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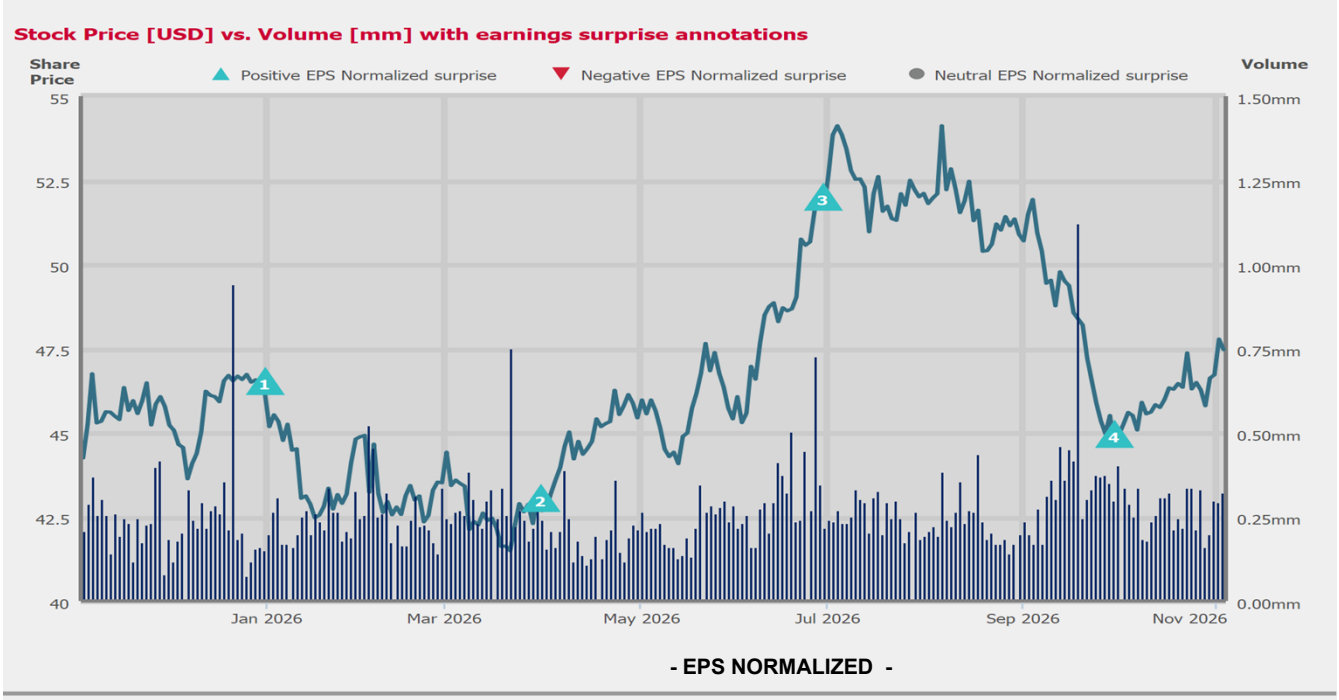
Horace Mann Educators Corporation NYSE:HMN FQ3 2026 Earnings Call Transcripts

Wednesday, November 4, 2026 3:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ3 2026-			-FQ4 2026-	-FY 2026-	-FY 2027-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	1.11	2.06	85.59	1.30	4.86	NA
Revenue (mm)	444.20	439.20	(1.13 %)	449.90	1766.90	NA

Currency: USD
Consensus as of Oct-12-2026 7:00 AM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ4 2025	1.18	1.21	1 2.54 %
FQ1 2026	1.10	1.28	2 16.36 %
FQ2 2026	0.73	1.17	3 60.27 %
FQ3 2026	1.11	2.06	4 85.59 %

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Call Participants

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Presentation

Operator

Good day, and welcome to Horace Mann Educators Third Quarter 2026 Investor Call. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Rachel Luber, Vice President of Investor Relations. Please go ahead.

Rachael Luber
Vice President of Investor Relations

Thank you. Welcome to Horace Mann's discussion of our third quarter 2026 results. Yesterday, we issued our earnings release, investor supplement and investor presentation. Copies are available on the Investors page of our website. Our speakers today are Marita Zuraitis, President and Chief Executive Officer; and Ryan Greenier, Executive Vice President and Chief Financial Officer.

