Third Quarter 2018 Investor Supplement

September 30, 2018

Horace Mann

HORACE MANN EDUCATORS CORPORATION
TABLE OF CONTENTS

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 supplemental numerical pages of HMEC's quarterly earnings releases (and related Form 8-K filings), 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					Nine Months Ended	
($ in millions, except per share data)	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Earned premiums	$ 206.8	$ 205.6	$ 203.0	$ 204.3	$ 199.0	$ 615.4	$ 590.4
Net investment income	99.1	97.1	91.9	98.6	92.3	288.1	275.0
Net investment gains (losses)	2.9	0.7	(1.7)	(1.7)	(3.5)	1.9	(1.7)
Other income	2.6	2.8	2.3	1.8	2.0	7.7	4.8
Total revenues	$ 311.4	$ 306.2	$ 295.5	$ 303.0	$ 289.8	$ 913.1	$ 868.5
Net income	$ 12.5	$ 5.9	$ 20.2	$ 125.3	$ 26.5	$ 38.6	$ 44.1
Core earnings*	10.3	5.3	21.5	27.2	28.7	37.1	44.9
At Period End							
Total assets	$ 11,280.8	$ 11,156.2	$ 11,068.6	$ 11,198.3	$ 11,044.3	$ 11,280.8	$ 11,044.3
Total policy liabilities	6,349.4	6,274.1	6,211.4	6,182.0	6,143.8	6,349.4	6,143.8
Debt	297.7	297.6	297.5	297.5	247.4	297.7	247.4
Shareholders' equity	1,304.3	1,350.4	1,404.7	1,501.6	1,390.4	1,304.3	1,390.4
Per Share and Shares Data (in millions)							
Net income per share (basic)	$ 0.30	$ 0.14	$ 0.49	$ 3.03	$ 0.64	$ 0.93	$ 1.07
Core earnings per share (basic)*	0.25	0.13	0.52	0.66	0.69	0.89	1.09
Net income per diluted share	$ 0.30	$ 0.14	$ 0.48	$ 3.00	$ 0.64	$ 0.93	$ 1.06
Core earnings per diluted share*	0.25	0.13	0.51	0.65	0.69	0.89	1.08
Weighted average common shares (basic)	41.7	41.6	41.5	41.4	41.4	41.6	41.3
Dilutive effect of stock equivalents	0.2	0.1	0.2	0.3	0.2	0.1	0.2
Weighted average diluted shares	41.9	41.7	41.7	41.7	41.6	41.7	41.5
Book value per share	$ 31.78	$ 32.93	$ 34.35	$ 36.88	$ 34.20	$ 31.78	$ 34.20
Per share impact of net unrealized investment gains (losses) on securities	1.85	3.06	4.35	7.37	6.29	1.85	6.29
Book value per share excluding net unrealized investment gains (losses) on securities	$ 29.93	$ 29.87	$ 30.00	$ 29.51	$ 27.91	$ 29.93	$ 27.91
Dividends paid per share	$ 0.285	$ 0.285	$ 0.285	$ 0.275	$ 0.275	$ 0.855	$ 0.825
Financial Ratios							
Net Income ROE	11.8%	12.7%	12.5%	12.3%	4.7%	11.8%	4.7%
Net Income ROE excluding net unrealized investment gains on securities and re-measurement of deferred tax liability (DTL)*	5.4%	6.7%	6.5%	6.3%	5.7%	5.4%	5.7%
Core ROE	4.6%	5.9%	5.6%	5.3%	4.9%	4.6%	4.9%
Core ROE excluding net unrealized investment gains on securities and re-measurement of DTL*	5.3%	7.0%	6.7%	6.4%	5.9%	5.3%	5.9%
Debt to total capitalization	18.6%	18.1%	17.5%	16.5%	15.1%	18.6%	15.1%
Debt to total capitalization excluding net unrealized investment gains (losses) on securities	19.5%	19.5%	19.5%	19.2%	17.9%	19.5%	17.9%
Annualized investment yield, after tax	4.06%	4.10%	3.98%	3.44%	3.38%	4.06%	3.38%

*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					Nine Months Ended	
	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
($ in millions)							
Revenues							
Insurance premiums and contract charges earned	$ 206.8	$ 205.6	$ 203.0	$ 204.3	$ 199.0	$ 615.4	$ 590.4
Net investment income	99.1	97.1	91.9	98.6	92.3	288.1	275.0
Net investment gains (losses)	2.9	0.7	(1.7)	(1.7)	(3.5)	1.9	(1.7)
Other income	2.6	2.8	2.3	1.8	2.0	7.7	4.8
Total revenues	311.4	306.2	295.5	303.0	289.8	913.1	868.5
Benefits, losses and expenses							
Benefits, claims and settlement expenses	161.8	168.3	143.6	137.4	134.9	473.7	444.9
Interest credited	52.1	51.1	50.0	50.4	50.1	153.2	148.2
DAC amortization expense, excluding unlocking	26.4	26.3	26.4	27.2	24.8	79.1	74.1
DAC unlocking	(0.2)	0.2	0.3	1.1	(0.6)	0.3	(0.2)
Operating expenses	51.0	50.2	48.2	48.7	44.2	149.4	139.1
Interest expense	3.2	3.3	3.2	3.0	3.0	9.7	8.9
Total benefits, losses and expenses	294.3	299.4	271.7	267.8	256.4	865.4	815.0
Income before income taxes	17.1	6.8	23.8	35.2	33.4	47.7	53.5
Income tax expense (benefit)	4.6	0.9	3.6	(90.1)	6.9	9.1	9.4
Net income	$ 12.5	$ 5.9	$ 20.2	$ 125.3	$ 26.5	$ 38.6	$ 44.1
Other Statistics							
Effective tax rate on net investment income	20.3%	19.8%	20.8%	33.6%	33.5%	20.3%	33.5%
Net investment income, after tax	$ 79.0	$ 77.9	$ 72.8	$ 65.5	$ 61.4	$ 229.7	$ 182.8
Catastrophes, net of reinsurance, pretax	32.2	26.8	9.8	3.6	8.6	68.8	58.2
Catastrophes, net of reinsurance, after tax	25.4	21.2	7.7	2.4	5.6	54.3	37.8
Other-than-temporary impairment losses on securities [1]	(0.1)	(1.2)	(0.1)	(0.1)	(6.1)	(1.4)	(12.5)
Exclusive Distributors [2]	672	656	675	694	694	672	694

