

UNUMPROVIDENT CORP

Form 424B3

February 09, 2007

Table of Contents

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated February 9, 2007.

Filed Pursuant to Rule 424(B)(3)
Registration No.: 333-115485

Preliminary Prospectus Supplement

(to Prospectus dated August 6, 2004)

UnumProvident Corporation

\$

% Senior Notes due 2009

This prospectus supplement relates to the remarketing and interest rate reset of \$300,000,000 aggregate principal amount of 5.085% senior notes issued by UnumProvident Corporation in May 2004, which we refer to in this prospectus supplement as the senior notes. The senior notes were issued as a component of our 8.25% Adjustable Conversion-Rate Equity Security Units, which we refer to in this prospectus supplement as the equity security units. Each equity security unit currently consists of (i) a contract obligating the holder to purchase, for \$25, shares of UnumProvident common stock on May 15, 2007, and (ii) a 1/40, or 2.5%, ownership interest in a senior note of UnumProvident, with a principal amount of \$1,000.

The senior notes will mature on May 15, 2009. We will make a quarterly interest payment on the senior notes in arrears on February 15, 2007 and May 15, 2007 and, following the stock purchase date of May 15, 2007, we will make semi-annual interest payments in arrears on each of May 15 and November 15 until maturity on May 15, 2009. The interest rate on the senior notes will be reset at % per annum, effective on and after February , 2007. The senior notes are issuable in denominations of \$1,000 and integral multiples of \$1,000.

The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated debt. In addition, the senior notes are structurally subordinated to any indebtedness of our subsidiaries.

Edgar Filing: UNUMPROVIDENT CORP - Form 424B3

As of December 31, 2006, we had approximately \$2,659.6 million of senior debt outstanding and the aggregate amount of indebtedness of our subsidiaries (excluding intercompany liabilities) was approximately \$747.6 million. If a special event occurs and is continuing, we may, at our option, redeem the senior notes in whole, but not in part, at the redemption price described in this prospectus supplement under "Description of the Remarketed Senior Notes - Special event redemption."

In this remarketing, we may submit an order to purchase a portion of the senior notes not to exceed \$150 million in aggregate principal amount. If our order is accepted, we will retire all the senior notes we purchase. We will not receive any proceeds from the remarketing. See "Use of Proceeds" in this prospectus supplement.

Investing in the senior notes involves risks. We urge you to carefully read the Risk Factors section beginning on page S-14 of this prospectus supplement before you make any decision to invest in the senior notes.

Neither the Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of these senior notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Senior	
	Note	Total
Price to the public (1)	%	\$
Remarketing fee to remarketing agent (2)	%	\$

(1) Plus accrued interest from and including February , 2007, if settlement occurs after that date.
(2) Based on a remarketing fee of 0.25% of the remarketing value. A portion of the remarketing fee will be rebated to UnumProvident Corporation upon the closing of this offering.

The senior notes are not, and are not expected to be, listed on any securities exchange or included in any automated quotation system.

The remarketing agent expects to deliver the senior notes in book-entry form only through the facilities of The Depository Trust Company on or about February , 2007.

Remarketing Agent

JPMorgan

February , 2007

Table of Contents

TABLE OF CONTENTS

	Page
Prospectus Supplement	
<u>About This Prospectus Supplement</u>	S-2
<u>Prospectus Supplement Summary</u>	S-3
<u>Risk Factors</u>	S-14
<u>Relationship of the Equity Security Units to the Remarketing</u>	S-23
<u>Cautionary Statements Concerning Forward-Looking Statements</u>	S-24
<u>Use of Proceeds</u>	S-26
<u>Consolidated Ratios of Earnings to Fixed Charges</u>	S-26
<u>Description of the Remarketed Senior Notes</u>	S-27
<u>U.S. Federal Income Tax Consequences</u>	S-32
<u>Plan of Distribution</u>	S-37
<u>Validity of the Securities</u>	S-38
<u>Experts</u>	S-38
<u>Where You Can Find More Information</u>	S-40
	Page
Prospectus	
<u>Where You Can Find More Information</u>	i
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	ii
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	13
<u>Use of Proceeds</u>	21
<u>Price Range of Common Stock and Dividends</u>	21
<u>Consolidated Ratio of Earnings to Fixed Charges</u>	21
<u>Overview of ACES Units</u>	22
<u>Accounting Treatment</u>	23
<u>Description of the Equity Security Units</u>	24
<u>Description of the Senior Notes</u>	44
<u>U.S. Federal Income Tax Consequences</u>	54
<u>ERISA Considerations</u>	64
<u>Description of Common Stock</u>	66
<u>Selling Securityholders</u>	69
<u>Plan of Distribution</u>	72
<u>Validity of the Units</u>	74
<u>Experts</u>	74

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

You should read this prospectus supplement along with the prospectus that follows, and the documents incorporated by reference in this and that document. The information contained in or incorporated by reference into this prospectus supplement supersedes any inconsistent information contained in the accompanying prospectus. You should rely only on the information contained or incorporated by reference in this prospectus supplement and, except as stated above, in the accompanying prospectus. We and the remarketing agent have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the remarketing agent are not making an offer to sell these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement is accurate as of any date other than the date of this prospectus supplement.

Unless we have indicated otherwise, or the context otherwise requires, references in this prospectus supplement and the accompanying prospectus to UnumProvident, the Company, we, us, and our or similar terms are to UnumProvident Corporation and its subsidiaries.

S-2

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary contains selected information about us and this offering. Because this is a summary, it may not contain all the information that may be important to you. You should read this entire prospectus supplement and the accompanying prospectus carefully, including, but not limited to, the information set forth under Risk Factors and our consolidated financial statements and the schedules and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations and the other information incorporated by reference into this prospectus supplement and the accompanying prospectus.

UnumProvident Corporation

We are the parent holding company for a group of insurance and non-insurance companies that collectively operate throughout the U.S. and the U.K. Our principal operating subsidiaries in the U.S. are Unum Life Insurance Company of America, Provident Life and Accident Insurance Company, The Paul Revere Life Insurance Company, and Colonial Life & Accident Insurance Company, and, in the U.K., Unum Limited. We are the largest provider of group and individual income protection insurance products and a leading provider of life, accident, and long-term care products in the U.S. and the U.K. We also provide a complementary portfolio of other insurance products, including long-term care insurance, life insurance, employer- and employee-paid group benefits, and other related services.

Following several years of operational and financial restructuring and given the progress we have made both operationally and financially in recent years, we believe we have essentially become a new company, and as part of our branding initiative to signal this change, we announced our intention to change our name from UnumProvident Corporation to Unum Group. While this change is pending required approvals, we changed our operating segment names as a part of this branding initiative. We have three major business segments: Unum US, Unum UK, and Colonial, as well as the Individual Income Protection Closed Block segment, Other segment, and Corporate segment. Unum US and Unum UK were previously referred to as U.S. Brokerage and Unum Limited. The names were changed in conjunction with our branding initiative. The Unum US segment includes insurance for loss of income due to either sickness or injury or the loss of two or more activities of daily living. Included within this segment are group income protection, comprised of long-term and short-term income protection insurance; group life, comprised of group life insurance, accidental death and dismemberment and special risk insurance; and the supplemental and voluntary insurance segment, comprised of individual income protection insurance, voluntary worksite benefits and group and individual long-term care insurance. The products in our Unum US segment are marketed through our field sales personnel who work in conjunction with independent brokers and consultants. For the sale of individual income protection and individual long-term products, we use a distribution model which provides independent brokers and consultants with the option of direct access to a sales support center centrally located in our corporate offices. The Unum UK segment is comprised mainly of insurance for group income protection, group life and individual income protection. The Colonial segment includes insurance for life, income protection, accident and sickness, cancer, and critical illness issued by Colonial Life & Accident Insurance Company and marketed primarily to employees through an agency sales force and brokers. The Individual Income Protection-Closed Block segment is generally comprised of individual income protection policies

Table of Contents

in force prior to our substantial changes in product offerings, pricing, distribution, and underwriting that generally occurred during the period of 1994 through 1998. A minimal amount of new business continued to be sold in this segment subsequent to these changes, but we ceased selling new policies in this segment at the beginning of 2004, other than update features contractually allowable on existing policies. The Other segment includes Unum US insured products not actively marketed (with the exception of certain individual income protection products), including individual life and corporate-owned life insurance, reinsurance pools and management operations, group pension, health insurance and individual annuities. The Corporate segment includes investment income on corporate assets not specifically allocated to a line of business, corporate interest expense, and certain corporate income and expense not allocated to a line of business. The results of GENEX Services, Inc. (GENEX), which were previously included in the Other segment, are now reported as discontinued operations. See Sale of Genex Services, Inc. below for more information.

Ratings

Standard & Poor's Ratings Services, Moody's Investors Service, Inc., Fitch, Inc. and A.M. Best Company are among the third parties that provide assessments of our overall financial position. Ratings from these agencies for financial strength are available for certain of our U.S. insurance subsidiaries. Financial strength ratings are based primarily on statutory financial information for these individual insurance companies. These debt ratings are based primarily on consolidated financial information prepared using generally accepted accounting principles. Both financial strength ratings and debt ratings incorporate qualitative analyses by rating agencies on an ongoing basis.

The table below reflects, as of the date of this prospectus supplement, the senior debt ratings for us and the financial strength ratings for our U.S. insurance company subsidiaries.

	A.M. Best	Fitch	Moody's	S&P
Senior Debt	bbb- (Good)	BBB- (Good)	Ba1 (Speculative)	BB+ (Speculative)
U.S. Insurance Subsidiaries				
Provident Life & Accident	A-(Excellent)	A-(Strong)	Baa1 (Adequate)	BBB+(Good)
Provident Life & Casualty	A-(Excellent)	Not Rated	Not Rated	Not Rated
Unum Life of America	A-(Excellent)	A-(Strong)	Baa1 (Adequate)	BBB+(Good)
First Unum Life	A-(Excellent)	A-(Strong)	Baa1 (Adequate)	BBB+(Good)
Colonial Life & Accident	A-(Excellent)	A-(Strong)	Baa1 (Adequate)	BBB+(Good)
Paul Revere Life	A-(Excellent)	A-(Strong)	Baa1 (Adequate)	BBB+(Good)
Paul Revere Variable	A-(Excellent)	A-(Strong)	Baa1 (Adequate)	BBB+(Good)

Table of Contents

These ratings are not recommendations to buy, sell, or hold our securities or those of our subsidiaries. Each rating is subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating.

See Ratings included in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 for further discussion of our ratings from these agencies.

Recent Developments

On January 29, 2007, the Company reported its results for the fourth quarter of 2006. Net income was \$276.1 million (\$0.80 per diluted common share) for the fourth quarter of 2006, compared to net income of \$137.5 million (\$0.43 per diluted common share) for the fourth quarter of 2005.

Included in the results for the fourth quarter of 2006 is income of \$93.9 million after tax (\$0.27 per diluted common share) resulting from debt extinguishment costs of \$1.9 million after tax, income of \$3.9 million after tax attributable to the receipt of interest and tax refunds on prior year tax items in excess of what was previously provided, and an income tax benefit of approximately \$91.9 million primarily as the result of group relief benefits obtained from the use of net operating losses in a foreign jurisdiction in which the Company's businesses operate. Net income also includes net realized after tax investment gains of \$0.5 million in the fourth quarter of 2006 and \$1.5 million in the fourth quarter of 2005. Additionally, the Company has entered into an agreement to sell GENEX. GENEX is therefore accounted for as an asset held for sale at December 31, 2006 and reported as a discontinued operation.

Adjusting for these items, income from continuing operations on an after tax basis (excluding the net realized investment gains, special tax items, and debt extinguishment costs) was \$179.8 million (\$0.52 per diluted common share) in the fourth quarter of 2006, compared to \$133.3 million (\$0.42 per diluted common share) in the fourth quarter of 2005.

Results by Segment

In the following discussions of the Company's segment operating results, operating revenue excludes net realized investment gains and losses. Operating income or operating loss excludes income tax and net realized investment gains and losses.

Unum US reported operating income of \$135.9 million in the fourth quarter of 2006, compared to income of \$103.9 million in the fourth quarter of 2005. Premium income declined very slightly to \$1,302.0 million in the fourth quarter of 2006 from \$1,309.0 million in the fourth quarter of 2005.

Within this segment, group income protection reported operating income of \$35.1 million in the fourth quarter of 2006 compared to \$13.6 million in the fourth quarter of 2005. The benefit ratio was 94.0 percent in the fourth quarter of 2006 compared to 93.9 percent in the fourth quarter of 2005 and 94.5 percent in the third quarter of 2006, excluding claim reassessment charges. The

Edgar Filing: UNUMPROVIDENT CORP - Form 424B3

Company experienced continued improvements in its claims management while submitted new claim incidence remained generally stable. Premium income in group income protection declined 0.7 percent to \$625.1 million in the fourth quarter of 2006, compared to \$629.7 million in the fourth quarter of 2005, due to a more disciplined approach to pricing, renewals, and risk selection. Net

S-5

Table of Contents

investment income was \$168.4 million in the fourth quarter of 2006 compared to \$152.3 million in the same period last year, reflecting a higher level of bond call prepayment fees in the current quarter. Sales of fully insured group long-term income protection products in the fourth quarter of 2006 increased 30.8 percent to \$89.1 million, compared to \$68.1 million in the year ago quarter. Sales of fully insured group short-term income protection products in the fourth quarter of 2006 increased 2.8 percent to \$33.5 million, compared to \$32.6 million in the year ago quarter. Premium persistency in the group long-term income protection line of business improved to 87.8 percent for full year 2006 compared to 84.8 percent for full year 2005. Premium persistency in the group short-term income protection line of business improved to 85.6 percent for full year 2006 compared to 79.6 percent for full year 2005.

Group life and accidental death and dismemberment reported a 6.4 percent increase in operating income to \$46.3 million in the fourth quarter of 2006, compared to \$43.5 million in the fourth quarter of 2005. Premium income declined 4.7 percent to \$348.8 million in the fourth quarter of 2006, compared to \$366.1 million in the fourth quarter of 2005, reflecting lower sales and persistency in recent quarters as the Company has focused on improving the profitability of the business in a competitive market environment. Sales of group life products in the fourth quarter of 2006 declined 13.7 percent to \$55.4 million, compared to \$64.2 million in the year ago quarter. Premium persistency in the group life line of business improved to 81.2 percent for the full year 2006, compared to 78.3 percent for the full year 2005.

Unum US supplemental and voluntary lines of business reported a 16.5 percent increase in operating income to \$54.5 million in the fourth quarter of 2006, compared to \$46.8 million in the fourth quarter of 2005. The improvement in earnings was driven by improved results in all three lines of business individual income protection recently issued, voluntary workplace benefits, and long-term care. Premium income increased 4.8 percent to \$328.1 million in the fourth quarter of 2006, compared to \$313.2 million in the fourth quarter of 2005. New annualized sales in the voluntary workplace benefits line of business declined 7.3 percent in the fourth quarter of 2006 compared to the fourth quarter of 2005, while sales in the individual income protection recently issued line increased 8.6 percent and long-term care increased 46.3 percent compared with the year ago quarter.

Unum UK reported operating income of \$81.8 million in the fourth quarter of 2006, a 65.9 percent increase compared to \$49.3 million in the fourth quarter of 2005. Operating income benefited from a decline in the benefit ratio to 60.2 percent in the fourth quarter of 2006 compared to 65.5 percent in the fourth quarter of 2005, resulting from lower claim incidence in the group life line of business and continued favorable risk management results in the group income protection line. Operating income also benefited from higher net investment income and a favorable year over year foreign currency exchange rate. The amortization of deferred acquisition costs in the fourth quarter of 2006 was higher than the year ago quarter reflecting the acceleration of amortization due to the run-off of a small in-force block of individual business. Premium income increased 16.5 percent to \$231.0 million in the fourth quarter of 2006, compared to \$198.2 million in the fourth quarter of 2005. Sales increased 76.7 percent to \$44.0 million in the fourth quarter of 2006, compared to \$24.9 million in the fourth quarter of 2005. In local currency, sales in the quarter increased 58.7 percent.

Colonial reported a 30.5 percent increase in operating income to \$50.5 million in the fourth quarter of 2006, compared to \$38.7 million in the fourth quarter of 2005. Results in the fourth

Table of Contents

quarter of 2006 benefited from a lower benefit ratio due to continued favorable risk experience in the income protection and life lines of business. Results in the year ago quarter were negatively impacted by litigation costs of \$6.8 million. Premium income increased 8.3 percent to \$217.2 million in the fourth quarter of 2006, compared to \$200.5 million in the fourth quarter of 2005, reflecting current and prior period sales growth and stable persistency. Sales increased 4.7 percent to \$101.9 million in the fourth quarter of 2006 from \$97.3 million in the fourth quarter of 2005, and for full year 2006 increased 10.0 percent to \$315.1 million from \$286.4 million for full year 2005. Through year-end 2006, new agent contracts increased 20.3 percent to 2,490 and new accounts increased 10.8 percent to 6,990. Average weekly producers for the year 2006 declined slightly to 1,857 compared to 1,863 in 2005, while average weekly premium per agent increased 10.3 percent to \$3,263.

The Individual Income Protection Closed Block segment reported operating income of \$28.7 million in the fourth quarter of 2006, compared to \$33.7 million in the fourth quarter of 2005. Net investment income for the fourth quarter of 2006 was \$205.5 million compared to \$207.5 million in the fourth quarter of 2005. The interest adjusted loss ratio increased to 93.8 percent in the fourth quarter of 2006 compared to 89.0 percent in the fourth quarter of 2005.

The Other segment reported operating income of \$6.4 million in the fourth quarter of 2006, compared to \$4.7 million in the fourth quarter of 2005, reflecting the continued wind down of product lines that are no longer actively marketed. These results exclude the results of GENEX for all periods reported.