Before turning it over to Marita, I want to note that our presentation today includes forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The company cautions investors that any forward-looking statements include risks and uncertainties and are not guarantees of future performance. These forward-looking statements are based on management's current expectations, and we assume no obligation to update them. Actual results may differ materially due to a variety of factors, which are described in our news release and SEC filings. In our prepared remarks, we use some non-GAAP measures. Reconciliations of these measures to the most comparable GAAP measures are available in our investor supplement.

I'll now turn the call over to Marita.

Marita Zuraitis
President, CEO & Director

Thanks, Rachel, and good morning, everyone. Yesterday, Horace Mann reported the strongest quarterly earnings in our history. Our core earnings per share of $2.06, a 50% increase over last year's record third quarter. Core shareholder return on equity for the trailing 12 months increased to 14.2%. The quarter reflects strong execution across our diversified business, including excellent P&C underwriting results, higher net investment income and continued growth momentum. These results also demonstrate the earnings capacity of the company as we continue executing against the strategy we outlined at our Investor Day.

Based on our performance through the first 9 months of the year, we have raised our full year 2026 core EPS guidance to a range of $5.75 to $5.95 per share. Ryan will review the updated outlook and provide context on the underlying earnings progress we expect to carry forward as well as items that benefited this year's results but are not expected to reoccur. This morning, I'll focus on the drivers of the quarter's strong performance and our continued progress towards our 3-year strategic financial goals.

Let me start with Individual Supplemental and Group Benefits, where we continue to see strong performance and attractive growth across both businesses. Our Supplemental and Group Benefits business provides individuals and employers with meaningful solutions that support financial protection, employee well-being, recruiting and retention. This segment generates reoccurring premium and fee-based revenue, produces attractive margins and requires less capital than our other businesses, adding earnings diversification and greater financial flexibility.

This quarter, the segment generated $19 million of core earnings, a 10% increase over prior year, reflecting continued growth and strong underwriting results. Individual Supplemental offers employee purchase protection, including cancer, critical illness and other supplemental protection. The business continues to build on its record 2025 performance, supported by our strategic investments in expanded distribution capabilities and product enhancements.

Sales have grown at an annualized rate of 25% over the past 2 years. Group Benefits provides employer-sponsored coverage, including life and disability. Earlier this year, we expanded our capabilities by adding paid family and medical leave coverage to our portfolio in response to employer demand.

Over the past year, covered lives increased 7% and year-to-date sales increased 67%. Building on that momentum, the recently completed acquisition of ESI Employee Assistance Group expands our employer value proposition with a comprehensive employee assistance and well-being solution. Employees gain access to experienced mental health counselors, financial coaching, legal support and other resources that promote well-being and work-life balance. It also adds nearly 1 million covered lives, more than half of whom are educators and others who serve their communities.

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Employee Services is the first of the 3 Medical Mutual of Ohio transactions to close with the remaining 2 expected to close in the first quarter of 2027. Once all 3 transactions are complete, we expect them to contribute approximately $0.40 to $0.50 of core earnings per share annually and add about 100 basis points to core shareholder return on equity.

Moving on to Property and Casualty. Core earnings increased 22% over the prior year. The combined ratio of 83.6% reflects strong underwriting performance, catastrophe losses below long-term averages and favorable prior year reserve development. Property results were particularly strong, benefiting from relatively benign weather conditions during the quarter. Catastrophe losses were below both our 5- and 10-year averages for the quarter and remain well below historical averages through the first 9 months of the year. In auto, we continue to be thoughtful and focused about where and when we grow. As we have said before, target profitability is a prerequisite for growth. Following significant rate and non-rate actions over the past several years, we now have that foundation in place across the business. In markets where larger actions were required, the effects on retention and new business take time to work through. We are seeing encouraging sales momentum in several markets where we see attractive returns and remain focused on delivering sustained profitable growth.

Our third-party strategy complements this disciplined approach by helping us retain and continue serving the customer household and provide additional protection and financial solutions over time. In Life and Retirement, core earnings doubled over the prior year, supported by higher net investment income and strong life results, including a benefit from our annual review on actuarial assumptions. Life sales increased 3% over prior year quarter and 13% year-to-date, while retirement assets under administration increased 8% over the past year. In total, net investment income increased 17% over the prior year. Our limited partnership fund portfolio generated annualized returns of more than 20% for the quarter. That performance was well above our long-term expectation of approximately 8.5% and demonstrate the value of a diversified investment portfolio.

