

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

_____)	
In the Matter of)	
)	
Provident Companies, Inc.,)	
a corporation,)	
)	
and)	File No. 991-0101
)	
UNUM Corporation,)	
a corporation.)	
_____)	

INITIAL COMPLIANCE REPORT

Pursuant to Paragraph 6 of the Agreement Containing Consent Order (the "Order") entered into between The Federal Trade Commission (the "Commission") and Provident Companies, Inc. ("Provident") and UNUM Corporation ("UNUM") (collectively, "Respondents") and Section 2.33 of the Commission's Rules of Practice, Respondents hereby submit their Initial Compliance Report.

I. Compliance with Order

The Order provides in relevant part that

In response to each Request¹ by the Society of Actuaries, the NAIC, or its Designee, Respondents shall submit Data specified in the Request in the format and within the time period requested of Respondents and other Individual Disability Insurance providers, or within six (6) months of the date the Request is made, whichever is earlier, unless the time period is extended in writing by the requesting entity or by the entity that will receive the Data pursuant to any Request

Order, ¶ II.

¹ Unless otherwise defined, capitalized terms have the meanings set forth in the Order.

The Order also requires that

Proposed respondents shall submit within thirty (30) days of the date this Agreement is signed by proposed respondents, an initial report, pursuant to Section 2.33 of the Commission's Rules, signed by the proposed respondents setting forth in detail the manner in which the proposed respondents are complying with Paragraph II of the Order, including the text of any agreement or condition associated with the use of the Data, as that term is defined in Paragraph I(L). Such report will not become a part of the public record unless and until the accompanying Agreement and Order are accepted by the Commission for public comment.

Order, Introductory ¶ 6.

Respondents have received no Request from any entity from the date the Order was signed to the present. There have been no contacts or negotiations of any form with any entity relating to a Request; there have been no written communications of any form with any entity relating to a Request; and no internal memoranda, reports and/or recommendations have been created concerning the submission of Data in response to a Request.

Respondents intend to comply fully with the terms of the Order when a Request is made and, in the ordinary course of business, will collect and maintain data on Individual Disability Insurance Incidence Rates and Claims Termination Rates to enable them to respond appropriately to Requests.

II. Confidentiality of Data

Pursuant to Paragraph 6 of the Order, Respondents submit as Appendices A and B the attached confidentiality agreements setting forth the terms Respondents propose be agreed to with respect to use of Disaggregated Data.

PROVIDENT COMPANIES, INC., A CORPORATION

By: Dean Copeland
Dean Copeland
Executive Vice President and
General Counsel

Date: May 20, 1999

UNUM CORPORATION, A CORPORATION

By: _____
Kevin J. Tierney
Senior Vice President and
General Counsel

FROM
FROM

(FRI) 5. 21' 99 14:50/ST. 14:44/NO. 4860240137 P 5
(THU) 5. 20' 99 09:07/ST. 09:07/NO. 4860240137 P 3

The Order also requires that

Proposed respondents shall submit within thirty (30) days of the date this Agreement is signed by proposed respondents, an initial report, pursuant to Section 2.33 of the Commission's Rules, signed by the proposed respondents setting forth in detail the manner in which the proposed respondents are complying with Paragraph II of the Order, including the text of any agreement or condition associated with the use of the Data, as that term is defined in Paragraph I(L). Such report will not become a part of the public record unless and until the accompanying Agreement and Order are accepted by the Commission for public comment.

Order, Introductory ¶ 6.

Respondents have received no Request from any entity from the date the Order was signed to the present. There have been no contacts or negotiations of any form with any entity relating to a Request; there have been no written communications of any form with any entity relating to a Request; and no internal memoranda, reports and/or recommendations have been created concerning the submission of Data in response to a Request.

Respondents intend to comply fully with the terms of the Order when a Request is made and, in the ordinary course of business, will collect and maintain data on Individual Disability Insurance Incidence Rates and Claims Termination Rates to enable them to respond appropriately to Requests.

II. Confidentiality of Data

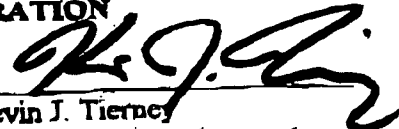
Pursuant to Paragraph 6 of the Order, Respondents submit as Appendices A and B the attached confidentiality agreements setting forth the terms Respondents propose be agreed to with respect to use of Disaggregated Data.

PROVIDENT COMPANIES, INC., A CORPORATION

By: _____
Dean Copeland
Executive Vice President and
General Counsel

Date: _____

UNUM CORPORATION, A CORPORATION

By: 
Kevin J. Tierney
Senior Vice President and
General Counsel

APPENDIX A**CONFIDENTIALITY AGREEMENT**

CONFIDENTIALITY AGREEMENT made this ___ day of ___, 19__ [20__] (the "Agreement") between UNUMProvident Corporation, Inc. (the "Company") and _____ (the "Requesting Entity"), pursuant to the terms of the Agreement Containing Consent Order (the "Order") entered into between The Federal Trade Commission and the Company on ___ (a copy of which is annexed hereto and incorporated by reference), in connection with the Request¹ dated _____.