The Corporate segment, which includes investment earnings on corporate assets not specifically allocated to a line of business, corporate interest expense, and certain other corporate expenses, reported a loss of \$38.4 million in the fourth quarter of 2006, compared to a loss of \$43.0 million in the fourth quarter of 2005. Interest expense in the fourth quarter of 2006 was \$45.8 million compared to \$52.5 million in the fourth quarter of 2005. The segment results also include debt extinguishment costs of \$2.7 million before tax.

Sale of GENEX Services, Inc.

On January 24, 2007, the Company announced that it had entered into a definitive agreement for the sale of its wholly-owned subsidiary, GENEX, to Trident IV, L.P., a fund managed by Stone Point Capital LLC. The sale reflects the Company's strategy to focus on its core business areas and deploy its capital to the growth of these business lines. The sale is looked upon as a favorable event for both entities as it will allow GENEX to create its own growth strategy to further build its workers' compensation business. The sale is expected to close in the first half of 2007.

Non-GAAP Reconciliation

We analyze our performance using non-GAAP financial measures which exclude certain items and the related tax thereon from net income. We believe operating income or loss, excluding realized investment gains and losses, which are recurring, and excluding certain other items specified in the non-GAAP reconciliation, is a better performance measure and a better indicator of the profitability and underlying trends in the business. Realized investment gains and losses are dependent on market conditions and general economic events and are not necessarily related to decisions regarding our underlying business. The exclusion of certain other items specified in

Table of Contents

the non-GAAP reconciliation also enhances the understanding and comparability of our performance and the underlying fundamentals in our operations, but this exclusion is not an indication that similar items may not recur. For reconciliation to the most directly comparable GAAP measures, refer to the table below.

Reconciliation of Non-GAAP Financial Measures

	Three Months Ended		Three Months Ended	
	December 31, 2006		December 31, 2005	
	(in millions)	Per Share*	(in millions)	Per Share*
Net Income	\$ 276.1	\$ 0.80	\$ 137.5	\$ 0.43
Net Realized Investment Gain	0.7		2.4	
Income Tax Expense on Net Realized Investment Gain	0.2		0.9	
Income from Discontinued Operations, Net of Tax	1.9	0.01	2.7	0.01
After-tax Operating Income from Continuing Operations Excluding Net Realized Investment Gain	273.7	0.79	133.3	0.42
Special Tax Items and Debt Extinguishment Costs	93.9	0.27		
After-tax Operating Income from Continuing Operations Excluding Net Realized Investment Gain, Special Tax Items, and Debt Extinguishment Costs	\$ 179.8	\$ 0.52	\$ 133.3	\$ 0.42

	Three Months Ended	
	(in millions)	Benefit Ratio**
Unum US Group Income Protection Premium Income	\$ 615.7	
Benefits and Change in Reserves for Future Benefits	858.4	139.4%
Regulatory Reassessment Charge	276.4	
Benefits and Change in Reserves for Future Benefits, Excluding Regulatory Reassessment Charge	582.0	94.5%

-
- * Assuming Dilution
 - ** Benefits and Change in Reserves for Future Benefits as a percent of Premium Income

S-8

Table of Contents**Selected Earnings Data**

UnumProvident Corporation

and Subsidiaries

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2006 (unaudited)	2005	2006 (unaudited)	2005
(\$ in millions, except share data)				
Segment Operating Revenue	\$ 2,695.4	\$ 2,617.8	\$ 10,533.1	\$ 10,266.0
Net Realized Investment Gain (Loss)	0.7	2.4	2.2	(6.7)
Total Revenue	\$ 2,696.1	\$ 2,620.2	\$ 10,535.3	\$ 10,259.3
Operating Income by Segment	\$ 264.9	\$ 187.3	\$ 463.2	\$ 700.6
Net Realized Investment Gain (Loss)	0.7	2.4	2.2	(6.7)
Income Tax (Benefit)	(8.6)	54.9	61.8	189.9
Income from Continuing Operations	274.2	134.8	403.6	504.0
Income from Discontinued Operations	1.9	2.7	7.4	9.6
Net Income	\$ 276.1	\$ 137.5	\$ 411.0	\$ 513.6
PER SHARE INFORMATION				
Assuming Dilution:				
Income from Continuing Operations	\$ 0.79	\$ 0.42	\$ 1.21	\$ 1.61
Income from Discontinued Operations	0.01	0.01	0.02	0.03
Net Income	\$ 0.80	\$ 0.43	\$ 1.23	\$ 1.64
Basic:				
Income from Continuing Operations	\$ 0.80	\$ 0.45	\$ 1.25	\$ 1.71
Income from Discontinued Operations	0.01	0.01	0.02	0.03
Net Income	\$ 0.81	\$ 0.46	\$ 1.27	\$ 1.74
Weighted Average Common Shares Basic (000s)	340,812.6	296,086.4	324,654.9	295,776.4
Weighted Average Common Shares Assuming Dilution (000s)	345,527.8	318,681.4	334,361.7	312,512.6
For the Year Ended December 31, 2006				
Ratio of Earnings to Fixed Charges*	3.1			

* For purposes of computing the ratio of earnings to fixed charges, earnings as adjusted consist of income from continuing operations before income taxes and cumulative effect of accounting principle change plus fixed charges. Fixed charges consist of interest and debt expense,

Edgar Filing: UNUMPROVIDENT CORP - Form 424B3

interest credited to policyholders, amortization of deferred debt costs, and the estimated interest portion of rent expense.

S-9

Table of Contents

The Remarketing

Issuer	UnumProvident Corporation
Senior notes	\$ million aggregate principal amount of senior notes due May 15, 2009, remarketed on behalf of holders of equity security units for which the senior notes serve as collateral and any holders of senior notes held separately from the equity security units who elect to participate in the remarketing.
Maturity date	The senior notes will mature on May 15, 2009.
Interest	The senior notes will bear interest at the reset rate of % (to be determined on February 12, 2007). Interest on the senior notes will accrue at the reset rate from and including February , 2007.
Interest payment dates	February 15, 2007 and May 15, 2007 and, after the stock purchase date of May 15, 2007, semi-annually on May 15 and November 15 of each year. The first interest payment on the remarketed senior notes at the reset rate will be made on May 15, 2007.
Special event redemption	If a special event occurs and is continuing, we may, at our option, redeem the senior notes in whole, but not in part, at the redemption price described under Description of the Remarketed Senior Notes Special event redemption in this prospectus supplement.
Covenants	The indenture governing the senior notes does not generally contain financial or operating covenants or restrictions, such as limitations on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us. The indenture contains no covenants or other provisions to afford protection to holders of the senior notes in the event we are involved in a highly leveraged transaction or other similar transaction that may adversely affect those holders.
Listing	The senior notes are not, and are not expected to be, listed on any national securities exchange or included in any automated quotation system.
Governing law	The senior notes and the indenture are governed by the laws of the State of New York.
Trustee, registrar and paying agent	The Bank of New York
Risk factors	An investment in the senior notes involves risk. You should carefully consider the information set forth under Risk Factors beginning on page S-14 of this prospectus supplement and all of the information

Table of Contents

included or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest in the senior notes.

Use of proceeds

We will not receive any of the proceeds from this remarketing. A portion of the remarketing fee will be rebated to us upon the closing of this offering. See Plan of Distribution. Proceeds from the remarketing attributable to the senior notes that are part of the normal equity security units that participated in the remarketing will be used as follows:

to purchase a treasury portfolio that will then be pledged to us, on behalf of the holders of normal equity security units, as security against the purchase contract obligations of such holders;

to pay to the remarketing agent a remarketing fee of not more than 0.25% of the remarketing value attributable to the normal equity security units that participated in the remarketing; and

any remaining proceeds will be remitted to the holders of the normal equity security units participating in the remarketing, on a pro rata basis.

Proceeds from the remarketing attributable to the separate notes, if any, that participated in the remarketing will be used as follows:

to pay to the remarketing agent a remarketing fee of not more than 0.25% of the remarketing value attributable to the separate notes that participated in the remarketing; and

to pay the holders of separate notes that participated in the remarketing a portion of the proceeds attributable to the separate notes.

The treasury portfolio is a portfolio of U.S. Treasury securities that will pay, on or prior to May 15, 2007, an amount of cash equal to:

the interest payment scheduled to be payable on that date on the senior notes, assuming for that purpose, even if not true, that the interest rate on the senior notes is the current rate of 5.085% per annum, prior to any interest rate reset; and

the stated principal amount of \$1,000 for each remarketed senior note.

Our Participation in the Remarketing

In this remarketing, we may submit an order to purchase a portion of the senior notes not to exceed \$150 million in aggregate principal amount of the senior notes available to be remarketed, although we make no commitment to do so. If our order is accepted, we will retire all the senior notes we purchase in the remarketing. For a more complete discussion of the senior notes, see Description of the Remarketed Senior Notes.

Table of Contents**Summary Selected Consolidated Financial Information**

The following is our selected consolidated financial information. The financial position and statement of operations data as of and for each of the years ended December 31, 2001 through December 31, 2005 are taken from our audited consolidated financial statements as of the end of and for each such year and our financial position and statement of operations data as of September 30, 2006 and 2005 and for the nine months ended September 30, 2006 and September 30, 2005 are taken from our unaudited consolidated financial statements, as revised to reflect discontinued operations resulting from our signing of a definitive agreement for the sale of our wholly-owned subsidiary, GENEX. You should read this selected consolidated financial information in conjunction with our consolidated financial statements and notes that are contained in our Annual Report on Form 10-K for the year ended December 31, 2005 and our Quarterly Reports on Form 10-Q for the quarters ended September 30, 2006, June 30, 2006 and March 31, 2006 which are incorporated by reference into this prospectus supplement.

	At or for the		At or for the Year Ended December 31,				
	Nine Months Ended September 30,		2005	2004	2003	2002	2001
(in millions of dollars)	2006	2005					
Statement of Operations Data							
Revenue							
Premium Income	\$ 5,926.2	\$ 5,827.2	\$ 7,815.6	\$ 7,839.6	\$ 7,615.7	\$ 7,151.1	\$ 6,797.2
Net Investment Income	1,719.2	1,623.4	2,188.3	2,158.7	2,158.4	2,028.9	1,951.1
Net Realized Investment Gain (Loss)	1.5	(9.1)	(6.7)	29.2	(173.8)	(309.1)	(100.0)
Other Income	192.3	197.6	262.1	260.3	218.3	213.4	203.6
Total	7,839.2	7,639.1	10,259.3	10,287.8	9,818.6	9,084.3	8,851.9
Benefits and Expenses							
Benefits and Change in Reserves for Future							
Benefits (1)	5,764.3	5,280.6	7,083.2	7,248.4	7,868.1	6,324.8	5,983.9
Commissions	613.5	609.4	804.7	842.3	844.1	820.2	744.1
Interest and Debt Expense and Cost Related to							
Early Retirement of Debt	169.1	155.5	208.0	207.1	187.2	162.4	169.6
Other Expenses (2)	1,092.5	1,089.4	1,469.5	2,265.7	1,371.6	1,202.6	1,214.2
Total	7,639.4	7,134.9	9,565.4	10,563.5	10,271.0	8,510.0	8,111.8
Income (Loss) from Continuing Operations Before							
Income Tax and Cumulative Effect of Accounting							
Principle Change	199.8	504.2	693.9	(275.7)	(452.4)	574.3	740.1
Income Tax (Benefit)	70.4	134.9	189.9	(74.3)	(177.9)	188.2	211.1
Income (Loss) from Continuing Operations Before	129.4	369.3	504.0	(201.4)	(274.5)	386.1	529.0
Cumulative Effect of Accounting Principle Change							
Income (Loss) from Discontinued							
Operations (3)	5.5	6.8	9.6	(51.6)	(151.8)	22.2	12.2
Cumulative Effect of Accounting Principle Change,							
Net of Income Tax (4)					39.9	(7.1)	
Net Income (Loss)	\$ 134.9	\$ 376.1	\$ 513.6	\$ (253.0)	\$ (386.4)	\$ 401.2	\$ 541.2
Balance Sheet Data							
Assets	\$ 52,171.5	\$ 51,146.9	\$ 51,866.8	\$ 50,832.3	\$ 49,718.3	\$ 45,259.5	\$ 42,442.7

Edgar Filing: UNUMPROVIDENT CORP - Form 424B3

Long-term Debt (5)	\$ 2,561.6	\$ 2,862.0	\$ 3,261.6	\$ 2,862.0	\$ 2,789.0	\$ 1,914.0	\$ 2,004.2
Company-Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trust Holding Solely Junior Subordinated Debt Securities of the Company (5)						\$ 300.0	\$ 300.0
Accumulated Other Comprehensive Income	\$ 743.5	\$ 1,167.0	\$ 1,163.5	\$ 1,481.1	\$ 1,171.2	\$ 777.4	\$ 111.3
Other Stockholders Equity	6,850.9	6,070.7	6,200.4	5,743.0	6,099.8	6,065.8	5,828.6
Total Stockholders Equity	\$ 7,594.4	\$ 7,237.7	\$ 7,363.9	\$ 7,224.1	\$ 7,271.0	\$ 6,843.2	\$ 5,939.9

S-12

Table of Contents

- (1) Included are regulatory claim reassessment charges of \$396.4 million for the nine months ended September 30, 2006, \$52.7 million for the nine months ended September 30, 2005 and full year 2005, and \$84.5 million in 2004; reserve strengthening of \$110.6 million in 2004 related to the restructuring of the individual income protection closed block; and reserve strengthening of \$894.0 million in 2003 for Unum US group income protection.
- (2) Includes the net increase in deferred policy acquisition costs, amortization of value of business acquired and goodwill, compensation expense, and other operating expenses. Included in these expenses are regulatory claim reassessment charges and broker compensation settlement expenses of \$33.5 million for the nine months ended September 30, 2006, \$22.3 million for the nine months ended September 30, 2005 and full year 2005, and \$42.5 million in 2004; and in 2004, charges related to the impairment of the individual income protection closed block deferred policy acquisition costs, value of business acquired, and goodwill balances of \$282.2 million, \$367.1 million, and \$207.1 million, respectively.
- (3) Amounts reported for 2004 and 2003 include after-tax losses of \$71.3 million and \$196.9 million, respectively, from the Canadian branch sale and write-downs.
- (4) We adopted the provisions of Statement of Financial Accounting Standards No. 133 Implementation Issue B36, *Embedded Derivatives: Modified Coinsurance Arrangements and Debt Instruments That Incorporate Credit Risk Exposure That Are Unrelated or Only Partially Related to the Creditworthiness of the Obligor Under Those Instruments*, in 2003 and Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, in 2002.
- (5) In 2003, the Financial Accounting Standards Board issued Interpretation No. 46 (FIN 46), *Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin (ARB) No. 51*. We adopted the provisions of FIN 46 in 2003 and subsequently adopted FIN 46(R) (revised December 2003) effective March 15, 2004, resulting in the elimination of the company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely junior subordinated debt securities of the Company and an increase of \$300.0 million in long-term debt.

S-13

Table of Contents

RISK FACTORS

Investing in the senior notes involves risks. In considering whether you should invest in the senior notes, you should consider all of the information we have included or incorporated by reference in this prospectus supplement and the accompanying prospectus. In particular, you should carefully consider the risk factors described below, which supersede the risk factors described in the accompanying prospectus and described in the documents incorporated by reference prior to the date of this prospectus supplement.

Risks related to the senior notes

If an active trading market does not develop for the senior notes, you may not be able to resell your senior notes.

There is currently no public market for the senior notes held separately from the equity security units and we do not expect to list the senior notes on any national securities exchange or include them on any automated quotation system. The liquidity of any market for the senior notes will depend upon various factors, including:

- the number of holders of the senior notes;
- the interest of securities dealers in making a market for the senior notes;
- the overall market for non-investment grade securities;
- our financial performance and prospects; and
- the prospects for companies in our industry generally.

In addition, the liquidity of the trading market in the senior notes, and the market price quoted for the senior notes, may be adversely affected by changes in the overall market for fixed income securities generally. As a result, an active trading market may not develop for the senior notes. If no active trading market develops, you may not be able to resell your senior notes at a price that reflects accrued and unpaid interest, if at all.

We could incur significant additional indebtedness in the future, which could impair our ability to make payments under the senior notes.

The senior notes and the indenture governing the senior notes generally do not contain restrictive covenants, such as a limitation on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us. Thus, we may incur substantial additional indebtedness in the future, which could affect our ability to make payments under the senior notes.

Holders of senior notes have only limited rights of acceleration.

Edgar Filing: UNUMPROVIDENT CORP - Form 424B3

Holders of senior notes may accelerate payment of the principal and accrued and unpaid interest on the senior notes only upon the occurrence and continuation of an event of default. An event of default is generally limited to payment defaults, breaches of specific covenants and specific events of bankruptcy, insolvency and reorganization relating to us.

We may redeem the senior notes upon the occurrence of a special event.

We have the option to redeem the senior notes, on not less than 30 days nor more than 60 days prior written notice, in whole but not in part, at any time if a special event occurs and continues under the circumstances described in this prospectus supplement. See Description of the Remarketed Senior Notes Special event redemption. If we exercise this option, the senior notes

S-14

Table of Contents

will be redeemed at the redemption price described later in this prospectus supplement. If the senior notes are redeemed, we will pay the redemption price in cash to the holders of ownership interests in the senior notes. A special event redemption will be a taxable event to the holders of the senior notes.

Because we are a holding company with no operations of our own, our obligations under the senior notes are effectively subordinated to the obligations of our subsidiaries.