At the same time, higher reinvestment rates continue to support investment income growth in our core fixed income portfolio. Through the first 9 months of the year, our core new money rate exceeded the portfolio book yield by more than 100 basis points, supporting continued growth in investment income over time. Together, the earnings and capital generated by our investment portfolio provide additional flexibility to fund strategic growth initiatives and create long-term shareholder value.

Taking a step back, our strong third quarter results keep us on track to achieve the strategic financial goals we established at our Investor Day, growing normalized core earnings per share at a 10% annual rate over the 3-year period and delivering a sustainable core shareholder return on equity of at least 12% to 13%. The primary levers supporting those objectives are investing strategically in growth, optimizing expenses and improving operating leverage. To drive growth, we continue to invest in our omnichannel approach to meeting more educators where they are.

We are expanding partnerships with trusted brands such as Crayola, with the next Crayola Creativity Week beginning in January. In addition, we continue to add professional development programs and other resources that help educators succeed in and out of the classroom. The Horace Mann Club, our centralized platform for financial wellness tools, classroom resources and educator benefits that we recently launched now has more than 18,000 users. We are also expanding our distribution capacity through exclusive agents, benefit specialists and contact center sales representatives, giving us more opportunities to serve educators across our businesses.

At the same time, we continue to make progress on expense optimization and operating leverage. We remain on track to achieve our goal of $10 million in expense savings by the end of 2026, supporting our expectation for 25 to 50 basis points of expense ratio improvement for the full year. Our strong balance sheet allows us to invest in profitable growth while maintaining our commitment to shareholder returns. The recently announced acquisitions add new capabilities and sources of earnings without changing our capital allocation priorities.

During the third quarter, we returned $16 million to shareholders through dividends and share repurchases, including $1 million in share repurchases. We have $36 million remaining under our current share repurchase authorization. Across our businesses, we are helping more educators succeed in and out of the classroom. We are partnering with more employers in more geographies to provide benefits that support employee retention and well-being, and we continue to evolve our products, distribution and capabilities to meet the changing needs of our customers.

We are operating from a position of strength. Our value proposition is built on providing meaningful solutions across the markets we serve. Together with our diversified earnings base and disciplined execution, this provides a strong foundation for sustained profitable growth. We remain on track to achieve our strategic financial objectives and continue to create long-term value for our shareholders. Thank you.

And with that, I'll turn the call over to Ryan.

Ryan Edward Greenier

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Executive VP & CFO

Thanks, Marita. This was another record quarter for Horace Mann, driven by strong performance across all of our businesses. The results support raising our full year core earnings per share guidance to a range of $5.75 to $5.95 per share. Our updated guidance assumes approximately $60 million of catastrophe losses for the full year and total net investment income in the range of $485 million to $495 million with managed portfolio income of $385 million to $395 million.

Our updated outlook incorporates the trends we're seeing across the business and reflects our current expectations for the balance of the year. Before reviewing the quarterly segment results, I want to put our updated full year outlook in the appropriate context for evaluating the ongoing earnings capacity of the business. Our 2026 results include several benefits that were stronger than the levels we would ordinarily use in establishing a forward earnings baseline. These include catastrophe losses below our 5- and 10-year averages, favorable prior year reserve development, particularly strong limited partnership fund returns and reserve releases resulting from our annual actuarial assumption reviews.

To help distinguish those benefits from the underlying progress of the business, we included an illustrative view of normalized core earnings per share on the guidance slide in our investor presentation. This range of $4.25 to $4.45 adjusts our updated guidance for the estimated benefit of those items. It is not guidance for 2027, but it provides a useful reference point for evaluating our underlying performance and to develop forward expectations. This normalization does not change the strength of our reported results or the shareholder value it created. It is intended to identify the most significant items that can vary materially by period from the performance we would consider when establishing a baseline for forward earnings.

