First Quarter 2019 Investor Supplement

March 31, 2019

Horace Mann

(updated June 4, 2019)

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 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					Year Ended	
($ in millions, except per share data)	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
Earned premiums	$ 209.8	$ 201.9	$ 206.8	$ 205.6	$ 203.0	$ 817.3	$ 794.7
Net investment income	92.8	88.4	99.1	97.1	91.9	376.5	373.6
Net investment gains (losses)	7.4	(14.4)	2.9	0.7	(1.7)	(12.5)	(3.4)
Other income	3.2	2.6	2.6	2.8	2.3	10.3	6.6
Total revenues	$ 313.2	$ 278.5	$ 311.4	$ 306.2	$ 295.5	$ 1,191.6	$ 1,171.5
Net income (loss)	$ 32.2	$ (20.3)	$ 12.5	$ 5.9	$ 20.2	$ 18.3	$ 169.4
Core earnings (loss)*	26.4	(8.7)	10.3	5.3	21.5	$ 28.4	$ 72.1
At Period End							
Total assets	$ 11,561.1	$ 11,031.9	$ 11,280.8	$ 11,156.2	$ 11,068.6	$ 11,031.9	$ 11,198.3
Total policy liabilities	6,408.7	6,384.1	6,349.4	6,274.1	6,211.4	6,384.1	6,182.0
Debt	297.8	297.7	297.7	297.6	297.5	297.7	297.5
Shareholders' equity	1,423.7	1,290.6	1,304.3	1,350.4	1,404.7	1,290.6	1,501.6
Per Share and Shares Data (in millions)							
Net income (loss) per share (basic)	$ 0.77	$ (0.49)	$ 0.30	$ 0.14	$ 0.49	$ 0.44	$ 4.10
Core earnings (loss) per share (basic)*	0.63	(0.21)	0.25	0.13	0.52	0.68	1.75
Net income (loss) per diluted share	0.77	(0.49)	0.30	0.14	0.48	0.44	4.08
Core earnings (loss) per diluted share*	0.63	(0.21)	0.25	0.13	0.51	0.68	1.74
Weighted average common shares (basic)	41.6	41.6	41.7	41.6	41.5	41.6	41.4
Dilutive effect of stock equivalents	0.2	0.3	0.2	0.1	0.2	0.3	0.2
Weighted average diluted shares	41.8	41.9	41.9	41.7	41.7	41.9	41.6
Book value per share	$ 34.60	$ 31.50	$ 31.78	$ 32.93	$ 34.35	$ 31.50	$ 36.88
Per share impact of net unrealized investment gains (losses) on securities	5.13	2.37	1.85	3.06	4.35	2.37	7.37
Book value per share excluding net unrealized investment gains (losses) on securities	$ 29.47	$ 29.13	$ 29.93	$ 29.87	$ 30.00	$ 29.13	$ 29.51
Dividends paid per share	$ 0.2875	$ 0.285	$ 0.285	$ 0.285	$ 0.285	$ 1.140	$ 1.100
Financial Ratios							
Net Income ROE - LTM [1]	2.2%	1.3 %	11.8%	12.7%	12.5%	1.3%	12.3%
Net Income ROE - Annualized	9.5%	(6.3)%	3.8%	1.7%	5.6%	1.3%	12.3%
Core ROE - LTM*	2.7%	2.3 %	5.3%	7.0%	6.7%	2.3%	6.3%
Core ROE - Annualized*	8.8%	(2.9)%	3.4%	1.7%	7.1%	2.3%	6.3%
Debt to total capitalization excluding net unrealized investment gains (losses) on securities	19.7%	20.0 %	19.5%	19.5%	19.5%	20.0%	19.8%
Investment yield, after tax - Annualized	3.96%	4.01 %	4.00%	4.22%	3.98%	4.08%	3.44%

[1] LTM = Last twelve months

*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	
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
($ in millions)							
Revenues							
Insurance premiums and contract charges earned	$ 209.8	$ 201.9	$ 206.8	$ 205.6	$ 203.0	$ 817.3	$ 794.7
Net investment income	92.8	88.4	99.1	97.1	91.9	376.5	373.6
Net investment gains (losses)	7.4	(14.4)	2.9	0.7	(1.7)	(12.5)	(3.4)
Other income	3.2	2.6	2.6	2.8	2.3	10.3	6.6
Total revenues	313.2	278.5	311.4	306.2	295.5	1,191.6	1,171.5
Benefits, losses and expenses							
Benefits, claims and settlement expenses	139.4	163.9	161.8	168.3	143.6	637.6	582.3
Interest credited	52.9	53.0	52.1	51.1	50.0	206.2	198.6
DAC amortization expense, excluding unlocking	27.0	26.6	26.4	26.3	26.4	105.7	101.3
DAC unlocking	(2.0)	3.9	(0.2)	0.2	0.3	4.2	0.9
Operating expenses	54.0	56.0	51.0	50.2	48.2	205.4	187.8
Interest expense	3.3	3.3	3.2	3.3	3.2	13.0	11.9
Total benefits, losses and expenses	274.6	306.7	294.3	299.4	271.7	1,172.1	1,082.8
Income (loss) before income taxes	38.6	(28.2)	17.1	6.8	23.8	19.5	88.7
Income tax expense (benefit)	6.4	(7.9)	4.6	0.9	3.6	1.2	(80.7)
Net income (loss)	$ 32.2	$ (20.3)	$ 12.5	$ 5.9	$ 20.2	$ 18.3	$ 169.4
Other Statistics							
Effective tax rate on net investment income	20.3%	20.1%	20.3%	19.8%	20.8%	20.2%	33.5%
Net investment income, after tax	$ 74.0	$ 70.6	$ 79.0	$ 77.9	$ 72.8	$ 300.3	$ 248.3
Catastrophe costs, net of reinsurance, pretax	10.8	45.3	32.2	26.8	9.8	114.1	61.8
Catastrophe costs, net of reinsurance, after tax	8.5	35.8	25.4	21.2	7.7	90.1	40.2
Other-than-temporary impairment losses on securities [1]	(0.2)	(0.1)	(0.1)	(1.2)	(0.1)	(1.5)	(12.6)

