Fourth Quarter 2017 Investor Supplement

December 31, 2017

Horace Mann

HORACE MANN EDUCATORS CORPORATION
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Note: The information contained in this document includes measures which are based on methodologies other than accounting principles generally accepted in the United States (GAAP). Reconciliations of non-GAAP measures to the closest GAAP measures are contained in the Appendix of this document and additional descriptions of the non-GAAP measures are contained in the Glossary of Selected Terms included as an exhibit to HMEC's SEC filings.

HORACE MANN EDUCATORS CORPORATION
CONSOLIDATED FINANCIAL HIGHLIGHTS

For Period Ended	Three Months Ended					Year Ended	
($ in millions, except per share data)	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
Earned premiums	$ 204.3	$ 199.0	$ 195.7	$ 195.7	$ 194.2	$ 794.7	$ 759.1
Net investment income	98.6	92.3	92.0	90.7	90.5	373.6	361.2
Net realized investment gains (losses)	(1.7)	(3.5)	2.0	(0.2)	(2.8)	(3.4)	4.1
Other income	1.8	2.0	1.7	1.1	0.9	6.6	4.5
Total revenues	$ 303.0	$ 289.8	$ 291.4	$ 287.3	$ 282.8	$ 1,171.5	$ 1,128.9
Net income	$ 125.3	$ 26.5	$ 2.3	$ 15.3	$ 19.9	$ 169.4	$ 83.8
Core earnings*	27.2	28.7	0.8	15.4	21.4	72.1	81.5
At Period End							
Total assets	$ 11,198.3	$ 11,044.3	$ 10,876.1	$ 10,779.5	$ 10,576.8	$ 11,198.3	$ 10,576.8
Total policy liabilities	6,182.0	6,143.8	6,081.5	6,083.8	6,024.1	6,182.0	6,024.1
Debt	297.5	247.4	247.3	247.3	247.2	297.5	247.2
Shareholders' equity	1,501.6	1,390.4	1,362.1	1,321.8	1,294.0	1,501.6	1,294.0
Per Share and Shares Data (in millions)							
Net income per share (basic)	$ 3.03	$ 0.64	$ 0.05	$ 0.37	$ 0.48	$ 4.10	$ 2.04
Core earnings per share (basic)*	0.66	0.69	0.02	0.38	0.52	1.75	1.98
Net income per diluted share	$ 3.00	$ 0.64	$ 0.05	$ 0.37	$ 0.48	$ 4.08	$ 2.02
Core earnings per diluted share*	0.65	0.69	0.02	0.37	0.52	1.74	1.97
Weighted average common shares (basic)	41.4	41.4	41.4	41.1	41.1	41.4	41.2
Dilutive effect of stock equivalents	0.3	0.2	0.1	0.2	0.4	0.2	0.3
Weighted average diluted shares	41.7	41.6	41.5	41.3	41.5	41.6	41.5
Book value per share	$ 36.88	$ 34.20	$ 33.49	$ 32.60	$ 32.15	$ 36.88	$ 32.15
Per share impact of net unrealized gains on fixed maturity and equity securities	7.37	6.29	5.98	4.89	4.36	7.37	4.36
Book value per share excluding net unrealized gains on fixed maturity and equity securities*	$ 29.51	$ 27.91	$ 27.51	$ 27.71	$ 27.79	$ 29.51	$ 27.79
Dividends paid per share	$ 0.275	$ 0.275	$ 0.275	$ 0.275	$ 0.265	$ 1.100	$ 1.060
Financial Ratios							
Net Income ROE	12.3%	4.7%	4.7%	5.4%	6.2%	12.3%	6.2%
Net Income ROE excluding net unrealized gains on fixed maturity and equity securities and re-measurement of deferred tax liability (DTL)*	6.3%	5.7%	5.8%	6.7%	7.6%	6.3%	7.6%
Core ROE*	5.3%	4.9%	4.5%	5.2%	6.0%	5.3%	6.0%
Core ROE excluding net unrealized gains on fixed maturity and equity securities and re-measurement of DTL*	6.4%	5.9%	5.6%	6.5%	7.4%	6.4%	7.4%
Debt to total capitalization	16.5%	15.1%	15.4%	15.8%	16.0%	16.5%	16.0%
Debt to total capitalization excluding net unrealized gains on fixed maturity and equity securities	19.2%	17.9%	18.1%	18.0%	18.1%	19.2%	18.1%
Annualized investment yield, after tax	3.44%	3.38%	3.39%	3.38%	3.47%	3.44%	3.47%

*Refer to non-GAAP measures in the Appendix of this document.

HORACE MANN EDUCATORS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

For Period Ended	Three Months Ended					Year Ended	
	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
($ in millions)							
Revenues							
Insurance premiums and contract charges earned	$ 204.3	$ 199.0	$ 195.7	$ 195.7	$ 194.2	$ 794.7	$ 759.1
Net investment income	98.6	92.3	92.0	90.7	90.5	373.6	361.2
Net realized investment gains (losses)	(1.7)	(3.5)	2.0	(0.2)	(2.8)	(3.4)	4.1
Other income	1.8	2.0	1.7	1.1	0.9	6.6	4.5
Total revenues	303.0	289.8	291.4	287.3	282.8	1,171.5	1,128.9
Benefits, losses and expenses							
Benefits, claims and settlement expenses	137.4	134.9	165.9	144.1	137.5	582.3	541.1
Interest credited	50.4	50.1	49.3	48.8	49.1	198.6	192.0
DAC amortization expense, excluding unlocking	27.2	24.8	24.6	24.7	24.7	101.3	97.4
DAC unlocking	1.1	(0.6)	0.2	0.2	(1.1)	0.9	(0.7)
Operating expenses	48.7	44.2	46.2	48.7	42.5	187.8	173.1
Interest expense	3.0	3.0	2.9	3.0	2.9	11.9	11.8
Total benefits, losses and expenses	267.8	256.4	289.1	269.5	255.6	1,082.8	1,014.7
Income before income taxes	35.2	33.4	2.3	17.8	27.2	88.7	114.2
Income tax expense (benefit)	(90.1)	6.9	—	2.5	7.3	(80.7)	30.4
Net income	$ 125.3	$ 26.5	$ 2.3	$ 15.3	$ 19.9	$ 169.4	$ 83.8
Other Statistics							
Effective tax rate on net investment income	33.6%	33.5%	33.7%	33.4%	33.4%	33.5%	33.4%
Net investment income, after tax	$ 65.5	$ 61.4	$ 61.0	$ 60.4	$ 60.3	$ 248.3	$ 240.6
Catastrophes, net of reinsurance, pretax	3.6	8.6	32.4	17.2	11.6	61.8	60.0
Catastrophes, net of reinsurance, after tax	2.4	5.6	21.1	11.1	7.6	40.2	39.1
Other-than-temporary impairment losses on securities [1]	(0.1)	(6.1)	(3.6)	(2.8)	(3.7)	(12.6)	(11.1)
Exclusive Distributors [2]	694	694	703	697	683	694	683

[1] Included in pretax net realized investment gains (losses)

[2] Represents licensed agents and employed licensed producers.