As Marita discussed, we completed the ESI acquisition on October 1, and the initial integration is progressing smoothly. The 2 remaining Medical Mutual of Ohio transactions continue to progress as expected with closing anticipated in the first quarter of 2027. Our financial expectations remain unchanged. With that, let me turn to the quarterly results and the key drivers of our performance.

In Property and Casualty, core earnings increased 22% year-over-year to $39 million. The reported combined ratio improved nearly 4 points to 83.6%, reflecting strong underwriting performance and favorable prior year reserve development. Favorable prior year development totaled $8 million for the quarter, including $2.5 million in property and $5.5 million in auto. In auto, the combined ratio improved nearly 5 points to 90.6%, primarily reflecting favorable prior year reserve development.

As we move into the fourth quarter, we expect normal seasonality in auto frequency. That seasonality has historically added approximately 2 to 3 points to the fourth quarter loss ratio and is incorporated into our full year outlook. Our full year and longer-term expectations remain unchanged. Property also delivered strong results with the combined ratio improving nearly 2 points to 73.5%. Underlying loss performance benefited from relatively benign weather conditions during the quarter.

Catastrophe losses totaled $14 million pretax for the quarter and remains below both our 5- and 10-year averages. Through the first 9 months of the year, catastrophe losses were more than one standard deviation below historical averages. Our updated full year catastrophe assumption of approximately $60 million maintains an allowance for normal seasonal activity during the fourth quarter. From a premium standpoint, P&C net earned premium increased slightly over the prior year to $207 million, primarily reflecting the benefit of rate actions. A

s Marita discussed, auto new business sales improved in several markets where we see attractive returns, consistent with our disciplined approach to pursuing profitable growth. Overall, P&C continues to produce strong underwriting margins, demonstrating the value of the rate and non-rate actions taken over the past several years. Our focus is on converting that improved profitability into disciplined profitable growth while maintaining the quality of the in-force portfolio.

Turning to Life and Retirement. Core earnings doubled over the prior year, supported by higher net investment income and strong life results. In Life, sales increased 3% over the prior year quarter. Net written premiums increased 6% and persistency remained strong at approximately 96%. Life results also benefited from our annual review of actuarial assumptions. As part of that process, we updated the long-term assumptions underlying our reserves to reflect cumulative experience, resulting in a reserve release this quarter.

While the review is part of our normal annual process, the specific reserve adjustment reflects the cumulative effect of that update and should not be viewed as reoccurring at a similar level. Retirement also delivered strong results, supported by higher net investment income and increased fee revenue from higher assets under administration. Overall, the segment's underlying fundamentals remain strong, supported by positive sales trends, high persistency and growth in assets under administration. Life and Retirement remains well positioned to continue contributing to our long-term financial objectives.

Turning to Individual Supplemental and Group Benefits. The segment generated $19 million of core earnings, a 10% increase over the prior year, supported by continued growth and strong underwriting results across both businesses. Individual Supplemental continued

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to perform well. Sales increased 5% over the prior year quarter, building on record performance in 2025 and driving continued growth in policies in force and net earned premium. Persistency remained strong at approximately 89%.

In Group Benefits, covered lives and premiums continue to grow, supported by paid family and medical leave and strong retention. Sales are up 67% year-to-date, and we expect full year sales to exceed last year. Both businesses also benefited from our annual review of actuarial assumptions. Cumulative claims experience was better than the assumptions reflected in our reserves and updating those assumptions resulted in a reserve release this quarter. Our long-term expectations for the segment remain unchanged. Both businesses remain positioned to generate attractive returns supported by strong demand, disciplined underwriting and continued growth momentum.

Turning to investments. Total net investment income increased 17% over the prior year to nearly $140 million. Results exceeded our expectations, primarily reflecting particularly strong limited partnership fund returns and continued investment income growth in our core fixed income portfolio. Limited partnership income more than doubled from the prior year, driven by strong performance across several venture capital and private equity investments. As Marita noted, the portfolio generated an annualized return of more than 20% for the quarter, well above our long-term expectation of approximately 8.5%.

Within the core fixed income portfolio, income increased 7%, supported by attractive new money yields. Through the first 9 months of the year, our core new money rate remains more than 100 basis points above the portfolio book yield, providing continued support for higher investment income over time.

