



**Bulletin Re: UnumProvident**

**Dated: November 17, 2004**

From publicly available federal court records, it appears that Unum, Unumprovident, Provident Life, and Paul Revere companies have been named in at least **4,575** civil actions concerning insurance from 2000 to the present. This may understate the total number of federal court filings, because an insurance coverage action might also be described as contract or some other category of action, and also because not all federal courts participate in the PACER system from which this information was drawn.

As to state court filings, it appears that those same companies were named as defendants in at least 1155 civil actions from 2000 to the present. Although the available electronically searchable records on Westlaw do not distinguish between insurance coverage and other types of actions, this figure likely understates the total number of state court filings. Electronic databases of state court filings are less complete than the federal PACER system. Also, the state court figure does not include cases in which the companies in question were plaintiffs, not defendants.

***From Unumprovident's 10-Q for the period ended march 31, 2004:  
Other Claim Related Examinations and Investigations***

The Company has experienced increased market conduct examinations by state insurance departments focused specifically on its disability claims handling policies and practices. On March 19, 2003, the Company consented to the entry of an order by the Georgia Insurance Commissioner that, among other things, ordered four of the Company's insurance subsidiaries to each pay a monetary penalty of \$250,000 and to adhere to certain claims handling practices. The order also placed these four companies on regulatory probation for two years, during which period certain Georgia claims and complaints will be reviewed on a quarterly basis by representatives of the Georgia Department of Insurance. The Georgia order did not cite any violations of Georgia law or regulations.

Because of the number of market conduct examinations initiated during 2002 and 2003, a coordinated market conduct examination of the Company's disability claims handling policies and practices was organized during 2003 by Massachusetts, Maine, and Tennessee, the states of domicile for several of the Company's insurance subsidiaries. Currently 44 states and the District of Columbia are participating in this coordinated examination in which the domiciliary states are attempting to address common state concerns and also eliminate or reduce the number of duplicative individual examinations by multiple states. California, Arizona, Minnesota, and New Mexico have chosen to continue pursuing their own examinations and investigations, although California and

Minnesota have elected to participate in the multi-state examination as well. Additional state market conduct examinations may be commenced.

In addition, the Company received a letter in September 2003 from the office of the New York State Attorney General indicating that it is reviewing the disability claims-handling procedures of the Company and its insurance subsidiaries. The Company is cooperating and is in the process of gathering and providing information in response.

In a letter dated March 25, 2004, the U.S. Department of Labor informed the Company that it was conducting an examination pursuant to the Employee Retirement Income Security Act of 1974 (ERISA) of the benefit plans the Company provides to its employees and the products and services provided to third party plans. The Company is cooperating and is in the process of gathering and providing information in response.

These regulatory examinations and investigations could result in, among other things, changes in the Company's claims handling and other business practices, increases in policy liabilities, reopening of closed or denied claims, fines, and other administrative action. Such results, singly or in combination, could injure the Company's reputation, cause negative publicity, and impair the Company's ability to sell or retain insurance policies, thereby adversely affecting the Company's business and potentially materially affecting the consolidated results of operations in a period. Determination by regulatory authorities that the Company or its insurance subsidiaries have engaged in improper conduct could also adversely affect the Company's defense of various lawsuits described herein