



Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
BUREAU OF INSURANCE

Robert L. Carey
Superintendent



Joan F. Cohen
Commissioner

June 26, 2025

Robert L. Carey, Superintendent
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Dear Superintendent:

Pursuant to the provisions of 24-A M.R.S. §221 and in conformity with your instructions, a financial examination has been made of the

UNUM INSURANCE COMPANY

as of December 31, 2023. The following report is respectfully submitted.



**STATE OF MAINE
BUREAU OF INSURANCE**

REPORT OF FINANCIAL EXAMINATION

**UNUM INSURANCE COMPANY
PORTLAND, MAINE**

AS OF DECEMBER 31, 2023

NAIC COMPANY CODE: 67601

NAIC GROUP CODE: 565

ACCEPTANCE OF REPORT OF EXAMINATION

WHEREAS a verified Report of Examination of Unum Insurance Company dated June 26, 2025, was delivered to that insurer on July 28, 2025; and

WHEREAS Unum Insurance Company and Bureau of Insurance staff have agreed to certain modifications with respect to the Report of Examination; and

WHEREAS I find such modifications proper; and

WHEREAS no hearing with respect to the Report of Examination has been requested by Unum Insurance Company;

NOW THEREFORE, I accept the Report of Examination and hereby order it placed on file in the Bureau of Insurance as provided for by 24-A M.R.S. §226 (3).

Dated: July 31, 2025

Robert L. Carey
Robert L. Carey, Superintendent

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SCOPE OF EXAMINATION

Unum Insurance Company (UIC or the “Company”) was last examined as of December 31, 2018, by the State of Maine Bureau of Insurance (MBOI). The present full-scope risk-focused examination covered the period from January 1, 2019, through December 31, 2023.

This examination was performed pursuant to the risk-focused approach promulgated by the National Association of Insurance Commissioners (NAIC), in conformity with the 2024 Financial Condition Examiners Handbook (“the Handbook”) and the laws, rules, and regulations prescribed or permitted by the State of Maine. The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks and evaluate systems controls and procedures used to mitigate those risks. The examination also included the identification and evaluation of significant risks that could cause the Company’s surplus to be materially misstated both currently and prospectively. The external auditors’ work papers were utilized for this examination to the extent deemed appropriate in order to enhance the effectiveness and efficiency of this examination.

This examination was a group coordinated examination. The MBOI served as the lead state on the examination and four other states accepted the invitation to participate on the coordinated examination of certain Unum Group companies. The Vermont Department of Financial Regulation, Tennessee Department of Commerce and Insurance, Massachusetts Division of Insurance, and New York Department of Financial Services served in the capacity of participating states.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. Comments on various balance sheet items, for purposes of this report, may be limited to examination adjustments, matters involving clarification, departures from laws, rules and regulations, and/or significant changes in amounts. To the extent deemed necessary, transactions occurring subsequent to the examination date were reviewed.

This examination report includes significant findings of fact, pursuant to 24-A M.R.S. §225 (1), and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature, are not included herein, and are instead separately reported to other regulators and/or the Company.

SUMMARY OF SIGNIFICANT FINDINGS

PRIOR EXAMINATION

None noted.

CURRENT EXAMINATION

None noted.

THE COMPANY

HISTORY

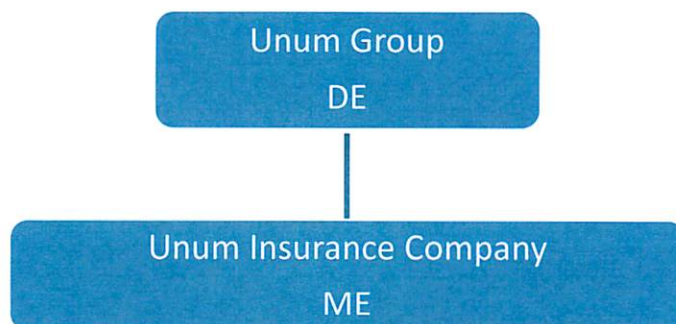
The Company, formerly known as The Paul Revere Variable Annuity Insurance Company (PRVAIC), was incorporated under the laws of the Commonwealth of Massachusetts on August 6, 1965, as a stock company and was organized as a wholly owned subsidiary of The Massachusetts Protective Society, Incorporated (MPA). The Paul Revere Life Insurance Company (PRL), a Massachusetts domestic insurance company, was also a wholly owned direct subsidiary of MPA at that time. MPA's name was changed to The Paul Revere Corporation (PRC) effective January 1, 1967. In September 1968, PRC sold all of the shares of the Company's capital stock to PRL.