Overall, the quarter demonstrates the value of our diversified investment portfolio. While limited partnership returns will vary by period, continued growth in our core fixed income portfolio provides underlying support for future results. We remain focused on maintaining a high-quality portfolio, generating attractive long-term returns and preserving the financial flexibility to support our growth strategy.

Turning to capital. We continue to maintain a strong balance sheet and a disciplined approach to capital allocation. Our priorities remain unchanged: investing in profitable growth, maintaining a competitive dividend and repurchasing shares opportunistically when valuations are attractive. During the quarter, we returned $16 million to shareholders, including $15 million through our dividend and $1 million through share repurchases. We have approximately $36 million remaining under our current repurchase authorization, and we'll continue to evaluate additional repurchases while preserving the financial flexibility to support our growth strategy.

Strong earnings generation and disciplined capital management continue to create value for shareholders. Tangible book value per share increased 9% over the prior year, reflecting the strength of our balance sheet and our continued execution against our financial priorities. Stepping back, our performance through the first 9 months of the year keeps us on track to achieve the objectives established at Investor Day, growing normalized core earnings per share at a 10% annual rate over the 3-year period and delivering a sustainable core shareholder return on equity of at least 12% to 13%.

The normalized 2026 range we discussed today provides an appropriate baseline for evaluating that progress and developing forward expectations. Beginning in 2027, the recently announced acquisitions will further expand our earnings profile and support progress towards our long-term objectives. Thank you.
Operator, we are ready for questions.

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Question and Answer

Operator

[Operator Instructions] The first question comes from Jack Matten with BMO.

Jack Matten
BMO Capital Markets Equity Research

The first question is on the home insurance business and the drivers of your strong underlying margins there. I guess this quarter, was there any benefit from like [non-cat] weather being favorable in addition to the lower catastrophe loss experience? Or would you say like the outperformance there is more reflecting a lot of the extensive underwriting terms and conditions changes that you've implemented in recent years?

Marita Zuraitis
President, CEO & Director

Yes. Thanks, Jack. I think it starts with a very profitable homeowners book to begin with. But yes, it was benefited by both [casts] being lower than historic averages, which we and the rest of the industry is probably beat to death, but also benign underlying weather helping that line as well. I don't know if you want to add anything to that, Ryan?

Ryan Edward Greenier
Executive VP & CFO

Yes. That favorable weather also extends into some of the outperformance in the auto book as well. But Jack, you've hit on it. We've talked a lot about the rate and non-rate underwriting actions. We're still seeing rate earn in the property book, the rate increases that we've taken and the non-rate actions and portfolio optimization efforts are paying off.

Marita Zuraitis
President, CEO & Director

Yes. Still waiting on a pretty large rate increase in California that's been there for a while. Again, a phenomenon that you see across the industry. But other than that last rate filing that seems to be getting pretty close here, once we get that over the line, we're going to feel really good about the underlying profitability of that property line.

Jack Matten
BMO Capital Markets Equity Research

That's helpful. And then I guess now the Employee Services acquisition has closed, any update on the expected overall funding mix for the three acquisitions between excess capital and revolver borrowings? I guess after the transaction is closed, any update on where you expect your debt to capital and excess capital levels to land? And I guess over the near term, should we expect share repurchase levels to be somewhat muted?

Marita Zuraitis
President, CEO & Director

Yes, good question. I mean I want to start by saying that the work to get to close on ESI went extremely well. The integration of those folks into Horace Mann went extremely well. we're already excited about the business performance of that acquisition, and it's going to be a nice fit for who we are and what we do as we build our employer value proposition. And obviously, these kind of results give you financial flexibility when you think about how to fund for these transactions. We've talked in the past about our thinking. But obviously, we have a lot more financial flexibility. Ryan, some specifics there?

Ryan Edward Greenier
Executive VP & CFO

Yes. ESI, we used excess capital to close on that transaction. And then the balance for Reserve National and Medical Mutual Life, that balance of about $130 million at 1/1, like Marita said, we'll evaluate the mix of debt and capital. When I step back and think about appropriate leverage for our multiline business model, we're comfortable operating in the high 20s from a debt-to-cap ratio. And that gives us plenty of flexibility from where we're sitting right now, sitting in the mid-20s today. As for share repurchases, we take an opportunistic approach to that. We did buy back a small amount of 1 million shares or $1 million in the quarter, additional $1.5

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million in October. We do think it's an important lever for long-term shareholder value creation, and it's one that we'll continue to pursue when conditions are right.

