Fourth Quarter 2020 Investor Supplement

December 31, 2020

Horace Mann

Certain 2019 data updated on February 26, 2021.

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 of America ("non-GAAP") and are marked with an asterisk (*) within this document. 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 SEC filings), and additional descriptions of 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, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Insurance premiums and contract charges earned	$ 233.7	$ 235.3	$ 225.4	$ 236.3	$ 240.4	$ 930.7	$ 898.0
Net investment income	101.2	93.7	80.4	82.3	85.8	357.6	365.1
Net investment gains (losses)	10.5	2.5	3.2	(18.5)	1.7	(2.3)	153.3
Other income	6.9	5.6	5.4	6.5	3.5	24.4	14.1
Total revenues	$ 352.3	$ 337.1	$ 314.4	$ 306.6	$ 331.4	$ 1,310.4	$ 1,430.5
Net income	$ 47.8	$ 36.5	$ 30.5	$ 18.5	$ 33.0	$ 133.3	$ 184.4
Core earnings*	47.5	34.6	28.0	33.0	31.7	143.1	92.2
At Period End							
Total assets	$ 13,471.8	$ 13,003.4	$ 12,571.7	$ 11,972.2	$ 12,478.7	$ 13,471.8	$ 12,478.7
Total policy liabilities	7,148.6	7,129.7	7,031.5	6,978.3	6,956.5	7,148.6	6,956.5
Debt	437.3	437.2	437.2	433.1	433.0	437.3	433.0
Shareholders' equity	1,790.1	1,715.7	1,639.8	1,477.6	1,567.3	1,790.1	1,567.3
Per Share and Shares Data (in millions)							
Net income per share (basic)	$ 1.14	$ 0.87	$ 0.73	$ 0.44	$ 0.79	$ 3.18	$ 4.42
Core earnings per share (basic)*	1.13	0.82	0.67	0.79	0.76	3.41	2.21
Net income per diluted share	1.13	0.87	0.73	0.44	0.78	3.17	4.40
Core earnings per diluted share*	1.13	0.82	0.67	0.78	0.75	3.40	2.20
Weighted average common shares (basic)	42.0	41.9	41.9	41.8	41.8	41.9	41.7
Dilutive effect of stock equivalents	0.2	0.2	0.1	0.2	0.3	0.1	0.2
Weighted average diluted shares	42.2	42.1	42.0	42.0	42.1	42.0	41.9
Book value per share	$ 43.22	$ 41.45	$ 39.69	$ 35.80	$ 38.01	$ 43.22	$ 38.01
Per share impact of net unrealized investment gains on fixed maturity securities	8.84	7.93	6.76	3.31	5.59	8.84	5.59
Book value per share excluding net unrealized investment gains on fixed maturity securities*	$ 34.38	$ 33.52	$ 32.93	$ 32.49	$ 32.42	$ 34.38	$ 32.42
Dividends paid per share	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.2875	$ 1.20	$ 1.15
Financial Ratios							
Net Income ROE - LTM [(1)]	8.1 %	7.4 %	6.9 %	11.3 %	12.5 %	8.1 %	12.5 %
Net Income ROE - Annualized	10.9 %	8.7 %	7.8 %	4.9 %	8.4 %	7.9 %	12.9 %
Core ROE - LTM*	10.5 %	9.4 %	9.0 %	7.6 %	7.3 %	10.5 %	7.3 %
Core ROE - Annualized*	13.5 %	10.1 %	8.3 %	9.9 %	9.6 %	10.4 %	7.3 %
Debt to total capitalization excluding net unrealized investment gains on fixed maturity securities*	23.5 %	24.0 %	24.3 %	24.4 %	24.5 %	23.5 %	24.5 %
Investment yield, excluding limited partnership interests, pretax - annualized	4.25 %	4.18 %	4.39 %	4.51 %	4.36 %	4.33 %	4.64 %

[(1)] LTM = Last twelve months.

Certain 2019 data updated on February 26, 2021.

HORACE MANN EDUCATORS CORPORATION
SELECTED FINANCIAL DATA - FIVE YEAR HISTORY

($ in millions, except per share data)

	Year Ended December 31,				
	2020	2019 [1]	2018	2017	2016
Consolidated Statement of Operations Data					
Insurance premiums and contract charges earned	$ 930.7	$ 898.0	$ 817.3	$ 794.7	$ 759.1
Net investment income	357.6	365.1	376.5	373.6	361.2
Net income	133.3	184.4	18.3	169.4	83.8
Core earnings*	143.1	92.2	28.4	72.1	81.5
Net income ROE - Annualized	7.9 %	12.9 %	1.3 %	12.1 %	6.6 %
Core ROE - Annualized*	10.4 %	7.3 %	2.4 %	6.2 %	7.4 %
At Period End					
Total assets	$ 13,471.8	$ 12,478.7	$ 11,031.9	$ 11,198.3	$ 10,576.8
Total policy liabilities	7,148.6	6,956.5	6,384.1	6,182.0	6,024.1
Debt	437.3	433.0	297.7	297.5	247.2
Shareholders' equity	1,790.1	1,567.3	1,290.6	1,501.6	1,294.0
Per Share and Shares Data (in millions)					
Net income per share (basic)	$ 3.18	$ 4.42	$ 0.44	$ 4.10	$ 2.04
Core earnings per share (basic)*	3.41	2.21	0.68	1.75	1.98
Net income per diluted share	3.17	4.40	0.44	4.08	2.02
Core earnings per diluted share*	3.40	2.20	0.68	1.74	1.97
Weighted average common shares (basic)	41.9	41.7	41.6	41.4	41.2
Weighted average diluted shares	42.0	41.9	41.9	41.6	41.5
Book value per share	43.22	38.01	31.50	36.88	32.15
Book value per share excluding net unrealized investment gains on fixed maturity securities*	34.38	32.42	29.13	29.51	27.79
Dividends paid per share	$ 1.20	$ 1.15	$ 1.14	$ 1.10	$ 1.06
Segment Information					
Insurance premiums written and contract deposits					
Property and Casualty	$ 635.5	$ 683.1	$ 681.5	$ 662.8	$ 634.3
Supplemental	130.3	65.7	—	—	—
Retirement	483.4	462.5	439.1	453.1	520.2
Life	110.1	113.2	114.4	111.2	108.0
Total	$ 1,359.3	$ 1,324.5	$ 1,235.0	$ 1,227.1	$ 1,262.5
Core earnings (loss)					
Property and Casualty	76.5	54.3	$ (14.3)	$ 17.2	$ 25.6
Supplemental	43.1	18.0	—	—	—
Retirement	28.2	23.2	41.7	48.9	50.7
Life	10.4	17.6	18.8	17.3	16.6
Corporate and Other	(15.1)	(20.9)	(17.8)	(11.3)	(11.4)
Total	$ 143.1	$ 92.2	$ 28.4	$ 72.1	$ 81.5

[1] The acquisition of NTA (Supplemental segment) closed on July 1, 2019.