On March 27, 1997, PRC was acquired by and became a wholly owned direct subsidiary of Provident Companies, Inc., which is now known as Unum Group. PRC merged with and into PRL effective January 9, 2009. The Company became a wholly owned direct subsidiary of Unum Group when PRL paid a dividend consisting of all of the shares of the Company's capital stock to Unum Group on August 13, 2014.

Effective December 19, 2014, the Company re-domesticated from the Commonwealth of Massachusetts to the State of Maine. On April 8, 2015, the Company changed its name from PRVAIC to UIC.

MANAGEMENT AND CONTROL

UIC is a wholly owned subsidiary of Unum Group, a Delaware general business corporation that acts as a holding company for insurance and non-insurance subsidiaries. The Company is significantly dependent on Unum Group for business operations, administrative and other services. Unum Group's insurance and non-insurance subsidiaries operate in the United States (U.S.), the United Kingdom, Poland and in certain other countries. As of December 31, 2023, Unum Group consisted of twenty-seven affiliated companies operating under common management and control. An abbreviated organizational chart as of December 31, 2023, is presented below:



Unum Group's reportable segments as of December 31, 2023, included the following: Unum US, Unum International, Colonial Life, Closed Block and Corporate. The Company's business is part

of the Unum US reportable segment. The Unum US segment includes the following lines of business: group long-term and short-term disability insurance, group life and accidental death and dismemberment products, individual disability insurance, voluntary benefits, and dental and vision products. Unum US products are issued primarily by Unum Life Insurance Company of America, Provident Life and Accident Insurance Company, Starmount Life Insurance Company (“Starmount”) and UIC. The Closed Block segment consists of group and individual long-term care and other insurance products that are no longer actively marketed.

As of December 31, 2023, Unum Group has one Vermont domiciled captive insurer, Fairwind Insurance Company, that was established for the limited purpose of reinsuring risks attributable to certain policies issued or reinsured by Unum Life Insurance Company of America, an affiliate insurance company domiciled in Maine.

The corporate ownership structure for U.S. based insurance entities within Unum Group follows:

	NAIC Co. <u>Code</u>	Domiciliary <u>State</u>
Unum Group		DE
First Unum Life Insurance Company	64297	NY
Unum Life Insurance Company of America	62235	ME
Colonial Life & Accident Insurance Company	62049	SC
Fairwind Insurance Company	15463	VT
The Paul Revere Life Insurance Company	67598	MA
Unum Insurance Company	67601	ME
Provident Life and Accident Insurance Company	68195	TN
Provident Life and Casualty Insurance Company	68209	TN
H&J Capital, LLC		LA
Starmount Life Insurance Company	68985	ME

CORPORATE RECORDS

The Company’s articles of incorporation, bylaws, and minutes of the board of directors’ meetings held during the period under examination were reviewed.

CORPORATE GOVERNANCE

As of December 31, 2023, Unum Group’s Board of Directors (the “Board”) consisted of Richard P. McKenney, the President and Chief Executive Officer of Unum Group, and eleven independent directors. The Board approves the strategic direction of Unum Group’s business and financial objectives, monitors the effectiveness of management’s implementation of policies and plans, and provides oversight and support in achieving corporate objectives. The Board has five standing committees: Audit Committee, Risk and Finance Committee, Governance Committee, Human Capital Committee, and Regulatory Compliance Committee. The duties and responsibilities of the committees are set forth in Unum Group’s bylaws and committee charters, as applicable. Unum Group also has an Investment Committee comprised of senior officers of Unum Group.