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

[2] Represents licensed agents and employed licensed producers

HORACE MANN EDUCATORS CORPORATION
CONSOLIDATED BALANCE SHEETS

($ in millions, except per share data)	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017
ASSETS						
Investments						
Fixed maturity securities, available for sale, at fair value	$ 7,529.1	$ 7,475.5	$ 7,634.7	$ 7,724.1	$ 7,630.6	$ 7,578.6
Equity securities, at fair value	133.2	130.8	131.0	135.5	159.3	156.9
Limited partnership interests	326.9	273.8	257.4	247.2	259.2	223.9
Short-term and other investments	252.8	352.7	201.6	245.5	288.0	278.5
Total investments	8,242.0	8,232.8	8,224.7	8,352.3	8,337.1	8,237.9
Cash	6.4	8.2	24.0	7.6	6.7	16.0
Deferred policy acquisition costs	305.4	292.6	280.2	257.8	257.2	256.9
Goodwill	47.4	47.4	47.4	47.4	47.4	47.4
Other assets	387.1	379.3	352.7	381.2	344.4	341.7
Separate account assets	2,292.5	2,195.9	2,139.6	2,152.0	2,051.5	1,976.2
Total assets	**$ 11,280.8**	**$ 11,156.2**	**$ 11,068.6**	**$ 11,198.3**	**$ 11,044.3**	**$ 10,876.1**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Policy liabilities						
Investment contract and life policy reserves	$ 5,690.7	$ 5,634.2	$ 5,598.7	$ 5,573.7	$ 5,540.0	$ 5,480.9
Unpaid claims and claim expenses	384.6	379.8	358.3	347.8	341.8	352.5
Unearned premiums	274.1	260.1	254.4	260.5	262.0	248.1
Total policy liabilities	6,349.4	6,274.1	6,211.4	6,182.0	6,143.8	6,081.5
Other policyholder funds	722.4	718.5	720.5	724.3	717.4	713.0
Other liabilities	314.5	319.7	294.9	340.9	493.8	496.0
Long-term debt	297.7	297.6	297.5	297.5	247.4	247.3
Separate account liabilities	2,292.5	2,195.9	2,139.6	2,152.0	2,051.5	1,976.2
Total liabilities	9,976.5	9,805.8	9,663.9	9,696.7	9,653.9	9,514.0
Common stock, $0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	473.6	470.6	466.3	464.3	462.1	459.3
Retained earnings	1,248.8	1,248.3	1,254.4	1,231.2	1,165.2	1,150.2
Accumulated other comprehensive income, net of taxes:						
Net unrealized investment gains on securities	76.0	125.6	178.0	300.1	255.7	243.5
Net funded status of benefit plans	(13.2)	(13.2)	(13.2)	(13.2)	(11.8)	(11.8)
Treasury stock, at cost	(481.0)	(481.0)	(480.9)	(480.9)	(480.9)	(479.2)
Total shareholders' equity	1,304.3	1,350.4	1,404.7	1,501.6	1,390.4	1,362.1
Total liabilities and shareholders' equity	**$ 11,280.8**	**$ 11,156.2**	**$ 11,068.6**	**$ 11,198.3**	**$ 11,044.3**	**$ 10,876.1**

HORACE MANN EDUCATORS CORPORATION
CAPITAL METRICS

For Period Ended	Three Months Ended					Nine Months Ended	
	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
($ 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	247.7	247.6	247.5	247.5	247.4	247.7	247.4
FHLB Borrowing	50.0	50.0	50.0	50.0	—	50.0	—
Total debt	297.7	297.6	297.5	297.5	247.4	297.7	247.4
Shareholders' equity	1,304.3	1,350.4	1,404.7	1,501.6	1,390.4	1,304.3	1,390.4
Total capitalization	$ 1,602.0	$ 1,648.0	$ 1,702.2	$ 1,799.1	$ 1,637.8	$ 1,602.0	$ 1,637.8
Ratio of debt to shareholders' equity	22.8%	22.0%	21.2%	19.8%	17.8%	22.8%	17.8%
Ratio of debt to total capitalization	18.6%	18.1%	17.5%	16.5%	15.1%	18.6%	15.1%
Capital Returned to Shareholders							
Common stock repurchased [2]	$ —	$ —	$ —	$ —	$ 1.7	$ —	$ 1.7
Cash dividends paid	11.7	11.7	11.6	11.2	11.2	35.0	33.5
Total capital returned to shareholders	$ 11.7	$ 11.7	$ 11.6	$ 11.2	$ 12.9	$ 35.0	$ 35.2

[1] Amount available for borrowing is $150.0 million; At LIBOR +115 bps; Expires on June 27, 2023.

[2] As of September 30, 2018, 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					Nine Months Ended	
($ in millions)	**Sept. 30, 2018**	**Jun. 30, 2018**	**Mar. 31, 2018**	**Dec. 31, 2017**	**Sept. 30, 2017**	**Sept. 30, 2018**	**Sept. 30, 2017**
UNDERWRITING RESULTS							
Written premiums							
Automobile	$ 120.5	$ 114.6	$ 114.9	$ 113.7	$ 116.3	$ 350.0	$ 337.0
Property and other	62.2	58.4	44.5	51.1	60.9	165.1	161.0
Total written premiums	182.7	173.0	159.4	164.8	177.2	515.1	498.0
Earned premiums							
Automobile	$ 115.0	$ 114.2	$ 112.6	$ 112.2	$ 110.7	$ 341.8	$ 325.8
Property and other	53.6	53.1	52.9	54.1	52.5	159.6	156.2
Total earned premiums	168.6	167.3	165.5	166.3	163.2	501.4	482.0
Losses and loss adjustment expenses							
Current accident year before catastrophes	107.8	120.2	111.2	108.4	106.8	339.2	328.8
Current accident year catastrophes	32.2	26.8	9.8	3.6	8.6	68.8	58.2
Prior years' reserve development [1]	—	—	(0.3)	(0.6)	(0.5)	(0.3)	(2.1)
Total losses and loss adjustment expenses	140.0	147.0	120.7	111.4	114.9	407.7	384.9
Operating expenses, including DAC amortization expense	45.8	44.8	43.1	44.9	41.4	133.7	128.5
Underwriting gain (loss)	(17.2)	(24.5)	1.7	10.0	6.9	(40.0)	(31.4)
Net investment income	12.4	10.3	9.5	9.7	9.2	32.2	26.5
Other income (expense)	0.4	0.8	0.2	(0.2)	(0.1)	1.4	—
Interest expense	0.3	0.3	0.2	0.1	—	0.8	—
Income (loss) before income taxes	(4.7)	(13.7)	11.2	19.4	16.0	(7.2)	(4.9)
Income tax expense (benefit)	(1.5)	(2.8)	1.5	3.8	2.6	(2.8)	(7.1)
Net income (loss) [2]	$ (3.2)	$ (10.9)	$ 9.7	$ 15.6	$ 13.4	$ (4.4)	$ 2.2

[1] (Favorable) unfavorable.