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

HORACE MANN EDUCATORS CORPORATION
CONSOLIDATED BALANCE SHEETS

($ in millions, except per share data)	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017
ASSETS						
Investments						
Fixed maturity securities, available for sale, at fair value	$ 7,798.0	$ 7,515.3	$ 7,529.1	$ 7,475.5	$ 7,634.7	$ 7,724.1
Equity securities, at fair value	105.5	111.8	133.2	130.8	131.0	135.5
Limited partnership interests	330.4	328.5	326.9	273.8	257.4	247.2
Short-term and other investments	323.9	295.1	252.8	352.7	201.6	245.5
Total investments	8,557.8	8,250.7	8,242.0	8,232.8	8,224.7	8,352.3
Cash	7.3	11.9	6.4	8.2	24.0	7.6
Deferred policy acquisition costs	275.4	298.7	305.4	292.6	280.2	257.8
Goodwill	57.5	47.4	47.4	47.4	47.4	47.4
Other assets	439.0	422.1	387.1	379.3	352.7	381.2
Separate account assets	2,224.1	2,001.1	2,292.5	2,195.9	2,139.6	2,152.0
Total assets	**$ 11,561.1**	**$ 11,031.9**	**$ 11,280.8**	**$ 11,156.2**	**$ 11,068.6**	**$ 11,198.3**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Policy liabilities						
Investment contract and life policy reserves	$ 5,748.1	$ 5,711.2	$ 5,690.7	$ 5,634.2	$ 5,598.7	$ 5,573.7
Unpaid claims and claim expenses	393.6	396.7	384.6	379.8	358.3	347.8
Unearned premiums	267.0	276.2	274.1	260.1	254.4	260.5
Total policy liabilities	6,408.7	6,384.1	6,349.4	6,274.1	6,211.4	6,182.0
Other policyholder funds	821.8	768.0	722.4	718.5	720.5	724.3
Other liabilities	385.0	290.4	314.5	319.7	294.9	340.9
Long-term debt	297.8	297.7	297.7	297.6	297.5	297.5
Separate account liabilities	2,224.1	2,001.1	2,292.5	2,195.9	2,139.6	2,152.0
Total liabilities	10,137.4	9,741.3	9,976.5	9,805.8	9,663.9	9,696.7
Common stock, $0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	474.3	475.1	473.6	470.6	466.3	464.3
Retained earnings	1,236.6	1,216.6	1,248.8	1,248.3	1,254.4	1,231.2
Accumulated other comprehensive income, net of taxes:						
Net unrealized investment gains on securities	210.8	96.9	76.0	125.6	178.0	300.1
Net funded status of benefit plans	(12.2)	(12.2)	(13.2)	(13.2)	(13.2)	(13.2)
Treasury stock, at cost	(485.9)	(485.9)	(481.0)	(481.0)	(480.9)	(480.9)
Total shareholders' equity	1,423.7	1,290.6	1,304.3	1,350.4	1,404.7	1,501.6
Total liabilities and shareholders' equity	**$ 11,561.1**	**$ 11,031.9**	**$ 11,280.8**	**$ 11,156.2**	**$ 11,068.6**	**$ 11,198.3**

(updated June 4, 2019)

HORACE MANN EDUCATORS CORPORATION
CAPITAL METRICS

For Period Ended ($ in millions, except per share data)	Three Months Ended Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Year Ended Dec. 31, 2018	Dec. 31, 2017
Debt and Total Capitalization							
Short term debt due under revolving credit agreement [1]	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Senior Debt:							
4.50% Senior notes due December 1, 2025	247.8	247.7	247.7	247.6	247.5	247.7	247.5
FHLB Borrowing	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Total debt	297.8	297.7	297.7	297.6	297.5	297.7	297.5
Shareholders' equity	1,423.7	1,290.6	1,304.3	1,350.4	1,404.7	1,290.6	1,501.6
Total capitalization	$ 1,721.5	$ 1,588.3	$ 1,602.0	$ 1,648.0	$ 1,702.2	$ 1,588.3	$ 1,799.1
Debt to shareholders' equity	20.9%	23.1%	22.8%	22.0%	21.2%	23.1%	19.8%
Debt to total capitalization	17.3%	18.7%	18.6%	18.1%	17.5%	18.7%	16.5%
Debt to total capitalization excluding net unrealized investment gains (losses) on securities	19.7%	20.0%	19.5%	19.5%	19.5%	20.0%	19.8%
Capital Returned to Shareholders							
Common stock repurchased [2]	$ —	$ 5.0	$ —	$ —	$ —	$ 5.0	$ 1.7
Cash dividends paid	11.8	11.7	11.7	11.7	11.6	46.7	44.7
Total capital returned to shareholders	$ 11.8	$ 16.7	$ 11.7	$ 11.7	$ 11.6	$ 51.7	$ 46.4

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

[2] As of March 31, 2019, the Company's program had a remaining authorization of $22.8 million.