Marita Zuraitis
President, CEO & Director

Yes, it's kind of nice to have the flexibility. When you think about the strong results they continue to fund that capital allocation strategy that we've always had. First, profitable growth, and we obviously are investing in profitable growth, and you see the growth momentum across the businesses. It's working. We remain committed to a competitive dividend. And as Ryan said, we evaluate share repurchases when the numbers are attractive.

Operator

The next question comes from the line of Wilma Burdis with Raymond James.

Wilma Carter Jackson Burdis
Raymond James & Associates, Inc., Research Division

Could you discuss a little bit about the extra capital generated from this year's earnings? Realize you did touch on it a little bit, but maybe just go into more detail on the potential for buybacks, special dividend. Do you see good reinvestment opportunities? Just talk about how you see those in the near term.

Marita Zuraitis
President, CEO & Director

Yes, yes and yes. All of the above. It sounds like you answered your own question in there. I think Ryan laid that out pretty clearly. The last time we talked about this, our numbers were 50-50-ish between available cash and debt. We obviously have the opportunity to reevaluate that between now and closing on those 2 additional acquisitions in the first quarter. With these kind of results, we have to look and see what the fourth quarter looks like, and we'll make that evaluation with all the particulars available to us at that time.

Ryan Edward Greenier
Executive VP & CFO

Yes. There's -- the other thing I would just point out, Wilma, it's a great time to put money to work. You mentioned reinvestments. And I think of reinvestment in two ways. One, the traditional can we put it to work in our portfolio. And our new money yield in the quarter approached nearly 6%. And the portfolio ex limited partnerships, the core fixed income portfolio has a yield north of 5% at this point. So when you think of that versus other uses of capital, that is an attractive, steady long-term use of capital.

And the other lever is investing in profitable growth and thinking about are there things we could do to accelerate our growth momentum, particularly as we think of the acquisitions coming in and the continued build of our group platform. So yes, I'm excited with the strong results to have the opportunity to think about putting that capital to work in the most accretive way.

Wilma Carter Jackson Burdis
Raymond James & Associates, Inc., Research Division

And definitely was a great quarter. So congrats on that. I guess second question, can you talk about the underlying trends that drove the elevated LP returns in the quarter? Was this due to the IPO environment in 3Q or something else you're seeing there?

Ryan Edward Greenier
Executive VP & CFO

Sure. So they're lagged a quarter is the way to think about our limited partnership returns. And we saw very strong mark-to-market activity in a handful of our venture capital and private equity funds. There was no specific transaction and IPO or realization that drove the returns. It really was just strong valuation, strong marks on the underlying portfolio companies within the funds.

Wilma Carter Jackson Burdis
Raymond James & Associates, Inc., Research Division

And then what are the underlying fundamentals behind the benefit ratio in supplemental group? And has that been running more favorable than expected due to the 3Q layoff from the summer? Or are there other factors? And can we expect that to normalize somewhat in 4Q and beyond?

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Ryan Edward Greenier
Executive VP & CFO

Sure. It's a good question, Wilma. We look at that book of business carefully. And one thing I want to point out about our group business is it is predominantly public sector. And some of the noise that we've seen in some of our competitors in that space, we're not seeing that. Our benefit ratio and the performance, particularly in the long-term disability book is what we would expect. On a longer-term basis, we target around [50%] for a benefit ratio for the group business and around 30% for individual supplemental. So think of about a 40% on a blended basis.

And so there was some favorable impact for the annual reserve assumption review that was more favorable than typical this quarter across our life supplemental and group businesses. And so that contributed to a little bit of the favorability this quarter on group, but it is tracking as we expect with the seasonality that we expect, and it's performing.

Operator

The next question comes from Matt Carletti with Citizens.

Matthew John Carletti
Citizens JMP Securities, LLC, Research Division

Marita, you -- I think you referenced this in your opening remarks a little bit. But when I'm looking at the supplement, I see particularly in like P&C, really stable household retention, but kind of [TIF] continuing to decline. Is the way to think about the delta there, your use of agency, is that really the biggest kind of release valve you have is if it doesn't meet your standards, you can find another home and retain that household? Or is there more going on behind the scenes there?