HORACE MANN EDUCATORS CORPORATION
CONSOLIDATED BALANCE SHEETS

($ in millions, except per share data)	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016
ASSETS						
Investments						
Fixed maturity securities, available for sale, at fair value	$ 7,724.1	$ 7,630.6	$ 7,578.6	$ 7,510.7	$ 7,456.7	$ 7,494.1
Equity securities, available for sale, at fair value	135.5	159.3	156.9	156.9	141.6	137.6
Short-term and other investments	492.7	547.2	502.4	456.6	401.0	537.5
Total investments	8,352.3	8,337.1	8,237.9	8,124.2	7,999.3	8,169.2
Cash	7.6	6.7	16.0	6.6	16.7	53.6
Deferred policy acquisition costs	257.8	257.2	256.9	265.6	267.6	225.8
Goodwill	47.4	47.4	47.4	47.4	47.4	47.4
Other assets	381.2	344.4	341.7	324.2	321.9	321.5
Separate account assets	2,152.0	2,051.5	1,976.2	2,011.5	1,923.9	1,873.6
Total assets	**$ 11,198.3**	**$ 11,044.3**	**$ 10,876.1**	**$ 10,779.5**	**$ 10,576.8**	**$ 10,691.1**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Policy liabilities						
Investment contract and life policy reserves	$ 5,573.7	$ 5,540.0	$ 5,480.9	$ 5,503.0	$ 5,448.0	$ 5,385.9
Unpaid claims and claim expenses	347.8	341.8	352.5	340.0	329.9	332.8
Unearned premiums	260.5	262.0	248.1	240.8	246.2	247.3
Total policy liabilities	6,182.0	6,143.8	6,081.5	6,083.8	6,024.1	5,966.0
Other policyholder funds	724.3	717.4	713.0	711.4	709.0	706.4
Other liabilities	340.9	493.8	496.0	403.7	378.6	453.9
Long-term debt	297.5	247.4	247.3	247.3	247.2	247.1
Separate account liabilities	2,152.0	2,051.5	1,976.2	2,011.5	1,923.9	1,873.6
Total liabilities	9,696.7	9,653.9	9,514.0	9,457.7	9,282.8	9,247.0
Common stock, $0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	464.3	462.1	459.3	454.9	453.5	450.7
Retained earnings	1,231.2	1,165.2	1,150.2	1,159.5	1,155.7	1,147.0
Accumulated other comprehensive income, net of taxes:						
Net unrealized gains on fixed maturity and equity securities	300.1	255.7	243.5	198.3	175.7	337.3
Net funded status of pension and other post-retirement benefit obligations	(13.2)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)
Treasury stock, at cost	(480.9)	(480.9)	(479.2)	(479.2)	(479.2)	(479.2)
Total shareholders' equity	1,501.6	1,390.4	1,362.1	1,321.8	1,294.0	1,444.1
Total liabilities and shareholders' equity	**$ 11,198.3**	**$ 11,044.3**	**$ 10,876.1**	**$ 10,779.5**	**$ 10,576.8**	**$ 10,691.1**

HORACE MANN EDUCATORS CORPORATION
CAPITAL METRICS

For Period Ended	Three Months Ended Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Year Ended Dec. 31, 2017	Dec. 31, 2016
($ in millions, except per share data)							
Debt and Total Capitalization							
Short term debt due under revolving credit agreement [1]	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Senior Debt:							
4.50% Senior notes due December 1, 2025	247.5	247.4	247.3	247.3	247.2	247.5	247.2
FHLB Borrowing	50.0	—	—	—	—	50.0	—
Total debt	297.5	247.4	247.3	247.3	247.2	297.5	247.2
Shareholders' equity	1,501.6	1,390.4	1,362.1	1,321.8	1,294.0	1,501.6	1,294.0
Total capitalization	$ 1,799.1	$ 1,637.8	$ 1,609.4	$ 1,569.1	$ 1,541.2	$ 1,799.1	$ 1,541.2
Ratio of debt to shareholders' equity	19.8%	17.8%	18.2%	18.7%	19.1%	19.8%	19.1%
Ratio of debt to total capitalization	16.5%	15.1%	15.4%	15.8%	16.0%	16.5%	16.0%
Capital Returned to Shareholders							
Common stock repurchased [2]	$ —	$ 1.7	$ —	$ —	$ —	$ 1.7	$ 21.6
Cash dividends paid	11.2	11.2	11.2	11.1	10.7	44.7	43.9
Total capital returned to shareholders	$ 11.2	$ 12.9	$ 11.2	$ 11.1	$ 10.7	$ 46.4	$ 65.5

[1] Amount available for borrowing is $150.0 million; At LIBOR +115 bps; Expires on 7/30/19.

[2] As of December 31, 2017, the Company's program had a remaining authorization of $27.8 million.

HORACE MANN EDUCATORS CORPORATION
PROPERTY and CASUALTY SEGMENT
STATEMENTS OF OPERATIONS

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
UNDERWRITING RESULTS							
Written premiums							
Automobile	$ 113.7	$ 116.3	$ 110.8	$ 109.9	$ 107.7	$ 450.7	$ 425.9
Property and other	51.1	60.9	57.1	43.0	50.3	212.1	208.4
Total written premiums	164.8	177.2	167.9	152.9	158.0	662.8	634.3
Earned premiums							
Automobile	$ 112.2	$ 110.7	$ 108.5	$ 106.6	$ 105.9	$ 438.0	$ 414.3
Property and other	54.1	52.5	52.0	51.7	53.1	210.3	206.2
Total earned premiums	166.3	163.2	160.5	158.3	159.0	648.3	620.5
Losses and loss adjustment expenses							
Current accident year before catastrophes	108.4	106.8	116.0	106.0	108.2	437.2	411.1
Current accident year catastrophes	3.6	8.6	32.4	17.2	11.6	61.8	60.0
Prior years' reserve development [1]	(0.6)	(0.5)	(0.6)	(1.0)	(2.7)	(2.7)	(7.0)
Total losses and loss adjustment expenses	111.4	114.9	147.8	122.2	117.1	496.3	464.1
Operating expenses, including DAC amortization expense	44.9	41.4	42.4	44.7	40.4	173.4	165.7
Underwriting gain (loss)	10.0	6.9	(29.7)	(8.6)	1.5	(21.4)	(9.3)
Net investment income	9.7	9.2	8.1	9.2	10.0	36.2	39.0
Other income (expense)	(0.2)	(0.1)	0.1	—	(0.2)	(0.2)	0.6
Interest expense	0.1	—	—	—	—	0.1	—
Income (loss) before income taxes	19.4	16.0	(21.5)	0.6	11.3	14.5	30.3
Income tax expense (benefit)	3.8	2.6	(7.6)	(2.1)	1.7	(3.3)	4.7
Net income (loss) [2]	$ 15.6	$ 13.4	$ (13.9)	$ 2.7	$ 9.6	$ 17.8	$ 25.6

[1] (Favorable) unfavorable.