HORACE MANN EDUCATORS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Revenues							
Insurance premiums and contract charges earned	$ 233.7	$ 235.3	$ 225.4	$ 236.3	$ 240.4	$ 930.7	$ 898.0
Net investment income	101.2	93.7	80.4	82.3	85.8	357.6	365.1
Net investment gains (losses)	10.5	2.5	3.2	(18.5)	1.7	(2.3)	153.3
Other income	6.9	5.6	5.4	6.5	3.5	24.4	14.1
Total revenues	352.3	337.1	314.4	306.6	331.4	1,310.4	1,430.5
Benefits, losses and expenses							
Benefits, claims and settlement expenses	135.8	151.4	143.0	138.7	138.8	568.9	585.1
Interest credited	51.3	51.1	50.7	51.5	52.7	204.6	212.8
Operating expenses	64.7	57.9	55.2	60.0	65.0	237.8	234.6
DAC amortization expense, excluding DAC unlocking	25.2	25.5	25.2	26.1	26.6	102.0	106.0
DAC unlocking	(0.3)	(0.9)	(4.8)	3.9	(0.3)	(2.1)	3.2
Intangible asset amortization expense	3.5	3.5	3.7	3.7	3.9	14.4	8.8
Interest expense	3.5	3.5	4.0	4.2	4.4	15.2	15.6
Other expense - goodwill and intangible asset impairments	10.0	—	—	—	—	10.0	28.0
Total benefits, losses and expenses	293.7	292.0	277.0	288.1	291.1	1,150.8	1,194.1
Income before income taxes	58.6	45.1	37.4	18.5	40.3	159.6	236.4
Income tax expense	10.8	8.6	6.9	—	7.3	26.3	52.0
Net income	$ 47.8	$ 36.5	$ 30.5	$ 18.5	$ 33.0	$ 133.3	$ 184.4
Other Statistics							
Effective tax rate on net investment income	20.5 %	20.5 %	20.3 %	20.4 %	20.3 %	20.4 %	20.3 %
Net investment income, after tax	$ 80.5	$ 74.5	$ 64.1	$ 65.5	$ 68.3	$ 284.6	$ 290.9
Catastrophe losses, net of reinsurance, pretax	6.1	34.8	34.7	8.8	4.4	84.4	52.0
Catastrophe losses, net of reinsurance, after tax	4.8	27.5	27.4	7.0	3.5	66.7	41.1
Other-than-temporary impairment losses on securities [1]	—	(1.1)	(0.5)	(3.7)	(1.1)	(5.3)	(1.4)

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

Certain 2019 data updated on February 26, 2021.

HORACE MANN EDUCATORS CORPORATION
CONSOLIDATED BALANCE SHEETS

($ in millions, except per share data)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sept. 30, 2019
ASSETS						
Investments						
Fixed maturity securities, available for sale, at fair value	$ 6,345.3	$ 6,168.5	$ 6,022.0	$ 5,843.2	$ 5,791.7	$ 5,839.5
Equity securities, at fair value	121.6	102.3	90.3	87.0	101.9	105.5
Limited partnership interests	449.0	418.2	392.2	389.3	383.7	354.6
Short-term and other investments	346.3	453.1	376.3	281.7	361.9	433.4
Total investments	7,262.2	7,142.1	6,880.8	6,601.2	6,639.2	6,733.0
Cash	22.3	65.5	82.4	41.2	25.5	39.4
Deferred policy acquisition costs	229.8	242.0	257.1	297.8	276.7	269.2
Deposit asset on reinsurance	2,420.9	2,402.5	2,373.3	2,356.3	2,346.2	2,342.3
Intangible assets	158.5	166.3	169.8	173.5	177.2	181.1
Goodwill	43.5	49.1	49.1	49.1	49.1	48.7
Other assets	443.2	447.4	442.3	498.9	474.3	410.7
Separate account assets	2,891.4	2,488.5	2,316.9	1,954.2	2,490.5	2,308.1
Total assets	**$ 13,471.8**	**$ 13,003.4**	**$ 12,571.7**	**$ 11,972.2**	**$ 12,478.7**	**$ 12,332.5**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Policy liabilities						
Investment contract and life policy reserves	$ 6,445.3	$ 6,402.5	$ 6,320.6	$ 6,273.6	$ 6,234.4	$ 6,207.9
Unpaid claims and claim expenses	438.8	454.5	444.5	438.4	442.9	412.3
Unearned premiums	264.5	272.7	266.4	266.3	279.2	285.2
Total policy liabilities	7,148.6	7,129.7	7,031.5	6,978.3	6,956.5	6,905.4
Other policyholder funds	751.3	744.5	741.9	716.3	647.3	672.8
Other liabilities	453.1	487.8	404.4	412.7	384.1	434.6
Short-term debt	135.0	135.0	135.0	135.0	135.0	135.0
Long-term debt	302.3	302.2	302.2	298.1	298.0	298.0
Separate account liabilities	2,891.4	2,488.5	2,316.9	1,954.2	2,490.5	2,308.1
Total liabilities	11,681.7	11,287.7	10,931.9	10,494.6	10,911.4	10,753.9
Common stock, $0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	488.4	486.8	483.8	481.9	481.0	478.6
Retained earnings	1,434.6	1,399.5	1,375.7	1,357.8	1,352.5	1,331.6
Accumulated other comprehensive income, net of taxes:						
Net unrealized investment gains on fixed maturity securities	366.3	328.2	279.1	136.7	230.4	266.4
Net funded status of benefit plans	(11.2)	(10.8)	(10.8)	(10.8)	(10.8)	(12.2)
Treasury stock, at cost	(488.1)	(488.1)	(488.1)	(488.1)	(485.9)	(485.9)
Total shareholders' equity	1,790.1	1,715.7	1,639.8	1,477.6	1,567.3	1,578.6
Total liabilities and shareholders' equity	**$ 13,471.8**	**$ 13,003.4**	**$ 12,571.7**	**$ 11,972.2**	**$ 12,478.7**	**$ 12,332.5**

HORACE MANN EDUCATORS CORPORATION
CAPITAL METRICS

For Period Ended	Three Months Ended					Year Ended	
($ in millions, except per share data)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Debt and Total Capitalization							
Short term debt due under revolving credit agreement [1]	$ 135.0	$ 135.0	$ 135.0	$ 135.0	$ 135.0	$ 135.0	$ 135.0
Senior Debt:							
4.50% Senior notes due December 1, 2025	248.3	248.2	248.2	248.1	248.0	248.3	248.0
FHLB Borrowing	54.0	54.0	54.0	50.0	50.0	54.0	50.0
Total debt	437.3	437.2	437.2	433.1	433.0	437.3	433.0
Shareholders' equity	1,790.1	1,715.7	1,639.8	1,477.6	1,567.3	1,790.1	1,567.3
Total capitalization	$ 2,227.4	$ 2,152.9	$ 2,077.0	$ 1,910.7	$ 2,000.3	$ 2,227.4	$ 2,000.3
Debt to shareholders' equity	24.4 %	25.5 %	26.7 %	29.3 %	27.6 %	24.4 %	27.6 %
Debt to total capitalization	19.6 %	20.3 %	21.0 %	22.7 %	21.6 %	19.6 %	21.6 %
Debt to total capitalization excluding net unrealized investment gains (losses) on fixed maturity securities *	23.5 %	24.0 %	24.3 %	24.4 %	24.5 %	23.5 %	24.5 %
Capital Returned to Shareholders							
Common stock repurchased [2]	$ —	$ —	$ —	$ 2.2	$ —	$ 2.2	$ —
Cash dividends paid	12.4	12.4	12.4	12.4	11.8	49.6	47.3
Total capital returned to shareholders	$ 12.4	$ 12.4	$ 12.4	$ 14.6	$ 11.8	$ 51.8	$ 47.3

[1] Amount available for borrowing is $90.0 million; At LIBOR +115 bps; Expires on June 21, 2024.