[2] Net 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

	Three Months Ended					Nine Months Ended	
For Period Ended	**Sept. 30, 2018**	**Jun. 30, 2018**	**Mar. 31, 2018**	**Dec. 31, 2017**	**Sept. 30, 2017**	**Sept. 30, 2018**	**Sept. 30, 2017**
UNDERWRITING RATIOS (%)							
Losses and loss adjustment expenses							
Current accident year before catastrophes	63.9	71.9	67.2	65.2	65.4	67.7	68.2
Current accident year catastrophes	19.1	16.0	5.9	2.2	5.3	13.7	12.0
Prior years' reserve development [1]	—	—	(0.2)	(0.4)	(0.3)	(0.1)	(0.4)
Total losses and loss adjustment expenses	83.0	87.9	72.9	67.0	70.4	81.3	79.8
Expense Ratio	27.1	26.8	26.0	27.0	25.4	26.7	26.7
Combined ratio	**110.1**	**114.7**	**98.9**	**94.0**	**95.8**	**108.0**	**106.5**
Combined ratio before catastrophes	**91.0**	**98.7**	**93.0**	**91.8**	**90.5**	**94.3**	**94.5**
Combined ratio before catastrophes and prior years' reserve development	**91.0**	**98.7**	**93.2**	**92.2**	**90.8**	**94.4**	**94.9**
PRODUCT (%)							
Automobile							
Loss and loss adjustment expense ratio	72.1	82.0	76.1	77.5	77.8	76.7	80.1
Expense ratio	27.4	26.9	25.7	27.2	25.6	26.7	26.9
Combined ratio	99.5	108.9	101.8	104.7	103.4	103.4	107.0
Prior years' reserve development [1]	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0
Catastrophes	0.7	3.3	0.6	0.2	3.3	1.6	3.1
Combined ratio before catastrophes and prior years' reserve development	98.8	105.6	101.2	104.8	100.1	101.8	103.9
Property							
Loss and loss adjustment expense ratio	106.6	100.4	66.2	45.4	54.8	91.1	79.2
Expense ratio	26.7	26.7	27.1	26.8	25.1	26.8	26.4
Combined ratio	133.3	127.1	93.3	72.2	79.9	117.9	105.6
Prior years' reserve development [1]	0.0	—	(0.6)	(0.6)	(1.1)	(0.2)	(1.4)
Catastrophes	58.6	43.3	17.2	6.2	9.6	39.8	30.9
Combined ratio before catastrophes and prior years' development	74.7	83.8	76.7	66.6	71.4	78.3	76.1
SUPPLEMENTAL DATA							
Policy Count Retention (12 month)							
Automobile	82.5%	82.6%	82.9%	83.0%	83.0%	82.5%	83.0%
Property	87.9%	88.0%	87.9%	87.6%	87.6%	87.9%	87.6%
Sales (12-month annualized premium, in millions) [2]							
Automobile	$ 24.2	$ 21.9	$ 21.6	$ 22.0	$ 25.5	$ 67.7	$ 71.5
Property	5.4	4.8	4.2	4.7	5.4	14.4	14.1
Total sales	$ 29.6	$ 26.7	$ 25.8	$ 26.7	$ 30.9	$ 82.1	$ 85.6
Policies in force (in thousands)							
Automobile	466	471	475	479	482	466	482
Property	202	203	204	205	206	202	206
Total policies in force	668	674	679	684	688	668	688

[1] (Favorable) unfavorable.
[2] HM products.

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

For Period Ended	Three Months Ended					Nine Months Ended	
($ in millions)	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Contract deposits	$ 127.0	$ 100.2	$ 98.8	$ 104.2	$ 114.8	$ 326.0	$ 348.9
Revenues							
Contract charges earned	$ 8.0	$ 7.9	$ 8.0	$ 7.2	$ 7.5	$ 23.9	$ 20.8
Net investment income	67.7	67.8	64.2	69.1	64.3	199.7	192.9
Other income	1.8	1.7	1.8	1.8	1.7	5.3	4.1
Total revenues	77.5	77.4	74.0	78.1	73.5	228.9	217.8
Benefits and Expenses							
Interest credited	40.8	39.9	38.7	39.1	38.8	119.4	114.4
Mortality loss and other reserve changes	1.5	1.4	1.9	1.8	1.6	4.8	4.0
DAC amortization expense, excluding unlocking	4.7	4.8	4.8	5.6	3.7	14.3	11.1
DAC unlocking	(0.3)	0.2	0.2	1.2	(0.7)	0.1	(0.1)
Operating expenses	14.0	13.9	14.4	12.7	12.1	42.3	37.1
Total benefits and expenses	**60.7**	**60.2**	**60.0**	**60.4**	**55.5**	**180.9**	**166.5**
Income before income taxes	**16.8**	**17.2**	**14.0**	**17.7**	**18.0**	**48.0**	**51.3**
Income tax expense (benefit)	4.7	3.1	2.6	(33.8)	4.4	10.4	14.4
Net income [1]	**$ 12.1**	**$ 14.1**	**$ 11.4**	**$ 51.5**	**$ 13.6**	**$ 37.6**	**$ 36.9**
Less: DAC unlocking, after tax	0.2	(0.1)	(0.2)	(0.7)	0.4	(0.1)	—
Net income excluding DAC unlocking	**$ 11.9**	**$ 14.2**	**$ 11.6**	**$ 52.2**	**$ 13.2**	**$ 37.7**	**$ 36.9**
Return on Assets (Before-tax basis points)							
ROA (12 month) [2]	98	101	102	106	104	98	104
Interest Spread [3]	182	181	170	194	188	182	188
SUPPLEMENTAL DATA							
Total AUM including Mutual Funds	$ 7,121	$ 6,951	$ 6,846	$ 6,828	$ 6,680	$ 7,121	$ 6,680
Annuity Contracts in force (in thousands)	224	224	223	223	221	224	221
Persistency (12 month)							
Fixed annuities	94.2%	94.4%	94.4%	94.5%	94.5%	94.2%	94.5%
Variable annuities	94.5%	94.6%	94.6%	94.8%	95.0%	94.5%	95.0%
Sales Deposits*							
Spread based - Fixed annuities	$ 73.2	$ 49.5	$ 52.0	$ 58.0	$ 76.1	$ 174.7	$ 219.8
Fee based - Variable annuities	53.8	50.7	46.8	46.2	38.7	151.3	123.1
Fee based - Mutual Funds	24.9	18.6	14.1	15.7	13.7	57.6	29.0
Total sales deposits	$ 151.9	$ 118.8	$ 112.9	$ 119.9	$ 128.5	$ 383.6	$ 371.9