HORACE MANN EDUCATORS CORPORATION
PROPERTY and CASUALTY SEGMENT
STATEMENTS OF OPERATIONS

For Period Ended	**Three Months Ended**					**Year Ended**	
($ in millions)	**Mar. 31, 2019**	**Dec. 31, 2018**	**Sept. 30, 2018**	**Jun. 30, 2018**	**Mar. 31, 2018**	**Dec. 31, 2018**	**Dec. 31, 2017**
UNDERWRITING RESULTS							
Written premiums							
Automobile	$ 116.8	$ 119.9	$ 120.5	$ 114.6	$ 114.9	$ 469.9	$ 450.7
Property and other	44.9	46.5	62.2	58.4	44.5	211.6	212.1
Total written premiums	161.7	166.4	182.7	173.0	159.4	681.5	662.8
Earned premiums							
Automobile	$ 116.9	$ 115.7	$ 115.0	$ 114.2	$ 112.6	$ 457.5	$ 438.0
Property and other	53.9	48.6	53.6	53.1	52.9	208.2	210.3
Total earned premiums	170.8	164.3	168.6	167.3	165.5	665.7	648.3
Losses and loss adjustment expenses							
Current accident year before catastrophes	108.0	101.5	107.8	120.2	111.2	440.7	437.2
Current accident year catastrophes	10.8	38.5	32.2	26.8	9.8	107.3	61.8
Prior years' reserve development [1]	(2.0)	—	—	—	(0.3)	(0.3)	(2.7)
Total losses and loss adjustment expenses	116.8	140.0	140.0	147.0	120.7	547.7	496.3
Operating expenses, including DAC amortization expense	46.5	46.1	45.8	44.8	43.1	179.8	173.4
Underwriting gain (loss)	7.5	(21.8)	(17.2)	(24.5)	1.7	(61.8)	(21.4)
Net investment income	10.2	7.9	12.4	10.3	9.5	40.1	36.2
Other income (expense)	0.4	0.5	0.4	0.8	0.2	1.9	(0.2)
Interest expense	0.3	0.3	0.3	0.3	0.2	1.1	0.1
Income (loss) before income taxes	17.8	(13.7)	(4.7)	(13.7)	11.2	(20.9)	14.5
Income tax expense (benefit)	2.8	(3.8)	(1.5)	(2.8)	1.5	(6.6)	(3.3)
Net income (loss) [2]	$ 15.0	$ (9.9)	$ (3.2)	$ (10.9)	$ 9.7	$ (14.3)	$ 17.8

[1] (Favorable) unfavorable.

[2] Net investment gains (losses) are not allocated by segment.

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

For Period Ended	Three Months Ended Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Year Ended Dec. 31, 2018	Dec. 31, 2017
UNDERWRITING RATIOS (%)							
Losses and loss adjustment expenses							
Current accident year before catastrophes	63.3	58.2	63.9	71.9	67.2	65.2	67.5
Current accident year catastrophes	6.2	27.0	19.1	16.0	5.9	17.1	9.5
Prior years' reserve development [1]	(1.2)	—	—	—	(0.2)	—	(0.4)
Total losses and loss adjustment expenses	68.3	85.2	83.0	87.9	72.9	82.3	76.6
Expense Ratio	27.2	28.1	27.1	26.8	26.0	27.0	26.7
Combined ratio	**95.5**	**113.3**	**110.1**	**114.7**	**98.9**	**109.3**	**103.3**
Combined ratio before catastrophes	**89.3**	**86.3**	**91.0**	**98.7**	**93.0**	**92.2**	**93.8**
Combined ratio before catastrophes and prior years' reserve development*	**90.5**	**86.3**	**91.0**	**98.7**	**93.2**	**92.2**	**94.2**
PRODUCT (%)							
Automobile							
Loss and loss adjustment expense ratio	70.8	75.0	72.1	82.0	76.1	76.3	79.4
Expense ratio	27.2	27.2	27.4	26.9	25.7	26.8	26.9
Combined ratio	98.0	102.2	99.5	108.9	101.8	103.1	106.3
Prior years' reserve development [1]	(0.9)	0.0	0.0	0.0	0.0	0.0	(0.1)
Catastrophes	0.8	2.2	0.7	3.3	0.6	1.7	2.3
Combined ratio before catastrophes and prior years' reserve development*	98.1	100.0	98.8	105.6	101.2	101.4	104.1
Property							
Loss and loss adjustment expense ratio	62.9	109.4	106.6	100.4	66.2	95.4	70.5
Expense ratio	27.6	30.4	26.7	26.7	27.1	27.7	26.5
Combined ratio	90.5	139.8	133.3	127.1	93.3	123.1	97.0
Prior years' reserve development [1]	(1.9)	0.0	0.0	0.0	(0.6)	(0.1)	(1.2)
Catastrophes	18.3	82.4	58.6	43.3	17.2	50.2	24.5
Combined ratio before catastrophes and prior years' development*	74.1	57.4	74.7	83.8	76.7	73.0	73.7
SUPPLEMENTAL DATA							
Policy Count Retention - LTM							
Automobile	81.5%	81.9%	82.5%	82.6%	82.9%	81.9%	83.0%
Property	87.8%	88.0%	87.9%	88.0%	87.9%	88.0%	87.6%
Sales (LTM annualized premium, in millions) [2]							
Automobile	$ 19.4	$ 20.4	$ 24.2	$ 21.9	$ 21.6	$ 88.1	$ 93.5
Property	3.8	4.9	5.4	4.8	4.2	19.3	18.8
Total sales	$ 23.2	$ 25.3	$ 29.6	$ 26.7	$ 25.8	$ 107.4	$ 112.3
Policies in force (in thousands)							
Automobile [3]	454	463	466	471	475	463	479
Property	200	201	202	203	204	201	205
Total policies in force	654	664	668	674	679	664	684

[1] (Favorable) unfavorable.
[2] HM products.
[3] Mar. 31, 2019 and Dec. 31, 2018 includes assumed policies in force of 4.
* Refer to non-GAAP measures in the Appendix of this document.