[2] As of December 31, 2020, the Company's program had a remaining authorization of $20.6 million.

HORACE MANN EDUCATORS CORPORATION
PROPERTY and CASUALTY SEGMENT
STATEMENTS OF OPERATIONS

For Period Ended	**Three Months Ended**					**Year Ended**	
($ in millions)	**Dec. 31, 2020**	**Sept. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**	**Dec. 31, 2019**	**Dec. 31, 2020**	**Dec. 31, 2019**
UNDERWRITING RESULTS							
Written premiums*							
Automobile	$ 101.2	$ 109.5	$ 96.7	$ 109.4	$ 111.5	$ 416.8	$ 461.7
Property and other	51.8	63.3	59.4	44.2	53.1	218.7	221.4
Total written premiums	153.0	172.8	156.1	153.6	164.6	635.5	683.1
Earned premiums							
Automobile	$ 106.1	$ 108.7	$ 101.6	$ 111.8	$ 114.4	$ 428.2	$ 464.1
Property and other	55.3	57.3	54.6	54.7	56.5	221.9	219.4
Total earned premiums	161.4	166.0	156.2	166.5	170.9	650.1	683.5
Losses and loss adjustment expenses							
Current accident year before catastrophe losses	94.9	90.8	74.5	96.6	103.0	356.8	431.1
Current accident year catastrophe losses	6.1	34.8	34.7	8.8	4.4	84.4	52.0
Prior years' reserve development [(1)]	(1.0)	(7.2)	(1.0)	(1.0)	—	(10.2)	(7.5)
Total losses and loss adjustment expenses	100.0	118.4	108.2	104.4	107.4	431.0	475.6
Operating expenses, including DAC amortization expense	45.7	41.9	40.9	43.2	46.7	171.7	183.6
Underwriting gain (loss)	**15.7**	**5.7**	**7.1**	**18.9**	**16.8**	**47.4**	**24.3**
Net investment income	12.3	13.7	6.3	10.3	8.1	42.6	41.7
Other income	0.2	0.5	0.8	0.8	0.3	2.3	2.0
Interest expense	—	0.1	0.1	0.2	0.3	0.4	1.3
Income before income taxes	28.2	19.8	14.1	29.8	24.9	91.9	66.7
Income tax expense	5.4	4.0	2.8	3.2	4.9	15.4	12.4
Net income [(2)]	**$ 22.8**	**$ 15.8**	**$ 11.3**	**$ 26.6**	**$ 20.0**	**$ 76.5**	**$ 54.3**

(1) (Favorable) unfavorable.

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

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

For Period Ended	Three Months Ended					Year Ended	
	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
UNDERWRITING RATIOS (%)							
Losses and loss adjustment expenses							
Current accident year before catastrophe losses and PYD	58.7	54.7	47.6	58.0	60.3	54.9	63.1
Current accident year catastrophe losses	3.8	20.9	22.2	5.3	2.6	13.0	7.6
Prior years' reserve development (1)	(0.6)	(4.3)	(0.6)	(0.6)	0.0	(1.6)	(1.1)
Total losses and loss adjustment expenses	61.9	71.3	69.2	62.7	62.9	66.3	69.6
Expense Ratio	28.3	25.2	26.2	25.9	27.4	26.4	26.9
Combined ratio	**90.2**	**96.5**	**95.4**	**88.6**	**90.3**	**92.7**	**96.5**
Combined ratio before catastrophe losses	**86.4**	**75.6**	**73.2**	**83.3**	**87.7**	**79.7**	**88.9**
Combined ratio before catastrophe losses and prior years' reserve development*	**87.0**	**79.9**	**73.8**	**83.9**	**87.7**	**81.3**	**90.0**
PRODUCT (%)							
Automobile							
Loss and loss adjustment expense ratio	67.7	57.6	53.2	65.8	72.0	61.2	70.6
Expense ratio	28.5	25.7	27.1	25.9	27.7	26.8	27.0
Combined ratio	96.2	83.3	80.3	91.7	99.7	88.0	97.6
Prior years' reserve development (1)	0.0	(0.9)	0.0	(0.9)	0.0	(0.5)	(1.2)
Catastrophe losses	0.3	1.7	3.1	0.2	0.1	1.3	1.2
Combined ratio before catastrophe losses and prior years' reserve development*	95.9	82.5	77.2	92.4	99.6	87.2	97.6
Property							
Loss and loss adjustment expense ratio	50.8	97.3	99.1	56.5	44.5	76.1	67.4
Expense ratio	28.2	24.4	24.8	26.2	27.0	25.9	26.8
Combined ratio	79.0	121.7	123.9	82.7	71.5	102.0	94.2
Prior years' reserve development (1)	(1.8)	(10.8)	(1.8)	0.0	0.0	(3.7)	(0.9)
Catastrophe losses	10.5	57.3	57.9	15.8	7.4	35.5	21.1
Combined ratio before catastrophe losses and prior years' development*	70.3	75.2	67.8	66.9	64.1	70.2	74.0
INFORMATIONAL DATA							
Policy Count Retention - LTM							
Automobile	81.2 %	80.9 %	81.6 %	81.3 %	81.1 %	81.2 %	81.1 %
Property	86.8 %	86.7 %	87.5 %	87.1 %	87.1 %	86.8 %	87.1 %
Sales * (LTM annualized premium, in millions) (2)							
Automobile	$ 13.9	$ 16.9	$ 15.4	$ 15.9	$ 17.6	$ 62.1	$ 76.0
Property	4.2	5.1	3.9	3.9	4.6	17.1	18.4
Total sales	$ 18.1	$ 22.0	$ 19.3	$ 19.8	$ 22.2	$ 79.2	$ 94.4
Risks in force (in thousands)							
Automobile (3)	399	406	418	424	433	399	433
Property	184	187	191	192	194	184	194
Total risks in force	583	593	609	616	627	583	627

(1) (Favorable) unfavorable.
(2) HM products.
(3) Includes assumed risks in force of 4.

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

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019 [1]
Revenues							
Premiums and contract charges earned	$ 31.9	$ 32.5	$ 33.3	$ 33.0	$ 32.9	$ 130.7	$ 65.8
Net investment income	6.0	4.3	4.0	3.5	3.8	17.8	7.5
Other income	0.7	0.7	0.6	0.7	0.8	2.7	1.4
Total revenues	**38.6**	**37.5**	**37.9**	**37.2**	**37.5**	**151.2**	**74.7**
Benefits and Expenses							
Benefits	9.6	9.2	8.7	10.7	10.6	38.2	21.7
Change in reserves	(0.2)	1.3	3.8	(0.2)	(0.6)	4.7	3.0
Interest credited	—	0.2	—	—	—	0.2	—
Operating expenses (includes DAC unlocking and amortization expense)	10.1	10.1	10.1	10.1	9.9	40.4	20.4
Intangible asset amortization expense	3.1	3.1	3.2	3.2	3.4	12.6	6.6
Total benefits and expenses	**22.6**	**23.9**	**25.8**	**23.8**	**23.3**	**96.1**	**51.7**
Income before income taxes	16.0	13.6	12.1	13.4	14.2	55.1	23.0
Income tax expense	3.5	3.0	2.6	2.9	3.1	12.0	5.0
Net income [2]	**$ 12.5**	**$ 10.6**	**$ 9.5**	**$ 10.5**	**$ 11.1**	**$ 43.1**	**$ 18.0**
INFORMATIONAL DATA							
Total Sales *	$ 1.4	$ 1.4	$ 0.7	$ 3.7	$ 4.6	$ 7.2	$ 8.2
Benefits ratio [3]	29.5 %	32.3 %	37.5 %	31.8 %	30.4 %	32.8 %	37.5 %
Operating expense ratio [4]	26.2 %	26.9 %	26.6 %	27.1 %	26.4 %	26.7 %	27.3 %
Pretax profit margin [5]	41.5 %	36.3 %	31.9 %	36.0 %	37.9 %	36.4 %	30.8 %
Premium persistency (rolling 12 months)	90.5 %	90.1 %	89.3 %	89.2 %	89.3 %	90.5 %	89.3 %
Policies in force (in thousands)	287	292	298	297	297	287	297

[1] The acquisition of NTA closed on July 1, 2019.

