

The Quarterly Magazine for UnumProvident Employees

SPRING 2005



Other insurers
spend millions on
high-flying ads, so ...

Where's Our Blimp?

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Calming the Perfect Storm
What's in a Name?
Making a Difference

FEATURE

WHERE'S OUR BLIMP?

We may not spend big bucks on high-flying ads, but UnumProvident is an industry leader nonetheless.

WE'VE ALL SEEN THEM: the beloved Snoopy hovering over the Super Bowl on his very own blimp, the cute gecko enticing us to insure our automobiles and that eternally quacking duck. Maybe you've even gotten a piece of the rock.

To be sure, the insurance industry has its share of famous trademarks. Some have even reached pop icon status, appearing on "The Tonight Show" and in a recent Hollywood hit. So if other companies in our industry boast highly visible icons, why don't we? 



BLIMP



"Because our sales are predominantly business-to-business, our marketing strategy does not rely on UnumProvident being a household name the way consumer products companies do," says Keith Hickerson, vice president of Corporate Marketing. "Rather, it's focused on creating strong awareness among a select group. To our target audience, UnumProvident is a well-known name. We have extremely high awareness and generally a positive image among the brokers and advisors who make buying recommendations to benefit managers."

Because there's little value for our primary markets in trying to appeal to the average consumer, you're not likely to see UnumProvident commercials airing during the Super Bowl anytime soon. Instead, to reach its target audience of independent brokers, benefit consultants and benefit decision makers, the company advertises in trade publications, on the Internet, on National Public Radio and in a few widely read business publications.

RETURN ON RELATIONSHIPS

Despite the lack of a multi-million-dollar advertising campaign, UnumProvident remains at the top of virtually every market in which it competes. Only Aflac has a greater market share in any line of business (Aflac occupies the top spot in the supplemental insurance category, just ahead of UnumProvident and Colonial). In disability income protection insurance, UnumProvident leads the industry with about a quarter of the market, and an even greater share in the U.K. In fact, UnumProvident generates more inforce

premium dollars than its next two competitors (Hartford and MetLife) combined. Foley says that's because the company has a competitive advantage in the marketplace that no amount of advertising could buy: great relationships.

"The fact is people like doing business with us," says Foley. "Our broker and customer satisfaction numbers are exceptionally high. It's our people who best represent our company and best exemplify what it means to do business with UnumProvident, and that's where we make our investments rather than in high-dollar advertising. Our field service network and supporting home office structure are second to none. We'd rather use our corporate resources to provide that extra value to customers and brokers."

Colonial uses the same strategy. "We really leverage our field salespeople and their experience and networking capabilities," said Tom Gilligan, senior vice president of Marketing and Brand Management for Colonial Supplemental Insurance Company. "Also, in 2004, we invested in a major market research effort with employers and brokers. This really helped us to focus our messaging on what resonates with those two important groups. Our goal is to ensure that the home office and the field deliver a consistent message that is meaningful to our customers."

PLAYING TO OUR STRENGTHS

UnumProvident's marketing strategy recognizes, above all else, that it's our industry experience and the everyday actions of our employees that most effec-

"I get asked frequently why we don't have a duck, a rock or a cartoon character representing our company, or why we don't spend tens of millions of dollars in advertising like other companies do," says Joe Foley, senior vice president of Market Development and Communications. "The simple answer is it just doesn't make sense for us. Our primary focus is on products sold to businesses. You market that differently than, say, a homeowner's policy sold to an individual."

Rather than spend millions of dollars on advertising to reach the general public, UnumProvident focuses the lion's share of its promotional efforts on brokers and human resource professionals. It's a targeted approach rather than a scatter-shot method that reaches many people who don't make benefits buying decisions.

MARKET SHARE BY BRAND

Group Disability Income Protection*

- #1 UnumProvident
- #2 Hartford
- #3 MetLife
- #4 CIGNA

Individual Disability Income Protection*

- #1 UnumProvident
- #2 Berkshire
- #3 Northwestern
- #4 Mass Mutual

VWB**

- #1 Aflac
- #2 UnumProvident
- #3 Colonial
- #4 Transamerica

Group Long Term Care***

- #1 UnumProvident
- #2 John Hancock Financial
- #3 MetLife
- #4 Aetna Group Insurance

*JHA based on 2003 sales **LIMRA based on 2003 sales ***LIMRA based on 2004 sales

"Our primary focus is on products sold to businesses. You market that differently than, say, a homeowner's policy sold to an individual."

— Joe Foley, senior vice president of Market Development and Communications

tively build customer loyalty.

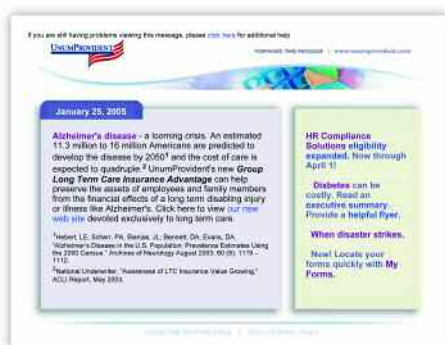
"Our customers and brokers are a sophisticated audience," says Hickerson.