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

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
Contract deposits*	$ 107.3	$ 113.1	$ 127.0	$ 100.2	$ 98.8	$ 439.1	$ 453.1
Revenues							
Contract charges earned	$ 8.6	$ 7.3	$ 8.0	$ 7.9	$ 8.0	$ 31.2	$ 28.0
Net investment income	64.7	62.9	67.7	67.8	64.2	262.6	262.0
Other income	2.4	1.7	1.8	1.7	1.8	7.0	5.9
Total revenues	75.7	71.9	77.5	77.4	74.0	300.8	295.9
Benefits and Expenses							
Interest credited	41.7	41.7	40.8	39.9	38.7	161.1	153.5
Mortality loss and other reserve changes	0.6	2.8	1.5	1.4	1.9	7.6	5.8
DAC amortization expense, excluding unlocking	4.9	4.9	4.7	4.8	4.8	19.2	16.7
DAC unlocking	(2.0)	3.8	(0.3)	0.2	0.2	3.9	1.1
Operating expenses	15.9	15.0	14.0	13.9	14.4	57.3	49.8
Total benefits and expenses	**61.1**	**68.2**	**60.7**	**60.2**	**60.0**	**249.1**	**226.9**
Income before income taxes	**14.6**	**3.7**	**16.8**	**17.2**	**14.0**	**51.7**	**69.0**
Income tax expense (benefit)	2.4	(0.4)	4.7	3.1	2.6	10.0	(19.4)
Net income [1]	**$ 12.2**	**$ 4.1**	**$ 12.1**	**$ 14.1**	**$ 11.4**	**$ 41.7**	**$ 88.4**
Less: DAC unlocking, after tax	1.6	(3.0)	0.2	(0.1)	(0.2)	(3.1)	(0.7)
Net income excluding DAC unlocking	**$ 10.6**	**$ 7.1**	**$ 11.9**	**$ 14.2**	**$ 11.6**	**$ 44.8**	**$ 89.1**
Fixed annuity interest spread - Annualized	142	135	184	193	170	171	194
Variable annuity fee margin - Annualized	152	147	151	151	156	157	147
SUPPLEMENTAL DATA							
Assets under administration (AUA)							
Annuity assets under management	$ 6,973	$ 6,713	$ 6,998	$ 6,852	$ 6,769	$ 6,713	$ 6,764
Brokerage and advisory assets under administration [2]	2,191	331	333	300	284	331	266
Recordkeeping assets under administration [2]	1,364	—	—	—	—	—	—
Total AUA	$ 10,528	$ 7,044	$ 7,331	$ 7,152	$ 7,053	$ 7,044	$ 7,030
Annuity sales deposits	$ 107.3	$ 113.1	$ 127.0	$ 100.2	$ 98.8	$ 439.1	$ 453.1
Persistency - LTM							
Fixed annuities	94.1%	94.0%	94.2%	94.4%	94.4%	94.0%	94.5%
Variable annuities	94.3%	94.4%	94.5%	94.6%	94.6%	94.4%	94.8%
Annuity Contracts in force (in thousands)	226	226	224	224	223	226	223

[1] Net investment gains (losses) are not allocated by segment.

[2] 2019 includes the results of BCG that was acquired on January 2, 2019.

HORACE MANN EDUCATORS CORPORATION
RETIREMENT SEGMENT
ACCOUNT VALUE ROLLFORWARD

	Three Months Ended					
For Period Ended	**Mar. 31,**	**Dec. 31,**	**Sept. 30,**	**Jun. 30,**	**Mar. 31,**	**Dec. 31,**
($ in millions)	**2019**	**2018**	**2018**	**2018**	**2018**	**2017**
FIXED ACCOUNT ANNUITIES [1]						
Beginning balance	$ 4,300.3	$ 4,301.4	$ 4,266.7	$ 4,247.8	$ 4,235.1	$ 4,222.5
Deposits	43.7	44.5	59.3	37.7	41.5	46.4
Withdrawals	(78.1)	(92.2)	(73.2)	(67.8)	(76.5)	(78.9)
Net transfers	18.8	10.6	13.2	14.5	13.8	9.1
Interest credited	41.7	41.7	40.8	39.8	38.8	39.1
Other	(6.8)	(5.7)	(5.4)	(5.3)	(4.9)	(3.1)
Ending balance	$ 4,319.6	$ 4,300.3	$ 4,301.4	$ 4,266.7	$ 4,247.8	$ 4,235.1
FIXED INDEXED ACCOUNT ANNUITIES [2]						
Beginning balance	$ 411.9	$ 403.8	$ 389.2	$ 382.1	$ 376.9	$ 360.1
Deposits	14.9	14.1	13.8	11.8	10.5	11.6
Withdrawals	(4.1)	(3.6)	(3.8)	(3.8)	(3.8)	(3.0)
Net transfers	(0.7)	(0.6)	(0.8)	(0.8)	(1.0)	(0.7)
Index credits	0.9	1.5	5.7	4.7	3.6	3.4
Other	6.1	(3.3)	(0.3)	(4.8)	(4.1)	5.5
Ending balance	$ 429.0	$ 411.9	$ 403.8	$ 389.2	$ 382.1	$ 376.9
VARIABLE ACCOUNT ANNUITIES [3]						
Beginning balance	$ 2,001.1	$ 2,292.5	$ 2,195.9	$ 2,139.6	$ 2,152.0	$ 2,051.5
Deposits	48.8	54.5	53.8	50.7	46.8	46.2
Withdrawals	(31.1)	(33.2)	(34.4)	(29.8)	(30.5)	(30.0)
Net transfers	(18.1)	(10.0)	(12.5)	(13.7)	(12.8)	(8.4)
Fees and charges	(8.4)	(8.6)	(8.9)	(8.6)	(8.6)	(8.4)
Market appreciation	231.8	(294.1)	98.6	57.7	(7.3)	101.1
Other	—	—	—	—	—	—
Ending balance	$ 2,224.1	$ 2,001.1	$ 2,292.5	$ 2,195.9	$ 2,139.6	$ 2,152.0

[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.