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

[3] Ratio of benefits plus change in reserves to earned premium.

[4] Ratio of operating expenses to total revenues.

[5] Ratio of income before taxes to total revenues.

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

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Annuity contract deposits*	$ 116.7	$ 137.2	$ 111.8	$ 117.7	$ 117.9	$ 483.4	$ 462.5
Revenues							
Contract charges earned	$ 8.2	$ 7.4	$ 6.7	$ 7.4	$ 7.0	$ 29.7	$ 29.1
Net investment income	37.9	33.6	31.2	29.8	33.5	132.5	174.7
Investment income - Deposit asset on reinsurance	25.2	24.5	23.9	23.7	23.8	97.3	70.8
Other income	4.2	3.9	3.6	4.6	1.8	16.3	8.9
Total revenues	75.5	69.4	65.4	65.5	66.1	275.8	283.5
Benefits and Expenses							
Interest credited	14.2	14.2	14.5	15.7	16.4	58.6	93.6
Interest credited - Reinsured block	25.9	25.5	24.9	24.6	25.0	100.9	74.2
Mortality loss and other reserve changes	1.2	1.3	1.2	1.6	2.6	5.3	5.3
Operating expenses	16.3	15.1	13.4	15.5	15.8	60.3	60.5
DAC amortization expense, excluding DAC unlocking	4.8	4.7	4.3	4.7	4.5	18.5	18.0
DAC unlocking	(0.5)	(0.7)	(4.6)	4.0	(0.1)	(1.8)	3.5
Intangible asset amortization expense	0.4	0.4	0.5	0.5	0.5	1.8	2.2
Other expense - goodwill and intangible asset impairments	10.0	—	—	—	—	10.0	28.0
Total benefits and expenses	72.3	60.5	54.2	66.6	64.7	253.6	285.3
Income (loss) before income taxes	3.2	8.9	11.2	(1.1)	1.4	22.2	(1.8)
Income tax expense (benefit)	(0.3)	1.1	1.5	(0.2)	(0.7)	2.1	3.0
Net income (loss) [(1)]	**$ 3.5**	**$ 7.8**	**$ 9.7**	**$ (0.9)**	**$ 2.1**	**$ 20.1**	**$ (4.8)**
Core earnings (loss)	**11.6**	**7.8**	**9.7**	**(0.9)**	**2.1**	**28.2**	**23.2**
Less: DAC unlocking, after tax	0.4	0.5	3.7	(3.2)	—	1.4	(2.8)
Core earnings excluding DAC unlocking	**$ 11.2**	**$ 7.3**	**$ 6.0**	**$ 2.3**	**$ 2.1**	**$ 26.8**	**$ 26.0**
Fixed annuity interest spread - Annualized [(2)]	283	225	186	151	203	212	194
Variable annuity fee margin - Annualized [(2)]	148	152	150	158	149	132	142
INFORMATIONAL DATA							
Assets under administration (AUA)							
Annuity assets under management [(3)]	$ 4,841.8	$ 4,508.7	$ 4,324.3	$ 4,026.6	$ 4,379.6	$ 4,841.8	$ 4,379.6
Brokerage and advisory assets under administration	2,324.1	2,124.3	2,168.0	2,093.9	2,391.8	2,324.1	2,391.8
Recordkeeping assets under administration	1,518.1	1,399.6	1,460.5	1,260.8	1,499.2	1,518.1	1,499.2
Total AUA	$ 8,684.0	$ 8,032.6	$ 7,952.8	$ 7,381.3	$ 8,270.6	$ 8,684.0	$ 8,270.6
Persistency - LTM							
Fixed annuities	94.7 %	94.5 %	94.2 %	94.0 %	94.0 %	94.7 %	94.0 %
Variable annuities	95.0 %	94.8 %	94.9 %	94.5 %	94.7 %	95.0 %	94.7 %
Annuity Contracts in force (in thousands)	230	230	230	229	229	230	229

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

(2) Effective June 30, 2019, excludes the impact of the reinsured block.

(3) Amount reported as of December 31, 2020 excludes $752.1 of assets under management held under modified coinsurance reinsurance.

Certain 2019 data updated on February 26, 2021.

HORACE MANN EDUCATORS CORPORATION
RETIREMENT SEGMENT
ACCOUNT VALUE ROLLFORWARD

For Period Ended	Three Months Ended					
($ in millions)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sept. 30, 2019
FIXED ACCOUNT ANNUITIES [1]						
Beginning balance	$ 2,177.6	$ 2,147.6	$ 2,138.1	$ 2,125.9	$ 2,126.6	$ 2,111.4
Reinsurance transfer [4]	(20.7)	(30.2)	(18.3)	(10.1)	(6.1)	(28.4)
Deposits	46.8	61.8	44.9	44.5	41.0	54.3
Withdrawals	(80.2)	(59.4)	(61.1)	(82.1)	(89.7)	(66.1)
Net transfers	25.2	20.3	6.4	22.8	14.0	18.5
Interest credited	40.1	39.7	39.4	40.3	41.5	42.3
Other	(0.5)	(2.2)	(1.8)	(3.2)	(1.4)	(5.4)
Ending balance	$ 2,188.3	$ 2,177.6	$ 2,147.6	$ 2,138.1	$ 2,125.9	$ 2,126.6
FIXED INDEXED ACCOUNT ANNUITIES [2]						
Beginning balance	$ 502.7	$ 487.4	$ 473.9	$ 471.1	$ 454.3	$ 439.6
Deposits	12.3	16.9	14.6	15.4	17.1	19.4
Withdrawals	(8.0)	(7.4)	(8.7)	(9.1)	(6.6)	(9.5)
Net transfers	(0.4)	(0.8)	(0.4)	(0.8)	(0.6)	(0.6)
Index credits	1.2	1.2	1.0	1.6	3.1	0.4
Other	6.4	5.4	7.0	(4.3)	3.8	5.0
Ending balance	$ 514.2	$ 502.7	$ 487.4	$ 473.9	$ 471.1	$ 454.3
VARIABLE ACCOUNT ANNUITIES [3]						
Beginning balance	$ 2,488.5	$ 2,316.9	$ 1,954.2	$ 2,490.5	$ 2,308.1	$ 2,310.9
Deposits	57.6	58.5	52.3	57.8	59.8	54.6
Withdrawals	(36.2)	(32.3)	(21.5)	(38.0)	(35.4)	(28.8)
Net transfers	(24.8)	(19.5)	(5.9)	(22.0)	(13.4)	(17.9)
Fees and charges	(10.6)	(9.5)	(8.4)	(9.1)	(9.6)	(9.1)
Market appreciation	416.9	174.4	346.2	(525.0)	181.0	(1.6)
Other	—	—	—	—	—	—
Ending balance	$ 2,891.4	$ 2,488.5	$ 2,316.9	$ 1,954.2	$ 2,490.5	$ 2,308.1
Held under modified coinsurance agreement	752.1	660.1	627.6	539.6	707.8	673.1
Ending balance net of reinsurance	$ 2,139.3	$ 1,828.4	$ 1,689.3	$ 1,414.6	$ 1,782.7	$ 1,635.0

[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.
[4] Represents account balances transfered to reinsurer on April 1, 2019.