[2] Net realized investment gains (losses) are not allocated by segment. Refer to Appendix for Segment Net Income (Loss) excluding the effect of the DTL re-measurement.

HORACE MANN EDUCATORS CORPORATION
PROPERTY and CASUALTY SEGMENT
UNDERWRITING RESULTS AND SUPPLEMENTAL DATA

For Period Ended	Three Months Ended Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Year Ended Dec. 31, 2017	Dec. 31, 2016
UNDERWRITING RATIOS (%)							
Losses and loss adjustment expenses							
Current accident year before catastrophes	65.2	65.4	72.3	67.0	68.1	67.5	66.2
Current accident year catastrophes	2.2	5.3	20.2	10.8	7.3	9.5	9.7
Prior years' reserve development [1]	(0.4)	(0.3)	(0.4)	(0.6)	(1.7)	(0.4)	(1.1)
Total losses and loss adjustment expenses	67.0	70.4	92.1	77.2	73.7	76.6	74.8
Expense Ratio	27.0	25.4	26.4	28.3	25.4	26.7	26.7
Combined ratio	**94.0**	**95.8**	**118.5**	**105.5**	**99.1**	**103.3**	**101.5**
Combined ratio before catastrophes	**91.8**	**90.5**	**98.3**	**94.7**	**91.8**	**93.8**	**91.8**
Combined ratio before catastrophes and prior years' reserve development	**92.2**	**90.8**	**98.7**	**95.3**	**93.5**	**94.2**	**92.9**
PRODUCT (%)							
Automobile							
Loss and loss adjustment expense ratio	77.5	77.8	84.2	78.3	82.6	79.4	80.2
Expense ratio	27.2	25.6	26.4	28.6	25.6	26.9	27.1
Combined ratio	104.7	103.4	110.6	106.9	108.2	106.3	107.3
Prior years' reserve development [1]	(0.3)	0.0	0.0	0.0	(1.3)	(0.1)	(0.3)
Catastrophes	0.2	3.3	4.4	1.6	1.3	2.3	2.5
Combined ratio before catastrophes and prior years' reserve development	104.8	100.1	106.2	105.3	108.2	104.1	105.1
Property							
Loss and loss adjustment expense ratio	45.4	54.8	108.1	74.9	55.7	70.5	63.9
Expense ratio	26.8	25.1	26.5	27.6	25.4	26.5	26.2
Combined ratio	72.2	79.9	134.6	102.5	81.1	97.0	90.1
Prior years' reserve development [1]	(0.6)	(1.1)	(1.2)	(1.9)	(2.5)	(1.2)	(2.7)
Catastrophes	6.2	9.6	53.3	29.9	19.3	24.5	24.2
Combined ratio before catastrophes and prior years' development	66.6	71.4	82.5	74.5	64.3	73.7	68.6
SUPPLEMENTAL DATA							
Policy Count Retention (12 month)							
Automobile	83.0%	83.0%	82.9%	83.0%	83.5%	83.0%	83.5%
Property	87.6%	87.6%	87.4%	87.5%	87.8%	87.6%	87.8%
Sales (12-month annualized premium, in millions) [2]							
Automobile	$ 22.0	$ 25.5	$ 23.4	$ 22.6	$ 22.2	$ 93.5	$ 89.1
Property	4.7	5.4	4.7	4.0	4.6	18.8	18.0
Total sales	$ 26.7	$ 30.9	$ 28.1	$ 26.6	$ 26.8	$ 112.3	$ 107.1
Policies in force (in thousands)							
Automobile	479	482	484	484	485	479	485
Property	216	217	218	219	220	216	220
Total policies in force	695	699	702	703	705	695	705

[1] (Favorable) unfavorable.

[2] HM products.

HORACE MANN EDUCATORS CORPORATION
RETIREMENT SEGMENT
STATEMENTS OF OPERATIONS AND SUPPLEMENTAL DATA

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
Contract deposits	$ 104.2	$ 114.8	$ 116.8	$ 117.3	$ 128.3	$ 453.1	$ 520.2
Revenues							
Contract charges earned	$ 7.2	$ 7.5	$ 6.7	$ 6.6	$ 6.3	$ 28.0	$ 24.9
Net investment income	69.1	64.3	65.2	63.4	62.4	262.0	249.4
Other income	1.8	1.7	1.5	0.9	0.8	5.9	2.8
Total revenues	78.1	73.5	73.4	70.9	69.5	295.9	277.1
Benefits and Expenses							
Interest credited	39.1	38.8	38.1	37.5	37.9	153.5	147.3
Mortality loss and other reserve changes	1.8	1.6	1.3	1.1	0.8	5.8	3.9
DAC amortization expense, excluding unlocking	5.6	3.7	3.7	3.7	3.8	16.7	14.9
DAC unlocking	1.2	(0.7)	0.3	0.3	(0.9)	1.1	(0.3)
Operating expenses	12.7	12.1	12.9	12.1	10.7	49.8	40.3
Total benefits and expenses	**60.4**	**55.5**	**56.3**	**54.7**	**52.3**	**226.9**	**206.1**
Income before income taxes	**17.7**	**18.0**	**17.1**	**16.2**	**17.2**	**69.0**	**71.0**
Income tax expense (benefit)	(33.8)	4.4	5.3	4.7	5.8	(19.4)	20.3
Net income [1]	**$ 51.5**	**$ 13.6**	**$ 11.8**	**$ 11.5**	**$ 11.4**	**$ 88.4**	**$ 50.7**
Less: DAC unlocking, after tax	(0.7)	0.4	(0.2)	(0.2)	0.6	(0.7)	0.2
Net income excluding DAC unlocking	**$ 52.2**	**$ 13.2**	**$ 12.0**	**$ 11.7**	**$ 10.8**	**$ 89.1**	**$ 50.5**
Return on Assets (Before-tax basis points)							
ROA (12 month) [2]	106	104	110	114	114	106	114
Interest Spread [3]	194	188	189	183	193	194	193
SUPPLEMENTAL DATA							
Annuity Contracts in force (in thousands)	223	221	221	220	219	223	219
Persistency (12 month)							
Fixed annuities	92.6%	92.6%	92.5%	94.4%	94.6%	92.6%	94.6%
Variable annuities	89.5%	89.7%	89.6%	94.7%	94.7%	89.5%	94.7%
Sales [4]							
Recurring	$ 53.2	$ 46.6	$ 55.4	$ 53.4	$ 56.0	$ 208.6	$ 209.6
Single deposit/rollovers/transfers	51.0	68.2	61.4	63.9	72.3	244.5	310.6
Total sales	$ 104.2	$ 114.8	$ 116.8	$ 117.3	$ 128.3	$ 453.1	$ 520.2

[1] Net realized investment gains (losses) are not allocated by segment. Refer to Appendix for Segment Net Income (Loss) excluding the effect of the DTL re-measurement.

[2] Trailing 12 months adjusted earnings (income before income taxes adjusted to remove the impact of DAC unlocking and changes in guaranteed minimum death benefit reserves) divided by a 5-point average accumulated account value.