The Company maintains its own board of directors and corporate officers. As of December 31, 2023, UIC's board of directors consisted of the following members:

<u>Name</u>	<u>Principal Occupation</u>
Michael Quinn Simonds*	Executive Vice President, Chief Operating Officer, Unum Group
Puneet Bhasin*	Executive Vice President, Chief Information and Digital Officer, Unum Group
Lisa Gonzalez Iglesias	Executive Vice President, General Counsel, Unum Group
Martha Davies Leiper*	Executive Vice President, Chief Investment Officer, Unum Group
Christopher Wallace Pyne*	Executive Vice President, Group Benefits, Unum Group
Daniel Jason Waxenberg*	Senior Vice President, Global Financial Planning and Analysis, Unum Group
Steven Andrew Zabel	Executive Vice President, Chief Financial Officer, Unum Group

As of December 31, 2023, the Company's principal officers were:

<u>Name</u>	<u>Title</u>
Michael Quinn Simonds*	Chairman, President, and Chief Executive Officer
Puneet Bhasin*	Executive Vice President, Chief Information and Digital Officer
Lisa Gonzalez Iglesias	Executive Vice President, General Counsel
Steven Andrew Zabel	Executive Vice President, Finance
Scott Allan Carter	Senior Vice President, Chief Actuary and Appointed Actuary
Walter Lynn Rice, Jr.	Senior Vice President, Chief Accounting Officer
Daniel Jason Waxenberg*	Senior Vice President, Global Financial Planning and Analysis
Jean Paul Jullienne	Vice President, Managing Counsel and Corporate Secretary
Benjamin Seth Katz	Vice President, Treasurer

* See below for a summary of changes to the Company's officers and directors subsequent to December 31, 2023:

Effective February 9, 2024, Michael Quinn Simonds terminated service as an officer of Unum Group and as an officer and director of the Company. Timothy Gerald Arnold was elected as a director and Christopher Wallace Pyne was elected as Chairman, President, and Chief Executive Officer of the Company effective the same date.

Effective September 19, 2024, Puneet Bhasin terminated service as an officer of Unum Group and as an officer and director of the Company. Effective April 28, 2025, Sheila Anderson was appointed as EVP, Chief Information and Digital Officer at Unum Group.

Effective October 4, 2024, Elizabeth Claire Ahmed, Unum Group's Executive Vice President, People and Communications, was elected as a director of the Company.

Effective November 4, 2024, Daniel Jason Waxenberg's title with Unum Group and the Company changed from Senior Vice President, Global Financial Planning and Analysis to Senior Vice President, Chief Finance Lead.

Effective April 4, 2025, Martha Davies Leiper terminated service as an officer of Unum Group and as a director of the Company, and Lori Brown Finlay, Unum Group's Senior Vice President, Chief Investment Officer, was elected as a director of the Company effective the same date.

TRANSACTIONS WITH AFFILIATES

The Company receives certain management, administrative, and product support services, including but not limited to: general management services and consultation; facilities management; information systems and records management; legal, regulatory, and compliance counsel; risk management; tax; human resources; internal audit; cash management; financial management; actuarial; pricing; corporate relations; marketing; sales management; underwriting; claims; client services; and system support from Unum Group under the terms of a written general services agreement.

The Company is a party to a written tax sharing agreement with its parent and affiliates. The agreement provides that the portion of the consolidated tax liability allocated to the Company is based on its separate return tax liability.

The Company is party to a written investment management agreement with its affiliate, Provident Investment Management, LLC (PIM), under which PIM serves as the Company's investment advisor with regard to designated assets.

The Company engages in short-term intercompany lending activities and during the examination period borrowed money from Unum Group. During the exam period, the Company borrowed amounts of \$2,500,000 or less with no principal amounts outstanding as of any year-end during the exam period.

The Company paid dividends to its sole shareholder, Unum Group, of \$40,250,000 in 2023, \$31,600,000 in 2022, and \$4,800,000 in 2021 for a total of \$76,650,000 during the examination period. The Company did not pay any dividends in 2020 or 2019.

TERRITORY & PLAN OF OPERATION

The Company is licensed and writing business in the District of Columbia and all states except New York as of December 31, 2023. From 2000 through 2017, UIC fully ceded all policies (primarily life insurance and annuity products) excluding a small portion of deposit-type contracts. UIC continues to run off their legacy blocks of business. UIC began writing a group critical illness product in the employer group benefits market in 2018, group voluntary benefits accident business in 2020, group voluntary hospital indemnity business in 2021, group Massachusetts Paid Family/Medical Leave business in 2021, and group Oregon Paid Leave business in 2023.

REINSURANCE

Effective April 30, 1998, the Company entered into a coinsurance agreement with American General Annuity Insurance Company, which is now American General Life Insurance Company (AG), to reinsure 100% of its in-force block of individual and tax-sheltered annuity business. The Company also has in place an Administrative Services Agreement which provides for the business ceded to be administered by the reinsurer.