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

For Period Ended *($ in millions)*	Three Months Ended Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Year Ended Dec. 31, 2018	Dec. 31, 2017
Premiums and contract deposits	**$ 26.4**	**$ 31.7**	**$ 28.4**	**$ 28.5**	**$ 25.8**	**$ 114.4**	**$ 111.2**
Revenues							
Premiums and contract charges earned	$ 30.4	$ 30.3	$ 30.2	$ 30.4	$ 29.5	$ 120.4	$ 118.4
Net investment income	18.1	17.8	19.1	19.2	18.3	74.4	76.2
Other income	0.1	0.1	0.1	—	0.1	0.3	0.4
Total revenues	**48.6**	**48.2**	**49.4**	**49.6**	**47.9**	**195.1**	**195.0**
Benefits and Expenses							
Death benefits / mortality cost [1]	10.5	9.2	8.7	7.7	9.5	35.1	36.1
Interest credited	11.2	11.3	11.3	11.2	11.3	45.1	45.1
Change in reserves	11.5	11.9	11.6	12.2	11.5	47.2	44.1
DAC amortization expense, excluding unlocking	2.0	1.8	1.8	1.9	1.8	7.3	7.7
DAC unlocking	—	0.1	0.1	—	0.1	0.3	(0.2)
Operating expenses	9.4	9.2	8.9	9.3	9.0	36.4	36.5
Total benefits and expenses	**44.6**	**43.5**	**42.4**	**42.3**	**43.2**	**171.4**	**169.3**
Income before income taxes	**4.0**	**4.7**	**7.0**	**7.3**	**4.7**	**23.7**	**25.7**
Income tax expense (benefit)	0.7	0.9	1.7	1.4	0.9	4.9	(51.9)
Net income [2]	**$ 3.3**	**$ 3.8**	**$ 5.3**	**$ 5.9**	**$ 3.8**	**$ 18.8**	**$ 77.6**
Less: DAC unlocking, after tax	—	—	(0.1)	—	(0.1)	(0.2)	0.2
Net income excluding DAC unlocking	**$ 3.3**	**$ 3.8**	**$ 5.4**	**$ 5.9**	**$ 3.9**	**$ 19.0**	**$ 77.4**
Earnings margin (before tax)							
Return on premium - LTM	19.1%	20.2%	19.3%	19.9%	21.4%	20.2%	21.5%
SUPPLEMENTAL DATA							
Lapse ratio - LTM [3]	4.6%	4.6%	4.8%	4.9%	4.9%	4.6%	4.9%
Sales (LTM, $ in millions) [4]							
Recurring	$ 1.9	$ 3.0	$ 2.3	$ 2.5	$ 1.9	$ 9.7	$ 7.8
Single premium	2.4	3.1	3.0	3.0	2.4	11.5	9.9
Total sales	$ 4.3	$ 6.1	$ 5.3	$ 5.5	$ 4.3	$ 21.2	$ 17.7
Insurance in force ($ in millions)	$ 18,409	$ 18,278	$ 18,054	$ 17,862	$ 17,665	$ 18,278	$ 17,564
Policies in force (in thousands)	198	199	198	198	198	199	198

[1] Ordinary life insurance.

[2] Net investment gains (losses) are not allocated by segment.

[3] Based on ordinary life insurance in force.

[4] 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					Year Ended	
($ in millions)	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
Revenues							
Net investment income	$ (0.2)	$ (0.2)	$ (0.1)	$ (0.2)	$ (0.1)	$ (0.6)	$ (0.8)
Other income	0.3	0.3	0.3	0.3	0.2	1.1	0.5
Total revenues	**0.1**	**0.1**	**0.2**	**0.1**	**0.1**	**0.5**	**(0.3)**
Expenses							
Interest expense	3.0	3.0	2.9	3.0	3.0	11.9	11.8
Debt retirement costs	—	—	—	—	—	—	—
Other operating expenses	2.3	5.6	2.2	1.8	1.5	11.1	5.0
Total expenses	**5.3**	**8.6**	**5.1**	**4.8**	**4.5**	**23.0**	**16.8**
Loss before income taxes	(5.2)	(8.5)	(4.9)	(4.7)	(4.4)	(22.5)	(17.1)
Income tax benefit	(1.1)	(1.8)	(1.0)	(0.9)	(1.0)	(4.7)	(4.4)
Loss after tax	**$ (4.1)**	**$ (6.7)**	**$ (3.9)**	**$ (3.8)**	**$ (3.4)**	**$ (17.8)**	**$ (12.7)**
Net investment gains (losses) pretax [1]	7.4	(14.4)	2.9	0.7	(1.7)	(12.5)	(3.4)
Tax on net investment gains (losses) [1]	1.6	(2.8)	0.7	0.1	(0.4)	(2.4)	(1.7)
Net investment gains (losses) after tax [1]	5.8	(11.6)	2.2	0.6	(1.3)	(10.1)	(1.7)
Net income (loss)	**$ 1.7**	**$ (18.3)**	**$ (1.7)**	**$ (3.2)**	**$ (4.7)**	**$ (27.9)**	**$ (14.4)**

[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.