[3] Before-tax basis points. Quarterly results reflect spread earned on an adjusted annualized year-to-date basis for the fixed and fixed indexed annuity blocks of business.

[4] Historically, reported sales for HM products were determined based on annualized new recurring deposits as well as single deposits/rollovers/transfers. Effective January 1, 2017, reported sales are now determined based on total recurring deposits as well as single deposits/rollovers/transfers. All historical sales information presented has been revised to conform to the new methodology.

HORACE MANN EDUCATORS CORPORATION
RETIREMENT SEGMENT
ACCOUNT VALUE ROLLFORWARD

For Period Ended ($ in millions)	Three Months Ended Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016
FIXED ACCOUNT ANNUITIES [1]						
Beginning balance	$ 4,222.5	$ 4,184.2	$ 4,233.2	$ 4,201.0	$ 4,166.2	$ 4,086.7
Deposits	46.4	59.2	55.7	52.6	61.3	84.6
Withdrawals	(78.9)	(63.7)	(143.5) [4]	(72.7)	(81.9)	(69.7)
Net transfers	9.1	9.0	7.1	15.6	16.1	28.0
Interest credited	39.1	38.8	38.1	37.5	37.9	37.4
Other	(3.1)	(5.0)	(6.4)	(0.8)	1.4	(0.8)
Ending balance	$ 4,235.1	$ 4,222.5	$ 4,184.2	$ 4,233.2	$ 4,201.0	$ 4,166.2
FIXED INDEXED ACCOUNT ANNUITIES [2]						
Beginning balance	$ 360.1	$ 342.1	$ 320.7	$ 302.1	$ 283.0	$ 251.4
Deposits	11.6	16.9	17.4	19.3	21.0	32.3
Withdrawals	(3.0)	(2.8)	(2.1)	(2.3)	(1.8)	(2.0)
Net transfers	(0.7)	(0.9)	(0.7)	(1.0)	(1.3)	(1.5)
Index credits	3.4	3.9	2.9	2.3	0.5	1.7
Other	5.5	0.9	3.9	0.3	0.7	1.1
Ending balance	$ 376.9	$ 360.1	$ 342.1	$ 320.7	$ 302.1	$ 283.0
VARIABLE ACCOUNT ANNUITIES [3]						
Beginning balance	$ 2,051.5	$ 1,976.2	$ 2,011.5	$ 1,923.9	$ 1,873.6	$ 1,768.6
Deposits	46.2	38.6	43.7	45.4	46.0	37.7
Withdrawals	(30.0)	(27.3)	(127.0) [4]	(26.1)	(23.6)	(28.4)
Net transfers	(8.4)	(8.1)	(6.4)	(14.6)	(14.7)	(26.5)
Fees and charges	(8.4)	(8.2)	(7.8)	(7.5)	(7.3)	(7.1)
Market appreciation	101.1	80.3	62.1	90.3	49.8	129.1
Other	—	—	0.1	0.1	0.1	0.2
Ending balance	$ 2,152.0	$ 2,051.5	$ 1,976.2	$ 2,011.5	$ 1,923.9	$ 1,873.6

[1] Represents account balances having a guarantee of principal and a guaranteed minimum rate of return.

[2] Represents account balances with a contingent return linked to the Standard & Poor's 500 Index and/or the Dow Jones Industrial Average.

[3] Represents account balances invested in various mutual funds at the direction of the contractholders who bear the investment risk.

[4] Includes fixed account withdrawals of approximately $78 and variable account withdrawals of approximately $97 due to the transfer of the Company's 401(k) assets to a third-party provider.

HORACE MANN EDUCATORS CORPORATION
LIFE SEGMENT
STATEMENTS OF OPERATIONS AND SUPPLEMENTAL DATA

For Period Ended ($ in millions)	Three Months Ended Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Year Ended Dec. 31, 2017	Dec. 31, 2016
Premiums and contract deposits	**$ 31.4**	**$ 26.4**	**$ 26.9**	**$ 26.5**	**$ 29.6**	**$ 111.2**	**$ 108.0**
Revenues							
Premiums and contract charges earned	$ 30.8	$ 28.3	$ 28.5	$ 30.8	$ 28.9	$ 118.4	$ 113.7
Net investment income	20.0	19.0	18.9	18.3	18.3	76.2	73.6
Other income	0.1	0.1	0.1	0.1	0.2	0.4	0.8
Total revenues	**50.9**	**47.4**	**47.5**	**49.2**	**47.4**	**195.0**	**188.1**
Benefits and Expenses							
Death benefits / mortality cost [1]	11.9	8.2	7.2	8.8	8.0	36.1	33.1
Interest credited	11.3	11.3	11.3	11.2	11.2	45.1	44.7
Change in reserves	12.3	10.2	9.6	12.0	11.6	44.1	40.0
DAC amortization expense, excluding unlocking	2.0	1.9	1.9	1.9	1.7	7.7	7.5
DAC unlocking	—	—	(0.1)	(0.1)	(0.2)	(0.2)	(0.4)
Operating expenses	9.2	8.4	8.9	10.0	9.1	36.5	36.9
Total benefits and expenses	**46.7**	**40.0**	**38.8**	**43.8**	**41.4**	**169.3**	**161.8**
Income before income taxes	**4.2**	**7.4**	**8.7**	**5.4**	**6.0**	**25.7**	**26.3**
Income tax expense (benefit)	(59.1)	2.6	3.1	1.5	2.5	(51.9)	9.7
Net income [2]	**$ 63.3**	**$ 4.8**	**$ 5.6**	**$ 3.9**	**$ 3.5**	**$ 77.6**	**$ 16.6**
Less: DAC unlocking, after tax	—	—	0.1	0.1	0.1	0.2	0.3
Net income excluding DAC unlocking	**$ 63.3**	**$ 4.8**	**$ 5.5**	**$ 3.8**	**$ 3.4**	**$ 77.4**	**$ 16.3**
Earnings margin (before tax)							
Return on premium (12 month) [3]	21.5%	23.3%	22.9%	21.7%	22.8%	21.5%	22.8%
SUPPLEMENTAL DATA							
Lapse ratio (12 month) [4]	4.9%	4.7%	4.7%	4.5%	4.3%	4.9%	4.3%
Sales (12-month premium, $ in millions) [5]							
Recurring	$ 2.6	$ 1.6	$ 1.9	$ 1.7	$ 2.0	$ 7.8	$ 7.7
Single premium	3.5	1.6	1.8	3.0	2.9	9.9	7.9
Total sales	$ 6.1	$ 3.2	$ 3.7	$ 4.7	$ 4.9	$ 17.7	$ 15.6
Insurance in force ($ in millions)	$ 17,564	$ 17,403	$ 17,308	$ 17,164	$ 17,025	$ 17,564	$ 17,025
Policies in force (in thousands)	198	197	197	198	198	198	198

[1] Ordinary life insurance.

[2] Net realized investment gains (losses) are not allocated by segment. Refer to Appendix for Segment Net Income (Loss) excluding the effect of the DTL re-measurement.