Effective July 1, 2000, the Company entered into a reinsurance agreement with Reassure America Life Insurance Company, which is now Jackson National Life Insurance Company (Jackson), to reinsure on a 100% indemnity coinsurance basis all of the individual life insurance written by the Company. Jackson is also responsible for the administration of the policies.

As of December 31, 2023, the Company's ceded reserves totaled \$418,851,756, of which approximately 99.9% were ceded to AG and Jackson. As of December 31, 2023, the Company ceded reserves of \$349,595,161 to AG and \$68,763,732 to Jackson.

FINANCIAL STATEMENTS

The Statement of Admitted Assets, Liabilities and Surplus, the Summary of Operations, and the Statement of Capital and Surplus are as presented by management and audited by the Company's external auditors. It should be noted that these financial statements have not been audited by the MBOI and thus the MBOI does not express an opinion on the financial statements as a whole.

**STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS
AS OF DECEMBER 31, 2023**

Assets

Bonds	\$ 89,339,419
Cash and cash equivalents	5,370,232
Other invested assets	1,393,716
Securities lending reinvested collateral assets	<u>30,432</u>
Subtotals, cash and invested assets	<u>96,133,799</u>
Investment income due and accrued	663,789
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	32,834,734
Reinsurance:	
Other amounts receivable under reinsurance contracts	88,300
Amounts receivable relating to uninsured plans	32,229
Current federal and foreign income tax recoverable and interest thereon	314,049
Net deferred tax asset	5,878,563
Guaranty funds receivable or on deposit	133,540
Receivables from parent, subsidiaries, and affiliates	10,448,837
Aggregate write-ins for other than invested assets	<u>672,979</u>
Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	147,200,820
From Separate Accounts, Segregated Accounts and Protected Cell Accounts	<u>2,070,863</u>
Total Assets	<u><u>\$ 149,271,683</u></u>

Liabilities

Aggregate reserve for accident and health contracts	\$ 3,950,633
Liability for deposit-type contracts	4,944,588
Contract claims:	
Accident and health	28,332,902
Premiums and annuity considerations for life and accident and health contracts received in advance	1,635,561
Contract liabilities not included elsewhere:	
Other amounts payable on reinsurance	289,388
Interest maintenance reserve	2,239,923
Commissions to agents due or accrued	8,110,109
Taxes, licenses, and fees due or accrued, excluding federal income taxes	3,879,589
Amounts withheld or retained by reporting entity as agent or trustee	12,477
Remittances and items not allocated	3,515,753
Miscellaneous liabilities:	
Asset valuation reserve	792,193
Payable for securities lending	30,432
Aggregate write-ins for liabilities	<u>3,819,519</u>
Total liabilities excluding Separate Accounts business	61,553,067
From Separate Accounts Statement	<u>2,070,863</u>
Total liabilities	<u><u>\$ 63,623,929</u></u>

Capital and Surplus

Common capital stock	\$ 2,500,000
Gross paid in and contributed surplus	48,800,000
Unassigned funds (surplus)	<u>34,347,754</u>
Surplus	<u>83,147,753</u>
Total capital and surplus	\$ <u>85,647,753</u>
Total liabilities, capital, and surplus	<u>\$149,271,683</u>

SUMMARY OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023

Premiums and annuity considerations for life and accident and health contracts	\$ 341,239,006
Net investment income	3,990,275
Amortization of Interest Maintenance Reserve	339,617
Commissions and expense allowances on reinsurance ceded	98,746
Miscellaneous income:	
Incomes from fees associated with investment management, administration and contract guarantees from Separate Accounts	19,867
Aggregate write-ins for miscellaneous income	<u>2,884</u>
Total	<u>\$ 345,690,395</u>
Disability benefits and benefits under accident and health contracts	119,917,385
Interest and adjustments on contract or deposit-type contract funds	313,962
Increase in aggregate reserves for life and accident and health contracts	<u>1,295,383</u>
Totals	\$ 121,526,730
Commissions on premiums, annuity considerations, and deposit-type contract funds	68,802,020
General insurance expenses	89,779,717
Insurance taxes, licenses, and fees, excluding federal income taxes	12,797,807
Aggregate write-ins for deductions	<u>4,256</u>
Totals	<u>\$ 292,910,530</u>
Net gain from operations before dividends to policyholders and federal income taxes	52,779,865
Net gain from operations after dividends to policyholders and before federal income taxes	52,779,865
Federal and foreign income taxes incurred	<u>13,767,880</u>
Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains	39,011,985
Net realized capital gains (losses) less capital gains tax	<u>(1)</u>
Net income	<u><u>\$ 39,011,984</u></u>

