates on existing policies and certificate holders?**

**A.** We continue to assess the experience of our inforce blocks to determine if that is necessary. While we do anticipate some increases on our older contract series, any increase needs to be approved by the state insurance department before it is effective, so we are not in a position to communicate any details about timing or magnitude. Unum will provide ample lead time for customers to evaluate an increase if one is approved for their contract series.

### **Q: Will the long term care rider on Unum’s *Interest Sensitive Whole Life 08* and *Voluntary Individual Universal Life 08* products be affected by this? What about the LTC conversion riders on individual disability policies?**

**A:** No, the long term care riders on those life insurance products will not be affected. With the long term care rider, a percentage of the life policy benefit can be paid out monthly, tax-free, if the individual is living in a long term care or assisted living facility. There will be no impact on the LTC conversion riders for individual disability policies.

### **Q. Who should I contact if I have questions about my Unum GLTC customers?**

**A.** If you have additional questions, please contact your Unum service or sales representative or local manager. General questions can be directed to our Customer Support area at 800-227-4165, Monday through Friday from 8 a.m. to 8 p.m. Eastern time.