[3] Trailing 12 months adjusted earnings (income before income taxes adjusted to remove the impact of DAC unlocking) divided by trailing 12 months premiums and contract charges earned.

[4] Based on ordinary life insurance in force.

[5] HM products.

HORACE MANN EDUCATORS CORPORATION
CORPORATE and OTHER SEGMENT
STATEMENTS OF OPERATIONS
(Amounts are net of consolidating eliminations)

	Three Months Ended					Year Ended	
For Period Ended	**Dec. 31, 2017**	**Sept. 30, 2017**	**Jun. 30, 2017**	**Mar. 31, 2017**	**Dec. 31, 2016**	**Dec. 31, 2017**	**Dec. 31, 2016**
($ in millions)							
Revenues							
Net investment income	$ (0.2)	$ (0.2)	$ (0.2)	$ (0.2)	$ (0.2)	$ (0.8)	$ (0.8)
Other income	0.1	0.3	0.1	—	0.1	0.5	0.3
Total revenues	**(0.1)**	**0.1**	**(0.1)**	**(0.2)**	**(0.1)**	**(0.3)**	**(0.5)**
Expenses							
Interest expense	2.9	3.0	2.9	3.0	2.9	11.8	11.8
Debt retirement costs	—	—	—	—	—	—	—
Other operating expenses	1.4	1.6	1.0	1.0	1.5	5.0	5.2
Total expenses	**4.3**	**4.6**	**3.9**	**4.0**	**4.4**	**16.8**	**17.0**
Loss before income taxes	(4.4)	(4.5)	(4.0)	(4.2)	(4.5)	(17.1)	(17.5)
Income tax benefit	(0.2)	(1.4)	(1.3)	(1.5)	(1.4)	(4.4)	(6.1)
Loss after tax	**$ (4.2)**	**$ (3.1)**	**$ (2.7)**	**$ (2.7)**	**$ (3.1)**	**$ (12.7)**	**$ (11.4)**
Net realized investment gains (losses) pretax [1]	(1.7)	(3.5)	2.0	(0.2)	(2.8)	(3.4)	4.1
Tax on net realized investment gains (losses) [1]	(0.8)	(1.3)	0.5	(0.1)	(1.3)	(1.7)	1.8
Net realized investment gains (losses) after tax [1]	(0.9)	(2.2)	1.5	(0.1)	(1.5)	(1.7)	2.3
Net loss [2]	**$ (5.1)**	**$ (5.3)**	**$ (1.2)**	**$ (2.8)**	**$ (4.6)**	**$ (14.4)**	**$ (9.1)**

[1] Corporate level transactions, such as net realized investment gains (losses), are not allocated to the operating segments consistent with how management evaluates the results of those segments.

[2] Refer to Appendix for Segment Net Income (Loss) excluding the effect of the DTL re-measurement.

HORACE MANN EDUCATORS CORPORATION
INVESTMENT EARNINGS BEFORE TAXES
CONSOLIDATED

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
Net Investment Income							
Fixed maturity securities [1]							
Taxable	$ 87.6	$ 82.8	$ 83.2	$ 82.4	$ 80.7	$ 336.0	$ 323.0
Tax-exempt	4.7	4.5	4.3	4.8	5.0	18.3	19.8
Total fixed maturity securities	92.3	87.3	87.5	87.2	85.7	354.3	342.8
Equity securities	1.7	1.6	1.6	1.5	1.2	6.4	4.7
Policy loans	2.3	2.2	2.2	2.1	2.2	8.8	8.6
Limited partnerships and other alternative investments	4.4	3.4	2.7	2.2	3.5	12.7	13.6
Short-term investments and other	0.4	0.2	0.4	0.2	0.3	1.2	1.1
Investment income	101.1	94.7	94.4	93.2	92.9	383.4	370.8
Investment expense	2.5	2.4	2.4	2.5	2.4	9.8	9.6
Total net investment income	**$ 98.6**	**$ 92.3**	**$ 92.0**	**$ 90.7**	**$ 90.5**	**$ 373.6**	**$ 361.2**
Annualized investment yield, before tax [2]	5.17%	5.09%	5.10%	5.07%	5.21%	5.17%	5.21%
Annualized investment yield, after tax [2]	3.44%	3.38%	3.39%	3.38%	3.47%	3.44%	3.47%
Net Investment Income by Segment							
Property & Casualty	$ 9.7	$ 9.2	$ 8.1	$ 9.2	$ 10.0	$ 36.2	$ 39.0
Retirement	69.1	64.3	65.2	63.4	62.4	262.0	249.4
Life	20.0	19.0	18.9	18.3	18.3	76.2	73.6
Corporate & Other, including intersegment eliminations	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.8)
Total net investment income	**$ 98.6**	**$ 92.3**	**$ 92.0**	**$ 90.7**	**$ 90.5**	**$ 373.6**	**$ 361.2**
Net Realized Investment Gains (Losses)							
Gross realized gains	$ 11.9	$ 5.7	$ 7.9	$ 5.0	$ 4.1	$ 30.5	$ 23.3
Gross realized losses, excluding impairment charges	(13.5)	(3.1)	(2.3)	(2.4)	(3.2)	(21.3)	(8.1)
Other-than-temporary impairment losses	(0.1)	(6.1)	(3.6)	(2.8)	(3.7)	(12.6)	(11.1)
Total net realized investment gains (losses)	**$ (1.7)**	**$ (3.5)**	**$ 2.0**	**$ (0.2)**	**$ (2.8)**	**$ (3.4)**	**$ 4.1**

[1] Includes income on short-term bonds.

[2] Yields calculated by annualizing the result of year-to-date net investment income divided by the average period-end and beginning of year invested assets at cost, amortized cost, or adjusted carrying value, as applicable.