[1] Net 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.

HORACE MANN EDUCATORS CORPORATION
RETIREMENT SEGMENT
ACCOUNT VALUE ROLLFORWARD

For Period Ended ($ in millions)	Three Months Ended Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Jun. 30, 2017
FIXED ACCOUNT ANNUITIES [1]						
Beginning balance	$ 4,266.7	$ 4,247.8	$ 4,235.1	$ 4,222.5	$ 4,184.2	$ 4,233.2
Deposits	59.3	37.7	41.5	46.4	59.2	55.7
Withdrawals	(73.2)	(67.8)	(76.5)	(78.9)	(63.7)	(143.5) [4]
Net transfers	13.2	14.5	13.8	9.1	9.0	7.1
Interest credited	40.8	39.8	38.8	39.1	38.8	38.1
Other	(5.4)	(5.3)	(4.9)	(3.1)	(5.0)	(6.4)
Ending balance	$ 4,301.4	$ 4,266.7	$ 4,247.8	$ 4,235.1	$ 4,222.5	$ 4,184.2
FIXED INDEXED ACCOUNT ANNUITIES [2]						
Beginning balance	$ 389.2	$ 382.1	$ 376.9	$ 360.1	$ 342.1	$ 320.7
Deposits	13.8	11.8	10.5	11.6	16.9	17.4
Withdrawals	(3.8)	(3.8)	(3.8)	(3.0)	(2.8)	(2.1)
Net transfers	(0.8)	(0.8)	(1.0)	(0.7)	(0.9)	(0.7)
Index credits	5.7	4.7	3.6	3.4	3.9	2.9
Other	(0.3)	(4.8)	(4.1)	5.5	0.9	3.9
Ending balance	$ 403.8	$ 389.2	$ 382.1	$ 376.9	$ 360.1	$ 342.1
VARIABLE ACCOUNT ANNUITIES [3]						
Beginning balance	$ 2,195.9	$ 2,139.6	$ 2,152.0	$ 2,051.5	$ 1,976.2	$ 2,011.5
Deposits	53.8	50.7	46.8	46.2	38.6	43.7
Withdrawals	(34.4)	(29.8)	(30.5)	(30.0)	(27.3)	(127.0) [4]
Net transfers	(12.5)	(13.7)	(12.8)	(8.4)	(8.1)	(6.4)
Fees and charges	(8.9)	(8.6)	(8.6)	(8.4)	(8.2)	(7.8)
Market appreciation	98.6	57.7	(7.3)	101.1	80.3	62.1
Other	—	—	—	—	—	0.1
Ending balance	$ 2,292.5	$ 2,195.9	$ 2,139.6	$ 2,152.0	$ 2,051.5	$ 1,976.2

[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 Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Nine Months Ended Sept. 30, 2018	Sept. 30, 2017
Premiums and contract deposits	**$ 28.4**	**$ 28.5**	**$ 25.8**	**$ 31.4**	**$ 26.4**	**$ 82.7**	**$ 79.8**
Revenues							
Premiums and contract charges earned	$ 30.2	$ 30.4	$ 29.5	$ 30.8	$ 28.3	$ 90.1	$ 87.6
Net investment income	19.1	19.2	18.3	20.0	19.0	56.6	56.2
Other income	0.1	—	0.1	0.1	0.1	0.2	0.3
Total revenues	**49.4**	**49.6**	**47.9**	**50.9**	**47.4**	**146.9**	**144.1**
Benefits and Expenses							
Death benefits / mortality cost [1]	8.7	7.7	9.5	11.9	8.2	25.9	24.2
Interest credited	11.3	11.2	11.3	11.3	11.3	33.8	33.8
Change in reserves	11.6	12.2	11.5	12.3	10.2	35.3	31.8
DAC amortization expense, excluding unlocking	1.8	1.9	1.8	2.0	1.9	5.5	5.7
DAC unlocking	0.1	—	0.1	—	—	0.2	(0.2)
Operating expenses	8.9	9.3	9.0	9.2	8.4	27.2	27.3
Total benefits and expenses	**42.4**	**42.3**	**43.2**	**46.7**	**40.0**	**127.9**	**122.6**
Income before income taxes	**7.0**	**7.3**	**4.7**	**4.2**	**7.4**	**19.0**	**21.5**
Income tax expense (benefit)	1.7	1.4	0.9	(59.1)	2.6	4.0	7.2
Net income [2]	**$ 5.3**	**$ 5.9**	**$ 3.8**	**$ 63.3**	**$ 4.8**	**$ 15.0**	**$ 14.3**
Less: DAC unlocking, after tax	(0.1)	—	(0.1)	—	—	(0.2)	0.2
Net income excluding DAC unlocking	**$ 5.4**	**$ 5.9**	**$ 3.9**	**$ 63.3**	**$ 4.8**	**$ 15.2**	**$ 14.1**
Earnings margin (before tax)							
Return on premium (12 month) [3]	19.3%	19.9%	21.4%	21.5%	23.3%	19.3%	23.3%
SUPPLEMENTAL DATA							
Lapse ratio (12 month) [4]	4.8%	4.9%	4.9%	4.9%	4.7%	4.8%	4.7%
Sales (12-month premium, $ in millions) [5]							
Recurring	$ 2.3	$ 2.5	$ 1.9	$ 2.6	$ 1.6	$ 6.7	$ 5.2
Single premium	3.0	3.0	2.4	3.5	1.6	8.4	6.4
Total sales	$ 5.3	$ 5.5	$ 4.3	$ 6.1	$ 3.2	$ 15.1	$ 11.6
Insurance in force ($ in millions)	$ 18,054	$ 17,862	$ 17,665	$ 17,564	$ 17,403	$ 18,054	$ 17,403
Policies in force (in thousands)	198	198	198	198	197	198	197

[1] Ordinary life insurance.

