



# NEWS RELEASE

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## FOR IMMEDIATE RELEASE

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### **A.M. Best Affirms Debt Rating of Northwind Holdings, LLC**

**OLDWICK, N.J., November 18, 2011**—A.M. Best Co. has affirmed the debt rating of “a” on \$800 million Floating Rate Insured Notes, due 2037 (notes) issued by **Northwind Holdings, LLC** (Northwind Holdings), a Delaware limited liability company and wholly owned subsidiary of **Unum Group** (Unum) (headquartered in Chattanooga, TN). The outlook for the rating is stable.

Northwind Holdings was formed for the limited purpose of holding the stock of Northwind Re, Inc. (Northwind Re), issuing the notes and engaging in other activities incidental to the performance of its duties. Northwind Holdings is the sole shareholder of Northwind Reinsurance Company, a special purpose financial captive insurance company domiciled in Vermont. Northwind Re was established to provide reinsurance coverage to three Unum subsidiaries, **Provident Life and Accident Insurance Company, The Paul Revere Life Insurance Company** and **Unum Life Insurance Company of America**, as well as to facilitate the funding of a portion of the capital required to support a closed block of individual disability policies.

A.M. Best’s rating action takes into consideration the current financial strength rating of A (Excellent) and issuer credit ratings of “a” of Unum’s operating subsidiaries; the adequacy of the excess cash flows at Northwind Re available to be transferred as dividends to Northwind Holdings to service the notes; the remaining portion of the monetized excess cash flows; the ability to meet or exceed certain benchmarks (e.g., principal note payment,

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dividend distribution, reserve balances, etc.) relative to plan/forecast; and the performance of its investment portfolio, which primarily consists of investment-grade securities and is the primary source of funds to pay ongoing claims. No consideration was given for payment assurance/support provided by **MBIA Insurance Corporation**, the financial guarantor, which ensures the timely payment of scheduled interest and the repayment of principal at maturity to the note holders

Northwind Holdings' rating and outlook may come under negative pressure if an unfavorable earnings trend develops over a prolonged period or if certain benchmarks are not achieved or deteriorate relative to the plan/forecast. However, the company's rating and outlook could benefit if a favorable trend in its operating performance increases or if certain benchmarks exceed the plan/forecast.

For access to special reports, analytical methodologies and transactions relating to insurance-linked securities, please visit <http://www3.ambest.com/sfc/>.

The principal methodology used in determining this rating is "Rating Closed-Block Monetizations."

Additional key criteria utilized include: [Best's Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best's rating process and highlights the different rating criteria employed. Methodologies can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

**Founded in 1899, A.M. Best Company is the world's oldest and most authoritative insurance rating and information source. For more information, visit [www.ambest.com](http://www.ambest.com).**

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