HORACE MANN EDUCATORS CORPORATION
COMPOSITION OF INVESTED ASSETS
CONSOLIDATED

For Period Ended	December 31, 2017		September 30, 2017		June 30, 2017		March 31, 2017		December 31, 2016		September 30, 2016	
($ in millions)	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Fixed maturity securities, at fair value [1]	$ 7,724.1	92.5%	$ 7,630.6	91.5%	$ 7,578.6	92.0%	$ 7,510.7	92.4%	$ 7,456.7	93.2%	$ 7,494.1	91.7%
Equity securities, at fair value	135.5	1.6%	159.3	1.9%	156.9	1.9%	157.0	1.9%	141.6	1.8%	137.6	1.7%
Policy loans, at outstanding balance	153.6	1.9%	153.6	1.9%	152.9	1.9%	151.5	1.9%	151.9	1.9%	150.7	1.8%
Limited partnerships and other alternative investments	276.5	3.3%	282.1	3.4%	245.4	3.0%	223.9	2.8%	204.2	2.6%	172.6	2.1%
Short-term investments	62.6	0.7%	111.5	1.3%	104.1	1.3%	81.1	1.0%	44.9	0.6%	214.2	2.6%
Total investments	**$ 8,352.3**	**100.0%**	**$ 8,337.1**	**100.0%**	**$ 8,237.9**	**100.0%**	**$ 8,124.2**	**100.0%**	**$ 7,999.3**	**100.0%**	**$ 8,169.2**	**100.0%**
Asset-backed securities	$ 651.9	8.5%	$ 647.5	8.5%	$ 664.5	8.8%	$ 648.1	8.6%	$ 626.9	8.4%	$ 581.4	7.8%
Collateralized debt/loan obligations	649.7	8.4%	522.4	6.9%	525.8	6.9%	583.2	7.8%	667.7	9.0%	650.4	8.7%
Commercial mortgage-backed securities	582.0	7.5%	535.1	7.0%	541.9	7.2%	528.4	7.0%	503.8	6.8%	431.5	5.8%
Corporate	2,681.7	34.7%	2,921.9	38.3%	2,927.6	38.6%	2,936.9	39.1%	2,909.0	39.0%	3,033.3	40.5%
Municipal	1,893.3	24.5%	1,842.2	24.1%	1,817.2	24.0%	1,777.4	23.7%	1,769.4	23.7%	1,778.7	23.7%
Residential mortgage-backed securities	530.1	6.9%	490.5	6.4%	495.3	6.5%	505.4	6.7%	512.8	6.9%	530.7	7.1%
U.S. Treasuries and government agencies	735.4	9.5%	671.0	8.8%	606.3	8.0%	531.3	7.1%	467.1	6.3%	488.1	6.5%
Total fixed maturity securities	**$ 7,724.1**	**100.0%**	**$ 7,630.6**	**100.0%**	**$ 7,578.6**	**100.0%**	**$ 7,510.7**	**100.0%**	**$ 7,456.7**	**100.0%**	**$ 7,494.1**	**100.0%**
U.S. government/government agencies	$ 1,443.8	18.7%	$ 1,316.4	17.3%	$ 1,229.4	16.2%	$ 1,141.1	15.2%	$ 1,082.0	14.5%	$ 1,009.0	13.5%
AAA	560.7	7.3%	551.6	7.2%	586.6	7.7%	623.4	8.3%	610.7	8.2%	584.5	7.8%
AA	1,770.5	22.9%	1,621.0	21.2%	1,587.7	20.9%	1,605.6	21.4%	1,658.3	22.2%	1,630.0	21.8%
A	1,765.1	22.8%	1,770.5	23.2%	1,757.7	23.2%	1,724.6	23.0%	1,698.6	22.8%	1,776.4	23.7%
BBB	1,907.0	24.7%	2,063.7	27.1%	2,121.4	28.0%	2,102.8	28.0%	2,097.9	28.1%	2,201.0	29.4%
BB and below, includes securities not rated	277.0	3.6%	307.4	4.0%	295.8	3.9%	313.2	4.2%	309.2	4.1%	293.2	3.9%
Total fixed maturity securities	**$ 7,724.1**	**100.0%**	**$ 7,630.6**	**100.0%**	**$ 7,578.6**	**100.0%**	**$ 7,510.7**	**100.0%**	**$ 7,456.7**	**100.0%**	**$ 7,494.1**	**100.0%**
INVESTMENTS BY SEGMENT												
Property and Casualty	$ 996.8	11.9%	$ 939.9	11.3%	$ 920.2	11.2%	$ 908.0	11.2%	$ 903.3	11.3%	$ 933.9	11.4%
Retirement and Life	7,348.7	88.0%	7,382.5	88.5%	7,315.9	88.8%	7,200.4	88.6%	7,072.0	88.4%	7,201.8	88.2%
Corporate [2]	6.8	0.1%	14.7	0.2%	1.8	—%	15.8	0.2%	24.0	0.3%	33.5	0.4%
Total investments	**$ 8,352.3**	**100.0%**	**$ 8,337.1**	**100.0%**	**$ 8,237.9**	**100.0%**	**$ 8,124.2**	**100.0%**	**$ 7,999.3**	**100.0%**	**$ 8,169.2**	**100.0%**

[1] Amortized Cost of $7,302.9, $7,194.4, $7,161.9, $7,173.2, $7,152.1, and $6,907.6 at December 31, 2017, September 30, 2017, June, 30, 2017, March 31, 2017, December 31, 2016, and September 30, 2016 respectively.

[2] Corporate segment assets are comprised entirely of short-term investments.

Appendix

HORACE MANN EDUCATORS CORPORATION
RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES

The following measures are used by the Company's management to evaluate financial performance against historical results and establish targets on a consolidated basis. In some cases, these measures are considered non-GAAP measures under applicable SEC rules because they are not displayed as separate line items in the consolidated financial statements or are not required to be disclosed in the notes to the consolidated financial statements or, in some cases, include or exclude certain items not ordinarily included or excluded in the most comparable GAAP financial measure. Reconciliations of these measures to the most comparable GAAP measures also follow.

In the opinion of the Company's management, a discussion of these measures provides investors, financial analysts, rating agencies and other financial statement users with a better understanding of the significant factors that compromise the Company's periodic results of operations and how management evaluates the Company's financial performance. Internally, the Company's management uses these measures to evaluate performance against historical results, to establish financial targets on a consolidated basis and for other reasons, which are discussed below.

Some of these measures exclude net realized investment gains (losses), net of tax, and/or net unrealized gains on fixed maturity and equity securities, net of tax, which can be significantly impacted by both discretionary and other economic factors and are not necessarily indicative of operating trends. Other measures exclude the effect of the DTL re-measurement that occurred on December 31, 2017.

Other companies may calculate these measures differently, and, therefore, their measures may not be comparable to those used by the Company's management.

HORACE MANN EDUCATORS CORPORATION
RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES

For Period Ended	Three Months Ended					Year Ended	
	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
($ in millions after-tax)							
Reconciliation of Net Income to Core Earnings							
Net income	$ 125.3	$ 26.5	$ 2.3	$ 15.3	$ 19.9	$ 169.4	$ 83.8
Less: Net realized investment gains (losses)	(0.9)	(2.2)	1.5	(0.1)	(1.5)	(1.7)	2.3
Re-measurement of DTL	99.0	—	—	—	—	99.0	—
Core earnings*	$ 27.2	$ 28.7	$ 0.8	$ 15.4	$ 21.4	$ 72.1	$ 81.5
Pretax net income	$ 35.2	$ 33.4	$ 2.3	$ 17.8	$ 27.2	$ 88.7	$ 114.2
Less: Pretax net realized investment gains (losses)	(1.7)	(3.5)	2.0	(0.2)	(2.8)	(3.4)	4.1
Pretax core earnings*	$ 36.9	$ 36.9	$ 0.3	$ 18.0	$ 30.0	$ 92.1	$ 110.1
Reconciliation of Net Income per Share to Core Earnings per Share on a Basic and Diluted Basis							
Net income per share (basic)	$ 3.03	$ 0.64	$ 0.05	$ 0.37	$ 0.48	$ 4.10	$ 2.04
Less: Net realized investment gains (losses)	(0.02)	(0.05)	0.03	(0.01)	(0.04)	(0.04)	0.06
Re-measurement of DTL	2.39	—	—	—	—	2.39	—
Core earnings per share (basic)*	$ 0.66	$ 0.69	$ 0.02	$ 0.38	$ 0.52	$ 1.75	$ 1.98
Net income per diluted share	$ 3.00	$ 0.64	$ 0.05	$ 0.37	$ 0.48	$ 4.08	$ 2.02
Less: Net realized investment gains (losses)	(0.02)	(0.05)	0.03	—	(0.04)	(0.04)	0.05
Re-measurement of DTL	2.37	—	—	—	—	2.38	—
Core earnings per diluted share*	$ 0.65	$ 0.69	$ 0.02	$ 0.37	$ 0.52	$ 1.74	$ 1.97