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

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Premiums and contract deposits*	$ 30.8	$ 26.9	$ 27.6	$ 24.8	$ 30.7	$ 110.1	$ 113.2
Revenues							
Premiums and contract charges earned	$ 32.2	$ 29.4	$ 29.2	$ 29.4	$ 29.6	$ 120.2	$ 119.6
Net investment income	20.4	18.2	15.6	15.6	17.2	69.8	72.0
Other income	0.1	0.1	—	—	0.2	0.2	0.4
Total revenues	52.7	47.7	44.8	45.0	47.0	190.2	192.0
Benefits and Expenses							
Death benefits / mortality cost [1]	10.5	9.0	9.2	10.1	7.1	38.8	33.5
Interest credited	11.2	11.2	11.3	11.2	11.3	44.9	45.0
Change in reserves	14.7	12.2	11.9	12.1	11.7	50.9	46.0
Operating expenses	9.5	8.4	8.3	9.1	10.4	35.3	37.9
DAC amortization expense, excluding unlocking	1.9	1.9	2.0	1.9	2.0	7.7	8.1
DAC unlocking	0.2	(0.2)	(0.2)	(0.1)	(0.2)	(0.3)	(0.3)
Total benefits and expenses	48.0	42.5	42.5	44.3	42.3	177.3	170.2
Income before income taxes	4.7	5.2	2.3	0.7	4.7	12.9	21.8
Income tax expense	1.1	0.9	0.4	0.1	0.7	2.5	4.2
Net income [2]	**$ 3.6**	**$ 4.3**	**$ 1.9**	**$ 0.6**	**$ 4.0**	**$ 10.4**	**$ 17.6**
Less: DAC unlocking, after tax	(0.2)	0.2	0.1	0.1	0.1	0.2	0.2
Net income excluding DAC unlocking	**$ 3.8**	**$ 4.1**	**$ 1.8**	**$ 0.5**	**$ 3.9**	**$ 10.2**	**$ 17.4**
Earnings margin (before tax)							
Return on premium - LTM	10.4 %	10.5 %	11.7 %	15.4 %	18.0 %	10.4 %	18.0 %
INFORMATIONAL DATA							
Lapse ratio - LTM [3]	4.2 %	4.3 %	4.2 %	4.7 %	4.6 %	4.2 %	4.6 %
Sales * (LTM, $ in millions) [4]							
Recurring	$ 2.0	$ 2.0	$ 2.3	$ 1.8	$ 2.3	$ 8.1	$ 9.2
Single premium	1.1	0.7	1.3	1.5	1.9	4.6	8.7
Total sales	$ 3.1	$ 2.7	$ 3.6	$ 3.3	$ 4.2	$ 12.7	$ 17.9
Insurance in force ($ in millions)	$ 19,821	$ 19,681	$ 19,565	$ 19,295	$ 19,180	$ 19,821	$ 19,180
Policies in force (in thousands)	202	201	201	201	201	202	201

[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)	**Dec. 31, 2020**	**Sept. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**	**Dec. 31, 2019**	**Dec. 31, 2020**	**Dec. 31, 2019**
Revenues							
Net investment income	$ (0.6)	$ (0.6)	$ (0.6)	$ (0.6)	$ (0.6)	$ (2.4)	$ (1.6)
Other income	1.7	0.4	0.4	0.4	0.4	2.9	1.4
Total revenues	**1.1**	**(0.2)**	**(0.2)**	**(0.2)**	**(0.2)**	**0.5**	**(0.2)**
Expenses							
Interest expense	3.5	3.4	3.9	4.0	4.1	14.8	14.3
Debt retirement costs	—	—	—	—	—	—	—
Other operating expenses	1.6	1.3	1.4	1.6	2.3	5.9	12.1
Total expenses	**5.1**	**4.7**	**5.3**	**5.6**	**6.4**	**20.7**	**26.4**
Loss before income taxes	(4.0)	(4.9)	(5.5)	(5.8)	(6.6)	(20.2)	(26.6)
Income tax benefit	(1.0)	(1.0)	(1.1)	(2.0)	(1.1)	(5.1)	(5.7)
Loss after tax	**$ (3.0)**	**$ (3.9)**	**$ (4.4)**	**$ (3.8)**	**$ (5.5)**	**$ (15.1)**	**$ (20.9)**
Net investment gains (losses) pretax [1]	10.5	2.5	3.2	(18.5)	1.7	(2.3)	153.3
Tax on net investment gains (losses) [1]	2.1	0.6	0.7	(4.0)	0.4	(0.6)	33.1
Net investment gains (losses) after tax [1]	8.4	1.9	2.5	(14.5)	1.3	(1.7)	120.2
Net income (loss)	**$ 5.4**	**$ (2.0)**	**$ (1.9)**	**$ (18.3)**	**$ (4.2)**	**$ (16.8)**	**$ 99.3**

[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.

HORACE MANN EDUCATORS CORPORATION
INVESTMENT EARNINGS BEFORE TAXES
CONSOLIDATED

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Net Investment Income							
Fixed maturity securities [1]							
Taxable	$ 55.0	$ 53.1	$ 55.6	$ 56.0	$ 52.4	$ 219.7	$ 243.6
Tax-exempt	3.2	3.3	3.3	3.4	3.6	13.2	15.7
Total fixed maturity securities	58.2	56.4	58.9	59.4	56.0	232.9	259.3
Equity securities	1.2	1.1	1.2	1.2	1.2	4.7	4.9
Policy loans	2.3	2.3	2.3	2.3	2.6	9.2	9.3
Senior commercial mortgage loan funds	2.2	0.9	(1.3)	1.4	1.6	3.2	7.3
Limited partnership interests	13.8	10.2	(2.2)	(4.1)	1.3	17.7	18.4
Short-term investments and other	0.5	0.5	0.5	0.6	1.4	2.1	4.6
Investment income	78.2	71.4	59.4	60.8	64.1	269.8	303.8
Investment expense	2.2	2.2	2.9	2.2	2.1	9.5	9.5
Total net investment income - investment portfolio	**76.0**	**69.2**	**56.5**	**58.6**	**62.0**	**260.3**	**294.3**
Investment income - Deposit asset on reinsurance	25.2	24.5	23.9	23.7	23.8	97.3	70.8
Total gross investment income	**$ 101.2**	**$ 93.7**	**$ 80.4**	**$ 82.3**	**$ 85.8**	**$ 357.6**	**$ 365.1**
Investment yield, pretax - annualized [2]	5.00 %	4.64 %	3.86 %	4.02 %	4.28 %	4.38 %	4.80 %
Investment yield, after tax - annualized [2]	3.98 %	3.70 %	3.09 %	3.21 %	3.41 %	3.50 %	3.83 %
Investment yield, excluding limited partnership interests, pretax - annualized [2]	4.25 %	4.18 %	4.39 %	4.51 %	4.36 %	4.33 %	4.64 %
Investment yield, excluding limited partnership interests, after tax - annualized [2]	3.39 %	3.33 %	3.51 %	3.60 %	3.48 %	3.46 %	3.71 %
Portfolio Net Investment Income by Segment							
Property and Casualty	$ 12.3	$ 13.7	$ 6.3	$ 10.3	$ 8.1	$ 42.6	$ 41.7
Supplemental	6.0	4.3	4.0	3.5	3.8	17.8	7.5
Retirement	37.9	33.6	31.2	29.8	33.5	132.5	174.7
Life	20.4	18.2	15.6	15.6	17.2	69.8	72.0
Corporate and Other, including intersegment eliminations	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(2.4)	(1.6)
Total net investment income	**$ 76.0**	**$ 69.2**	**$ 56.5**	**$ 58.6**	**$ 62.0**	**$ 260.3**	**$ 294.3**
Net Investment Gains (Losses)							
Gross realized gains	$ 7.1	$ 8.3	$ 7.4	$ 5.9	$ 6.5	$ 28.7	$ 163.1
Gross realized losses, excluding impairment charges	(2.0)	(7.0)	(10.3)	(6.2)	(3.0)	(25.5)	(15.7)
Change in fair value of equity securities	5.4	2.3	6.6	(14.5)	(0.7)	(0.2)	7.3
Other-than-temporary impairment losses	—	(1.1)	(0.5)	(3.7)	(1.1)	(5.3)	(1.4)
Total net investment gains (losses)	**$ 10.5**	**$ 2.5**	**$ 3.2**	**$ (18.5)**	**$ 1.7**	**$ (2.3)**	**$ 153.3**