"While we need to advertise to remind them of the benefits of doing business with us, the way our employees do their

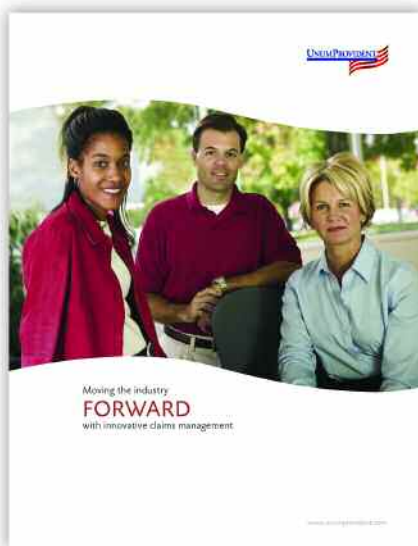
jobs gives us the kind of brand equity that no amount of advertising can buy."

In recent surveys, 91 percent of employers said UnumProvident is easy to do business with, and nearly nine out of 10 said our customer service representatives follow through on their commitments. Brokers also gave UnumProvident one of the highest ratings in the industry for the administration of benefits.

"We're known and appreciated for our service and for our commitment to helping our customers achieve their goals," adds Hickerson. "We have also long been



Most brokers and customers receive at least one informational e-mail (like the one above) each month on issues affecting them, or UnumProvident products and services.



UnumProvident brochure

TARGETED MARKETING

You may not have seen these communication tools, but they are out there, designed to help tell our story to a very focused audience. E-communications (top left) are sent monthly to insurance brokers who sell UnumProvident products and services and to inform customers. Brochures are used to reinforce UnumProvident's strength — its people. Internet ads (shown at bottom) are placed on Web sites frequented by business owners and HR decision makers, such as shrm.org (Society of Human Resource Managers) and benefitnews.com.

More than 90% of your peers say...

☐ they look just like their
pets



☒ **UnumProvident**
is easy to do business with.



Banner ads appear on Web sites frequented by HR pros.



BLIMP

THE COSTS OF HIGH VISIBILITY

Companies that build high-profile consumer brands spend millions of advertising dollars annually, but for them there is value in doing so. According to recent figures, The Hartford spends approximately \$20 million each year on advertising in support of many different



Hartford also sells group disability insurance like UnumProvident, it

does not make significant advertising investments in that category.

Aflac spends approximately \$50 million on advertising each year in pursuit of high name awareness designed to increase sales of its individually owned disability income protection policies.

By comparison, UnumProvident spent about \$1.5 million last year on advertising in the U.S. Our U.K. subsidiary, Unum Limited, spent an additional \$1 million, while Colonial spent less than \$500,000.

Despite this advertising differential, UnumProvident and its subsidiaries remain at the top of virtually every market in which they compete.



Smart **Service.** Great **Ideas.**[™]



known for our innovative products, related offerings and processes. We truly offer great ideas to customers. Both of these differentiators — our service and our ideas — come back to the quality and dedication of our people.”

A SIMPLE, YET POWERFUL MESSAGE

It’s not surprising, then, that UnumProvident is introducing a new tagline that highlights both our outstanding service and our reputation for being innovative. It’s called “Smart Service. Great Ideas.”

“These four words express in a simple, straightforward way the value we bring to the marketplace,” says Foley. “‘Smart Service’ speaks to the relationships our people have forged and to our overall outstanding service capabilities, while ‘Great Ideas’ is a testament to our innovation, leadership and broad portfolio of products and services. All of these add up to the professional delivery of employee benefits, which is precisely why customers do business with our company.”

UnumProvident means “Smart Service” to Pete Dupell, benefits manager for Allmerica Financial and its 5,500 employees. “Service is where carriers and insurance companies have the opportunity to stand out,” he explains. Since choosing UnumProvident for group short term disability, long term disability, life and acciden-

tal death and dismemberment coverage, Dupell has been pleased with the high degree of customer service our employees have provided. “We don’t mind paying for that level of service when it frees up the resources that we need to do other jobs,” he said.

Similarly, employees across our company have the opportunity to define what “Smart Service. Great Ideas.” means to other customers.

“Our people are the ones who ‘sell’ UnumProvident,” says Hickerson. “It doesn’t matter if they’re in Underwriting or the Benefits Center or any other department. They are the ones who bring ‘Smart Service. Great Ideas.’ to life.”

And with all of us delivering on the promises we make with consistency and focus, we can have a significant impact on the way others view our company.

“After all,” he added, “the only marketing that’s effective is the marketing that rings true.” ●

“The way our employees do their jobs gives us the kind of brand equity that no amount of advertising can buy.”

— Keith Hickerson, vice president of Corporate Marketing