HORACE MANN EDUCATORS CORPORATION
RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES

For Period Ended ($ in millions)	Twelve Months Ended Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016
Reconciliation of Return on Equity					
5 Quarter Average Shareholders' Equity					
Shareholders' equity	$ 1,501.6	$ 1,390.4	$ 1,362.1	$ 1,321.8	$ 1,294.0
Net unrealized gains on fixed maturity and equity securities	300.1	255.7	243.5	198.3	175.7
DTL Re-measurement	99.0	—	—	—	—
5 quarter average shareholders' equity	1,374.0	1,362.5	1,367.9	1,362.6	1,351.2
5 quarter average shareholders' equity excluding re-measurement of DTL	1,354.2	1,362.5	1,367.9	1,362.6	1,351.2
5 quarter average shareholders' equity excluding net unrealized gains on fixed maturity and equity securities and re-measurement of DTL	1,119.5	1,120.4	1,111.0	1,105.5	1,098.7
Net Income Return on Equity					
Numerator: Trailing 12 months net income	$ 169.4	$ 64.0	$ 64.4	$ 73.9	$ 83.8
Denominator: 5 quarter average shareholders' equity	1,374.0	1,362.5	1,367.9	1,362.6	1,351.2
Net income ROE	12.3%	4.7%	4.7%	5.4%	6.2%
Net Income Return on Equity excluding net unrealized gains on fixed maturity and equity securities and re-measurement of DTL					
Numerator: Trailing 12 months net income	$ 169.4	$ 64.0	$ 64.4	$ 73.9	$ 83.8
Less: Re-measurement of DTL	99.0	—	—	—	—
Denominator: 5 quarter average shareholders' equity excluding net unrealized gains on fixed maturity and equity securities and re-measurement of DTL	1,119.5	1,120.4	1,111.0	1,105.5	1,098.7
Net Income ROE excluding net unrealized gains on fixed maturity and equity securities and re-measurement of DTL	6.3%	5.7%	5.8%	6.7%	7.6%
Core Return on Equity					
Numerator: Trailing 12 months net income	$ 169.4	$ 64.0	$ 64.4	$ 73.9	$ 83.8
Less: Realized gains (losses) after tax	(1.7)	(2.3)	2.6	2.6	2.3
Re-measurement of DTL	99.0	—	—	—	—
Trailing 12 months core earnings	72.1	66.3	61.8	71.3	81.5
Denominator: 5 quarter average shareholders' equity excluding re-measurement of DTL	1,354.2	1,362.5	1,367.9	1,362.6	1,351.2
Core Return on Equity	5.3%	4.9%	4.5%	5.2%	6.0%
Core Return on Equity excluding net unrealized gains on fixed maturity and equity securities and re-measurement of DTL					
Numerator: Trailing 12 months core earnings	$ 72.1	$ 66.3	$ 61.8	$ 71.3	$ 81.5
Denominator: 5 quarter average shareholders' equity excluding net unrealized gains on fixed maturity and equity securities and re-measurement of DTL	1,119.5	1,120.4	1,111.0	1,105.5	1,098.7
Core ROE excluding net unrealized gains on fixed maturity and equity securities and re-measurement of DTL	6.4%	5.9%	5.6%	6.5%	7.4%

HORACE MANN EDUCATORS CORPORATION
RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES

	Twelve Months Ended				
For Period Ended	**Dec. 31,**	**Sept. 30,**	**Jun. 30,**	**Mar. 31,**	**Dec. 31,**
($ in millions)	**2017**	**2017**	**2017**	**2017**	**2016**

Reconciliation of Book Value per Common Share to Book Value per Common Share, Excluding Net Unrealized Gains on Fixed Maturity and Equity Securities

	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016
Book value per common share					
Numerator: Common shareholders' equity	$ 1,501.6	$ 1,390.4	$ 1,362.1	$ 1,321.8	$ 1,294.0
Denominator:					
Common shares outstanding	40.7	40.7	40.7	40.5	40.2
Book value per common share	$ 36.88	$ 34.20	$ 33.49	$ 32.60	$ 32.15
Book value per common share, excluding net unrealized gains on fixed maturity and equity securities*					
Numerator: Common Shareholders' equity	$ 1,501.6	$ 1,390.4	$ 1,362.1	$ 1,321.8	$ 1,294.0
Less: Net unrealized gains on fixed maturity and equity securities	300.1	255.7	243.5	198.3	175.7
Adjusted common shareholders' equity	1,201.5	1,134.7	1,118.6	1,123.5	1,118.3
Denominator:					
Common Shares outstanding	40.7	40.7	40.7	40.5	40.2
Book value per common share, excluding net unrealized gains on fixed maturity and equity securities*	$ 29.51	$ 27.91	$ 27.51	$ 27.71	$ 27.79

HORACE MANN EDUCATORS CORPORATION
RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES
OPERATING RATIOS - PROPERTY AND CASUALTY

For Period Ended	Three Months Ended Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Year Ended Dec. 31, 2017	Dec. 31, 2016
Property and Casualty							
Claims and claims expense ("loss") ratio	67.0	70.4	92.1	77.2	73.7	76.6	74.8
Expense ratio	27.0	25.4	26.4	28.3	25.4	26.7	26.7
Combined ratio	94.0	95.8	118.5	105.5	99.1	103.3	101.5
Loss ratio	67.0	70.4	92.1	77.2	73.7	76.6	74.8
Less: effect of catastrophe losses	2.2	5.3	20.2	10.8	7.3	9.5	9.7
effect of prior years' reserve development	(0.4)	(0.3)	(0.4)	(0.6)	(1.7)	(0.4)	(1.1)
Underlying loss ratio*	65.2	65.4	72.3	67.0	68.1	67.5	66.2
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	94.0	95.8	118.5	105.5	99.1	103.3	101.5
Effect of catastrophe losses	2.2	5.3	20.2	10.8	7.3	9.5	9.7
Effect of prior years' reserve development	(0.4)	(0.3)	(0.4)	(0.6)	(1.7)	(0.4)	(1.1)
Underlying combined ratio*	92.2	90.8	98.7	95.3	93.5	94.2	92.9
Auto							
Claims and claims expense ("loss") ratio	77.5	77.8	84.2	78.3	82.6	79.4	80.2
Expense ratio	27.2	25.6	26.4	28.6	25.6	26.9	27.1
Combined ratio	104.7	103.4	110.6	106.9	108.2	106.3	107.3
Loss ratio	77.5	77.8	84.2	78.3	82.6	79.4	80.2
Less: effect of catastrophe losses	0.2	3.3	4.4	1.6	1.3	2.3	2.5
effect of prior years' reserve development	(0.3)	—	—	—	(1.3)	(0.1)	(0.3)
Underlying loss ratio*	77.6	74.5	79.8	76.7	82.6	77.2	78.0
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	104.7	103.4	110.6	106.9	108.2	106.3	107.3
Effect of catastrophe losses	0.2	3.3	4.4	1.6	1.3	2.3	2.5
Effect of prior years' reserve development	(0.3)	—	—	—	(1.3)	(0.1)	(0.3)
Underlying combined ratio*	104.8	100.1	106.2	105.3	108.2	104.1	105.1