[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, 2020		September 30, 2020		June 30, 2020		March 31, 2020		December 31, 2019		September 30, 2019	
($ in millions)	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Fixed maturity securities, at fair value [1]	$ 6,345.3	87.4 %	$ 6,168.5	86.4 %	$ 6,022.0	87.5 %	$ 5,843.2	88.5 %	$ 5,791.7	87.3 %	$ 5,839.5	86.7 %
Equity securities, at fair value	121.6	1.7 %	102.3	1.4 %	90.3	1.3 %	87.0	1.3 %	101.9	1.5 %	105.5	1.6 %
Policy loans, at outstanding balance	150.1	2.1 %	151.4	2.1 %	152.2	2.2 %	152.8	2.3 %	153.5	2.3 %	153.9	2.3 %
Senior commercial mortgage loan funds	149.6	2.0 %	139.1	2.0 %	117.4	1.7 %	114.8	1.7 %	115.7	1.7 %	119.2	1.8 %
Limited partnership interests	299.4	4.1 %	279.1	3.9 %	274.8	4.0 %	274.5	4.2 %	268.0	4.1 %	235.4	3.5 %
Short-term investments and other	196.2	2.7 %	301.7	4.2 %	224.1	3.3 %	128.9	2.0 %	208.4	3.1 %	279.5	4.1 %
Total investments	**$ 7,262.2**	**100.0 %**	**$ 7,142.1**	**100.0 %**	**$ 6,880.8**	**100.0 %**	**$ 6,601.2**	**100.0 %**	**$ 6,639.2**	**100.0 %**	**$ 6,733.0**	**100.0 %**
Asset-backed securities	$ 361.5	5.7 %	$ 379.4	6.2 %	$ 427.4	7.1 %	$ 365.0	6.2 %	$ 460.2	8.0 %	$ 472.0	8.1 %
Collateralized debt/loan obligations	689.7	10.9 %	663.2	10.8 %	593.0	9.8 %	559.2	9.6 %	619.4	10.7 %	624.4	10.7 %
Commercial mortgage-backed securities	343.4	5.4 %	351.8	5.7 %	348.7	5.8 %	348.1	6.0 %	367.1	6.3 %	361.8	6.2 %
Corporate	2,168.0	34.2 %	2,028.3	32.9 %	1,906.0	31.7 %	1,729.6	29.6 %	1,626.8	28.1 %	1,632.9	28.0 %
Municipal	1,827.5	28.8 %	1,816.5	29.4 %	1,805.5	30.0 %	1,770.0	30.3 %	1,686.1	29.1 %	1,676.4	28.7 %
Residential mortgage-backed securities	522.0	8.2 %	545.2	8.8 %	566.5	9.4 %	602.6	10.3 %	573.2	9.9 %	613.8	10.5 %
U.S. Treasuries and government agencies	433.2	6.8 %	384.1	6.2 %	374.9	6.2 %	468.7	8.0 %	458.9	7.9 %	458.2	7.8 %
Total fixed maturity securities	**$ 6,345.3**	**100.0 %**	**$ 6,168.5**	**100.0 %**	**$ 6,022.0**	**100.0 %**	**$ 5,843.2**	**100.0 %**	**$ 5,791.7**	**100.0 %**	**$ 5,839.5**	**100.0 %**
U.S. government/government agencies	$ 1,150.3	18.1 %	$ 1,118.8	18.1 %	$ 1,125.4	18.7 %	$ 1,248.8	21.4 %	$ 1,209.2	20.9 %	$ 1,239.8	21.2 %
AAA	712.2	11.2 %	714.7	11.6 %	694.7	11.5 %	669.5	11.5 %	658.2	11.4 %	646.6	11.1 %
AA	1,410.5	22.2 %	1,368.2	22.2 %	1,356.0	22.5 %	1,298.4	22.2 %	1,280.1	22.1 %	1,307.0	22.4 %
A	1,188.8	18.8 %	1,222.2	19.8 %	1,226.5	20.4 %	1,267.4	21.7 %	1,340.4	23.1 %	1,334.7	22.9 %
BBB	1,353.1	21.3 %	1,256.0	20.4 %	1,188.7	19.7 %	1,084.2	18.5 %	1,093.3	18.9 %	1,116.3	19.1 %
BB and below, includes securities not rated	530.4	8.4 %	488.6	7.9 %	430.7	7.2 %	274.9	4.7 %	210.5	3.6 %	195.1	3.3 %
Total fixed maturity securities	**$ 6,345.3**	**100.0 %**	**$ 6,168.5**	**100.0 %**	**$ 6,022.0**	**100.0 %**	**$ 5,843.2**	**100.0 %**	**$ 5,791.7**	**100.0 %**	**$ 5,839.5**	**100.0 %**
INVESTMENTS BY SEGMENT												
Property and Casualty	$ 1,042.9	14.3 %	$ 1,043.0	14.6 %	$ 1,005.5	14.6 %	$ 1,017.2	15.4 %	$ 1,036.3	15.6 %	$ 1,040.6	15.5 %
Supplemental	632.8	8.7 %	633.0	8.9 %	611.8	8.9 %	563.6	8.5 %	540.9	8.2 %	533.2	7.9 %
Retirement and Life	5,582.7	76.9 %	5,465.8	76.5 %	5,263.1	76.5 %	5,016.7	76.0 %	5,060.6	76.2 %	5,158.8	76.6 %
Corporate and Other [2]	3.8	0.1 %	0.3	— %	0.4	— %	3.7	0.1 %	1.4	— %	0.4	— %
Total investments	**$ 7,262.2**	**100.0 %**	**$ 7,142.1**	**100.0 %**	**$ 6,880.8**	**100.0 %**	**$ 6,601.2**	**100.0 %**	**$ 6,639.2**	**100.0 %**	**$ 6,733.0**	**100.0 %**

[1] Amortized Cost of $5,788.6, $5,672.3, $5,604.4, $5,653.4, $5,457.0, and $5,453.4, at December 31, 2020, September 30, 2020, June 30, 2020, March 31, 2020, December 31, 2019, and September 30, 2019, respectively.