HORACE MANN EDUCATORS CORPORATION
INVESTMENT EARNINGS BEFORE TAXES
CONSOLIDATED

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
Net Investment Income							
Fixed maturity securities [1]							
Taxable	$ 80.2	$ 80.5	$ 86.4	$ 83.0	$ 85.4	$ 335.3	$ 336.0
Tax-exempt	4.1	4.3	4.4	7.7	1.6	18.0	18.3
Total fixed maturity securities	84.3	84.8	90.8	90.7	87.0	353.3	354.3
Equity securities	1.2	1.6	1.6	1.5	1.3	6.0	6.4
Policy loans	2.3	2.4	2.3	2.3	2.2	9.2	8.8
Limited partnership interests	6.4	1.3	6.2	4.3	3.6	15.4	12.7
Short-term investments and other	1.2	0.8	1.0	0.7	0.3	2.8	1.2
Investment income	95.4	90.9	101.9	99.5	94.4	386.7	383.4
Investment expense	2.6	2.5	2.8	2.4	2.5	10.2	9.8
Total net investment income	**$ 92.8**	**$ 88.4**	**$ 99.1**	**$ 97.1**	**$ 91.9**	**$ 376.5**	**$ 373.6**
Investment yield, before tax - Annualized [2]	4.96%	4.74%	5.31%	5.26%	5.03%	5.11%	5.17%
Investment yield, after tax - Annualized [2]	3.96%	4.01%	4.00%	4.22%	3.98%	4.08%	3.44%
Net Investment Income by Segment							
Property and Casualty	$ 10.2	$ 7.9	$ 12.4	$ 10.3	$ 9.5	$ 40.1	$ 36.2
Retirement	64.7	62.9	67.7	67.8	64.2	262.6	262.0
Life	18.1	17.8	19.1	19.2	18.3	74.4	76.2
Corporate & Other, including intersegment eliminations	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)	(0.6)	(0.8)
Total net investment income	**$ 92.8**	**$ 88.4**	**$ 99.1**	**$ 97.1**	**$ 91.9**	**$ 376.5**	**$ 373.6**
Net Investment Gains (Losses)							
Gross realized gains	$ 5.4	$ 9.5	$ 9.4	$ 7.2	$ 4.9	$ 31.0	$ 30.5
Gross realized losses, excluding impairment charges	(1.3)	(9.9)	(8.4)	(4.1)	(1.3)	(23.7)	(21.3)
Change in fair value of equity securities	3.5	(13.9)	2.0	(1.2)	(5.2)	(18.3)	—
Other-than-temporary impairment losses	(0.2)	(0.1)	(0.1)	(1.2)	(0.1)	(1.5)	(12.6)
Total net investment gains (losses)	**$ 7.4**	**$ (14.4)**	**$ 2.9**	**$ 0.7**	**$ (1.7)**	**$ (12.5)**	**$ (3.4)**

[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	March 31, 2019		December 31, 2018		September 30, 2018		June 30, 2018		March 31, 2018		December 31, 2017	
($ in millions)	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Fixed maturity securities, at fair value [1]	$ 7,798.0	91.1%	$ 7,515.3	91.0%	$ 7,529.1	91.3%	$ 7,475.5	90.8%	$ 7,634.7	92.8%	$ 7,724.1	92.5%
Equity securities, at fair value	105.5	1.2%	111.8	1.4%	133.2	1.6%	130.7	1.6%	131.0	1.6%	135.5	1.6%
Policy loans, at outstanding balance	153.4	1.8%	154.0	1.9%	153.6	1.9%	152.8	1.9%	152.8	1.9%	153.6	1.9%
Limited partnership interests and other investments	357.5	4.2%	347.4	4.2%	351.5	4.3%	297.2	3.6%	284.0	3.4%	276.5	3.3%
Short-term investments	143.4	1.7%	122.2	1.5%	74.6	0.9%	176.6	2.1%	22.2	0.3%	62.6	0.7%
Total investments	**$ 8,557.8**	**100.0%**	**$ 8,250.7**	**100.0%**	**$ 8,242.0**	**100.0%**	**$ 8,232.8**	**100.0%**	**$ 8,224.7**	**100.0%**	**$ 8,352.3**	**100.0%**
Asset-backed securities	588.9	7.6%	$ 621.9	8.3%	$ 617.5	8.2%	$ 649.0	8.7%	$ 656.4	8.6%	$ 651.9	8.5%
Collateralized debt/loan obligations	789.9	10.1%	692.4	9.2%	655.0	8.7%	591.2	7.8%	646.0	8.4%	649.7	8.4%
Commercial mortgage-backed securities	711.4	9.1%	663.7	8.8%	638.6	8.5%	627.4	8.4%	612.7	8.0%	582.0	7.5%
Corporate	2,220.4	28.5%	2,164.4	28.8%	2,430.5	32.3%	2,493.3	33.4%	2,580.3	33.8%	2,681.7	34.7%
Municipal	2,083.0	26.7%	2,004.0	26.7%	1,883.7	25.0%	1,827.5	24.4%	1,861.3	24.4%	1,893.3	24.5%
Residential mortgage-backed securities	538.9	6.9%	535.4	7.1%	521.2	6.9%	504.9	6.8%	516.0	6.8%	530.1	6.9%
U.S. Treasuries and government agencies	865.5	11.1%	833.5	11.1%	782.6	10.4%	782.2	10.5%	762.0	10.0%	735.4	9.5%
Total fixed maturity securities	**$ 7,798.0**	**100.0%**	**$ 7,515.3**	**100.0%**	**$ 7,529.1**	**100.0%**	**$ 7,475.5**	**100.0%**	**$ 7,634.7**	**100.0%**	**$ 7,724.1**	**100.0%**
U.S. government/government agencies	1,708.1	21.9%	$ 1,643.1	21.9%	$ 1,550.9	20.6%	$ 1,503.1	20.1%	$ 1,486.7	19.5%	$ 1,443.8	18.7%
AAA	799.0	10.2%	673.8	9.0%	645.2	8.6%	569.8	7.6%	581.7	7.6%	560.7	7.3%
AA	1,843.6	23.6%	1,789.1	23.8%	1,683.4	22.4%	1,680.2	22.5%	1,737.3	22.8%	1,770.5	22.9%
A	1,653.8	21.2%	1,614.0	21.5%	1,703.6	22.6%	1,707.1	22.8%	1,712.1	22.4%	1,765.1	22.8%
BBB	1,596.1	20.5%	1,588.1	21.1%	1,701.6	22.6%	1,746.6	23.4%	1,850.3	24.2%	1,907.0	24.7%
BB and below, includes securities not rated	197.4	2.6%	207.2	2.7%	244.4	3.2%	268.7	3.6%	266.6	3.5%	277.0	3.6%
Total fixed maturity securities	**$ 7,798.0**	**100.0%**	**$ 7,515.3**	**100.0%**	**$ 7,529.1**	**100.0%**	**$ 7,475.5**	**100.0%**	**$ 7,634.7**	**100.0%**	**$ 7,724.1**	**100.0%**
INVESTMENTS BY SEGMENT												
Property and Casualty	977.8	11.4%	$ 950.8	11.5%	$ 1,001.3	12.2%	$ 996.3	12.1%	$ 977.5	11.9%	$ 996.8	11.9%
Retirement and Life	7,572.9	88.5%	7,294.5	88.4%	7,229.2	87.7%	7,226.8	87.8%	7,244.6	88.1%	7,348.7	88.0%
Corporate [2]	7.1	0.1%	5.4	0.1%	11.5	0.1%	9.7	0.1%	2.6	—%	6.8	0.1%
Total investments	**$ 8,557.8**	**100.0%**	**$ 8,250.7**	**100.0%**	**$ 8,242.0**	**100.0%**	**$ 8,232.8**	**100.0%**	**$ 8,224.7**	**100.0%**	**$ 8,352.3**	**100.0%**