We are a holding company with no operations of our own. Our ability to pay our obligations under the senior notes is dependent upon our ability to obtain cash dividends or other cash payments or loans from our subsidiaries, including our U.S. insurance subsidiaries, intermediate holding company subsidiaries and Unum Limited. Our insurance company subsidiaries are subject to regulatory limitations on the payment of dividends and on other transfers of funds to us, which could impair our ability to meet our debt obligations under the senior notes.

In addition, because we are a holding company, except to the extent that we have priority or equal claims against our subsidiaries as a creditor, our obligations under the senior notes will be effectively subordinated to the obligations of our subsidiaries.

See "Liquidity and Capital Resources" included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 for a discussion of the existing regulatory limitations on dividends.

Uncertainties with respect to the proper application of the contingent payment debt regulations may affect the timing and character of income, gain or loss realized by holders of the senior notes.

Because of the manner in which the interest rate on the senior notes is reset, we believe the senior notes should be classified as contingent payment debt instruments subject to the "noncontingent bond method" for accruing original issue discount for U.S. federal income tax purposes. Assuming the senior notes are so treated, original issue discount will accrue from the issue date of the senior notes and will be included in your gross income for U.S. federal income tax purposes on a constant yield-to-maturity basis, regardless of your usual method of tax accounting, and adjustments will be made to reflect actual payments on the senior notes. A portion of the gain recognized on your disposition of a senior note will generally be treated as ordinary interest income.

Table of Contents

The trading price of the senior notes may not fully reflect the value of their accrued but unpaid interest.

The senior notes may trade at a price that does not fully reflect the value of their accrued but unpaid interest. If you dispose of your senior notes between record dates for interest payments, you will be required to include in gross income for U.S. federal income tax purposes the daily portions of original issue discount through the date of disposition as ordinary income, and to add this amount to your adjusted tax basis in the senior notes disposed of. To the extent the selling price is less than your adjusted tax basis, you will recognize a loss. Some or all of this loss may be capital loss. The deductibility of capital losses for U.S. federal income tax purposes is subject to certain limitations.

If you hold the senior notes in book-entry form, you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until definitive senior notes are issued in exchange for book-entry interests in the senior notes, owners of the book-entry interests will not be considered owners or holders of senior notes. Instead, the common depository, or its nominee, will be the sole holder of the senior notes.

Payments of principal and interest and any other amounts owing on or in respect of the senior notes in global form will be made to The Bank of New York, as paying agent, which will make payments to The Depository Trust Company (DTC). Thereafter, these payments will be credited to DTC participants' accounts (including Euroclear and Clearstream, Luxembourg) that hold book-entry interests in the senior notes in global form and credited by such participants to indirect participants. After payment to DTC or the common depository, none of us, any of our affiliates, the trustee or any payment agent will have any responsibility or liability for any aspect of the records relating to or payments of interest, principal or other amounts to DTC, Euroclear and/or Clearstream, Luxembourg or to owners of book-entry interests.

Unlike holders of the senior notes themselves, owners of book-entry interests will not have the direct right to act upon solicitations for consents or requests for waivers or other actions from holders of the senior notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC, Euroclear and/or Clearstream, Luxembourg or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

The lack of physical certificates could also:

result in payment delays on your senior notes because the trustee will be sending distributions on the senior notes to DTC and Euroclear and Clearstream, Luxembourg instead of directly to you;
make it difficult for you to pledge your senior notes if physical certificates are required by the party demanding the pledge; and
hinder your ability to resell your senior notes because some investors may be unwilling to buy securities that are not in physical form.

Table of Contents

Risks related to our business

The extensive supervision and regulation of our products may affect our ability to offer our products

Our U.S. insurance subsidiaries are subject to extensive supervision and regulation. The regulations may affect the cost or demand for our products and may hinder us from taking desired actions to increase our profitability. Our insurance company subsidiaries may not be able to obtain or maintain necessary licenses, permits, authorizations, or accreditations, or may be able to do so only at great cost. In addition, we may not be able to comply fully with, or obtain appropriate exemptions from, the wide variety of laws and regulations applicable to insurance companies and insurance holding companies. Failure to comply with or to obtain appropriate exemptions under any applicable laws could result in restrictions on our ability to do business in one or more of the jurisdictions in which we operate and could result in fines and other sanctions, which could have a material adverse effect on our business.

Congress, as well as foreign, state, and local governments, could enact legislation related to changes in tax laws that could increase our tax costs or affect the desirability of our products by consumers.

The Employee Retirement Income Security Act (ERISA) was passed by Congress in 1974. One of the purposes of ERISA was to reserve for federal authority the sole power to regulate the field of employee benefits. ERISA eliminated the threat of conflicting or inconsistent state and local regulation of employee benefit plans. In doing so, ERISA pre-empted all state laws except those that specifically regulated the business of insurance. ERISA also provides an exclusive remedial scheme for any action brought by ERISA plan participants and beneficiaries. ERISA has allowed plan administrators and plan fiduciaries to efficiently manage employee benefit plans in the U.S. Most group long-term and short-term income protection plans administered by the Company are governed by ERISA. Changes to ERISA enacted by Congress or via judicial interpretations could adversely affect the risk of managing employee benefit plans, increase the premiums associated with such plans, and ultimately affect their affordability.

Unum Limited is subject to regulation by the Financial Services Authority (FSA) in the U.K. These laws and regulations generally grant supervisory agencies and self-regulatory organizations broad administrative powers, including the power to limit or restrict Unum Limited from doing business in the event that it fails to comply with such laws and regulations.

Many regulatory and governmental bodies have the authority to review our products and business practices and those of our agents and employees. These regulatory or governmental bodies may bring regulatory or other legal actions against us, if, in their view, our practices are improper. These actions can result in substantial fines or restrictions on our business activities and could have a material adverse effect on our business or results of operations.

During 2002 and 2003, we experienced increased market conduct examinations focused specifically on our disability claims handling policies and practices. These examinations by state insurance departments have generally involved a review of complaints from policyholders or insureds on a range of subjects and a review of disability claim files and associated materials from group long-term and individual income protection product lines. Because of the number of market conduct examinations initiated during 2002 and 2003, a coordinated multistate market conduct examination of our disability claims handling practices was organized during 2003 by

Table of Contents

Maine, Massachusetts, and Tennessee, the states of domicile for several of our insurance subsidiaries. In November 2004, certain of our insurance subsidiaries entered into settlement agreements with state insurance regulators upon conclusion of a multistate market conduct examination led by Maine, Massachusetts, and Tennessee relating to disability claims handling practices. A total of 48 states and the District of Columbia were parties to the settlement agreements. In addition, the U.S. Department of Labor, which had been conducting an inquiry relating to certain ERISA plans, was a party to the settlement agreements, and the Office of the New York Attorney General (NYAG), which had engaged in its own investigation of the Company's claims handling practices, notified the Company that it was in support of the settlement and was, therefore, closing its investigation on this issue. In October 2005, certain of our insurance subsidiaries entered into a settlement agreement with the California Department of Insurance (DOI), concluding a market conduct examination and investigation of the subsidiaries' disability claims handling practices. The California DOI had chosen not to join the 2004 multistate settlement agreements.

The 2004 multistate regulatory settlement agreements and the 2005 California DOI settlement agreement resulted in changes in our claim handling practices and a process for reassessing certain claims to determine whether the earlier claim decision was properly decided. Failure to meet the requirements of these settlement agreements could result in a substantial fine. These and other regulatory examinations or investigations could result in, among other things, changes in business practices, including changes in broker compensation and related disclosure practices, changes in the use and oversight of finite reinsurance, changes in governance and other oversight procedures, fines, and other administrative action. Such results, singly or in combination, could injure our reputation, cause negative publicity, adversely affect our debt and financial strength ratings, place us at a competitive disadvantage in marketing or administering our products, or impair our ability to sell or retain insurance policies, thereby adversely affecting our business, and potentially materially adversely affecting the results of operations in a period, depending on our results of operations for the particular period. Determination by regulatory authorities that we or our insurance subsidiaries have engaged in improper conduct could also adversely affect our defense of various lawsuits.

We may be required to adjust our reserves to fund future liabilities, which would adversely affect earnings.

Reserves, whether calculated under GAAP or statutory accounting principles, do not represent an exact calculation of future benefit liabilities but are instead estimates made by us using actuarial and statistical procedures. There can be no assurance that any such reserves will be sufficient to fund our future liabilities in all circumstances. Future loss development could require our reserves to be increased, which would adversely affect earnings in current and future periods. Adjustments to reserve amounts may be required in the event of changes from the assumptions regarding future morbidity (the incidence of claims and the rate of recovery, including the effects thereon of inflation and other societal and economic factors), persistency, mortality, and interest rates used in calculating the reserve amounts.

Our financial strength ratings could be downgraded by the ratings agencies which could adversely affect our relationships with the distributors of our products and services and our ability to raise capital.

We compete based in part on the financial strength ratings provided by rating agencies. The downgrade of our financial strength ratings could adversely affect us by, among other things, adversely affecting relationships with distributors of our products and services and retention of

Table of Contents

our sales force, negatively impacting persistency and new sales, and generally adversely affecting our ability to compete. Changes in our debt ratings could have an effect on our ability to raise capital and on our cost of capital.

We are the subject of a number of lawsuits that may result in a negative outcome toward us and could materially adversely affect our results of operations.

Our directors and officers and our subsidiaries' directors and officers have been sued in over 20 purported class action and stockholder derivative lawsuits. These lawsuits are in a very preliminary stage, the outcome is uncertain, and we are unable to estimate a range of reasonably possible losses. Reserves have not been established for these matters. An adverse outcome in one or more of these actions could, depending on the nature, scope, and amount of the ruling, materially adversely affect our results of operations, encourage other litigation, and limit our ability to write new business, particularly if the adverse outcomes negatively impact certain of our ratings.

In addition to the claim related litigation described above, we and our insurance subsidiaries, as part of our normal operations in managing disability claims, are engaged in claim litigation where disputes arise as a result of a denial or termination of benefits. Typically those lawsuits are filed on behalf of a single claimant or policyholder, and in some of these individual actions punitive damages are sought, such as claims alleging bad faith in the handling of insurance claims. For our general claim litigation, we maintain reserves based on experience to satisfy judgments and settlements in the normal course. We expect that the ultimate liability, if any, with respect to general claim litigation, after consideration of the reserves maintained, will not be material to our consolidated financial position. Nevertheless, given the inherent unpredictability of litigation, it is possible that an adverse outcome in certain claim litigation involving punitive damages could, from time to time, have a material adverse effect on our results of operations in a period, depending on our results of operations for the particular period. We are unable to estimate a range of reasonably possible punitive losses.

In certain circumstances, deferred policy acquisition costs and the value of business acquired may not be recovered and goodwill may be impaired.

We defer certain costs incurred in acquiring new business and expense these costs over the life of the related policies. These costs include certain commissions, other agency compensation, selection and policy issue expenses, and field expenses. Value of business acquired (VOBA) represents the present value of future profits recorded in connection with the acquisition of a block of insurance policies. Deferred policy acquisition costs and VOBA are amortized based primarily upon expected future premium income of the related insurance policies. Recoverability testing for deferred policy acquisition costs and VOBA is performed when, in our judgment, adverse deviations from original assumptions have occurred and may be likely to continue such that recoverability of deferred policy acquisition costs and/or VOBA on a line of business is questionable. Insurance contracts are grouped on a basis consistent with our manner of acquiring, servicing, and measuring profitability of the contracts. If recoverability testing indicates that either deferred policy acquisition costs and/or VOBA are not recoverable, the deficiency is charged to expense.

Goodwill is not amortized, but we review on an annual basis the carrying amount of goodwill for indications of impairment, with consideration given to financial performance and other relevant factors. In accordance with accounting guidance, we test for impairment at either the operating segment level or one level below. In addition, certain events including, but not limited to, a

Table of Contents

significant adverse change in legal factors or the business environment, an adverse action by a regulator or rating agency, or unanticipated competition would cause us to review goodwill for impairment more frequently than annually.

Our profitability may be affected by rate competition, frequency and severity of claims, lapse rates, government regulation, interest rates and other general business considerations.

All of our businesses are highly regulated and competitive. Our profitability is affected by a number of factors, including rate competition, frequency and severity of claims, lapse rates, government regulation, interest rates, and general business considerations. There are many insurance companies which actively compete with us in our lines of business, some of which are larger and have greater financial resources, and there is no assurance that we will be able to compete effectively against such companies in the future.

A failure to maintain adequate levels of surplus capital may result in increased regulatory scrutiny or a downgrade by the private rating agencies.

The capacity for an insurance company's growth in premiums is in part a function of its statutory surplus. Maintaining appropriate levels of statutory surplus, as measured by state insurance regulations, is considered important by state insurance regulatory authorities and the private agencies that rate insurers' claims-paying abilities and financial strength. Failure to maintain certain levels of statutory surplus could result in increased regulatory scrutiny, action by state regulatory authorities, or a downgrade by the private rating agencies.

We expect that the individual RBC ratios for our U.S. insurance subsidiaries at December 31, 2006, will be above the range that would require state regulatory action. If the NAIC adopts revisions to the RBC formula, our insurance subsidiaries may require additional capital. The additional capital required may not be available on favorable terms, if at all. In addition, insurance companies in the U.K. are subject to regulation, including capital adequacy requirements and minimum solvency margins, by the FSA. Need for additional capital could limit a subsidiary's ability to distribute funds to us and adversely affect our ability to pay dividends on our common stock and meet our debt and other payment obligations.

Income protection insurance demands may be affected by social and economic factors.

Income protection insurance may be affected by a number of social, economic, governmental, competitive, and other factors. Changes in societal attitudes, work ethics, motivation, stability, and mores can significantly affect the demand for and underwriting results from income protection products. The climate and the nature of competition in income protection insurance have also been markedly affected by the growth of social security, workers' compensation, and other governmental programs in the workplace.

Both economic and societal factors can affect claim incidence for income protection insurance. The relationship between these factors and overall incidence is very complex and will vary due to contract design features and the degree of expertise within the insuring organization to price, underwrite, and adjudicate the claims. Within the group income protection market, pricing and renewal actions can be taken to react to higher claim rates. However, these actions take time to implement, and there is a risk that the market will not sustain increased prices. In addition, changes in economic and external conditions may not manifest themselves

in claims experience for an extended period of time.

S-20

Table of Contents

The pricing actions available in the individual income protection market differ between product classes. The nature of that portion of our outstanding insurance business that consists of individual noncancelable income protection policies, whereby the policy is guaranteed to be renewable through the life of the policy at a fixed premium, does not permit us to adjust premiums on our in-force business due to changes resulting from such factors. Guaranteed renewable contracts that are noncancelable can be re-priced to reflect external factors, but rate changes cannot be implemented as quickly as in the group income protection market.

Income protection insurance products are important products for us. To the extent that income protection products are adversely affected in the future as to sales or claims, our business or results of operations could be materially adversely affected.

Long-term care insurance is a relatively new product and we may have difficulty analyzing trends and assumptions relating to those products.

Long-term care insurance can be affected by a number of demographic, medical, economic, governmental, competitive, and other factors. Because long-term care insurance is a relatively new insurance product, the degree of expertise within the insuring organization to properly price the products and use appropriate assumptions when establishing reserves potentially has greater risk than that of other product offerings for which greater experience exists regarding trends and appropriate assumptions. Mortality is a critical factor influencing the length of time a claimant receives long-term care benefits. Mortality continues to improve for the general population, and life expectancy trends have extended. Changes in actual mortality trends relative to assumptions may adversely affect our profitability. Long-term care insurance is guaranteed renewable and can be re-priced to reflect external factors.

Our group life insurance may be adversely affected by the characteristics of the employees insured or through unexpected catastrophic events such as natural disasters or terrorist attacks.

Group life insurance may be affected by many factors, including the characteristics of the employees insured, the amount of insurance employees may elect voluntarily, our risk selection process, our ability to retain employer groups with lower claim incidence rates, the geographical concentration of employees, and mortality rates. Claim incidence may also be influenced by unexpected catastrophic events such as terrorist attacks and natural disasters, which may also affect the availability of reinsurance coverage. Changes in any of these factors may adversely affect our profitability.

Our investment portfolio may be adversely affected by a variety of market forces.

We maintain an investment portfolio that consists primarily of fixed income securities. The quality and/or yield of the portfolio may be affected by a number of factors, including the general economic and business environment, changes in the credit quality of the issuer, changes in market conditions, changes in interest rates, changes in foreign exchange rates, or regulatory changes. These securities are issued by both domestic and foreign entities and are backed either by collateral or the credit of the underlying issuer. Factors such as an economic downturn or political change in the country of the issuer, a regulatory change pertaining to the issuer's industry, a significant deterioration in the cash flows of the issuer, accounting irregularities or fraud committed by the issuer, or a change in the issuer's marketplace may adversely affect our ability to collect principal and interest from the issuer.

Table of Contents

The investments we hold are predominantly invested to support the insurance liabilities of our subsidiaries. The timing and/or amount of the investment cash flows may not match those of the liabilities.

The investments held by our insurance subsidiaries are highly regulated by specific legislation in each state that governs the type, amount, and credit quality of allowable investments. Legislative changes could force the Company to restructure the portfolio in an unfavorable interest rate or credit environment, with a resulting adverse effect on profitability and the level of statutory capital.

We use derivative instruments that are hedging in nature. Our profitability may be adversely affected if a counterparty to the derivative defaults in its payment. This default risk is mitigated by cross-collateralization agreements.

Regulatory restrictions on the ability of our insurance subsidiaries to pay dividends and make extensions of credit to us may negatively impact our ability to meet our financial obligations.

We rely on dividends or extensions of credit from our insurance company subsidiaries, including our U.S. insurance subsidiaries and Unum Limited, to make dividend payments on our common stock, meet debt payment obligations, and pay our other obligations. Our insurance company subsidiaries are subject to regulatory limitations on the payment of dividends and on other transfers of funds to affiliates. The level of statutory earnings and capital in our insurance subsidiaries could impact their ability to pay dividends or to make other transfers of funds to the holding company, which could impair our ability to pay our dividends or meet our debt and other payment obligations.