[2] Net 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)

For Period Ended	Three Months Ended					Nine Months Ended	
($ in millions)	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Revenues							
Net investment income	$ (0.1)	$ (0.2)	$ (0.1)	$ (0.2)	$ (0.2)	$ (0.4)	$ (0.6)
Other income	0.3	0.3	0.2	0.1	0.3	0.8	0.4
Total revenues	**0.2**	**0.1**	**0.1**	**(0.1)**	**0.1**	**0.4**	**(0.2)**
Expenses							
Interest expense	2.9	3.0	3.0	2.9	3.0	8.9	8.9
Debt retirement costs	—	—	—	—	—	—	—
Other operating expenses	2.2	1.8	1.5	1.4	1.6	5.5	3.6
Total expenses	**5.1**	**4.8**	**4.5**	**4.3**	**4.6**	**14.4**	**12.5**
Loss before income taxes	(4.9)	(4.7)	(4.4)	(4.4)	(4.5)	(14.0)	(12.7)
Income tax benefit	(1.0)	(0.9)	(1.0)	(0.2)	(1.4)	(2.9)	(4.2)
Loss after tax	**$ (3.9)**	**$ (3.8)**	**$ (3.4)**	**$ (4.2)**	**$ (3.1)**	**$ (11.1)**	**$ (8.5)**
Net investment gains (losses) pretax [1]	2.9	0.7	(1.7)	(1.7)	(3.5)	1.9	(1.7)
Tax on net investment gains (losses) [1]	0.7	0.1	(0.4)	(0.8)	(1.3)	0.4	(0.9)
Net investment gains (losses) after tax [1]	2.2	0.6	(1.3)	(0.9)	(2.2)	1.5	(0.8)
Net loss	**$ (1.7)**	**$ (3.2)**	**$ (4.7)**	**$ (5.1)**	**$ (5.3)**	**$ (9.6)**	**$ (9.3)**

[1] Corporate level transactions, such as net 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					Nine Months Ended	
($ in millions)	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Net Investment Income							
Fixed maturity securities [1]							
Taxable	$ 86.4	$ 83.0	$ 85.4	$ 87.6	$ 82.8	$ 254.8	$ 248.4
Tax-exempt	4.4	7.7	1.6	4.7	4.5	13.7	13.6
Total fixed maturity securities	90.8	90.7	87.0	92.3	87.3	268.5	262.0
Equity securities	1.6	1.5	1.3	1.7	1.6	4.4	4.7
Policy loans	2.3	2.3	2.2	2.3	2.2	6.8	6.5
Limited partnerships	6.2	4.3	3.6	4.4	3.4	14.1	8.3
Short-term investments and other	1.0	0.7	0.3	0.4	0.2	2.0	0.8
Investment income	101.9	99.5	94.4	101.1	94.7	295.8	282.3
Investment expense	2.8	2.4	2.5	2.5	2.4	7.7	7.3
Total net investment income	**$ 99.1**	**$ 97.1**	**$ 91.9**	**$ 98.6**	**$ 92.3**	**$ 288.1**	**$ 275.0**
Annualized investment yield, before tax [2]	5.19%	5.14%	5.03%	5.17%	5.09%	5.19%	5.09%
Annualized investment yield, after tax [2]	4.06%	4.10%	3.98%	3.44%	3.38%	4.06%	3.38%
Net Investment Income by Segment							
Property and Casualty	$ 12.4	$ 10.3	$ 9.5	$ 9.7	$ 9.2	$ 32.2	$ 26.5
Retirement	67.7	67.8	64.2	69.1	64.3	199.7	192.9
Life	19.1	19.2	18.3	20.0	19.0	56.6	56.2
Corporate & Other, including intersegment eliminations	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)	(0.4)	(0.6)
Total net investment income	**$ 99.1**	**$ 97.1**	**$ 91.9**	**$ 98.6**	**$ 92.3**	**$ 288.1**	**$ 275.0**
Net Investment Gains (Losses)							
Gross realized gains	$ 9.4	$ 7.2	$ 4.9	$ 11.9	$ 5.7	$ 21.5	$ 18.6
Gross realized losses, excluding impairment charges	(8.4)	(4.1)	(1.3)	(13.5)	(3.1)	(13.8)	(7.8)
Change in fair value of equity securities	2.0	(1.2)	(5.2)	—	—	(4.4)	—
Other-than-temporary impairment losses	(0.1)	(1.2)	(0.1)	(0.1)	(6.1)	(1.4)	(12.5)
Total net investment gains (losses)	**$ 2.9**	**$ 0.7**	**$ (1.7)**	**$ (1.7)**	**$ (3.5)**	**$ 1.9**	**$ (1.7)**