WHEREAS, the Company received the Request from the Requesting Entity on [date]; and

WHEREAS, the Order provides that, in responding to a Request, the Company may require the Requesting Entity to agree to limit the use of the Company's Disaggregated Data;

NOW, THEREFORE, in consideration of receiving Disaggregated Data, the Requesting Entity agrees as follows:

1. Use of Disaggregated Data. Requesting Entity shall use Disaggregated Data solely for the purpose of creating Aggregated Data.

2. Maintenance of Confidentiality.

(A) Requesting Entity shall hold and maintain strict confidentiality of the Disaggregated Data and shall not disclose or allow to be disclosed the Disaggregated Data or any part of it to any employee of any firm or entity providing Individual Disability Insurance.

(B) Requesting Entity shall not disclose or allow to be disclosed the Disaggregated Data or any part of it to any individual who is an employee of an actuarial consulting firm that provides actuarial consulting services to Individual Disability Insurance firms or who otherwise provides actuarial consulting services to Individual Disability Insurance firms, provided, however, that if the Requesting Entity proposes that an employee or individual providing actuarial consulting services to Individual Disability Insurance firms be given access to Disaggregated Data in order to assist the Requesting Entity in the preparation of Aggregated Data from Disaggregated Data, Requesting Entity shall provide written notice [by Certified Mail, Return Receipt Requested] of such request to the Company. Upon receipt of such written notice, the Company shall notify Requesting Entity whether it consents to disclosure of Disaggregated Data to such individual. If the Company does not oppose such disclosure within ten (10) days of

¹ Unless otherwise defined, capitalized terms have the meaning set forth in the Order.

receipt of such written notice, the Company shall be deemed to have consented to such disclosure. The Company may require the employee or individual to consent in writing to preserve the confidentiality of Disaggregated Data.

3. Use of Aggregated Data

(A) Requesting Entity shall use Aggregated Data solely for the purpose of creating and disseminating industry-wide actuarial tables for Individual Disability Insurance, or actuarial studies or actuarial reports that relate to creating or supplementing industry-wide actuarial tables for Individual Disability Insurance.

(B) Before Aggregated Data is used to create and disseminate industry-wide actuarial tables for Individual Disability Insurance, or actuarial studies or actuarial reports that relate to creating or supplementing industry-wide actuarial tables for Individual Disability Insurance, Requesting Entity shall deliver to the Company a certification in writing that:

(1) Aggregated Data includes responses for each specification in the Request from at least three (3) other providers of Individual Disability Insurance that are among the ten (10) largest providers of Individual Disability Insurance in the industry, as measured by direct earned premium; and

(2) Disaggregated Data submitted by the Company represents less than 60% of all industry data submitted for each particular specification in the Request or, if Disaggregated Data submitted by the Company represents 60% or more of all industry data submitted for any particular specification in the Request, the Requesting Entity has weighted the Company's Disaggregated Data for that particular specification in accordance with generally accepted experience study practices, so that, when weighted, the Company's Disaggregated Data represents no more than 50% of the Aggregated Data.

4. No Damages. It is agreed that monetary damages for any breach of this Agreement are inadequate and that, without prejudice to the other rights and remedies otherwise available to it, the Company or any successor to any of its businesses shall be entitled to temporary or permanent injunctive relief for any breach or threatened breach of any provisions of this Agreement.

5. No License to Use. This Agreement does not constitute a license to use the Disaggregated Data, and no such license shall arise from this Agreement.

6. Not Exclusive. Nothing in this Agreement shall prevent the Company from at any time disclosing Disaggregated Data to others or negotiating with others for use of Disaggregated Data for any purpose, without prejudice to its rights under this Agreement.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of _____, without reference to principles of choice of law.

8. Successors and Assigns; Headings. All of the terms and provisions shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, successors, representatives and assigns. The headings used in this Agreement are for the convenience of the parties only and shall not in any way define, limit or describe the scope or intent of any provisions of this Agreement.

9. Waivers. The Company may waive compliance by the Requesting Entity with any of the provisions of this Agreement. A waiver of a provision in one circumstance shall not be construed as a waiver of such provision in any other circumstance or a waiver of any other provision. Any waiver must be in writing and signed by the Company to be effective.

10. Complete Agreement. This Agreement expresses the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes any prior agreement with respect thereto.

11. Effectiveness. This Agreement shall not be effective, and access to the Disaggregated Data shall not be provided to the Requesting Entity, unless and until it is signed by a representative of the Requesting Entity, whose signature is notarized, and is received by the Company.