See Liquidity and Capital Resources included in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 for a discussion of the existing regulatory limitations on dividends.

Table of Contents

RELATIONSHIP OF THE EQUITY SECURITY UNITS TO THE REMARKETING

In May 2004, we issued and sold 12,000,000 equity security units in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act), and later filed a registration statement on Form S-3 with the Securities and Exchange Commission (the SEC) relating to the equity security units that was declared effective by the SEC. Each equity security unit initially consisted of (a) a contract to purchase, for \$25, a specified number of shares of our common stock on May 15, 2007, and (b) a 1/40, or 2.5%, interest in our senior notes due 2009, with a principal amount of \$1,000.

Under the terms of the equity security units, we have engaged J.P. Morgan Securities Inc., as remarketing agent and reset agent, to remarket the senior notes on behalf of the holders (other than those holders who have elected not to participate in the remarketing) pursuant to a remarketing agreement between us and the remarketing agent. See Plan of Distribution.

We will not receive any of the proceeds from the remarketing. See Plan of Distribution. Pursuant to the remarketing agreement, the remarketing agent will retain a remarketing fee of not more than 25 basis points (0.25%) of the remarketing value. The remarketing agent will use a portion of the net proceeds of the remarketing of the senior notes comprising part of the normal units (i.e., equity security units consisting, prior to the settlement of the remarketing, of a 1/40 interest in the senior notes and a stock purchase contract) to purchase certain U.S. Treasury securities which will mature on or prior to May 15, 2007, the settlement date for the stock purchase contracts. These U.S. Treasury securities will be pledged to support the obligations of holders of normal units to purchase shares of our common stock under those contracts. The remarketing agent will remit any remaining portion of the proceeds from the remarketing for the benefit of holders of normal units participating in the remarketing. The remarketing agent will also remit to the holders of senior notes not comprising normal units the net proceeds applicable to the sale of such senior notes.

On May 15, 2007, when the stock purchase contracts are scheduled to be settled, we expect to receive the purchase price for the shares in the aggregate amount of \$300,000,000 from the proceeds paid upon maturity of the pledged U.S. Treasury securities. The remaining portion of the proceeds of the pledged U.S. Treasury securities, if any, will be distributed to holders of the normal units.

Table of Contents

**CAUTIONARY STATEMENTS CONCERNING
FORWARD-LOOKING STATEMENTS**

The Private Securities Litigation Reform Act of 1995 provides a safe harbor to encourage companies to provide prospective information, as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. We desire to take advantage of these safe harbor provisions. Certain information contained in this discussion, or in any other written or oral statements made by us in communications with the financial community or contained in documents filed with the Securities and Exchange Commission (SEC), may be considered forward-looking. Forward-looking statements are those not based on historical information, but rather relate to future operations, strategies, financial results, or other developments and speak only as of the date made. These statements may be made directly in this document or may be made part of this document by reference to other documents filed by us with the SEC, which is known as incorporation by reference. You can find many of these statements by looking for words such as will, may, should, could, believes, expects, anticipates, estimates, intends, projects, goals, objectives, or similar expressions in this document or in documents incorporated herein.

These forward-looking statements are subject to numerous assumptions, risks, and uncertainties, many of which are beyond our control. We caution investors that the following factors, in addition to other factors mentioned from time to time, may cause actual results to differ materially from those contemplated by the forward-looking statements:

General economic or business conditions, both domestic and foreign, may be less favorable than expected, which may affect premium levels, claims experience, the level of pension benefit costs and funding, and investment results, including credit deterioration of investments.

Competitive pressures in the insurance industry may increase significantly through industry consolidation or otherwise.

Events or consequences relating to terrorism and acts of war, both domestic and foreign, may adversely affect our business and the Company's results of operations in a period and may also affect the availability and cost of reinsurance.

Legislative, regulatory, or tax changes, both domestic and foreign, may adversely affect the businesses in which we are engaged.

Actual experience in connection with implementation of the multistate market conduct regulatory settlement agreements and the California Department of Insurance settlement agreement may deviate from our assumptions.

Rating agency actions, state insurance department market conduct examinations and other inquiries, other governmental investigations and actions, and negative media attention may adversely affect our business and the Company's results of operations in a period.

The level and results of litigation and rulings in the multidistrict litigation or other purported class actions may not be favorable to the Company and may adversely affect our business and the Company's results of operations in a period.

Table of Contents

Investment results, including, but not limited to, realized investment losses resulting from impairments, may differ from our assumptions and prior experience and may adversely affect our business and the Company's results of operations in a period.

Changes in the interest rate environment may adversely affect our reserve and policy assumptions and ultimately profit margins and reserve levels.

Sales growth may be less than planned, which could affect revenue and profitability.

Effectiveness in supporting new product offerings and providing customer service may not meet expectations.

Actual experience in pricing, underwriting, and reserving may deviate from our assumptions.

Actual persistency may be lower than projected persistency, resulting in lower than expected revenue and higher than expected amortization of deferred policy acquisition costs.

Incidence and recovery rates may be influenced by, among other factors, the rate of unemployment and consumer confidence, the emergence of new diseases, new trends and developments in medical treatments, the effectiveness of risk management programs, and implementation of the multistate regulatory settlement agreements and the California Department of Insurance settlement agreement.

Insurance reserve liabilities may fluctuate as a result of changes in numerous factors, and such fluctuations can have material positive or negative effects on net income.

Retained risks in our reinsurance operations are influenced primarily by the credit risk of the reinsurers and potential contract disputes. Any material changes in the reinsurers' credit risk or willingness to pay according to the terms of the contract may adversely affect our business and the results of operations in a period.

All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

Table of Contents**USE OF PROCEEDS**

We will not receive any of the proceeds from this remarketing. A portion of the remarketing fee will be rebated to us upon the closing of this offering. See Plan of Distribution. Proceeds from the remarketing attributable to the senior notes that are part of the normal equity security units that participated in the remarketing will be used as follows:

to purchase a treasury portfolio that will then be pledged to us, on behalf of the holders of normal equity security units, as security against the purchase contract obligations of such holders (see Relationship of the Equity Security Units to the Remarketing);

to pay to the remarketing agent a remarketing fee of not more than 0.25% of the remarketing value attributable to the normal equity security units that participated in the remarketing; and

any remaining proceeds will be remitted to the holders of the normal equity security units participating in the remarketing, on a pro rata basis.

Proceeds from the remarketing attributable to the separate notes, if any, that participated in the remarketing will be used as follows:

to pay to the remarketing agent a remarketing fee of not more than 0.25% of the remarketing value attributable to the separate notes that participated in the remarketing; and

to pay the holders of separate notes that participated in the remarketing a portion of the proceeds attributable to the separate notes.

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

Our consolidated ratio of earnings to fixed charges including our consolidated subsidiaries is computed by dividing earnings by fixed charges. The following table sets forth our consolidated ratios of earnings to fixed charges for the periods shown:

	For the Nine Months Ended September 30,	For the Years Ended December 31,				
	2006	2005	2004	2003	2002	2001
Ratio of earnings to fixed charges (1)	2.2	3.9	(2)	(2)	3.9	4.4

(1) For purposes of computing the ratio of earnings to fixed charges, earnings as adjusted consist of income (loss) from continuing operations before income taxes and cumulative effect of accounting principle change plus fixed charges. Fixed charges consist of interest and debt expense, interest credited to policyholders, amortization of deferred debt costs, and the estimated interest portion of rent expense.

- (2) Earnings were inadequate to cover fixed charges. The coverage deficiency totaled \$275.7 million and \$452.4 million for the years ended December 31, 2004 and 2003, respectively.

S-26

Table of Contents

DESCRIPTION OF THE REMARKETED SENIOR NOTES

*The following description is a summary of the terms of the senior notes being offered in this remarketing. The description is qualified in its entirety by reference to the indenture dated as of March 9, 2001, as supplemented by a fifth supplemental indenture, between us and The Bank of New York (as successor to The Chase Manhattan Bank), as trustee. A copy of the indenture and supplemental indenture is on file with the SEC and may be obtained by accessing the internet address provided or contacting us as described under *Where You Can Find More Information*. You should read the indenture, the supplemental indenture, the associated documents and the following description carefully to fully understand the terms of the senior notes. In addition, to the extent that the following description is not consistent with that contained in the accompanying prospectus under *Description of the Senior Notes* you should rely on this description.*

General

The senior notes were initially issued in the aggregate principal amount of \$300 million as a component part of the equity security units, all of which are outstanding. The aggregate principal amount of senior notes to be remarketed pursuant to this prospectus supplement is \$300 million.

The senior notes will mature on May 15, 2009. The senior notes may not be redeemed prior to their stated maturity except as described below. In addition to the senior notes, we may issue from time to time other series of debt securities under the indenture governing the senior notes. Such other series will be separate from and independent of the senior notes. The following description of the terms of the senior notes supplements and modifies the description of the general terms of the debt securities set forth in the accompanying prospectus, which we request that you read. References in this prospectus supplement to senior notes refer to our remarketed senior notes due May 15, 2009.

The senior notes are not subject to a sinking fund provision. The senior notes will mature and the entire principal amount will become due and payable, together with any accrued and unpaid interest, on May 15, 2009.

Remarketed senior notes will be represented by one or more global certificates, which we refer to as global securities, registered in the name of the depository or its nominee. Payments on the senior notes issued as a global security will be made to the depository, a successor depository or, in the event that no depository is used, to a paying agent for the senior notes. Principal and interest with respect to certificated senior notes will be payable, the transfer of the senior notes will be registerable and the senior notes will be exchangeable for senior notes of other denominations of a like aggregate principal amount, at the office or agency maintained by us for this purpose in the Borough of Manhattan, The City of New York. However, at our option, payment of interest may be made by check mailed to the address of the holder entitled to payment or by wire transfer to an account appropriately designated by the holder entitled to payment. The Bank of New York is the initial paying agent, transfer agent and registrar for the senior notes. We may at any time designate additional transfer agents and paying agents with respect to the senior notes, and may remove any transfer agent, paying agent or registrar for the senior notes. We will at all times be required to maintain a paying agent and transfer agent for the senior notes in the Borough of Manhattan, The City of New York.

Table of Contents

Any monies deposited with the trustee or any paying agent, or held by us in trust, for the payment of principal of or interest on any senior note and remaining unclaimed for two years after such principal or interest has become due and payable shall, at our request, be repaid to us or released from trust, as applicable, and the holder of the senior note shall thereafter look, as a general unsecured creditor, only to us for the payment thereof.

The indenture governing the senior notes does not and the senior notes do not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The indenture contains no covenants or other provisions that protect the holders of the senior notes in the event we incur substantial additional indebtedness, whether or not in connection with a change of control.

Interest

Each senior note will bear interest at the reset rate of % per year (to be determined on February 12, 2007), from and including February , 2007, payable quarterly in arrears and, after the stock purchase date, semi-annually in arrears on May 15 and November 15 of each year until they mature on May 15, 2009 (each an interest payment date) to the person in whose name the senior note is registered, subject to certain exceptions, at the close of business on the business day next preceding that interest payment date.

The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly or semi-annual period for which interest is computed will be computed on the basis of the actual number of days elapsed in the 90- or 180-day period. In the event that any date on which interest is payable on the senior notes is not a business day, the payment of the interest payable on that date will be made on the next succeeding day that is a business day, without any interest or other payment in respect of the delay, except that, if the business day is in the next succeeding calendar year, then the payment will be made on the immediately preceding business day, in each case with the same force and effect as if made on the scheduled payment date.

Our ability to pay interest on the senior notes is dependent on our ability to obtain cash dividends or obtain loans from our subsidiaries. See Risk Factors Risks related to the senior notes Because we are a holding company with no operations of our own, our obligations under the senior notes are effectively subordinated to the obligations of our subsidiaries in this prospectus supplement.

Ranking

The senior notes are our unsecured senior obligations and will rank equal in right of payment to all of our other existing and future unsecured senior indebtedness. In addition, the senior notes are structurally subordinated to any indebtedness of our subsidiaries. As of December 31, 2006, the aggregate amount of indebtedness of our subsidiaries (excluding intercompany liabilities) was approximately \$747.6 million.

Special event redemption

If a special event occurs and is continuing, we may, at our option, redeem the senior notes in whole, but not in part, at any time at the redemption price for each senior note referred to

S-28

Table of Contents

below. Installments of interest on senior notes which are due and payable on or prior to a redemption date will be payable to holders of the senior notes registered as such at the close of business on the relevant record dates. If, following the occurrence of a special event, we exercise our option to redeem the senior notes, the proceeds of the redemption will be payable in cash to the holders of the senior notes.

Special event means a tax event.

Tax event means the receipt by us of an opinion of nationally recognized tax counsel experienced in such matters (which may be Sullivan & Cromwell LLP) to the effect that there is more than an insubstantial risk that interest payable by us on the senior notes on the next interest payment date will not be deductible, in whole or in part, by us for U.S. federal income tax purposes as a result of:

any amendment to, change in, or announced proposed change in, the laws, or any regulations thereunder, of the U.S. or any political subdivision or taxing authority thereof or therein affecting taxation,

any amendment to or change in an official interpretation or application of any such laws or regulations by any legislative body, court, governmental agency, or regulatory authority or

any official interpretation or pronouncement that provides for a position with respect to any such laws or regulations that differs from the generally accepted position on the date of this prospectus supplement,

which amendment, change or proposed change is effective or which interpretation or pronouncement is announced on or after May 1, 2004.

Solely for purposes of determining the treasury portfolio purchase price in the case of a special event redemption date occurring after a successful remarketing of the senior notes or the stock purchase date, treasury portfolio shall mean a portfolio of zero-coupon U.S. treasury securities consisting of principal or interest strips of U.S. treasury securities that mature on or prior to May 15, 2009 in an aggregate amount equal to the aggregate principal amount of the senior notes outstanding on the special event redemption date and, with respect to each scheduled interest payment date on the senior notes that occurs after the special event redemption date, interest or principal strips of U.S. treasury securities that mature on or prior to that interest payment date in an aggregate amount equal to the aggregate interest payment that would be due on the aggregate principal amount of the senior notes outstanding on the special event redemption date.

Redemption price means for each senior note the product of the principal amount of the senior note and a fraction the numerator of which is the treasury portfolio purchase price and the denominator of which is the aggregate principal amount of the senior notes. Depending on the amount of the treasury portfolio purchase price, the redemption price could be less than or greater than the principal amount of the senior notes.

Treasury portfolio purchase price means the lowest aggregate price quoted by a primary U.S. government securities dealer in New York City to the quotation agent on the third business day immediately preceding the special event redemption date for the purchase of the treasury portfolio for settlement on the special event redemption date.

Quotation agent means J.P. Morgan Securities Inc. or any of its successors or any other primary U.S. government securities dealer in New York City selected by us.

S-29

Table of Contents

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each registered holder of senior notes to be redeemed at its registered address.

Unless we default in payment of the redemption price, on and after the redemption date, interest shall cease to accrue on the senior notes. In the event any senior notes are called for redemption, neither we nor the trustee will be required to register the transfer of or exchange the senior notes to be redeemed during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption and ending at the close of business on the day of such mailing.

Denominations, transfer and exchange

The senior notes will be remarketed in the form of a global security registered in the name of Cede & Co., as nominee of DTC. The senior notes will be issued in denominations of \$1,000 and integral multiples of \$1,000.

No defeasance

The senior notes will not be subject to the defeasance provisions of the indenture.

Global securities; book-entry system

Remarketed senior notes will be issued to you as a book-entry interest in one or more fully registered global securities held in the name of Cede & Co., as nominee of The Depository Trust Company, or DTC. DTC will act as the securities depository for the senior notes, and we refer to DTC, together with its successors in this capacity, as the depository. We will issue one or more fully-registered global security certificates, which will represent the total aggregate number of senior notes, and will deposit them with the depository.

The laws of some jurisdictions may require that some purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in the senior notes so long as the senior notes are represented by global security certificates.

The depository has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The depository holds securities that its participants deposit with the depository. The depository also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The depository is owned by a number of its direct participants and by the NYSE, the American

Edgar Filing: UNUMPROVIDENT CORP - Form 424B3

Stock Exchange, LLC and the National Association of Securities Dealers, Inc. Access to the depository's system is also available to others, including securities brokers and dealers, banks and trust companies that clear transactions through or maintain a direct or indirect custodial relationship with a direct participant either directly or indirectly. The rules applicable to the depository and its participants are on file with the SEC.

S-30

Table of Contents

Although the depositary has agreed to the foregoing procedures in order to facilitate transfer of interests in the global security certificates among participants, the depositary is under no obligation to perform or continue to perform these procedures and these procedures may be discontinued at any time. We will not have any responsibility for the performance by the depositary or its direct participants or indirect participants under the rules and procedures governing the depositary.

If the depositary notifies us that it is unwilling or unable to continue as a depositary for the global security certificates and no successor depositary has been appointed within 90 days after this notice, or an event of default under the senior notes or the indenture has occurred and is continuing, certificates for the senior notes will be printed and delivered in exchange for beneficial interests in the global security certificates. In addition, we may at any time, in conjunction with the depositary, determine not to have any of the senior notes represented by one or more registered global securities and, in such event, will issue certificates in a definitive form in exchange for all of the registered global certificates representing the senior notes. Any global security that is exchangeable pursuant to the preceding sentence shall be exchangeable for senior note certificates registered in the names directed by the depositary. We expect that these instructions will be based upon directions received by the depositary from its participants with respect to ownership of beneficial interests in the global security certificates.