[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	September 30, 2018		June 30, 2018		March 31, 2018		December 31, 2017		September 30, 2017		June 30, 2017	
($ in millions)	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Fixed maturity securities, at fair value [1]	$ 7,529.1	91.3%	$ 7,475.5	90.8%	$ 7,634.7	92.8%	$ 7,724.1	92.5%	$ 7,630.6	91.5%	$ 7,578.6	92.0%
Equity securities, at fair value	133.2	1.6%	130.8	1.6%	131.0	1.6%	135.5	1.6%	159.3	1.9%	156.9	1.9%
Policy loans, at outstanding balance	153.6	1.9%	152.8	1.9%	152.8	1.9%	153.6	1.9%	153.6	1.9%	152.9	1.9%
Limited partnerships and other alternative investments	351.5	4.3%	297.2	3.6%	284.0	3.4%	276.5	3.3%	282.1	3.4%	245.4	3.0%
Short-term investments	74.6	0.9%	176.6	2.1%	22.2	0.3%	62.6	0.7%	111.5	1.3%	104.1	1.3%
Total investments	**$ 8,242.0**	**100.0%**	**$ 8,232.8**	**100.0%**	**$ 8,224.7**	**100.0%**	**$ 8,352.3**	**100.0%**	**$ 8,337.1**	**100.0%**	**$ 8,237.9**	**100.0%**
Asset-backed securities	$ 617.5	8.2%	$ 649.0	8.7%	$ 656.4	8.6%	$ 651.9	8.5%	$ 647.5	8.5%	$ 664.5	8.8%
Collateralized debt/loan obligations	655.0	8.7%	591.2	7.8%	646.0	8.4%	649.7	8.4%	522.4	6.9%	525.8	6.9%
Commercial mortgage-backed securities	638.6	8.5%	627.4	8.4%	612.7	8.0%	582.0	7.5%	535.1	7.0%	541.9	7.2%
Corporate	2,430.5	32.3%	2,493.3	33.4%	2,580.3	33.8%	2,681.7	34.7%	2,921.9	38.3%	2,927.6	38.6%
Municipal	1,883.7	25.0%	1,827.5	24.4%	1,861.3	24.4%	1,893.3	24.5%	1,842.2	24.1%	1,817.2	24.0%
Residential mortgage-backed securities	521.2	6.9%	504.9	6.8%	516.0	6.8%	530.1	6.9%	490.5	6.4%	495.3	6.5%
U.S. Treasuries and government agencies	782.6	10.4%	782.2	10.5%	762.0	10.0%	735.4	9.5%	671.0	8.8%	606.3	8.0%
Total fixed maturity securities	**$ 7,529.1**	**100.0%**	**$ 7,475.5**	**100.0%**	**$ 7,634.7**	**100.0%**	**$ 7,724.1**	**100.0%**	**$ 7,630.6**	**100.0%**	**$ 7,578.6**	**100.0%**
U.S. government/government agencies	$ 1,550.9	20.6%	$ 1,503.1	20.1%	$ 1,486.7	19.5%	$ 1,443.8	18.7%	$ 1,316.4	17.3%	$ 1,229.4	16.2%
AAA	645.2	8.6%	569.8	7.6%	581.7	7.6%	560.7	7.3%	551.6	7.2%	586.6	7.7%
AA	1,683.4	22.4%	1,680.2	22.5%	1,737.3	22.8%	1,770.5	22.9%	1,621.0	21.2%	1,587.7	20.9%
A	1,703.6	22.6%	1,707.1	22.8%	1,712.1	22.4%	1,765.1	22.8%	1,770.5	23.2%	1,757.7	23.2%
BBB	1,701.6	22.6%	1,746.6	23.4%	1,850.3	24.2%	1,907.0	24.7%	2,063.7	27.1%	2,121.4	28.0%
BB and below, includes securities not rated	244.4	3.2%	268.7	3.6%	266.6	3.5%	277.0	3.6%	307.4	4.0%	295.8	3.9%
Total fixed maturity securities	**$ 7,529.1**	**100.0%**	**$ 7,475.5**	**100.0%**	**$ 7,634.7**	**100.0%**	**$ 7,724.1**	**100.0%**	**$ 7,630.6**	**100.0%**	**$ 7,578.6**	**100.0%**
INVESTMENTS BY SEGMENT												
Property and Casualty	$ 1,001.3	12.2%	$ 996.3	12.1%	$ 977.5	11.9%	$ 996.8	11.9%	$ 939.9	11.3%	$ 920.2	11.2%
Retirement and Life	7,229.2	87.7%	7,226.8	87.8%	7,244.6	88.1%	7,348.7	88.0%	7,382.5	88.5%	7,315.9	88.8%
Corporate [2]	11.5	0.1%	9.7	0.1%	2.6	—%	6.8	0.1%	14.7	0.2%	1.8	—%
Total investments	**$ 8,242.0**	**100.0%**	**$ 8,232.8**	**100.0%**	**$ 8,224.7**	**100.0%**	**$ 8,352.3**	**100.0%**	**$ 8,337.1**	**100.0%**	**$ 8,237.9**	**100.0%**

[1] Amortized Cost of $7,419.5, $7,292.1, $7,373.5, $7,302.9, $7,194.4, and $7,161.9 at September 30, 2018, June 30, 2018, March 31, 2018, December 31, 2017, September 30, 2017, and June, 30, 2017, 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 investment gains (losses), net of tax, and/or net unrealized investment gains on 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 Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Nine Months Ended Sept. 30, 2018	Sept. 30, 2017
($ in millions after tax)							
Reconciliation of Net Income to Core Earnings							
Net income	$ 12.5	$ 5.9	$ 20.2	$ 125.3	$ 26.5	$ 38.6	$ 44.1
Less: Net investment gains (losses)	2.2	0.6	(1.3)	(0.9)	(2.2)	1.5	(0.8)
Re-measurement of DTL	—	—	—	99.0	—	—	—
Core earnings*	$ 10.3	$ 5.3	$ 21.5	$ 27.2	$ 28.7	$ 37.1	$ 44.9
Pretax net income	$ 17.1	$ 6.8	$ 23.8	$ 35.2	$ 33.4	$ 47.7	$ 53.5
Less: Pretax net investment gains (losses)	2.9	0.7	(1.7)	(1.7)	(3.5)	1.9	(1.7)
Pretax core earnings*	$ 14.2	$ 6.1	$ 25.5	$ 36.9	$ 36.9	$ 45.8	$ 55.2
Reconciliation of Net Income per Share to Core Earnings per Share on a Basic and Diluted Basis							
Net income per share (basic)	$ 0.30	$ 0.14	$ 0.49	$ 3.03	$ 0.64	$ 0.93	$ 1.07
Less: Net investment gains (losses)	0.05	0.01	(0.03)	(0.02)	(0.05)	0.04	(0.02)
Re-measurement of DTL	—	—	—	2.39	—	—	—
Core earnings per share (basic)*	$ 0.25	$ 0.13	$ 0.52	$ 0.66	$ 0.69	$ 0.89	$ 1.09
Net income per diluted share	$ 0.30	$ 0.14	$ 0.48	$ 3.00	$ 0.64	$ 0.93	$ 1.06
Less: Net investment gains (losses)	0.05	0.01	(0.03)	(0.02)	(0.05)	0.04	(0.02)
Re-measurement of DTL	—	—	—	2.37	—	—	—
Core earnings per diluted share*	$ 0.25	$ 0.13	$ 0.51	$ 0.65	$ 0.69	$ 0.89	$ 1.08