HORACE MANN EDUCATORS CORPORATION
RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES
OPERATING RATIOS - PROPERTY AND CASUALTY (Cont.)

	Three Months Ended					Year Ended	
For Period Ended	**Dec. 31, 2017**	**Sept. 30, 2017**	**Jun. 30, 2017**	**Mar. 31, 2017**	**Dec. 31, 2016**	**Dec. 31, 2017**	**Dec. 31, 2016**
Property							
Claims and claims expense ("loss") ratio	45.4	54.8	108.1	74.9	55.7	70.5	63.9
Expense Ratio	26.8	25.1	26.5	27.6	25.4	26.5	26.2
Combined Ratio	72.2	79.9	134.6	102.5	81.1	97.0	90.1
Loss ratio	45.4	54.8	108.1	74.9	55.7	70.5	63.9
Less: effect of catastrophe losses	6.2	9.6	53.3	29.9	19.3	24.5	24.2
effect of prior years' reserve development	(0.6)	(1.1)	(1.2)	(1.9)	(2.5)	(1.2)	(2.7)
Underlying loss ratio*	39.8	46.3	56.0	46.9	38.9	47.2	42.4
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	72.2	79.9	134.6	102.5	81.1	97.0	90.1
Effect of catastrophe losses	6.2	9.6	53.3	29.9	19.3	24.5	24.2
Effect of prior years' reserve development	(0.6)	(1.1)	(1.2)	(1.9)	(2.5)	(1.2)	(2.7)
Underlying combined ratio*	66.6	71.4	82.5	74.5	64.3	73.7	68.6

HORACE MANN EDUCATORS CORPORATION
RECONCILIATIONS OF GAAP MEASURES TO NON-GAAP MEASURES
IMPACT OF ONE-TIME TAX BENEFIT FROM TAX CUTS AND JOBS ACT OF 2017

For Period Ended ($ in millions)	Three Months Ended Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Year Ended Dec. 31, 2017	Dec. 31, 2016
Property and Casualty							
Income (loss) before income taxes	$ 19.4	$ 16.0	$ (21.5)	$ 0.6	$ 11.3	$ 14.5	$ 30.3
Tax on operations	4.4	2.6	(7.6)	(2.1)	1.7	(2.7)	4.7
Segment core earnings*	15.0	13.4	(13.9)	2.7	9.6	17.2	25.6
DTL re-measurement	0.6	—	—	—	—	0.6	—
Net income (loss)	$ 15.6	$ 13.4	$ (13.9)	$ 2.7	$ 9.6	$ 17.8	$ 25.6
Retirement							
Income before income taxes	$ 17.7	$ 18.0	$ 17.1	$ 16.2	$ 17.2	$ 69.0	$ 71.0
Tax on operations	5.7	4.4	5.3	4.7	5.8	20.1	20.3
Segment core earnings*	12.0	13.6	11.8	11.5	11.4	48.9	50.7
DTL re-measurement	39.5	—	—	—	—	39.5	—
Net income	$ 51.5	$ 13.6	$ 11.8	$ 11.5	$ 11.4	$ 88.4	$ 50.7
Life							
Income before income taxes	$ 4.2	$ 7.4	$ 8.7	$ 5.4	$ 6.0	$ 25.7	$ 26.3
Tax on operations	1.2	2.6	3.1	1.5	2.5	8.4	9.7
Segment core earnings*	3.0	4.8	5.6	3.9	3.5	17.3	16.6
DTL re-measurement	60.3	—	—	—	—	60.3	—
Net income	$ 63.3	$ 4.8	$ 5.6	$ 3.9	$ 3.5	$ 77.6	$ 16.6
Corporate and other							
Loss before income taxes	$ (4.4)	$ (4.5)	$ (4.0)	$ (4.2)	$ (4.5)	$ (17.1)	$ (17.5)
Tax on operations	(1.6)	(1.4)	(1.3)	(1.5)	(1.4)	(5.8)	(6.1)
Segment core earnings*	(2.8)	(3.1)	(2.7)	(2.7)	(3.1)	(11.3)	(11.4)
Net realized investment gains (losses) after tax	(0.9)	(2.2)	1.5	(0.1)	(1.5)	(1.7)	2.3
DTL re-measurement	(1.4)	—	—	—	—	(1.4)	—
Net loss	$ (5.1)	$ (5.3)	$ (1.2)	$ (2.8)	$ (4.6)	$ (14.4)	$ (9.1)
Consolidated							
Income before income taxes	$ 36.9	$ 36.9	$ 0.3	$ 18.0	$ 30.0	$ 92.1	$ 110.1
Tax on operations	9.7	8.2	(0.5)	2.6	8.6	20.0	28.6
Core earnings*	27.2	28.7	0.8	15.4	21.4	72.1	81.5
Net realized investment gains (losses) after tax	(0.9)	(2.2)	1.5	(0.1)	(1.5)	(1.7)	2.3
DTL re-measurement	99.0	—	—	—	—	99.0	—
Net income	$ 125.3	$ 26.5	$ 2.3	$ 15.3	$ 19.9	$ 169.4	$ 83.8

HORACE MANN EDUCATORS CORPORATION

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As of December 31, 2017

	A.M. Best	Standard & Poor's	Moody's	Fitch
Financial Strength Ratings:				
Horace Mann Life Insurance Company	A	A	A3	A
Horace Mann Property and Casualty Insurance Company	A	A	A3	A
Horace Mann Insurance Company	A	A	A3	A
Teachers Insurance Company	A	A	A3	A
Horace Mann Lloyds	A	NR	NR	A
Other Ratings:				
Horace Mann Educators Corporation:				
Senior debt	bbb	BBB	Baa3	BBB

NR - not rated

TRANSFER AGENT

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E-mail: info@amstock.com
Corporate Website: www.amstock.com/shareholder/sh_general_info.asp

COMMON STOCK
Common stock of Horace Mann Educators Corporation is traded on the New York Stock Exchange under the symbol "HMN".

This report is for information purposes only. It should be read in conjunction with documents filed by Horace Mann Educators Corporation with the U.S. Securities and Exchange Commission, including the most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.