So long as the depositary or its nominee is the registered owner of the global security certificates, the depositary or other nominee, as the case may be, will be considered the sole owner and holder of the global security certificates and all senior notes represented by these certificates for all purposes under the senior notes. Except in the limited circumstances referred to above, owners of beneficial interests in global security certificates will not be entitled to have such global security certificates or the senior notes represented by these certificates registered in their names, will not receive or be entitled to receive physical delivery of senior note certificates in exchange for beneficial interests in global security certificates and will not be considered to be owners or holders of the global security certificates or any senior notes represented by these certificates for any purpose under the senior notes.

All payments on the senior notes represented by the global security certificates will be made to the depositary or its nominee, as the case may be, as the holder of the securities.

Ownership of beneficial interests in the global security certificates will be limited to participants or persons that may hold beneficial interests through institutions that have accounts with the depositary or its nominee. Ownership of beneficial interests in global security certificates will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the depositary or its nominee, with respect to participants' interests, or any participant, with respect to interests of persons held by the participant on their behalf. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the depositary from time to time. Neither we or any of our agents, nor the remarketing agent or any of its agents, will have any responsibility or liability for any aspect of the depositary's or any participant's records relating to, or for payments made on account of, beneficial interests in global security certificates, or for maintaining, supervising or reviewing any of the depositary's records or any participant's records relating to these beneficial ownership interests.

The information in this section concerning the depositary and its book-entry system has been obtained from sources that we believe to be reliable, but we have not attempted to verify the accuracy of this information.

Table of Contents

U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a discussion of the material U.S. federal income tax consequences of the ownership and disposition of the senior notes acquired by you in the remarketing and held as capital assets. Except where otherwise indicated, this discussion only applies to holders of senior notes who purchase senior notes in the remarketing and hold the senior notes as capital assets (generally, assets held for investment), and does not apply to holders of senior notes that are being remarketed in the remarketing. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to holders in light of their particular circumstances, such as holders who are subject to special tax treatment (for example, (1) financial institutions, regulated investment companies, real estate investment trusts, insurance companies, dealers in securities or currencies, tax-exempt organizations or traders in securities who elect to mark to market, (2) U.S. holders (defined below) holding senior notes as part of a straddle, hedge, conversion transaction or other integrated investment, or (3) persons whose functional currency is not the U.S. dollar). In addition, this discussion does not address alternative minimum taxes or any state, local or foreign tax laws. This discussion is based upon the Internal Revenue Code of 1986, as amended (the Code), treasury regulations (including proposed treasury regulations) issued thereunder, Internal Revenue Service (IRS) rulings and pronouncements and judicial decisions now in effect, all of which are subject to change, possibly with retroactive effect. You are urged to consult your tax advisor with regard to the application of the U.S. federal income tax laws to your particular situation as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Classification of the senior notes

We believe that the senior notes would be classified as indebtedness for U.S. federal income tax purposes. Generally, characterization of an obligation as indebtedness for U.S. federal income tax purposes is made at the time of the issuance of the obligation. We have treated and will continue to treat the senior notes as indebtedness for U.S. federal income tax purposes. However, it is possible that the IRS will successfully assert that the senior notes were not properly treated as indebtedness prior to the remarketing, in which case your tax consequences from the ownership and disposition of the senior notes may differ from those described below. By acquiring senior notes in the remarketing, you will be deemed to have agreed to treat the senior notes as indebtedness for U.S. federal income tax purposes.

Senior notes held by U.S. holders

For purposes of this discussion, a U.S. holder is a holder or a beneficial owner of senior notes who or which is for U.S. federal income tax purposes (1) a person who is a citizen or resident of the U.S., (2) a domestic corporation (or other entity taxable as a corporation for U.S. federal income tax purposes), (3) an estate whose income is subject to U.S. federal income tax regardless of its source, or (4) a trust if (a) a U.S. court is able to exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (b) the trust has in effect a valid election to be treated as a domestic trust for U.S. federal income tax purposes. If a partnership or other entity classified as a partnership for U.S. tax purposes holds the senior notes, the tax treatment of the partnership and each partner generally will depend on the activities of the partnership and the status of the partner. Partnerships acquiring senior notes, and partners in such partnerships, should consult their own

Table of Contents

tax advisors. **Prospective investors that are not U.S. holders should refer to Non-U.S. Holders below and are urged to consult their own tax advisors with respect to the U.S. federal income tax consequences of an investment in senior notes, including the potential application of U.S. withholding taxes.**

Original issue discount. Because of the manner in which the interest rate on the senior notes is reset, we have treated and will continue to treat the senior notes as indebtedness subject to the Treasury regulations governing contingent payment debt instruments (the contingent payment debt regulations) and to the noncontingent bond method for accruing original issue discount. The proper application of the contingent payment debt regulations to the senior notes following the remarketing is uncertain in a number of respects, however, and it is possible that the IRS will assert that the senior notes should be treated in a different manner than as described below. A different treatment of the senior notes could affect the amount, timing and character of income, gain or loss with respect to an investment in the senior notes. Accordingly, you are urged to consult your tax advisor regarding the U.S. federal income tax consequences of owning and disposing of the senior notes.

As discussed more fully below, the effects of applying the noncontingent bond method will be (1) to require each U.S. holder, regardless of such holder's usual method of tax accounting, to use an accrual method with respect to the interest income on the senior notes, (2) to require each U.S. holder to accrue interest income which may be in excess of interest payments actually received, and (3) generally to result in ordinary, rather than capital, treatment of any gain (to the extent attributable to the excess, if any, of the total remaining principal and interest payments due on the senior notes over the total remaining payments set forth on the projected payment schedule) and any loss (to the extent such loss does not exceed the U.S. holder's prior inclusions of original issue discount on the senior notes minus any payments actually received) on the sale, exchange or other disposition of any senior notes. See Sales, exchanges, or other taxable dispositions of senior notes below.

A U.S. holder is required to accrue original issue discount on a constant yield to maturity basis based on the comparable yield of the senior notes. The comparable yield of the senior notes generally is the rate at which we would have issued a fixed rate noncontingent debt instrument with terms and conditions similar to the senior notes. We are required to provide the comparable yield and, solely for U.S. federal income tax purposes, a projected payment schedule, based on the comparable yield, to holders of the senior notes. At the time of issuance of the senior notes, we determined that the comparable yield was 5.96% per annum, compounded semi-annually, and the projected payments were \$0.33 on August 15, 2004, \$0.32 for each subsequent quarter ending on or prior to the remarketing settlement date, \$0.44 for the period ending May 15, 2007 and \$0.89 for each semiannual payment period ending after May 15, 2007. We also determined that the projected payment for the senior notes, per \$1,000 of principal amount, at the maturity date was \$1,035.73 (which includes the stated principal amount of the senior notes as well as the final projected interest payment). Based on the comparable yield of 5.96%, you will be required (regardless of your accounting method) to accrue interest as the sum of the daily portions of interest on the senior note for each day in the taxable year on which you hold the senior note, adjusted as set forth below.

The amount of original issue discount on a senior note for each accrual period is determined by multiplying the comparable yield of the senior note (adjusted for the length of the accrual

Table of Contents

period) by the senior note's adjusted issue price at the beginning of the accrual period. Based on the allocation of the purchase price between the senior notes and the purchase contracts at the time the equity security units were issued, the adjusted issue price of each senior note, per \$1,000 of principal amount, at the beginning of the first accrual period was \$1,000, and the adjusted issue price of each senior note at the beginning of each subsequent accrual period was equal to \$1,000, increased by any original issue discount previously accrued by such U.S. holders on such senior note and decreased by the amount of projected payments on such senior note through such date. If a U.S. holder's basis is greater or less than the adjusted issue price at purchase of a senior note, the difference between these amounts will generally be allocated to projected payments using negative or positive adjustments in a manner similar to that set forth in the next paragraph. The amount of original issue discount so determined will then be allocated on a ratable basis to each day in the accrual period that such U.S. holders hold the senior note.

If, after the date on which the interest rate on the senior notes is reset, the remaining amounts of principal and interest payable differ from the payments set forth on the projected payment schedule, negative or positive adjustments reflecting such difference should generally be taken into account by a U.S. holder as adjustments to interest income in a reasonable manner over the period to which they relate. We expect to account for any such difference with respect to a period as an adjustment for that period. Net positive adjustments in a taxable year will generally constitute additional interest income; net negative adjustments in a taxable year may reduce prior accruals of interest income for such taxable year, constitute an ordinary loss or may be carried forward as a net negative adjustment to a succeeding year. Please consult your tax advisor with regard to these adjustments.

A U.S. holder is generally bound by the comparable yield and projected payment schedule provided by us, unless either is unreasonable. If a U.S. holder decides to use its own comparable yield and projected payment schedule, it must explicitly disclose this fact and the reason that it has used its own comparable yield and projected payment schedule. In general, this disclosure must be made on a statement attached to the U.S. holder's timely filed U.S. federal income tax return for the taxable year that includes the date of its acquisition of the senior notes. The comparable yield and projected payment schedule are supplied by us solely for computing income under the noncontingent bond method for U.S. federal income tax purposes and do not constitute projections or representations as to the amounts that a U.S. holder will actually receive as a result of owning the senior notes.

Because income taken into account with respect to the senior notes as described above in this section will constitute interest for U.S. federal income tax purposes, corporate holders of senior notes will not be entitled to the dividends-received deduction with respect of such income.

Tax basis in senior notes. A U.S. holder's initial adjusted tax basis in a senior note acquired in the remarketing will equal the amount paid for the senior note. A U.S. holder's adjusted tax basis in the senior note for any accrual period after the remarketing will equal (x) the sum of the initial adjusted tax basis in the senior note and any original issue discount previously accrued on such senior note (not taking any positive or negative adjustments into account) starting from the date of the remarketing minus (y) the total amount of the interest payments received on the senior note for all previous accrual periods starting from the date of the remarketing.

Sales, exchanges, or other taxable dispositions of senior notes. A U.S. holder will recognize gain or loss on a disposition of the senior notes (including a special event redemption) in an

Table of Contents

amount equal to the difference between the amount realized by such U.S. holder on the disposition of the senior notes and such U.S. holder's adjusted tax basis in the senior notes. Selling expenses incurred by such U.S. holder, will reduce the amount of gain or increase the amount of loss recognized by such U.S. holder upon a disposition of the senior notes. In general, gain recognized on the disposition of the senior notes will be ordinary interest income to the extent attributable to the excess, if any, of the total remaining principal and interest payments due on the senior notes over the total remaining payments set forth on the projected payment schedule for the senior notes. Any gain recognized in excess of such amount and any loss recognized on such a disposition will generally be treated as a capital gain or loss. Any such capital gain or loss generally will be treated as long-term capital gain or loss if the U.S. holder has held the senior note for more than one year immediately prior to such disposition. In general, the maximum rate of U.S. federal income tax for non-corporate taxpayers is currently 15% for long-term capital gain recognized before January 1, 2011, and 35% for short term capital gain. For corporate taxpayers, both long-term and short-term capital gains are subject to a maximum U.S. federal income tax rate of 35%. The deductibility of capital losses is subject to limitations.

Non-U.S. holders

The following discussion only applies to non-U.S. holders. A non-U.S. holder is a holder that is not a U.S. person for U.S. federal income tax purposes. Non-U.S. holders that may be subject to special rules, such as controlled foreign corporations or passive foreign investment companies should consult their own tax advisors to determine the U.S. federal, state, local and foreign tax consequences that may be relevant to them in their particular circumstances. This discussion assumes, as noted above, that for U.S. federal income tax purposes, the senior notes will be classified as indebtedness.

U.S. federal withholding tax. The 30% U.S. federal withholding tax will not apply to any payment of principal or interest (including original issue discount) on the senior notes provided that the non-U.S. holder:

does not actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and the treasury regulations;

is not a controlled foreign corporation that is related, directly or indirectly, to us through stock ownership; and

(a) provides its name and address on IRS Form W-8BEN (or other applicable form), and certifies, under penalties of perjury, that it is not a U.S. person for U.S. federal income tax purposes, or (b) if senior notes are held through certain foreign intermediaries or foreign partnerships, satisfies the certification requirements of applicable U.S. treasury regulations.

The 30% U.S. federal withholding tax will not apply to any gain realized on the sale, exchange, or other disposition of senior notes acquired in the remarketing. However, interest income including original issue discount and any gain treated as ordinary income realized on the sale, exchange or other disposition of a senior note will be subject to withholding in certain circumstances unless the conditions described above are met.

U.S. federal income tax. If a non-U.S. holder is engaged in a trade or business in the U.S. (and, if a tax treaty so requires, the non-U.S. holder maintains a permanent establishment within the U.S.) and interest (including original issue discount) on the senior notes is effectively connected with the conduct of that trade or business (and, if so required, attributable to that permanent

Table of Contents

establishment), such holder will be subject to U.S. federal income tax on the interest, dividends or contract adjustment payments on a net income basis (although exempt from the 30% withholding tax), in the same manner as if the holder were a U.S. holder (see Senior notes held by U.S. holders above).

The non-U.S. holder must satisfy certain certification and disclosure requirements in order to establish its exemption from withholding on its effectively connected income. In addition, a non-U.S. holder that is a foreign corporation may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with the conduct by the holder of a trade or business in the U.S. For this purpose, interest on the senior notes will be included in earnings and profits.

Any gain realized on the senior note (to the extent not treated as interest income under the contingent payment debt rules) generally will not be subject to U.S. federal income tax unless:

that gain is effectively connected with the conduct of a trade or business by the non-U.S. holder in the U.S.; or

the non-U.S. holder is an individual who is present in the U.S. for 183 days or more in the taxable year of that disposition, and certain other conditions are met.

Backup withholding tax and information reporting

U.S. holders. Unless a U.S. holder is an exempt recipient, such as a corporation, payments under senior notes may be subject to information reporting and may also be subject to U.S. federal backup withholding tax if such U.S. holder fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable U.S. information reporting or certification requirements. Any amounts so withheld generally will be allowed as a credit against the U.S. holder's U.S. federal income tax liability.

Non-U.S. holders. In general, the amount of the interest paid to a non-U.S. holder and the tax withheld with respect to such interest must be reported annually to the IRS and the holder. In general, no backup withholding will be required regarding payments to a non-U.S. holder on senior notes provided that we do not have actual knowledge or reason to know that the holder is a U.S. person and the holder has satisfied the certification requirements described above under Non-U.S. holders U.S. federal withholding tax.

In addition, no information reporting or backup withholding will be required regarding the proceeds of the sale of senior notes made within the U.S. or conducted through certain U.S. financial intermediaries if:

the payor receives the required certification with respect to the non-U.S. holder and does not have actual knowledge or reason to know that the holder is a U.S. person; or

the holder otherwise establishes an exemption.

Backup withholding may apply if the non-U.S. holder fails to comply with applicable U.S. information reporting or certification requirements.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against the non-U.S. holder's U.S. federal income tax liability provided the required information is furnished to the IRS.

S-36

Table of Contents

PLAN OF DISTRIBUTION

Under the terms and conditions contained in the remarketing agreement between us and J.P. Morgan Securities Inc., as remarketing agent, the remarketing agent has agreed to use its commercially reasonable best efforts to sell the remarketed senior notes at an aggregate price equal to at least 100.25% of the remarketing value.

The remarketing value with respect to the senior notes being offered in this remarketing is equal to the sum of:

the value at February 12, 2007 of U.S. Treasury securities that will pay, on or prior to May 15, 2007, an amount of cash equal to the interest payment scheduled to be payable on that date on the senior notes, assuming for that purpose, even if not true, that the interest rate on the senior notes is the current rate of 5.085% per annum, prior to any interest rate reset; and

the value at February 12, 2007, of U.S. Treasury securities that will pay, on or prior to May 15, 2007, an amount of cash equal to the stated amount of \$1,000 for each remarketed senior note.

For this purpose, the value on February 12, 2007 of the U.S. Treasury securities is based on the assumption that:

the U.S. Treasury securities are highly liquid treasury securities maturing on or within 35 days before May 15, 2007 (as determined in good faith by the remarketing agent in a manner intended to minimize the cash value of the U.S. Treasury securities); and

those U.S. Treasury securities are valued based on the ask-side price of such U.S. Treasury securities at a time between 9:00 a.m. and 11:00 a.m., New York City time, selected by the remarketing agent, on February 12, 2007 (as determined on a third-day settlement basis by a reasonable and customary means selected in good faith by the remarketing agent) plus accrued interest to that date.

Upon a successful remarketing, \$ _____, representing the net proceeds of the remarketing of the senior notes comprising a part of the normal units (i.e., units consisting, prior to the settlement of the remarketing, of an interest in a senior note and a stock purchase contract), will be used to purchase the amount and type of U.S. Treasury securities described above, which will be pledged to secure the obligations of holders of normal units to purchase shares of our common stock under the stock purchase contracts.

On February 12, 2007, J.P. Morgan Securities Inc., acting as the reset agent pursuant to the terms of the remarketing, will reset the interest rate on the senior notes to a rate of _____ % per year, the rate sufficient to cause the current aggregate market value of the senior notes to be equal to 100.25% of the remarketing value described above.

Pursuant to the remarketing agreement, the remarketing agent will deduct as a remarketing fee an amount not exceeding, in the aggregate, 25 basis points (0.25%) of the remarketing value. A portion of the remarketing fee is expected to be rebated to us by the remarketing agent upon the closing of this offering.

Our expenses associated with this remarketing are \$. Neither we nor the holders of senior notes participating in this remarketing will otherwise be responsible for any remarketing fee or commission in connection with this remarketing.

S-37

Table of Contents

The senior notes have no established trading market and will not be listed on any national securities exchange. The remarketing agent has advised us that it intends to make a market in the senior notes but it has no obligation to do so and may discontinue market making at any time without providing any notice. No assurance can be given as to the liquidity of any trading market for any senior notes.