Marita Zuraitis
President, CEO & Director

Yes. It's part of a bigger answer, Matt, and I appreciate the question. I mean, obviously, the actions that we've taken to restore auto profitability were intentional. I mean they're pretty clear. And as you can see, they've been pretty successful. We are obviously operating in a highly competitive market and shopping remains elevated. But we've never really thought about powering on, powering off. We think about taking a consistent approach through the cycles. We've talked about being insulated and not immune. Our niche insulates us, but we're not immune from the market dynamics that you see out there.

Our competitive advantage is not solely auto. We're not a monoline auto company. We're not even just P&C, and we're growing new customer households. And auto is still important to us, but it's not the only way we start a relationship. In auto, we're seeing new business activity from the shopping that's occurring right now in this kind of a market dynamic, but it's having some modest effect on retention. But as you pointed out, our retention is still really strong. And that does speak to the market niche we have, how well cross-sold we are, the customer affinity that our customers have with us and the fact that we're not even just a product company. We provide a lot of solutions for our customers that make our business really sticky.

But with that said, we obviously took the appropriate rate and non-rate actions to restore profitability that we needed to do in the auto line that, quite frankly, the industry needed. to do. And we've achieved that targeted profitability in all of our geographies. What's interesting about the numbers when you unpack them is specifically in places like Texas, Georgia, California, really big states. Those were a little later in the approval process, and it's going to take a little while for the momentum to regain even in those places, specifically from an auto perspective.

For example, outside of California, we're up 2% in auto. So some of those places that I mentioned will just take a little bit longer for that sales momentum to begin to regain a bit, but we feel good about where we are. And we have strong growth across all of our individual products. And as we mentioned, 67% growth in our group products. So we have good strong momentum and nice customer retention because of who we are and like you said, because of how we do it.

Matthew John Carletti
Citizens JMP Securities, LLC, Research Division

Yes. No, that's super helpful. Maybe if I could -- you mentioned it in there and my next question is going to be kind of more on the cross-sell side and maybe kind of a 2-part question. But the first is like, I don't know if you guys can see the data this way, we can't on the outside. But if we were to look at like the average number of policies or touch points, so if they have an auto and a supplemental or life and so forth, kind of per household, how that's been trending in recent periods, if you're seeing kind of that number kind of creep higher or stay stable?

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And then more specifically, like group benefits has looked awesome and covered lives is seeing great growth. That's a new kind of in the past few years, kind of a new on-ramp, right, for lack of a better word, in terms of kind of bringing people into the Horace Mann ecosystem. Can you talk a little bit about your efforts there and any success you've had with kind of cross-selling those group benefits customers into individual Horace Mann products?

Marita Zuraitis
President, CEO & Director

Yes. We've talked about this a lot, Matt. And I think over time, you'll see our discussion and our disclosure in this regard getting more robust because in our business, there's natural cross-sell and then there's probably the unnatural cross-sell. And what's interesting about us is, historically, we've always been very heavily cross-sold in our P&C business, highly bundled customers and those cross-sell numbers within P&C are very strong.

And then you think about the retirement and the life business as that next semi-natural way in which we can cross-sell our customers and our retirement to P&C, our life to P&C is also much stronger. And you can see that the last piece would be how you think about individual supplemental customers. Then even beyond that, how do you think about these group customers and how they're building relationships within the school districts within the public sector entities that we're supporting. And if you're an individual working for this employer and you're seeing that the employer is picking Horace Mann, maybe you're a little more likely to pick Horace Mann on your individual products.

So it starts with a very natural cross-sell where we're really strong and we do it well. But as we bring more solutions and more value, we are seeing those retention and cross-sell dynamics begin to filter into some of those places where it isn't as natural and it might be a little harder. But what I will tell you is if you're doubling the amount of customers that you have the ability to sell to, it's not cold calling anymore. You have information, you have a relationship, you have data, and that will naturally occur because we're pretty good at it.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Rachel Luber for any closing remarks.

Rachael Luber
Vice President of Investor Relations

Yes. Thank you for joining us today. We appreciate your questions, and we look forward to updating you again next quarter. If you do have any additional questions or would like to schedule a meeting, please reach out to the Investor Relations team. Have a great day.

Operator
The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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