**STATEMENT OF CAPITAL AND SURPLUS
YEAR ENDED DECEMBER 31, 2023**

Capital and surplus, December 31, prior year	<u>\$ 85,083,375</u>
Net income	39,011,984
Change in net unrealized capital gains less capital gains tax	(5,418)
Change in net deferred income tax	3,000,213
Change in nonadmitted assets	(1,126,798)
Change in asset valuation reserve	(65,603)
Dividends to stockholders	<u>(40,250,000)</u>
Net change in capital and surplus	<u>564,379</u>
Capital and surplus, December 31, 2023	<u><u>\$ 85,647,753</u></u>

COMMENTS ON THE FINANCIAL STATEMENTS

NOTE 1 – RESERVES

Lewis & Ellis, LLC (“consulting actuary”) was engaged to provide actuarial assistance with the financial examination of the Company as of December 31, 2023. The consulting actuary’s review included: participation in interviews and discussions with key personnel, including the Appointed Actuary, to gain an understanding of the corporate structure, products, services, and reserving and pricing processes, and to determine where the majority of risks lie; review of controls to mitigate certain reserving and pricing risks; review of the 2023 Statement of Actuarial Opinion and Actuarial Memorandum prepared by the Appointed Actuary; and review of the external auditor’s conclusions regarding the carried reserves. The reserves as reported by the Company were determined to be reasonable based on the review performed by the consulting actuary.

NOTE 2 – CAPITAL AND SURPLUS

The following table describes the capital and surplus changes for the five-year period since the MBOI’s last examination of the Company, dated December 31, 2018:

Capital and surplus, December 31, 2018	<u>\$ 46,916,759</u>
Net income	113,785,165
Change in net unrealized capital gains less capital gains tax	(10,711)
Change in net deferred income tax	5,309,402
Change in nonadmitted assets	(3,043,341)
Change in liability for reinsurance in unauthorized and certified companies	76,709
Change in asset valuation reserve	(291,228)
Surplus adjustment:	
Change in surplus as a result of reinsurance	(445,002)
Dividends to stockholders	<u>(76,650,000)</u>
Net change in capital and surplus	<u>\$ 38,730,994</u>
Capital and surplus, December 31, 2023	<u><u>\$ 85,647,753</u></u>

SUBSEQUENT EVENTS

The Company paid dividends of \$34,500,000 to Unum Group during 2024.

Effective May 1, 2024, the Company entered into a service agreement with an affiliate, Starmount. Under this agreement, UIC pays a monthly network access fee for use of Starmount’s dental provider network and related services.

Effective July 1, 2024, the Company entered into a service agreement with an affiliate, First Look Vision Network, LLC (“First Look”), a wholly owned subsidiary of H&J Capital, LLC. Under this agreement, UIC pays a monthly network access fee for use of First Look’s vision provider network and related services.

SUMMARY OF RECOMMENDATIONS

There are no report level recommendations.

STATE OF MAINE
COUNTY OF KENNEBEC, SS

Vanessa J. Sullivan, being duly sworn according to law deposes and says that, in accordance with authority vested in her by Robert L. Carey, Superintendent of Insurance, pursuant to the Insurance Laws of the State of Maine, she has made an examination of the condition and affairs of the

UNUM INSURANCE COMPANY

located in Portland, Maine as of December 31, 2023, and that the foregoing report of examination subscribed to by her is true to the best of her knowledge and belief. Noble Consulting Services, Inc., under contract with the Maine Bureau of Insurance, performed the examination. The following examiners from the Bureau of Insurance assisted:

Arias Wan, CPA, CFE
Colin J. Greeley


Vanessa J. Sullivan, CFE

Subscribed and sworn to before me
This 31 day of July, 2025


Notary Public

My Commission Expires:

Karma Y. Lombard
Notary Public, State of Maine
My Commission Expires June 12, 2030