To facilitate the remarketing of the senior notes, and in compliance with applicable law, the remarketing agent may engage in transactions that stabilize, maintain or otherwise affect the price of the senior notes. These transactions consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the senior notes. In general, purchases of a security for the purpose of stabilization could cause the price of the security to be higher than it might be in the absence of these purchases. We and the remarketing agent make no representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the senior notes. In addition, we and the remarketing agent make no representation that the remarketing agent will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

We have agreed to indemnify the remarketing agent against, or to contribute to payments that the remarketing agent may be required to make in respect of, certain liabilities, including liabilities under the Securities Act.

In this remarketing, we may submit an order to purchase a portion of the senior notes not to exceed approximately \$150 million in aggregate principal amount of the senior notes. If our order is accepted, we will retire all of the senior notes we purchase.

The remarketing agent and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us and for certain of our affiliates, for which they received or will receive customary fees and expense reimbursements.

VALIDITY OF THE SECURITIES

The validity of the senior notes will be passed upon for us by Sullivan & Cromwell LLP in connection with the remarketing, and for the remarketing agent by Skadden, Arps, Slate, Meagher & Flom LLP. Skadden, Arps, Slate, Meagher & Flom LLP is currently and has previously been engaged as counsel to UnumProvident and one or more of its officers in a variety of legal, regulatory and other matters. Certain federal income taxation matters will be passed upon for us by Sullivan & Cromwell LLP.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements and schedules included in our Annual Report on Form 10-K for the year ended December 31, 2005, and management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2005, as set forth in their reports, which are incorporated by reference in this prospectus supplement and elsewhere in the registration statement. Our financial statements and schedules and management's assessment are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

Table of Contents

With respect to our unaudited condensed consolidated interim financial information for the three-month periods ended March 31, 2006 and March 31, 2005; the three- and six-month periods ended June 30, 2006 and 2005; and the three- and nine-month periods ended September 30, 2006 and 2005, incorporated by reference in this prospectus supplement, Ernst & Young LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports dated May 2, 2006, August 2, 2006 and November 1, 2006, included in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006, and incorporated by reference herein, state that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Ernst & Young LLP is not subject to the liability provisions of Section 11 of the Securities Act for their report on the unaudited interim financial information because that report is not a report or a part of the registration statement prepared or certified by Ernst & Young LLP within the meaning of Sections 7 and 11 of the Securities Act.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>. The address of the SEC's web site is provided for the information of prospective investors and not as an active link. You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, NY 10005.

We incorporate by reference into this prospectus supplement the information in documents we file with the SEC, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and should be read with the same care. When we update the information contained in documents that have been incorporated by reference, by making future filings with the SEC, the information incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In other words, in all cases, if you are considering whether to rely on information contained in this prospectus supplement or information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later. Information contained in this prospectus supplement supplements, modifies or supersedes, as applicable, the information contained in earlier-dated documents incorporated by reference. We incorporate by reference the documents listed below and any additional documents we file with the SEC in the future under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until this offering is completed or terminated:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2005;

our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006 and September 30, 2006; and

our Current Reports on Form 8-K dated January 31, 2006, February 24, 2006, June 15, 2006, September 20, 2006, September 27, 2006, September 27, 2006, December 15, 2006 and February 6, 2007.

We will provide you with a copy of the information we have incorporated by reference, excluding exhibits other than those to which we specifically refer. You may obtain this information at no cost by writing or telephoning us at the following address:

Investor Relations

UnumProvident Corporation

1 Fountain Square

Chattanooga, Tennessee 37402

(423) 294-8996

Edgar Filing: UNUMPROVIDENT CORP - Form 424B3

You should rely only upon the information provided in this prospectus supplement or incorporated in this prospectus supplement by reference. We are not making an offer of senior notes in any state where the offer is not permitted and we have not authorized anyone to provide you with information different from this prospectus supplement. You should not assume that the information in this prospectus supplement, including any information incorporated by reference, is accurate as of any date other than that on the front cover of this prospectus supplement.

S-40

Table of Contents

12,000,000 Units

UnumProvident Corporation

8.25% Adjustable Conversion-Rate Equity

Security Units

On May 11, 2004, we issued \$300,000,000 aggregate stated amount of 8.25% Adjustable Conversion-Rate Equity Security Units in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. This prospectus will be used by selling securityholders to resell the equity security units.

Each equity security unit has a stated amount of \$25 and initially consists of (a) a contract pursuant to which holders agree to purchase, for \$25, shares of common stock of UnumProvident on May 15, 2007 and (b) a 1/40, or 2.5%, ownership interest in a 5.085% senior note due 2009 of UnumProvident with a principal amount of \$1,000. The ownership interest in the senior note will initially be held as a component of each unit and will be pledged to secure the holder's obligation to purchase our common stock under the related purchase contract.

We will make quarterly contract adjustment payments to holders under the purchase contract at the annual rate of 3.165% of the stated amount of \$25 per purchase contract. In addition, we will make quarterly interest payments on the senior notes at the initial annual rate of 5.085%. We have the right to defer the contract adjustment payments on the purchase contracts, but not the interest payments on the senior notes. The senior notes will be remarketed and the interest rate on the senior notes will be reset if the remarketing is successful. The senior notes are unsecured and rank equally with all of our other unsecured and unsubordinated debt.

The units may be sold from time to time by and for the account of the selling securityholders named in this prospectus or in supplements to this prospectus. The selling securityholders may sell all or a portion of the units from time to time in market transactions, in negotiated transactions or otherwise, and at prices and on terms which will be determined by the then prevailing market prices or at negotiated prices directly to purchasers, or through underwriters, broker-dealers, who may act as agents or as principals or agents, or by a combination of such methods. If required, at the time of a particular offering of units by a selling securityholder, a supplement to this prospectus will be circulated setting forth the name or names of any underwriters, broker-dealers or agents, any discounts, commissions or other terms constituting compensation for underwriters and any discounts, commissions or concessions allowed or reallocated or paid to agents or broker-dealers. The selling securityholders will receive all of the net proceeds from the sale of the securities and will pay all underwriting discounts and selling commissions, if any, applicable to any sale. We will not receive any proceeds from the sale by the selling securityholders of the units. The selling securityholders and any broker-dealers, agents or underwriters that participate in the distribution of any securities may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act of 1933, as amended. See Plan of Distribution beginning on page 72.

Our common stock is listed on the New York Stock Exchange under the symbol UNM. The last reported sale price of our common stock on May 12, 2004 was \$14.00 per share.

See Risk Factors beginning on page 13 to read about certain factors you should consider before buying units.

The units will be evidenced by a global unit deposited with The Depository Trust Company, or DTC. Except as described in this prospectus, beneficial interests in the global units will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated August 6, 2004.

Table of Contents

12,000,000 Units

UnumProvident Corporation

8.25% Adjustable

Conversion-Rate Equity

Security Units

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the units offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

TABLE OF CONTENTS

	Page
<u>Where You Can Find More Information</u>	i
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	ii
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	13
<u>Use of Proceeds</u>	21
<u>Price Range of Common Stock and Dividends</u>	21
<u>Consolidated Ratio of Earnings to Fixed Charges</u>	21
<u>Overview of ACES Units</u>	22
<u>Accounting Treatment</u>	23
<u>Description of the Equity Security Units</u>	24
<u>Description of the Senior Notes</u>	44
<u>U.S. Federal Income Tax Consequences</u>	54
<u>ERISA Considerations</u>	64
<u>Description of Common Stock</u>	66
<u>Selling Securityholders</u>	69
<u>Plan of Distribution</u>	72
<u>Validity of the Units</u>	74
<u>Experts</u>	74

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>. The address of the SEC's web site is provided for the information of prospective investors and not as an active link. You can also inspect reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York.

The SEC allows us to incorporate by reference into this prospectus the information in documents we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When we update the information contained in documents that have been incorporated by reference, by making future filings with the SEC, the information incorporated by reference in this prospectus is considered to be automatically updated and superceded. In other words, in all cases, if you are considering whether to rely on information contained in this prospectus or information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. We incorporate by reference the documents listed below and any additional documents we file with the SEC after the initial filing of this registration statement and prior to the effectiveness thereof, and any filings we may make in the future under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, until our offering is completed:

Annual Report on Form 10-K for the year ended December 31, 2003;

Proxy Statement on Schedule 14A for 2004;

Quarterly Report on Form 10-Q for the quarter ended March 31, 2004;

Current Reports on Form 8-K filed with the SEC since January 1, 2004; and

The description of our common stock set forth in our registration statement filed with the SEC pursuant to Section 12 of the Securities Exchange Act of 1934 and any amendment or report filed for the purpose of updating any such description. You may request a copy of these filings, at no cost, by writing to or telephoning us at the following address:

Investor Relations

UnumProvident Corporation

1 Fountain Square

Chattanooga, Tennessee 37402

(423) 755-8996

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains or incorporates statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Those statements can be identified by the use of forward-looking language such as may, should, believes, expects, anticipates, estimates, intends, projects, goals, objectives, or other similar expressions. Our actual results, performance or achievements could be materially different from the results expressed in, or implied by, those forward-looking statements. Those statements are subject to risks and uncertainties, including but not limited to, the risks described in this prospectus and other documents incorporated by reference. When considering those forward-looking statements, you should keep in mind the risks, uncertainties and other cautionary statements made in this prospectus.

Factors that may cause our actual results to differ materially from those we contemplate by the forward-looking statements include, among others, the following:

Insurance reserve liabilities may fluctuate as a result of changes in numerous factors, and such fluctuations can have material positive or negative effects on our net income.

Actual persistency may be lower than projected persistency, resulting in lower than expected revenue and higher than expected amortization of deferred policy acquisition costs.

Incidence and recovery rates may be influenced by, among other factors, the rate of unemployment and consumer confidence, the emergence of new diseases, new trends and developments in medical treatments, and the effectiveness of risk management programs.

Retained risks in our reinsurance operations are influenced primarily by the credit risk of the reinsurers and potential contract disputes. Any material changes in the reinsurers' credit risk or willingness to pay according to the terms of the contract could have material effects on results.

Effectiveness in supporting new product offerings and providing customer service may not meet our expectations.

Sales growth may be less than planned, which could affect our revenue and profitability.

Actual experience in pricing, underwriting, and reserving may deviate from our assumptions.

Competitive pressures in the insurance industry may increase significantly through industry consolidation, competitor demutualization, or otherwise.

General economic or business conditions, both domestic and foreign, may be less favorable than we expect, which may affect premium levels, claims experience, the level of pension benefit costs and funding, and investment results, including credit deterioration of investments.

Investment results, including, but not limited to, realized investment losses resulting from impairments, may differ from prior experience and negatively affect our results.

Edgar Filing: UNUMPROVIDENT CORP - Form 424B3

Legislative, regulatory, or tax changes, both domestic and foreign, may adversely affect the businesses in which we are engaged.

Rating agency actions, state insurance department and other enforcement actions, and negative media attention may adversely affect our business.

Changes in the interest rate environment may adversely affect our reserve and policy assumptions and ultimately profit margins and reserve levels.

The level and results of litigation may vary from prior experience and may adversely affect our business.

Events or consequences relating to terrorism and acts of war, both domestic and foreign, may adversely affect our business and may also affect the availability and cost of reinsurance.

Table of Contents

For further discussion of risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see Risk Factors.

All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except as required under federal securities laws, we do not intend, and assume no obligation, to update any particular forward-looking statement included or incorporated by reference in this prospectus.

The insurance laws of the states where our insurance company subsidiaries are domiciled and commercially domiciled require the prior approval of the state insurance commissioner for any acquisition of control of an insurance company domiciled in that state. Under these laws, control is presumed to exist if a person owns, directly or indirectly, 10% or more of the voting securities of the insurance company or its holding company. Accordingly, any acquisition of voting securities that results in ownership by a person of 10% or more of UnumProvident Corporation's voting securities will generally require the prior approval of the insurance commissioners of all of these states.

Table of Contents**PROSPECTUS SUMMARY**

This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus. This summary does not contain all of the information that you should consider before investing in our units. You should read carefully this entire prospectus, including the Risk Factors section, and the information incorporated by reference, which are described under Where You Can Find More Information. In this prospectus, UnumProvident, we, our, ours and us refer to UnumProvident Corporation unless the context otherwise requires.

UnumProvident Corporation

We are the surviving corporation in the merger on June 30, 1999 of Provident Companies Inc., the leading individual disability insurance provider in North America, with Unum Corporation, the leading group disability insurance provider. We are the parent holding company for a group of insurance and non-insurance companies that collectively operate throughout North America, the United Kingdom, and, to a limited extent, in certain other countries around the world. Our principal operating subsidiaries in the United States are Unum Life Insurance Company of America (Unum America), Provident Life and Accident Insurance Company (Accident), The Paul Revere Life Insurance Company (Paul Revere Life), and Colonial Life & Accident Insurance Company (Colonial). We, through our subsidiaries, are the largest provider of group and individual disability insurance in North America and the United Kingdom. We also provide a complementary portfolio of other insurance products, including long-term care insurance, life insurance, employer- and employee-paid group benefits, and related services.

Consolidated Ratio of Earnings to Fixed Charges

Our consolidated ratio of earnings to fixed charges including our consolidated subsidiaries is computed by dividing earnings by fixed charges. The following table sets forth our consolidated ratio of earnings to fixed charges for the periods shown:

	For the Year Ended December 31,					For the Three Months Ended
	1999 ⁽²⁾	2000	2001	2002	2003 ⁽²⁾	March 31, 2004 ⁽³⁾
Ratio of Earnings to Fixed Charges ⁽¹⁾	0.0x	5.2x	5.0x	4.3x	(1.1)x	(13.3)x

⁽¹⁾ For purposes of computing the ratio of earnings to fixed charges, earnings as adjusted consist of income (loss) from continuing operations before income taxes plus fixed charges. Fixed charges consist of interest and debt expense, amortization of deferred debt costs, and the estimated interest portion of rent expense.

⁽²⁾ Earnings were inadequate to cover fixed charges. The coverage deficiency totaled \$159.0 million for 1999 and \$435.2 million for 2003.

⁽³⁾ Earnings were inadequate to cover fixed charges. The coverage deficiency totaled \$770.2 million for the three months ended March 31, 2004.

As of the date of this prospectus, we have no preferred stock outstanding.

Table of Contents

The Offering

What are the equity security units?

Each equity security unit, which we refer to as a unit, consists of and represents:

- (1) a purchase contract pursuant to which:

you will agree to purchase, and we will agree to sell, for \$25, a number of shares of our common stock on May 15, 2007 (the stock purchase date) to be determined based on the average trading price of our common stock for a period preceding that date, calculated in the manner described below; and

we will pay you contract adjustment payments on a quarterly basis at the annual rate of 3.165% of the stated amount of \$25, subject to our right to defer such payments, as specified below; and

- (2) a 1/40, or 2.5%, ownership interest in a 5.085% senior note due May 15, 2009 of UnumProvident with a principal amount of \$1,000, on which we will pay interest at the initial annual rate of 5.085% until a successful remarketing of the senior notes and at the reset rate (as described below) thereafter. Interest will be payable quarterly in arrears through and including the stock purchase date and, thereafter, semi-annually in arrears.

The ownership interests in the senior notes that are a component of your units will be owned by you, but have initially been pledged to the collateral agent for our benefit to secure your obligations under the related purchase contracts. We refer in this description to the purchase contracts, together with the pledged ownership interest in the senior notes (or, after a successful remarketing or a special event redemption, the pledged treasury securities), as normal units.

Each holder of normal units may elect at any time on or before the seventh business day prior to the stock purchase date (subject to certain exceptions) to withdraw from the pledge the pledged ownership interest in the senior notes (or, after a successful remarketing or special event redemption described below, the pledged treasury securities) underlying the normal units, thereby creating stripped units. To create stripped units, the holder must substitute, as pledged securities, specifically identified treasury securities that will pay \$25 (the amount due under the purchase contract) per unit on the stock purchase date, and the pledged ownership interest in the senior notes or treasury securities will be released from the pledge and delivered to the holder. Holders of stripped units may recreate normal units by re-substituting the senior notes (or, after a successful remarketing or a special event redemption, the applicable treasury securities) for the treasury securities underlying the stripped units.

If the senior notes are successfully remarketed or a special event redemption occurs, in each case as described herein, the applicable ownership interest in the treasury securities will replace the ownership interest in a senior note as a component of each unit and will be pledged to the collateral agent for our benefit to secure your obligations under the purchase contract.

What are the purchase contracts?

The purchase contract underlying a unit obligates you to purchase, and us to sell, for \$25, on the stock purchase date, a number of newly issued shares of our common stock equal to the settlement rate described below. The settlement rate will be based on the average trading price of the common stock for a period preceding that date, calculated in the manner described below.

What payments will we make to holders of the units and the senior notes?

If you hold normal units, we will pay you (a) quarterly contract adjustment payments on the underlying purchase contracts at the annual rate of 3.165% of the \$25 stated amount through and including the stock

Table of Contents

purchase date, and (b) quarterly interest payments on the ownership interests in senior notes that are pledged in respect of your normal units at the initial annual rate of 5.085% through and including February 15, 2007, the last quarterly payment date before the stock purchase date. On the stock purchase date, you will also receive a cash payment in respect of each of your normal units, equal to 1/40, or 2.5%, of the quarterly interest payment payable on the \$1,000 principal amount of a senior note at the initial annual rate of 5.085%.

If you hold stripped units and do not separately hold senior notes, you will receive only the quarterly contract adjustment payments at the annual rate of 3.165% of the \$25 stated amount.

The contract adjustment payments on normal and stripped units are subject to our deferral right as described below. We are not entitled to defer interest payments on any senior notes, whether held as part of, or separately from, the units.