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

For Period Ended *($ in millions)*	Twelve Months Ended Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Reconciliation of Return on Equity					
5 Quarter Average Shareholders' Equity					
Shareholders' equity	$ 1,304.3	$ 1,350.4	$ 1,404.7	$ 1,501.6	$ 1,390.4
Net unrealized investment gains on securities	76.0	125.6	178.0	300.1	255.7
DTL Re-measurement	—	—	—	99.0	—
5 quarter average shareholders' equity	1,390.3	1,401.8	1,396.1	1,374.0	1,362.5
5 quarter average shareholders' equity excluding re-measurement of DTL	1,390.3	1,401.8	1,396.1	1,354.2	1,362.5
5 quarter average shareholders' equity excluding net unrealized investment gains on securities and re-measurement of DTL	1,203.2	1,181.3	1,161.0	1,119.5	1,120.4
Net Income Return on Equity					
Numerator: Trailing 12 months net income	$ 163.9	$ 177.9	$ 174.3	$ 169.4	$ 64.0
Denominator: 5 quarter average shareholders' equity	1,390.3	1,401.8	1,396.1	1,374.0	1,362.5
Net income ROE	11.8%	12.7%	12.5%	12.3%	4.7%
Net Income Return on Equity excluding net unrealized investment gains on securities and re-measurement of DTL					
Numerator: Trailing 12 months net income	$ 163.9	$ 177.9	$ 174.3	$ 169.4	$ 64.0
Less: Re-measurement of DTL	99.0	99.0	99.0	99.0	—
Denominator: 5 quarter average shareholders' equity excluding net unrealized investment gains on securities and re-measurement of DTL	1,203.2	1,181.3	1,161.0	1,119.5	1,120.4
Net Income ROE excluding net unrealized investment gains on securities and re-measurement of DTL	5.4%	6.7%	6.5%	6.3%	5.7%
Core Return on Equity					
Numerator: Trailing 12 months net income	$ 163.9	$ 177.9	$ 174.3	$ 169.4	$ 64.0
Less: Net investment gains (losses) after tax	0.6	(3.8)	(2.9)	(1.7)	(2.3)
Re-measurement of DTL	99.0	99.0	99.0	99.0	—
Trailing 12 months core earnings	64.3	82.7	78.2	72.1	66.3
Denominator: 5 quarter average shareholders' equity excluding re-measurement of DTL	1,390.3	1,401.8	1,396.1	1,354.2	1,362.5
Core Return on Equity	4.6%	5.9%	5.6%	5.3%	4.9%
Core Return on Equity excluding net unrealized investment gains on securities and re-measurement of DTL					
Numerator: Trailing 12 months core earnings	$ 64.3	$ 82.7	$ 78.2	$ 72.1	$ 66.3
Denominator: 5 quarter average shareholders' equity excluding net unrealized investment gains on securities and re-measurement of DTL	1,203.2	1,181.3	1,161.0	1,119.5	1,120.4
Core ROE excluding net unrealized investment gains on securities and re-measurement of DTL	5.3%	7.0%	6.7%	6.4%	5.9%

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

For Period Ended	Twelve Months Ended				
($ in millions)	**Sept. 30, 2018**	**Jun. 30, 2018**	**Mar. 31, 2018**	**Dec. 31, 2017**	**Sept. 30, 2017**

Reconciliation of Book Value per Common Share to Book Value per Common Share, Excluding Net Unrealized Investment Gains on Securities

	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017
Book value per common share					
Numerator: Common shareholders' equity	$ 1,304.3	$ 1,350.4	$ 1,404.7	$ 1,501.6	$ 1,390.4
Denominator:					
Common shares outstanding	41.0	41.0	40.9	40.7	40.7
Book value per common share	$ 31.78	$ 32.93	$ 34.35	$ 36.88	$ 34.20
Book value per common share, excluding net unrealized investment gains on securities*					
Numerator: Common Shareholders' equity	$ 1,304.3	$ 1,350.4	$ 1,404.7	$ 1,501.6	$ 1,390.4
Less: Net unrealized investment gains on securities	76.0	125.6	178.0	300.1	255.7
Adjusted common shareholders' equity	1,228.3	1,224.8	1,226.7	1,201.5	1,134.7
Denominator:					
Common Shares outstanding	41.0	41.0	40.9	40.7	40.7
Book value per common share, excluding net unrealized investment gains on securities*	$ 29.93	$ 29.87	$ 30.00	$ 29.51	$ 27.91

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

For Period Ended	Three Months Ended Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Nine Months Ended Sept. 30, 2018	Sept. 30, 2017
Property and Casualty							
Claims and claims expense ("loss") ratio	83.0	87.9	72.9	67.0	70.4	81.3	79.8
Expense ratio	27.1	26.8	26.0	27.0	25.4	26.7	26.7
Combined ratio	110.1	114.7	98.9	94.0	95.8	108.0	106.5
Loss ratio	83.0	87.9	72.9	67.0	70.4	81.3	79.8
Less: effect of catastrophe losses	19.1	16.0	5.9	2.2	5.3	13.7	12.0
effect of prior years' reserve development	—	—	(0.2)	(0.4)	(0.3)	(0.1)	(0.4)
Underlying loss ratio*	63.9	71.9	67.2	65.2	65.4	67.7	68.2
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	110.1	114.7	98.9	94.0	95.8	108.0	106.5
Effect of catastrophe losses	19.1	16.0	5.9	2.2	5.3	13.7	12.0
Effect of prior years' reserve development	—	—	(0.2)	(0.4)	(0.3)	(0.1)	(0.4)
Underlying combined ratio*	91.0	98.7	93.2	92.2	90.8	94.4	94.9
Auto							
Claims and claims expense ("loss") ratio	72.1	82.0	76.1	77.5	77.8	76.7	80.1
Expense ratio	27.4	26.9	25.7	27.2	25.6	26.7	26.9
Combined ratio	99.5	108.9	101.8	104.7	103.4	103.4	107.0
Loss ratio	72.1	82.0	76.1	77.5	77.8	76.7	80.1
Less: effect of catastrophe losses	0.7	3.3	0.6	0.2	3.3	1.6	3.1
effect of prior years' reserve development	—	—	—	(0.3)	—	—	—
Underlying loss ratio*	71.4	78.7	75.5	77.6	74.5	75.1	77.0
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	99.5	108.9	101.8	104.7	103.4	103.4	107.0
Effect of catastrophe losses	0.7	3.3	0.6	0.2	3.3	1.6	3.1
Effect of prior years' reserve development	—	—	—	(0.3)	—	—	—
Underlying combined ratio*	98.8	105.6	101.2	104.8	100.1	101.8	103.9