12. Notice. Any notice required or permitted to be made under this Agreement shall be in writing and shall be delivered by [Certified Mail, Return Receipt Requested] as follows:

If to the Company:

[Name]
[Title]
UNUMProvident
Address

If to the Requesting Entity:

[Name]
[Title]
[Requesting Entity]
Address

IN WITNESS WHEREOF, Requesting Entity has executed and delivered this Confidentiality Agreement as an instrument under seal, effective as of the date first above written, regardless of the actual date of execution and delivery.

UNUMProvident Corporation, Inc.

Date: _____

By: _____

Title: _____

Requesting Entity

Date: _____

By: _____

Title: _____

FROM

(FRI) 5. 21' 99 14:51/ST. 14:44/NO. 4860240137 P 9

Sworn to before me this
____ day of _____

Notary Public

APPENDIX B

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT made this ___ day of ___, 19__ [20__] (the "Agreement") between UNUMProvident Corporation, Inc. (the "Company") and _____ (the "Authorized Individual"), pursuant to the terms of the Agreement Containing Consent Order (the "Order") entered into between The Federal Trade Commission and the Company on ___ (a copy of which is annexed hereto and incorporated by reference), in connection with the Request¹ dated _____.

WHEREAS, the Company received the Request from _____ on [date]; and

WHEREAS, the Order provides that, in responding to a Request, the Company may require an individual who provides actuarial consulting services to Individual Disability Insurance firms to agree in writing to preserve the confidentiality of the Disaggregated Data; and

WHEREAS, Authorized Individual is an employee of _____, an actuarial consulting firm, or otherwise provides actuarial consulting services; and

WHEREAS, the Company has determined to permit Authorized Individual to view its Disaggregated Data, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of viewing the Disaggregated Data, Authorized Individual agrees as follows:

1. **Maintenance of Confidentiality.** Authorized Individual shall hold and maintain strict confidentiality of the Disaggregated Data; shall not disclose or allow to be disclosed the Disaggregated Data or any part of it to any person, firm or entity (excluding the Society of Actuaries, the NAIC or its Designee), including any other individual employed by _____ unless that individual shall have signed a Confidentiality Agreement identical in all respects to this Agreement, and shall use the Disaggregated Data solely for the purpose of creating Aggregated Data. In particular, but not in limitation of the foregoing, Authorized Individual shall not disclose such information to any firm (including any individual employed by, affiliated with or retained by such firm) engaged in, selling or applying to engage in or sell insurance of any kind. Authorized Individual shall maintain all necessary and appropriate safeguards and operating procedures to comply with his or her obligations hereunder.

2. **No Damages.** It is agreed that monetary damages for any breach of this Agreement are inadequate and that, without prejudice to the other rights and remedies otherwise

¹ Unless otherwise defined, capitalized terms have the meanings set forth in the Order.

available to it, the Company or any successor to any of its businesses shall be entitled to temporary or permanent injunctive relief for any breach or threatened breach of any provisions of this Agreement.

3. No License to Use. This Agreement does not constitute a license to use the Disaggregated Data, and no such license shall arise from this Agreement.

4. Not Exclusive. Nothing in this Agreement shall prevent the Company from at any time disclosing Disaggregated Data to others or negotiating with others for use of Disaggregated Data for any purpose, without prejudice to its rights under this Agreement.

5. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of _____, without reference to principles of choice of law.

6. Successors and Assigns; Headings. All of the terms and provisions shall be binding on and shall inure to the benefit of the parties hereto and their respective heirs, successors, representatives and assigns. The headings used in this Agreement are for the convenience of the parties only and shall not in any way define, limit or describe the scope or intent of any provisions of this Agreement.

7. Waivers. The Company may waive compliance by Authorized Individual with any of the provisions of this Agreement. A waiver of a provision in one circumstance shall not be construed as a waiver of such provision in any other circumstance or a waiver of any other provision. Any waiver must be in writing and signed by the Company to be effective.

8. Complete Agreement. This Agreement expresses the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes any prior agreement with respect thereto.

9. Effectiveness. This Agreement shall not be effective, and access to the Disaggregated Data shall not be provided to Authorized Individual, unless and until it is signed by Authorized Individual, whose signature is notarized, and is received by the Company.

10. No Copies; Return of Data. Authorized Individual agrees not to copy Disaggregated Data in any manner, other than as necessary for the creation of Aggregated Data. Authorized Individual further agrees that, upon the conclusion of the preparation of industry-wide actuarial tables for Individual Disability Insurance or actuarial studies or actuarial reports that relate to creating or supplementing industry-wide actuarial tables for Individual Disability Insurance in response to a Request, Authorized Individual shall return the Disaggregated Data and all copies made of the Disaggregated Data to the Company.

IN WITNESS WHEREOF, Authorized Individual has executed and delivered this Confidentiality Agreement as an instrument under seal, effective as of the date first above written, regardless of the actual date of execution and delivery.

UNUMProvident Corporation, Inc.

Date: _____

By: _____

Title: _____

Authorized Individual

Date: _____

Sworn to before me this
____ day of _____, _____

Notary Public