If you hold senior notes separately from the units and do not separately hold stripped units, you will receive only the interest payable on the senior notes. The senior notes, whether held separately from or as part of the units, will initially pay interest at the annual rate of 5.085%. If the senior notes are successfully remarketed, however, the rate of interest payable from the settlement date of the successful remarketing until their maturity on May 15, 2009 will be the reset rate, which will be a rate established by the remarketing agent, that meets the requirements described herein. If the remarketing agent cannot establish a reset rate on a remarketing date, the remarketing agent will not reset the interest rate on the senior notes and the interest rate will continue to be the initial annual rate of 5.085%, until the remarketing agent, on a later remarketing date prior to the stock purchase date, can establish a reset rate meeting the requirements described herein.

We are a holding company with no operations of our own. Our ability to pay our obligations under the purchase contracts and senior notes depends on our ability to obtain cash dividends or other cash payments or obtain loans from our subsidiaries, which are separate and distinct legal entities that will have no obligations to pay any dividends or to lend or advance us funds and which may be restricted from doing so by other financing arrangements, charter provisions or regulatory requirements. Our obligations under the purchase contracts and the senior notes will be effectively subordinated to the obligations of our subsidiaries, including policyholder claims.

What are the payment dates?

Subject to our deferral right in respect of the contract adjustment payments described below, we will make contract adjustment payments quarterly in arrears on each of February 15, May 15, August 15, and November 15, commencing on August 15, 2004 and ending on the stock purchase date. We will initially make interest payments on the senior notes quarterly in arrears on each of February 15, May 15, August 15, and November 15, commencing on August 15, 2004, and, following the stock purchase date, semi-annually in arrears on each of May 15 and November 15 until maturity on May 15, 2009.

Can we defer payments?

We can defer payment of all or part of the contract adjustment payments on the purchase contracts until no later than the stock purchase date. Additional contract adjustment payments will accrue on any deferred installments of contract adjustment payments at a rate of 8.25% per year until paid, compounded quarterly, to but excluding the stock purchase date, unless your purchase contract has been early settled or terminated. We are not entitled to defer interest payments on the senior notes.

What is the reset rate?

To facilitate the remarketing of the senior notes at the remarketing price described below, the remarketing agent will reset the rate of interest on the senior notes, effective from the settlement date of a successful

Table of Contents

remarketing until their maturity on May 15, 2009. The reset rate will be the rate sufficient to cause the then current market value of each outstanding senior note to be equal to at least 100.25% of the remarketing value described below (or, if the remarketing agent is unable to remarket the senior notes at such a price, at a price below 100.25% in the discretion of the remarketing agent, but in no event less than 100.00%). Resetting the interest rate on the senior notes at this rate is designed to enable the remarketing agent to remarket the senior notes in the remarketing and purchase the necessary treasury securities, the proceeds of which will be applied in settlement of the purchase contracts and to provide funds for the cash payment on the normal units due on the stock purchase date.

The reset rate will be determined by the remarketing agent on the third business day (as defined below) prior to February 15, 2007, the last quarterly payment date before the stock purchase date. If the remarketing agent cannot establish a reset rate meeting these requirements on the remarketing date and, as a result, the senior notes cannot be remarketed as described below, the interest rate will not be reset and will continue to be the initial rate of the senior notes. However, the remarketing agent may thereafter attempt to establish a reset rate meeting these requirements, and the remarketing agent may attempt to remarket the senior notes, on the subsequent dates described below. If a reset rate cannot be established on a given date, the remarketing will not occur on that date. If the remarketing agent fails to remarket the senior notes that form part of the normal units by the end of the third business day immediately preceding the stock purchase date, we will be entitled to exercise our rights as a secured party with respect to such senior notes and, subject to applicable law, may retain the pledged senior notes or sell them in one or more public or private sales to satisfy in full such holder's obligation to purchase shares of common stock under the related purchase contracts.

The reset of the interest rate on the senior notes in connection with a successful remarketing will not change the amount of the cash payment due to holders of normal units on the stock purchase date, which, as described above, will be an amount per normal unit equal to 1/40, or 2.5%, of the quarterly interest payment payable on \$1,000 principal amount of a senior note at the initial annual rate of 5.085%.

Business day means any day that is not a Saturday, Sunday or day on which banking institutions and trust companies in the State of New York or at a place of payment are authorized or required by law, regulation or executive order to close.

What is remarketing?

The remarketing agent will attempt to remarket the senior notes of holders of normal units and will use the proceeds to purchase treasury securities, which the participating holders of normal units will pledge to secure their obligations under the related purchase contracts. Holders of normal units may elect not to participate in any remarketing by following the procedures described below. The cash paid upon maturity of the pledged treasury securities underlying the normal units of such holders will be used to satisfy such holders' obligations to purchase shares of common stock on the stock purchase date, as well as to provide funds to make the cash payment to holders of normal units due on the stock purchase date. This will be one way for holders of normal units to satisfy their obligations to purchase shares of common stock under the related purchase contracts. The remarketing agent will attempt to remarket the senior notes that are included in normal units on one or more occasions starting on the remarketing date, which will be the third business day prior to February 15, 2007, which is the last quarterly payment date before the stock purchase date, or, if the remarketing agent fails to remarket the senior notes on that date, a later date as described below. As described below, a holder of a senior note in which interests are not held as part of normal units may elect to have the separately held senior note remarketed along with the senior notes in which interests are held as part of the normal units.

We will enter into a remarketing agreement with a nationally recognized investment banking firm that will act as remarketing agent. The remarketing agent will agree to use commercially reasonable best efforts to remarket the senior notes that are included in normal units (as well as separately held senior notes) that are participating in the remarketing, at a price per senior note equal to at least 100.25% of the remarketing value (or,

Table of Contents

if the remarketing agent is unable to remarket the senior notes at such a price, at a price below 100.25% in the discretion of the remarketing agent, but in no event less than 100.00%). The remarketing value of a senior note will be equal to the sum of:

- (1) the value at the remarketing date (or any subsequent remarketing date) of such amount of treasury securities that will pay, on or prior to the stock purchase date, an amount of cash equal to the interest payment scheduled to be payable on the senior note on that date, assuming for this purpose, even if not true, that the interest rate on the senior notes remains at the initial rate; and
- (2) the value at the remarketing date (or any subsequent remarketing date) of such amount of treasury securities that will pay, on or prior to the stock purchase date, an amount of cash equal to the principal amount of the senior note.

The remarketing agent will use the proceeds from a successful remarketing of the senior notes included in normal units to purchase, in its discretion, the amount and the types of treasury securities described in (1) and (2) above in respect of each such senior note that has been remarketed. The remarketing agent will purchase such treasury securities in open market transactions or at treasury auction and deliver them through the purchase contract agent to the collateral agent to secure the obligations under the related purchase contracts of the holders of the normal units whose senior notes participated in the remarketing. The remarketing agent will deduct out of the proceeds in excess of the remarketing value as a remarketing fee an amount not exceeding 25 basis points (0.25%) of the total proceeds from such remarketing. The remarketing agent will remit the remaining portion of the proceeds, if any, for payment to the holders of the normal units participating in the remarketing.

A holder of normal units may elect not to participate in any remarketing and, instead, retain the ownership interests in senior notes underlying those normal units by delivering, in respect of each senior note to be retained, the treasury securities having the value described in (1) and (2) above, in the amount and the types specified by the remarketing agent, to the purchase contract agent on the fourth business day prior to the first day of a remarketing period (as defined below) to satisfy its obligations under the related purchase contracts. Whether or not a holder of normal units participates in the remarketing, the interest rate on the senior notes in which interests are included in those units will nevertheless be reset if the remarketing is successful.

Prior to any remarketing, we plan to file and obtain effectiveness of a registration statement in respect of remarketing if so required under the U.S. federal securities laws at the time.

What happens if the remarketing agent does not successfully remarket the senior notes on the remarketing date?

If the remarketing agent cannot establish a reset rate meeting the requirements described above on the remarketing date and therefore cannot remarket the senior notes participating in the remarketing on the remarketing date at a price per senior note equal to at least 100.25% (or, less than 100.25%, but no less than 100.00%, if the remarketing agent has decided in his discretion to remarket at such rate) of the remarketing value, the remarketing agent will attempt to establish a reset rate meeting these requirements on each of the two business days immediately following the initial proposed remarketing date. If the remarketing agent cannot establish a reset rate meeting these requirements on either of those days, it will attempt to establish such a reset rate on each of the three business days immediately preceding April 1, 2007. If the remarketing agent cannot establish such a reset rate during that period, it will further attempt to establish such a reset rate on the third business day immediately preceding the stock purchase date. We refer to each of these periods as a remarketing period. Any subsequent remarketing will be at a price per senior note equal to at least 100.25% (or, less than 100.25%, but no less than 100.00%, if the remarketing agent has decided in his discretion to remarket at such rate) of the remarketing value on the subsequent remarketing date. If the remarketing agent fails to remarket the senior notes underlying the normal units at that price by the end of the third business day immediately preceding the stock purchase date, any holder of normal units that has not otherwise settled its purchase contracts in cash on the business day immediately preceding the stock purchase date (but without regard to the notice requirements

Table of Contents

otherwise applicable to cash settlement) will be deemed to have directed us to retain the securities pledged as collateral in satisfaction of the holder's obligations under the related purchase contracts and we will exercise our rights as a secured party and may, subject to applicable law, retain or dispose of such securities to satisfy in full such holder's obligation to purchase our common stock under the related purchase contracts on the stock purchase date. In no event will a holder of a purchase contract be liable for any deficiency between such proceeds and the purchase price for the shares of common stock under the purchase contract.

If I am not a party to a purchase contract, may I still participate in a remarketing of my senior notes?

Holders of senior notes in which interests are not included as part of normal units may elect to have their senior notes included in the remarketing in the manner described in Description of the Equity Security Units Optional Remarketing below. The remarketing agent will use commercially reasonable best efforts to remarket the separately held senior notes included in the remarketing at a price per senior note equal to at least 100.25% of the remarketing value (or, if the remarketing agent is unable to remarket the senior notes at such a rate, at a rate below 100.25% in the discretion of the remarketing agent, but in no event less than 100.00%), determined on the same basis as for the other senior notes being remarketed. After deducting as a remarketing fee an amount not exceeding 25 basis points (0.25%) of the total proceeds from such remarketing, the remaining portion of the proceeds will be remitted for payment to the holders whose separate senior notes were remarketed in the remarketing. If a holder of senior notes elects to have its senior notes remarketed during any remarketing period but the remarketing agent fails to remarket the senior notes during such remarketing period, the senior notes will be promptly returned to the custodial agent for release to the holder at the end of that period.

What is the settlement rate?

The settlement rate is the number of newly issued shares of common stock that we are obligated to sell and you are obligated to purchase upon settlement of a purchase contract on the stock purchase date.

The settlement rate for each purchase contract, subject to adjustment under specified circumstances, will be as follows:

if the applicable market value, determined as described below, of our common stock is equal to or greater than \$16.95, the settlement rate will be 1.4748 shares of common stock per purchase contract;

if the applicable market value of our common stock is less than \$16.95 but greater than \$14.74, the settlement rate will be equal to \$25 divided by the applicable market value of our common stock per purchase contract; or

if the applicable market value of our common stock is less than or equal to \$14.74, the settlement rate will be 1.6961 shares of common stock per purchase contract.

Applicable market value means the average of the closing price per share of our common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the stock purchase date.

At the option of each holder, a purchase contract may be settled early by the early delivery of cash to the purchase contract agent, as described below, in which case the settlement rate will be 1.4748 shares of common stock per purchase contract.

Besides participating in a remarketing, how else can I satisfy my obligations under the purchase contract?

Besides participating in the remarketing, your obligations under the purchase contract may also be satisfied:

if you have created stripped units or elected not to participate in the remarketing, by delivering and pledging specified treasury securities in substitution for your senior notes and applying the cash payments received upon maturity of those pledged treasury securities;

Table of Contents

through the early delivery of cash to the purchase contract agent on or prior to the seventh business day prior to the stock purchase date in the manner described in [Description of the Equity Security Units Early Settlement](#) below;

by delivering cash on the business day prior to the stock purchase date for settlement of the purchase contracts in the manner described in [Description of the Equity Security Units Notice to Settle with Cash](#) below; or

if we are involved in a merger, acquisition or consolidation prior to the stock purchase date in which at least 30% of the consideration for our common stock consists of cash or cash equivalents, through an early settlement of the purchase contract as described in [Description of the Equity Security Units Early Settlement Upon Cash Merger](#).

In addition, the purchase contracts, our related rights and obligations and those of the holders of the units, including their rights to receive accumulated contract adjustment payments or deferred contract adjustment payments and obligations to purchase our common stock, will automatically terminate upon our bankruptcy, insolvency or reorganization. Upon such a termination of the purchase contracts, the pledged senior notes or treasury securities will be released and distributed to you. If we become the subject of a case under the federal bankruptcy code, a delay may occur as a result of the imposition of an automatic stay under the bankruptcy code and continue until the automatic stay has been lifted. The automatic stay will not be lifted until such time as the bankruptcy judge agrees to lift it and allows your collateral to be returned to you.

If the purchase contract is settled early or is terminated as the result of our bankruptcy, insolvency or reorganization, a holder will have no further right to receive any accrued contract adjustment payments or deferred contract adjustment payments.

Under what circumstances may we redeem the senior notes before they mature?

If the tax laws change or are interpreted by the tax authorities or the courts in a way that adversely affects our tax consequences with respect to the senior notes, or if the accounting rules change in a way that adversely affects our accounting treatment of the purchase contracts or the units, then we may elect to redeem the senior notes. If the senior notes are redeemed before a successful remarketing, the money received from the redemption will be used by the collateral agent to purchase a portfolio of zero-coupon U.S. treasury securities that mature on or prior to each payment date of the senior notes through the stock purchase date, in an aggregate amount equal to the principal on the senior notes included in normal units and the interest that would have been due on such payment date on the senior notes included in normal units. For a holder of normal units, these treasury securities will replace the senior notes as the collateral securing such holder's obligations to purchase shares of common stock under the purchase contracts. If your senior notes are not components of normal units, you, rather than the collateral agent, will receive the related redemption payment. If the senior notes are redeemed, then each unit will consist of a purchase contract for shares of common stock and an ownership interest in the portfolio of treasury securities.

What is the maturity of the senior notes?

The senior notes will mature on May 15, 2009.

What are the U.S. federal income tax consequences related to the equity security units and senior notes?

If you purchase units in the offering, you will be treated for U.S. federal income tax purposes as having acquired two distinct interests: (i) purchase contracts and (ii) ownership interests in the senior notes constituting those units, and by purchasing the units you agree to treat the purchase contracts and ownership interests in the senior notes in that manner for all tax purposes. In addition, you agree to treat the senior notes as indebtedness of UnumProvident for all tax purposes. You must allocate the purchase price of the units between purchase

Table of Contents

contracts and ownership interests in the senior notes in proportion to their respective fair market values, which will establish your initial tax basis in each component of the units. We expect to report the fair market value of each purchase contract as \$0.00 and the fair market value of each senior note as \$1,000 (or \$25.00 for each 1/40, or 2.5%, ownership interest in a senior note included in a normal unit).

For U.S. federal income tax purposes, we intend to treat the senior notes as contingent payment debt instruments subject to the noncontingent bond method of accruing original issue discount. As discussed more fully under U.S. Federal Income Tax Consequences Senior Notes Original Issue Discount below, the effects of this method will be (1) to require you, regardless of your usual method of tax accounting, to use an accrual method with respect to interest on the senior notes, (2) to require you, for all accrual periods through February 15, 2007, and possibly thereafter, to accrue interest income in excess of distributions actually received by you, and (3) generally to result in ordinary rather than capital treatment of any gain or loss on the sale, exchange or disposition of an ownership interest in the senior notes or the units to the extent attributable to the senior notes.

Prospective investors are urged to consult their own tax advisors with respect to the U.S. federal income tax consequences of the purchase, ownership and disposition of units, the ownership interests in senior notes and the common stock acquired under a purchase contract in light of their own particular circumstances, as well as with respect to the effect of any state, local or foreign tax laws.

What are the ERISA considerations?

Plans subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, or ERISA, or Section 4975 of the Internal Revenue Code of 1986, as amended, may invest in the units subject to the considerations set forth in ERISA Considerations below.

Table of Contents

Explanatory Diagrams

The following diagrams demonstrate some of the key features of the purchase contracts, normal units, stripped units and senior notes, and the transformation of normal units into stripped units and senior notes. The following diagrams assume that the senior notes are successfully remarketed, the interest rate on the senior notes is reset, there is no early settlement and the payment of contract adjustment payments is not deferred.

Purchase Contracts

Normal units and stripped units both include a purchase contract under which you agree to purchase shares of common stock on the stock purchase date.

The number of shares of common stock to be purchased under each purchase contract will depend on the applicable market value. The applicable market value means the average of the closing price per share of our common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding the stock purchase date.

-
- (1) The reference price is \$14.74, which is equal to the closing price of shares of our common stock on May 6, 2004.
- (2) The threshold appreciation price is \$16.95, which is 115% of the reference price.
- (3) For each of the percentage categories shown, the percentage of the shares of common stock to be delivered on the stock purchase date to a holder of normal units or stripped units is determined by dividing:
- the related number of shares of common stock to be delivered, calculated in the manner indicated in the footnote for each such category, by
- an amount equal to \$25, the stated amount of the unit, divided by the reference price.
- (4) If the applicable market value of our common stock is less than or equal to the reference price, the number of shares of common stock to be delivered will be calculated by dividing the stated amount of \$25 by the reference price.
- (5) If the applicable market value of our common stock is between the reference price and the threshold appreciation price, the number of shares of common stock to be delivered will be calculated by dividing the stated amount of \$25 by the applicable market value.
- (6) If the applicable market value of our common stock is greater than or equal to the threshold appreciation price, the number of shares of common stock to be delivered will be calculated by dividing the stated amount of \$25 by the threshold appreciation price.