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

For Period Ended	Three Months Ended Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Nine Months Ended Sept. 30, 2018	Sept. 30, 2017
Property							
Claims and claims expense ("loss") ratio	106.6	100.4	66.2	45.4	54.8	91.1	79.2
Expense Ratio	26.7	26.7	27.1	26.8	25.1	26.8	26.4
Combined Ratio	133.3	127.1	93.3	72.2	79.9	117.9	105.6
Loss ratio	106.6	100.4	66.2	45.4	54.8	91.1	79.2
Less: effect of catastrophe losses	58.6	43.3	17.2	6.2	9.6	39.8	30.9
effect of prior years' reserve development	—	—	(0.6)	(0.6)	(1.1)	(0.2)	(1.4)
Underlying loss ratio*	48.0	57.1	49.6	39.8	46.3	51.5	49.7
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	133.3	127.1	93.3	72.2	79.9	117.9	105.6
Effect of catastrophe losses	58.6	43.3	17.2	6.2	9.6	39.8	30.9
Effect of prior years' reserve development	—	—	(0.6)	(0.6)	(1.1)	(0.2)	(1.4)
Underlying combined ratio*	74.7	83.8	76.7	66.6	71.4	78.3	76.1

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	Three Months Ended					Nine Months Ended	
($ in millions)	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sept. 30, 2017	Sept. 30, 2018	Sept. 30, 2017
Property and Casualty							
Income (loss) before income taxes	$ (4.7)	$ (13.7)	$ 11.2	$ 19.4	$ 16.0	$ (7.2)	$ (4.9)
Tax on operations	(1.5)	(2.8)	1.5	4.4	2.6	(2.8)	(7.1)
Segment core earnings*	(3.2)	(10.9)	9.7	15.0	13.4	(4.4)	2.2
DTL re-measurement	—	—	—	0.6	—	—	—
Net income (loss)	$ (3.2)	$ (10.9)	$ 9.7	$ 15.6	$ 13.4	$ (4.4)	$ 2.2
Retirement							
Income before income taxes	$ 16.8	$ 17.2	$ 14.0	$ 17.7	$ 18.0	$ 48.0	$ 51.3
Tax on operations	4.7	3.1	2.6	5.7	4.4	10.4	14.4
Segment core earnings*	12.1	14.1	11.4	12.0	13.6	37.6	36.9
DTL re-measurement	—	—	—	39.5	—	—	—
Net income	$ 12.1	$ 14.1	$ 11.4	$ 51.5	$ 13.6	$ 37.6	$ 36.9
Life							
Income before income taxes	$ 7.0	$ 7.3	$ 4.7	$ 4.2	$ 7.4	$ 19.0	$ 21.5
Tax on operations	1.7	1.4	0.9	1.2	2.6	4.0	7.2
Segment core earnings*	5.3	5.9	3.8	3.0	4.8	15.0	14.3
DTL re-measurement	—	—	—	60.3	—	—	—
Net income	$ 5.3	$ 5.9	$ 3.8	$ 63.3	$ 4.8	$ 15.0	$ 14.3
Corporate and other							
Loss before income taxes	$ (4.9)	$ (4.7)	$ (4.4)	$ (4.4)	$ (4.5)	$ (14.0)	$ (12.7)
Tax on operations	(1.0)	(0.9)	(1.0)	(1.6)	(1.4)	(2.9)	(4.2)
Segment core earnings*	(3.9)	(3.8)	(3.4)	(2.8)	(3.1)	(11.1)	(8.5)
Net investment gains (losses) after tax	2.2	0.6	(1.3)	(0.9)	(2.2)	1.5	(0.8)
DTL re-measurement	—	—	—	(1.4)	—	—	—
Net loss	$ (1.7)	$ (3.2)	$ (4.7)	$ (5.1)	$ (5.3)	$ (9.6)	$ (9.3)
Consolidated							
Income before income taxes	$ 14.2	$ 6.1	$ 25.5	$ 36.9	$ 36.9	$ 45.8	$ 55.2
Tax on operations	3.9	0.8	4.0	9.7	8.2	8.7	10.3
Core earnings*	10.3	5.3	21.5	27.2	28.7	37.1	44.9
Net investment gains (losses) after tax	2.2	0.6	(1.3)	(0.9)	(2.2)	1.5	(0.8)
DTL re-measurement	—	—	—	99.0	—	—	—
Net income	$ 12.5	$ 5.9	$ 20.2	$ 125.3	$ 26.5	$ 38.6	$ 44.1

HORACE MANN EDUCATORS CORPORATION

RATINGS AND CONTACT INFORMATION

Address:
1 Horace Mann Plaza
Springfield, IL 62715

Corporate Website:
www.horacemann.com

Contact:
Heather J. Wietzel
Vice President
Investor Relations
Phone: 217-788-5144
Heather.Wietzel@horacemann.com

As of September 30, 2018

	A.M. Best	Standard & Poor's	Moody's	Fitch
Financial Strength Ratings:				
Horace Mann Life Insurance Company	A	A	A2	A
Horace Mann Property & Casualty Insurance Company	A	A	A2	A
Horace Mann Insurance Company	A	A	A2	A
Teachers Insurance Company	A	A	A2	A
Horace Mann Lloyds	A	NR	NR	A
Other Ratings:				
Horace Mann Educators Corporation:				
Senior debt	bbb	BBB	Baa2	BBB

NR - not rated

TRANSFER AGENT

American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219
Phone: 800-937-5449
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.