[1] Amortized Cost of $7,487.5, $7,373.9, $7,419.5, $7,292.1, $7,373.5, and $7,302.9, at March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018, March 31, 2018, and December 31, 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. A number of these measures are components of net income or the balance sheet but, in some cases, are not based on accounting principles generally accepted in the U.S. (non-GAAP) under applicable SEC rules because they are not displayed as separate line items in the Consolidated Statements of Operations or the Consolidated Balance Sheets or are not required to be disclosed in the Notes to the Consolidated Financial Statements or, in some cases, there is inclusion or exclusion of certain items not ordinarily included or excluded in accordance with accounting principles generally accepted in the U.S. (GAAP). 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 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 Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Year Ended Dec. 31, 2018	Dec. 31, 2017
($ in millions after tax)							
Reconciliation of Net Income to Core Earnings							
Net income	$ 32.2	$ (20.3)	$ 12.5	$ 5.9	$ 20.2	$ 18.3	$ 169.4
Less: Net investment gains (losses)	5.8	(11.6)	2.2	0.6	(1.3)	(10.1)	(1.7)
Re-measurement of DTL	—	—	—	—	—	—	99.0
Core earnings (loss)*	$ 26.4	$ (8.7)	$ 10.3	$ 5.3	$ 21.5	$ 28.4	$ 72.1
Pretax net income	38.6	$ (28.2)	$ 17.1	$ 6.8	$ 23.8	19.5	88.7
Less: Pretax net investment gains (losses)	7.4	(14.4)	2.9	0.7	(1.7)	(12.5)	(3.4)
Pretax core earnings (loss)*	$ 31.2	$ (13.8)	$ 14.2	$ 6.1	$ 25.5	$ 32.0	$ 92.1
Reconciliation of Net Income per Share to Core Earnings per Share on a Basic and Diluted Basis							
Net income (loss) per share (basic)	$ 0.77	$ (0.49)	$ 0.30	$ 0.14	$ 0.49	$ 0.44	$ 4.10
Less: Net investment gains (losses)	0.14	(0.28)	0.05	0.01	(0.03)	(0.24)	(0.04)
Re-measurement of DTL	—	—	—	—	—	—	2.39
Core earnings (loss) per share (basic)*	$ 0.63	$ (0.21)	$ 0.25	$ 0.13	$ 0.52	$ 0.68	$ 1.75
Net income (loss) per diluted share	$ 0.77	$ (0.49)	$ 0.30	$ 0.14	$ 0.48	$ 0.44	$ 4.08
Less: Net investment gains (losses)	0.14	(0.28)	0.05	0.01	(0.03)	(0.24)	(0.04)
Re-measurement of DTL	—	—	—	—	—	—	2.38
Core earnings (loss) per diluted share*	$ 0.63	$ (0.21)	$ 0.25	$ 0.13	$ 0.51	$ 0.68	$ 1.74

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

For Period Ended *($ in millions)*	Three Months Ended Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Year Ended Dec. 31, 2018	Dec. 31, 2017
Reconciliation of Return on Equity							
5 Quarter Average Shareholders' Equity							
Shareholders' equity	$ 1,423.7	$ 1,290.6	$ 1,304.3	$ 1,350.4	$ 1,404.7	$ 1,290.6	$ 1,501.6
Net unrealized investment gains on securities	210.8	96.9	76.0	125.6	178.0	96.9	300.1
5 quarter average shareholders' equity	1,354.7	1,370.3	1,390.3	1,401.8	1,396.1	1,370.3	1,374.0
2 quarter average shareholders' equity	1,357.2	1,297.5	1,327.4	1,377.6	1,453.2		
5 quarter average shareholders' equity excluding net unrealized investment gains on securities	1,217.3	1,215.0	1,203.2	1,181.3	1,161.0	1,215.0	1,139.3
2 quarter average shareholders' equity excluding net unrealized investment gains on securities	1,203.3	1,211.0	1,226.6	1,225.8	1,214.1		
Net Income Return on Equity - LTM							
Numerator: LTM net income	$ 30.3	$ 18.3	$ 163.9	$ 177.9	$ 174.3	$ 18.3	$ 169.4
Denominator: 5 quarter average shareholders' equity	1,354.7	1,370.3	1,390.3	1,401.8	1,396.1	1,370.3	1,374.0
Net income ROE - LTM	2.2%	1.3 %	11.8%	12.7%	12.5%	1.3%	12.3%
Net Income Return on Equity - Annualized							
Numerator: Annualized net income	$ 128.8	$ (81.2)	$ 50.0	$ 23.6	$ 80.8	$ 18.3	$ 169.4
Denominator: 2 quarter average shareholders' equity	1,357.2	1,297.5	1,327.4	1,377.6	1,453.2	1,370.3	1,374.0
Net income ROE - Annualized	9.5%	(6.3)%	3.8%	1.7%	5.6%	1.3%	12.3%
Core Return on Equity - LTM							
Numerator: LTM core earnings	$ 33.3	$ 28.4	$ 64.3	$ 82.7	$ 78.2	$ 28.4	$ 72.1
Denominator: 5 quarter average shareholders' equity excluding net unrealized investment gains on securities	1,217.3	1,215.0	1,203.2	1,181.3	1,161.0	1,215.0	1,139.3
Core Return on Equity - LTM	2.7%	2.3 %	5.3%	7.0%	6.7%	2.3%	6.3%
Core Return on Equity - Annualized							
Numerator: Annualized core earnings	$ 105.6	$ (34.8)	$ 41.2	$ 21.2	$ 86.0	$ 28.4	$ 72.1
Denominator: 2 quarter average shareholders' equity excluding net unrealized investment gains on securities	1,203.3	1,211.0	1,226.6	1,225.8	1,214.1	1,215.0	1,139.3
Core ROE - Annualized	8.8%	(2.9)%	3.4%	1.7%	7.1%	2.3%	6.3%