Table of Contents

Normal Units

A normal unit consists of two components as illustrated below:

		Ownership Interest in
Purchase Contract		Senior Note
		(Owed to Holder)
(Owed to Holder)		Interest on a 1/40, or 2.5%,
Common Stock		ownership interest in
+	+	\$1,000 principal amount
contract adjustment payments		5.085% per year payable quarterly
3.165% per year payable quarterly, subject		until Stock Purchase Date and
to deferral		semi-annually thereafter
		(reset in connection with remarketing)
		(Owed to Holder)
(Owed to UnumProvident)		\$25 at Maturity
\$25 at Stock Purchase Date		(as a 1/40, or 2.5%, ownership interest
(May 15, 2007)		in \$1,000 principal amount)
		(May 15, 2009)
	Normal Unit	

After a successful remarketing or special event redemption, the normal units will include specified treasury securities in lieu of the senior notes.

If you hold a normal unit, you will hold an ownership interest in a senior note and, after a successful remarketing or special event redemption, an ownership interest in specified treasury securities, but will pledge that interest to the collateral agent for our benefit to secure your obligations under the purchase contract.

If you hold a normal unit, you may also substitute a specified amount of treasury securities for the ownership interest in a senior note if you decide not to participate in the remarketing.

Stripped Units

A stripped unit consists of two components as illustrated below:

	Zero Coupon
Purchase Contract	Treasury Security
(Owed to Holder)	
Common Stock	
+	+
contract adjustment payments	
3.165% per year payable quarterly,	
subject to deferral	
(Owed to UnumProvident)	(Owed to Holder)
\$25 at Stock Purchase Date	\$25 at Maturity
(May 15, 2007)	(as a 1/40, or 2.5%, ownership interest
	in \$1,000 principal amount)
	(May 15, 2007)

Table of Contents

Stripped Unit

If you hold a stripped unit, you own a 1/40, or 2.5%, interest in the treasury security but will pledge it to the collateral agent for our benefit to secure your obligations under the purchase contract. The treasury security is a zero coupon U.S. treasury security (CUSIP No. 912833GA2) that matures on May 15, 2007.

Senior Notes

Senior notes will have the terms illustrated below:

(Owed to Holder)

Interest on \$1,000 principal amount

5.085% per year

payable quarterly until Stock Purchase

Date and semi-annually thereafter

(reset in connection with

remarketing)

(Owed to Holder)

at Maturity \$1,000 principal amount

(May 15, 2009)

If you hold an ownership interest in a senior note that is a component of a normal unit, you have the option to either:

allow the ownership interest in the senior note to be included in the remarketing process, the proceeds of which will be used to purchase treasury securities, if the remarketing is successful, which will be applied to settle the purchase contract; or

elect not to participate in the remarketing by delivering treasury securities in substitution for the ownership interest in the senior note, the proceeds of which will be applied to settle the related purchase contract.

If you hold a senior note that is not a component of a normal unit, you have the option to either:

continue to hold the senior note, the interest rate on which will be reset, effective from the settlement date of a successful remarketing of the senior notes; or

deliver the senior note to the remarketing agent to be included in the remarketing.

Transforming Normal Units into Stripped Units and Senior Notes

To create stripped units, you must substitute for the pledged ownership interest in the senior note (or, after a successful remarketing or special event redemption, the pledged treasury securities) the specified zero coupon U.S. treasury security that matures on May 15, 2007.

The pledged senior note or the pledged treasury securities will be released from the pledge and delivered to you.

The zero coupon U.S. treasury security together with the purchase contract would then constitute a stripped unit. The senior note (or, after a successful remarketing or special event redemption, treasury securities), which was previously a component of normal units, is tradable as a separate security.

The transformation of normal units into stripped units and senior notes and the transformation of stripped units and senior notes into normal units may generally be effected only in integral multiples of 40 units. If, however, the senior notes constituting a part of the normal units have been replaced with treasury securities due to a successful remarketing or special event redemption, the transformation of normal units into stripped units and the recreation of normal units from stripped units may be effected

Table of Contents

only in integral multiples of units such that both the treasury securities to be deposited and the treasury securities to be released are in integral multiples of \$1,000.

The following illustration depicts the transformation of 40 normal units into 40 stripped units and one \$1,000 principal amount senior note.

After remarketing, the normal units will include ownership interests in specified U.S. treasury securities in lieu of an ownership interest in senior notes.

You can also transform stripped units and senior notes (or, after a successful remarketing or special event redemption, treasury securities) into normal units. Following that transformation, the specified zero coupon U.S. treasury security, which was previously a component of the stripped units, is tradable as a separate security.

Table of Contents**RISK FACTORS**

Investing in the ACES Units involves risk. In deciding whether to invest in the units, you should carefully consider the disclosures in our Annual Report on Form 10-K for the year ended December 31, 2003 (our Form 10-K) under the captions Cautionary Statement Regarding Forward Looking Statements and Risk Factors as well as the risk factors set forth below, the disclosures in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 (our Form 10-Q), the other information contained in this prospectus and the information you have been provided with or given access to regarding UnumProvident herein. The risks and uncertainties described below and in these documents are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of the following risks occurs, our business, financial condition or results of operations could be materially and adversely affected. In that case, the value of the units and your investment could decline.

In this prospectus, UnumProvident, we, our, ours and us refer to UnumProvident Corporation unless the context otherwise requires. In the discussion below the ACES Units are also referred to as the units or the equity security units.

Risk Factors Related to Our Business

We could be adversely affected by a downgrade of the credit and debt ratings of UnumProvident and our subsidiaries.

Following the publication of our earnings release for the first quarter of 2004 on May 5, 2004, Standard and Poor's on May 6, 2004 downgraded our counterparty credit rating and senior debt rating to BB+ from BBB- while at the same time lowering our counterparty credit and financial strength ratings on our insurance company subsidiaries to BBB+ from A-, all with a stable outlook, citing concerns about the consistency of our risk control and valuation practices, volatility of our financial results, level of our operating earnings, particularly with respect to group disability, and our orientation towards market share growth. The change to BB+ represents a below investment grade rating. This action follows the action taken by Moody's and Fitch in the first quarter of 2004 to place under review our ratings for possible downgrade due to concerns expressed about the Company's fourth quarter of 2003 reserve strengthening for group income protection and the profitability of this line of business. Also on May 6, 2004, A.M. Best reaffirmed its ratings of the Company and its insurance company subsidiaries and continued its negative outlook and Fitch Ratings reaffirmed its ratings of the Company and its insurance company subsidiaries while keeping the ratings under review for possible downgrade pending a review of the Company's reserves under Fitch's model. There can be no assurance that further downgrades by these or other ratings agencies, particularly in light of the Standard and Poor's downgrade, will not occur following the completion of this offering.

The Company competes based in part on the financial strength ratings provided by rating agencies, which were also the subject of the recent downgrade. The downgrade of the financial strength ratings can be expected to adversely affect the Company. The financial strength downgrade could, among other things, adversely affect the Company's relationships with distributors of its products and service and retention of its sales force, negatively impact persistency and new sales, particularly large case group sales and individual sales, and generally adversely affect its ability to compete. The Company is considering various measures aimed at minimizing these adverse effects and such measures may increase the Company's expenses.

Downgrades in the Company's debt ratings can be expected to adversely affect the Company's ability to raise capital or its cost of capital.

Our Annual Report contains important Risk Factors and other information related to our business.

Our Form 10-K includes important risk factors and other information related to our business. Many of these are included under the caption Cautionary Statement Regarding Forward Looking Statements and in Item 1,

Table of Contents

Part I of our Form 10-K (including the caption "Risk Factors"). You should also read carefully the discussions contained in our Form 10-K before making an investment decision, including the following:

the discussions regarding the determination of our reserves on pages 10 and 11, 26 to 28, and 32 and 33 of our Form 10-K;

the discussion regarding the effect of persistency on our amortization of deferred policy acquisition costs, beginning on page 28 of our Form 10-K;

the discussion regarding possible impairment of recorded goodwill on pages 30 and 31 of our Form 10-K;

the discussion regarding our investment portfolio, including the portion comprised of securities rated below investment grade, on pages 56 through 72 of our Form 10-K;

the discussion regarding our use of reinsurance on pages 10 and 30 of our Form 10-K;

the discussion regarding the regulatory examinations and investigations and litigation to which we are subject in note 15 to our Consolidated Financial Statements included in our Form 10-K, in particular those examinations, investigations and allegations of improper claims handling practices and procedures;

the discussion regarding the comprehensive regulation to which we are subject, beginning on page 11 of our Form 10-K;

the discussion regarding the noncancellable nature of the policies in our Closed Block on pages 7 and 8 of our Form 10-K;

the discussion regarding the competitiveness of our business on page 11 of our Form 10-K, and the discussion regarding possible declines in the rate of sales growth for both group and individual income protection products due to competitive pricing on page 42 of our Form 10-K;

the discussion regarding the possibility of lower persistency or lower profit margins on our group income life business on pages 42 and 43 of our Form 10-K; and

the discussion regarding the possible adverse effects of negative media attention or downgrades in financial strength ratings on our ability to grow sales and renew existing business on page 39 of our Form 10-K.

Our Form 10-Q contains important updated information related to our business.

Our Form 10-Q contains important information related to our business, including a discussion of commitments and contingent liabilities in Note 9 to our Condensed Consolidated Financial Statements. You should read these discussions carefully, including, in particular, the updated discussion of improper claims-handling practices and procedures.

Risk Factors Related to the Units

You will bear the entire risk of a decline in the price of our common stock.

Edgar Filing: UNUMPROVIDENT CORP - Form 424B3

The market value of the common stock you will purchase on the stock purchase date may be materially lower than the price per share that the purchase contract requires you to pay. If the average of the closing price per share of our common stock over the 20 trading-day period ending on the third trading day immediately preceding the stock purchase date is less than \$14.74 per share, you will be required to purchase shares of common stock at a price per share of \$14.74 on the stock purchase date. Accordingly, a holder of units assumes the entire risk that the market value of our common stock may decline and that the decline could be substantial.

Table of Contents

You will receive only a portion of any appreciation in the common stock price.

The aggregate market value of our common stock you will receive upon settlement of a purchase contract generally will exceed the stated amount of \$25 only if the average of the closing price per share of common stock over the 20 trading-day period ending on the third trading day immediately preceding the stock purchase date equals or exceeds \$16.95, which we refer to as the threshold appreciation price. The threshold appreciation price represents an appreciation of 15% over \$14.74. If the applicable average closing price exceeds \$14.74, which is referred to as the reference price, but falls below the threshold appreciation price, you will realize no equity appreciation on the shares of common stock for the period during which you own a unit. Furthermore, if the applicable average closing price exceeds the threshold appreciation price, the value of our common stock you will receive under the purchase contract will be approximately 87.0% of the value of the shares of common stock you could have purchased with \$25 at the time of the offering. During the period prior to settlement, an investment in the units affords less opportunity for equity appreciation than a direct investment in our common stock.

The trading price of our common stock and the general level of interest rates and our credit quality will directly affect the trading price for the units.

It is impossible to predict whether the price of our common stock or interest rates will rise or fall. Our operating results and prospects and economic, financial and other factors will affect trading prices of our common stock and the units. In addition, market conditions can affect the capital markets generally, thereby affecting the price of our common stock. These conditions may include the level of, and fluctuations in, the trading prices of stocks generally. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the common stock underlying the purchase contracts and of the other components of the units. The arbitrage could, in turn, negatively affect the trading prices of the units and our common stock.

You may suffer dilution of the common stock issuable upon settlement of your purchase contract.

The number of shares of our common stock issuable upon settlement of your purchase contract is subject to adjustment only for stock splits and combinations, stock dividends and specified other transactions that significantly modify our capital structure. The number of shares of common stock issuable upon settlement of each purchase contract is not subject to adjustment for other events, including employee stock option grants, ordinary dividends, offerings of shares of common stock for cash, or in connection with acquisitions or other transactions which may adversely affect the price of the shares of common stock. The terms of the units do not restrict our ability to offer shares of common stock in the future or to engage in other transactions that could dilute the shares of common stock. We have no obligation to consider the interests of the holders of the units in engaging in any such offering or transaction. If we issue additional shares of common stock, that issuance may materially and adversely affect the price of our common stock and, because of the relationship of the number of shares of common stock holders are to receive on the stock purchase date to the price of our common stock, such other events may adversely affect the trading price of the units.

You will have no rights as common stockholders but will be subject to all changes with respect to our common stock.

The fact that you hold a purchase contract does not make you a holder of our common stock. Until you acquire shares of common stock upon settlement of your purchase contract, you will have no rights with respect to our common stock, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on the shares of common stock. Future dividend payments will depend on our level of earnings, financial requirements and other relevant factors. Only holders of our common stock, not holders of units, will receive such dividends. Upon settlement of your purchase contract, you will only be entitled

Table of Contents

to exercise the rights of a holder of our common stock as such rights exist at that time and only with respect to actions for which the record date occurs after the settlement date.

Your pledged securities will be encumbered.

Although holders of units hold beneficial ownership interests in the underlying pledged senior notes or treasury securities, those securities have been pledged with the collateral agent to secure the holders' obligations under the related purchase contracts. Therefore, for so long as the purchase contracts remain in effect, holders will not be allowed to withdraw their ownership interest in the pledged senior notes or treasury securities from this pledge arrangement, except upon substitution of other securities as described in this prospectus.

The purchase contract agreement has not been and will not be qualified under the Trust Indenture Act. The obligations of the purchase contract agent will be limited.

Even if transactions in the units are covered by an effective registration statement under the Securities Act, the purchase contract agreement relating to the units will not be qualified under the Trust Indenture Act. The purchase contract agent under the purchase contract agreement, who acts as the agent and the attorney-in-fact for the holders of the units, has not been and will not be qualified as a trustee under the Trust Indenture Act. Accordingly, holders of the units will not have the benefits of the protections of the Trust Indenture Act other than to the extent applicable to a senior note included in a unit or as specified in the purchase contract agreement, such as the right to cause the purchase contract agent to be removed for conflicting interests, as defined in the Trust Indenture Act. Under the terms of the purchase contract agreement, the purchase contract agent has only limited obligations to the holders of the units.

If a security is issued under an indenture, you as a holder would generally have the following additional protections: (1) provisions that obligate an indenture trustee, within 90 days of ascertaining that it has a conflicting interest, to either eliminate the conflicting interest or resign; (2) provisions that prevent an indenture trustee that is also a creditor of the issuer from improving its own credit position at the expense of you as the security holder immediately before or after an indenture default; and (3) the requirement that the indenture trustee deliver reports at least once a year with respect to the indenture trustee and the securities issued under the indenture.

Holders of senior notes have only limited rights of acceleration.

Holders of senior notes may accelerate payment of the principal and accrued and unpaid interest on the senior notes only upon the occurrence and continuation of an event of default. An event of default is generally limited to payment defaults, breaches of specific covenants and specific events of bankruptcy, insolvency and reorganization relating to us.

Delivery of the securities under the pledge agreement is subject to potential delay if we become subject to a bankruptcy proceeding.

Notwithstanding the automatic termination of the purchase contracts, if we become the subject of a case under the federal bankruptcy code, the imposition of an automatic stay under Section 362 of the federal bankruptcy code may delay the delivery to you of your securities being held as collateral under the pledge arrangement and such delay may continue until the automatic stay has been lifted. The automatic stay will not be lifted until such time as the bankruptcy judge agrees to lift it and allows your collateral to be returned to you.

We may redeem the senior notes upon the occurrence of a special event.

We have the option to redeem the senior notes, on not less than 30 days nor more than 60 days prior written notice, in whole but not in part, at any time if a special event occurs and continues under the

Table of Contents

circumstances described in this prospectus. See "Description of the Senior Notes—Special Event Redemption" in this prospectus. If we exercise this option, the senior notes will be redeemed at the redemption price described in this prospectus. If the senior notes are redeemed, we will pay the redemption price in cash to the holders of ownership interests in the senior notes. If the special event redemption occurs prior to the earlier of the stock purchase date or a successful remarketing of the senior notes, the redemption price payable to you as a holder of the normal units will be distributed to the collateral agent, who in turn will apply an amount equal to the redemption price to purchase a portfolio of zero coupon U.S. treasury securities on your behalf, and will remit the remainder of the redemption price, if any, to you, and these treasury securities will be substituted for the senior notes as collateral to secure your obligations under the purchase contracts related to the normal units. If your senior notes are not components of normal units, you, rather than the collateral agent, will receive the related redemption payments. We can give you no assurance as to the effect on the market prices for the normal units if we substitute the treasury securities as collateral in place of any senior notes so redeemed. A special event redemption will be a taxable event to the holders of the senior notes.

Because we are a holding company with no operations of our own, our obligations under the senior notes and the purchase contracts are effectively subordinated to the obligations of our subsidiaries, including policyholder claims.

We are a holding company with no operations of our own. Our ability to pay our obligations under the purchase contracts and the senior notes is dependent upon our ability to obtain cash dividends or other cash payments or loans from our subsidiaries. Our operating subsidiaries are separate and distinct legal entities and will have no obligation, contingent or otherwise, to pay any dividends or make any other distributions (except for payments required pursuant to the terms of inter-company indebtedness) to us. Various financing arrangements, charter provisions and regulatory requirements may impose certain restrictions on the ability of our subsidiaries to transfer funds to us in the form of cash dividends, loans or advances.

In addition, because we are a holding company, except to the extent that we have priority or equal claims against our subsidiaries as a creditor, our obligations under the senior notes and the purchase contracts will be effectively subordinated to the obligations of our subsidiaries, inc