[2] Corporate and Other segment assets are comprised primarily 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 United States of America (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 United States of America (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 fixed maturity 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 *($ in millions after tax)*	Three Months Ended Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Year Ended Dec. 31, 2020	Dec. 31, 2019
Reconciliation of Net Income to Core Earnings							
Net income	$ 47.8	$ 36.5	$ 30.5	$ 18.5	$ 33.0	$ 133.3	$ 184.4
Less: Net investment gains (losses)	8.4	1.9	2.5	(14.5)	1.3	(1.7)	120.2
Other expense - goodwill and intangible asset impairments	(8.1)	—	—	—	—	(8.1)	(28.0)
Core earnings*	$ 47.5	$ 34.6	$ 28.0	$ 33.0	$ 31.7	$ 143.1	$ 92.2
Pretax net income	$ 58.6	$ 45.1	$ 37.4	$ 18.5	$ 40.3	$ 159.6	$ 236.4
Less: Pretax net investment gains (losses)	10.5	2.5	3.2	(18.5)	1.7	(2.3)	153.3
Other expense - goodwill and intangible asset impairments, pretax	(10.0)	—	—	—	—	(10.0)	(28.0)
Pretax core earnings*	$ 58.1	$ 42.6	$ 34.2	$ 37.0	$ 38.6	$ 171.9	$ 111.1
Reconciliation of Net Income per Share to Core Earnings per Share on a Basic and Diluted Basis							
Net income per share (basic)	$ 1.14	$ 0.87	$ 0.73	$ 0.44	$ 0.79	$ 3.18	$ 4.42
Less: Net investment gains (losses)	0.20	0.05	0.06	(0.35)	0.03	(0.04)	2.88
Other expense - goodwill and intangible asset impairments	(0.19)	—	—	—	—	(0.19)	(0.67)
Core earnings per share (basic)*	$ 1.13	$ 0.82	$ 0.67	$ 0.79	$ 0.76	$ 3.41	$ 2.21
Net income per diluted share	1.13	0.87	0.73	$ 0.44	$ 0.78	$ 3.17	$ 4.40
Less: Net investment gains (losses)	0.19	0.05	0.06	(0.34)	0.03	(0.04)	2.87
Other expense - goodwill and intangible asset impairments	(0.19)	—	—	—	—	(0.19)	(0.67)
Core earnings per diluted share*	$ 1.13	$ 0.82	$ 0.67	$ 0.78	$ 0.75	$ 3.40	$ 2.20

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

For Period Ended	Three Months Ended					Year Ended	
($ in millions)	Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Reconciliation of Return on Equity							
Average Shareholders' Equity							
Shareholders' equity	$ 1,790.1	$ 1,715.7	$ 1,639.8	$ 1,477.6	$ 1,567.3	$ 1,790.1	$ 1,567.3
Net unrealized investment gains on fixed maturity securities	366.3	328.2	279.1	136.7	230.4	366.3	230.4
5 quarter average shareholders' equity	1,638.1	1,595.8	1,552.6	1,509.4	1,472.0	1,638.1	1,472.0
2 quarter average shareholders' equity	1,752.9	1,677.8	1,558.7	1,522.5	1,573.0	1,678.7	1,429.0
5 quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,370.0	1,347.6	1,329.5	1,299.9	1,270.5	1,370.0	1,270.5
2 quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,405.7	1,374.1	1,350.8	1,338.9	1,324.6	1,380.4	1,265.3
Net Income Return on Equity - LTM							
Numerator: LTM net income	$ 133.3	$ 118.5	$ 107.4	$ 170.7	$ 184.4	$ 133.3	$ 184.4
Denominator: 5 quarter average shareholders' equity	1,638.1	1,595.8	1,552.6	1,509.4	1,472.0	1,638.1	1,472.0
Net income ROE - LTM	8.1 %	7.4 %	6.9 %	11.3 %	12.5 %	8.1 %	12.5 %
Net Income Return on Equity - Annualized							
Numerator: Annualized net income	$ 191.2	$ 146.0	$ 122.0	$ 74.0	$ 132.0	$ 133.3	$ 184.4
Denominator: 2 quarter average shareholders' equity	1,752.9	1,677.8	1,558.7	1,522.5	1,573.0	1,678.7	1,429.0
Net income ROE - Annualized	10.9 %	8.7 %	7.8 %	4.9 %	8.4 %	7.9 %	12.9 %
Core Return on Equity - LTM							
Numerator: LTM core earnings	$ 143.1	$ 127.3	$ 119.7	$ 98.8	$ 92.2	$ 143.1	$ 92.2
Denominator: 5 quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,370.0	1,347.6	1,329.5	1,299.9	1,270.5	1,370.0	1,270.5
Core ROE - LTM	10.5 %	9.4 %	9.0 %	7.6 %	7.3 %	10.5 %	7.3 %
Core Return on Equity - Annualized							
Numerator: Annualized core earnings	$ 190.0	$ 138.4	$ 112.0	$ 132.0	$ 126.8	$ 143.1	$ 92.2
Denominator: 2 quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,405.7	1,374.1	1,350.8	1,338.9	1,324.6	1,380.4	1,265.3
Core ROE - Annualized	13.5 %	10.1 %	8.3 %	9.9 %	9.6 %	10.4 %	7.3 %

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

For Period Ended ($ in millions)	Twelve Months Ended Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019
Reconciliation of Book Value per Common Share to Book Value per Common Share, Excluding Net Unrealized Investment Gains on Fixed Maturity Securities					
Book value per common share					
Numerator: Common shareholders' equity	$ 1,790.1	$ 1,715.7	$ 1,639.8	$ 1,477.6	$ 1,567.3
Denominator: Common shares outstanding	41.4	41.4	41.3	41.3	41.2
Book value per common share	$ 43.22	$ 41.45	$ 39.69	$ 35.80	$ 38.01
Book value per common share, excluding net unrealized investment gains on fixed maturity securities*					
Numerator: Common shareholders' equity	$ 1,790.1	$ 1,715.7	$ 1,639.8	$ 1,477.6	$ 1,567.3
Less: Net unrealized investment gains on fixed maturity securities	366.3	328.2	279.1	136.7	230.4
Adjusted common shareholders' equity	1,423.8	1,387.5	1,360.7	1,340.9	1,336.9
Denominator: Common shares outstanding	41.4	41.4	41.3	41.3	41.2
Book value per common share, excluding net unrealized investment gains on fixed maturity securities*	$ 34.38	$ 33.52	$ 32.93	$ 32.49	$ 32.42
Reconciliation of Debt to Total Capitalization to Debt to Total Capitalization, Excluding Net Unrealized Investment Gains on Fixed Maturity Securities					
Debt to total capitalization					
Numerator: Total debt	$ 437.3	$ 437.2	$ 437.2	$ 433.1	$ 433.0
Denominator:					
Total debt	437.3	437.2	437.2	433.1	433.0
Common shareholders' equity	1,790.1	1,715.7	1,639.8	1,477.6	1,567.3
Total capital	2,227.4	2,152.9	2,077.0	1,910.7	2,000.3
Debt to total capitalization	19.6 %	20.3 %	21.0 %	22.7 %	21.6 %
Debt to total capitalization excluding net unrealized investment gains on fixed maturity securities					
Numerator: Total debt	$ 437.3	$ 437.2	$ 437.2	$ 433.1	$ 433.0
Denominator:					
Total debt	437.3	437.2	437.2	433.1	433.0
Common shareholders' equity	1,790.1	1,715.7	1,639.8	1,477.6	1,567.3
Less: Net unrealized investment gains on fixed maturity securities	366.3	328.2	279.1	136.7	230.4
Adjusted common shareholders' equity	1,861.1	1,824.7	1,797.9	1,774.0	1,769.9
Debt to total capitalization excluding net unrealized investment gains on fixed maturity securities	23.5 %	24.0 %	24.3 %	24.4 %	24.5 %

