

individual disability policies are written on a noncancelable basis. Under a noncancelable policy, as long as the insured continues to pay the fixed annual premium for the policy's duration, we cannot cancel the policy or change the premium.

Profitability of individual disability insurance is affected by persistency, investment returns, claims experience, and the level of administrative expenses.

#### Voluntary Benefits

Voluntary benefits products are primarily sold to groups of employees through payroll deduction at the workplace and include life, disability, accident, hospital indemnity, cancer, and critical illness offered on both a group and individual basis.

Premium rates for voluntary benefits products are based on assumptions concerning morbidity, mortality, persistency, administrative expenses, investment income, and profit. We develop our assumptions based on our own claims and persistency experience and published industry tables. Our underwriters evaluate the medical condition of prospective policyholders prior to the issuance of a policy on a simplified basis. Underwriting requirements may be waived for cases that meet certain criteria, including participation levels. Individual voluntary benefits products other than life insurance are offered on a guaranteed renewable basis which allows us to re-price in-force policies, subject to regulatory approval. Group voluntary benefits products are offered primarily on an optionally renewable basis which allows us to re-price or terminate in-force policies.

Profitability of voluntary benefits products is affected by the level of employee participation, persistency, investment returns, mortality and other claims experience, and the level of administrative expenses.

#### Dental and Vision

Group dental and vision products are sold to employers as employee benefit products. Our group dental products include a variety of insured and self-insured dental care plans including preferred provider organizations and scheduled reimbursement plans. Our group vision products provide coverage that includes a range of both in-network and out-of-network benefits for routine vision services offered either in conjunction with our dental product offerings or as stand-alone coverage.

Premiums for small case group dental and vision products are generally based on expected claims of a pool of similar risks plus a provision for administrative expenses, investment income, and profit. Premiums for large employer groups are underwritten on an experience-rated basis.

Profitability of our dental and vision products is affected by persistency, claims experience, the level of administrative expenses, and to a lesser extent, investment returns.

#### ***Unum International Segment***

The Unum International segment includes our operations in the United Kingdom and Poland. Unum UK's business includes insurance for group long-term disability, group life, and supplemental lines of business which include dental, individual disability, and critical illness products. Unum Poland's business primarily includes insurance for individual and group life with accident and health riders. Both Unum UK's and Unum Poland's products are sold primarily through field sales personnel and independent brokers and consultants. The market strategy for the segment is to offer benefits to employers and employees through the workplace, with a focus on the expansion of the number of employers and employees covered in our Unum UK core market segment, which we define as employee groups with fewer than 500 employees, and the growth of the existing Unum Poland business through the incorporation of our benefits and distribution expertise.

The percentage of Unum International segment premium income generated by each product line during 2020 is as follows:

|                            |                |
|----------------------------|----------------|
| Unum UK                    |                |
| Group Long-term Disability | 55.9 %         |
| Group Life                 | 16.6           |
| Supplemental               | 15.3           |
| Unum Poland                | 12.2           |
| <b>Total</b>               | <b>100.0 %</b> |