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

For Period Ended ($ in millions)	Twelve Months Ended Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018
Reconciliation of Book Value per Common Share to Book Value per Common Share, Excluding Net Unrealized Investment Gains on Securities					
Book value per common share					
Numerator: Common shareholders' equity	$ 1,423.7	$ 1,290.6	$ 1,304.3	$ 1,350.4	$ 1,404.7
Denominator:					
Common shares outstanding	41.2	41.0	41.0	41.0	40.9
Book value per common share	$ 34.60	$ 31.50	$ 31.78	$ 32.93	$ 34.35
Book value per common share, excluding net unrealized investment gains on securities*					
Numerator: Common Shareholders' equity	$ 1,423.7	$ 1,290.6	$ 1,304.3	$ 1,350.4	$ 1,404.7
Less: Net unrealized investment gains on securities	210.8	96.9	76.0	125.6	178.0
Adjusted common shareholders' equity	1,212.9	1,193.7	1,228.3	1,224.8	1,226.7
Denominator:					
Common Shares outstanding	41.2	41.0	41.0	41.0	40.9
Book value per common share, excluding net unrealized investment gains on securities*	$ 29.47	$ 29.13	$ 29.93	$ 29.87	$ 30.00

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

For Period Ended	Three Months Ended					Year Ended	
	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
Property and Casualty							
Claims and claims expense ("loss") ratio	68.3	85.2	83.0	87.9	72.9	82.3	76.6
Expense ratio	27.2	28.1	27.1	26.8	26.0	27.0	26.7
Combined ratio	95.5	113.3	110.1	114.7	98.9	109.3	103.3
Loss ratio	68.3	85.2	83.0	87.9	72.9	82.3	76.6
Less: effect of catastrophe losses	6.2	25.9	19.1	16.0	5.9	16.8	9.5
effect of prior years' reserve development	(1.2)	—	—	—	(0.2)	—	(0.4)
Underlying loss ratio*	63.3	59.3	63.9	71.9	67.2	65.5	67.5
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	95.5	113.3	110.1	114.7	98.9	109.3	103.3
Effect of catastrophe costs	6.2	27.0	19.1	16.0	5.9	17.1	9.5
Effect of prior years' reserve development	(1.2)	—	—	—	(0.2)	—	(0.4)
Underlying combined ratio*	90.5	86.3	91.0	98.7	93.2	92.2	94.2
Auto							
Claims and claims expense ("loss") ratio	70.8	75.0	72.1	82.0	76.1	76.3	79.4
Expense ratio	27.2	27.2	27.4	26.9	25.7	26.8	26.9
Combined ratio	98.0	102.2	99.5	108.9	101.8	103.1	106.3
Loss ratio	70.8	75.0	72.1	82.0	76.1	76.3	79.4
Less: effect of catastrophe losses	0.8	2.2	0.7	3.3	0.6	1.7	2.3
effect of prior years' reserve development	(0.9)	—	—	—	—	—	(0.1)
Underlying loss ratio*	70.9	72.8	71.4	78.7	75.5	74.6	77.2
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	98.0	102.2	99.5	108.9	101.8	103.1	106.3
Effect of catastrophe costs	0.8	2.2	0.7	3.3	0.6	1.7	2.3
Effect of prior years' reserve development	(0.9)	—	—	—	—	—	(0.1)
Underlying combined ratio*	98.1	100.0	98.8	105.6	101.2	101.4	104.1

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	**Mar. 31, 2019**	**Dec. 31, 2018**	**Sept. 30, 2018**	**Jun. 30, 2018**	**Mar. 31, 2018**	**Dec. 31, 2018**	**Dec. 31, 2017**
Property							
Claims and claims expense ("loss") ratio	62.9	109.4	106.6	100.4	66.2	95.4	70.5
Expense Ratio	27.6	30.4	26.7	26.7	27.1	27.7	26.5
Combined Ratio	90.5	139.8	133.3	127.1	93.3	123.1	97.0
Loss ratio	62.9	109.4	106.6	100.4	66.2	95.4	70.5
Less: effect of catastrophe losses	18.3	78.7	58.6	43.3	17.2	49.3	24.5
effect of prior years' reserve development	(1.9)	—	—	—	(0.6)	(0.1)	(1.2)
Underlying loss ratio*	46.5	30.7	48.0	57.1	49.6	46.2	47.2
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	90.5	139.8	133.3	127.1	93.3	123.1	97.0
Effect of catastrophe costs	18.3	82.4	58.6	43.3	17.2	50.2	24.5
Effect of prior years' reserve development	(1.9)	—	—	—	(0.6)	(0.1)	(1.2)
Underlying combined ratio*	74.1	57.4	74.7	83.8	76.7	73.0	73.7

HORACE MANN EDUCATORS CORPORATION

RATINGS AND CONTACT INFORMATION

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As of March 31, 2019	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

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6201 15th Avenue
Brooklyn, NY 11219
Phone: 800-937-5449
E-mail: help@astfinancial.com
Corporate Website: https://us.astfinancial.com/ShareHolder/GeneralAccountInformation

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.