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

For Period Ended	Three Months Ended					Year Ended	
($ in millions after tax)	**Dec. 31, 2020**	**Sept. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**	**Dec. 31, 2019**	**Dec. 31, 2020**	**Dec. 31, 2019**
Reconciliation of Investment Yield Excluding Limited Partnership Interests							
Numerator:							
Total net investment income, pretax	$ 101.2	$ 93.7	$ 80.4	$ 82.3	$ 85.8	$ 357.6	$ 365.1
Less: Investment income on deposit asset on reinsurance	25.2	24.5	23.9	23.7	23.8	97.3	70.8
Investment income (loss) on limited partnership interests	16.0	11.1	(3.5)	(2.7)	2.9	20.9	25.7
Adjusted net investment income, pretax	60.0	58.1	60.0	61.3	59.1	239.4	268.6
Denominator:							
Adjusted investment portfolio, beginning of period [1]	$ 5,637.1	$ 5,480.5	$ 5,452.2	$ 5,425.8	$ 5,417.3	$ 5,425.8	$ 7,105.8
Adjusted investment portfolio, end of period [1]	5,666.0	5,637.1	5,480.5	5,452.2	5,425.8	5,666.0	5,425.8
Average adjusted investment portfolio for the period	5,651.6	5,558.8	5,466.4	5,439.0	5,421.6	5,545.9	6,265.8
Investment yield, excluding limited partnership interests, pretax - annualized [2]	4.25 %	4.18 %	4.39 %	4.51 %	4.36 %	4.33 %	4.64 %
Investment yield, excluding limited partnership interests, after tax - annualized [2] [3]	3.39 %	3.33 %	3.51 %	3.60 %	3.48 %	3.46 %	3.71 %

(1) Represents the carrying amount of total investment portfolio as presented in the Consolidated Balance Sheets adjusted to exclude FHLB funding agreements, the carrying amount of limited partnership interests, and gross unrealized investment gains/losses.

(2) For each of the three month periods presented, investment yields are calculated by annualizing the result of year-to-date net investment income divided by the average quarter-end and beginning of quarter carrying amount of invested assets. For the periods ended December 31, 2020 and 2019 presented, investment yields are calculated by (i) summing the investment yields for each respective three month period applicable to the period and (ii) dividing that sum per the calculation in (i) by four.

(3) Investment yield, excluding limited partnership interests, after tax - annualized is calculated using the effective tax rate in effect for each applicable period.

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

	Three Months Ended					Year Ended	
For Period Ended	**Dec. 31, 2020**	**Sept. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**	**Dec. 31, 2019**	**Dec. 31, 2020**	**Dec. 31, 2019**
Property and Casualty							
Claims and claims expense ("loss") ratio	61.9	71.3	69.2	62.7	62.9	66.3	69.6
Expense ratio	28.3	25.2	26.2	25.9	27.4	26.4	26.9
Combined ratio	90.2	96.5	95.4	88.6	90.3	92.7	96.5
Loss ratio	61.9	71.3	69.2	62.7	62.9	66.3	69.6
Less: effect of catastrophe losses	3.8	20.9	22.2	5.3	2.6	13.0	7.6
effect of prior years' reserve development	(0.6)	(4.3)	(0.6)	(0.6)	—	(1.6)	(1.1)
Underlying loss ratio*	58.7	54.7	47.6	58.0	60.3	54.9	63.1
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	90.2	96.5	95.4	88.6	90.3	92.7	96.5
Effect of catastrophe losses	3.8	20.9	22.2	5.3	2.6	13.0	7.6
Effect of prior years' reserve development	(0.6)	(4.3)	(0.6)	(0.6)	—	(1.6)	(1.1)
Underlying combined ratio*	87.0	79.9	73.8	83.9	87.7	81.3	90.0
Auto							
Claims and claims expense ("loss") ratio	67.7	57.6	53.2	65.8	72.0	61.2	70.6
Expense ratio	28.5	25.7	27.1	25.9	27.7	26.8	27.0
Combined ratio	96.2	83.3	80.3	91.7	99.7	88.0	97.6
Loss ratio	67.7	57.6	53.2	65.8	72.0	61.2	70.6
Less: effect of catastrophe losses	0.3	1.7	3.1	0.2	0.1	1.3	1.2
effect of prior years' reserve development	—	(0.9)	—	(0.9)	—	(0.5)	(1.2)
Underlying loss ratio*	67.4	56.8	50.1	66.5	71.9	60.4	70.6
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	96.2	83.3	80.3	91.7	99.7	88.0	97.6
Effect of catastrophe losses	0.3	1.7	3.1	0.2	0.1	1.3	1.2
Effect of prior years' reserve development	—	(0.9)	—	(0.9)	—	(0.5)	(1.2)
Underlying combined ratio*	95.9	82.5	77.2	92.4	99.6	87.2	97.6

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

For Period Ended	Three Months Ended Dec. 31, 2020	Sept. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Year Ended Dec. 31, 2020	Dec. 31, 2019
Property							
Claims and claims expense ("loss") ratio	50.8	97.3	99.1	56.5	44.5	76.1	67.4
Expense ratio	28.2	24.4	24.8	26.2	27.0	25.9	26.8
Combined ratio	79.0	121.7	123.9	82.7	71.5	102.0	94.2
Loss ratio	50.8	97.3	99.1	56.5	44.5	76.1	67.4
Less: effect of catastrophe losses	10.5	57.3	57.9	15.8	7.4	35.5	21.1
effect of prior years' reserve development	(1.8)	(10.8)	(1.8)	—	—	(3.7)	(0.9)
Underlying loss ratio*	42.1	50.8	43.0	40.7	37.1	44.3	47.2
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	79.0	121.7	123.9	82.7	71.5	102.0	94.2
Effect of catastrophe losses	10.5	57.3	57.9	15.8	7.4	35.5	21.1
Effect of prior years' reserve development	(1.8)	(10.8)	(1.8)	—	—	(3.7)	(0.9)
Underlying combined ratio*	70.3	75.2	67.8	66.9	64.1	70.2	74.0

HORACE MANN EDUCATORS CORPORATION

RATINGS AND CONTACT INFORMATION

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As of December 31, 2020

	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
National Teachers Associates Life Insurance Company	A-	NR	NR	NR
National Teachers Associates Life Insurance Company of New York	A-	NR	NR	NR
Other Ratings:				
Horace Mann Educators Corporation:				
Senior debt	bbb	BBB	Baa2	BBB

NR - not rated

TRANSFER AGENT

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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.