Second Quarter 2021 Investor Presentation

August 3, 2021

Horace Mann

Safe Harbor Statement and Non-GAAP Measures

Certain statements made in this presentation should be considered forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements give expectations or forecasts of future events. These statements are related to our intentions, beliefs, projections, estimations or forecasts of future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from those expressed or implied by the forward-looking statements. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as anticipate, estimate, expect, project, intend, plan, believe and other words and terms of similar meaning in connection with a discussion of future operating or financial performance. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially.

Investors should consider the important risks and uncertainties that may cause such differences, including those risks discussed in our most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission (SEC). Our forward-looking statements speak only as of the date of this presentation or as of the date they were made, and we undertake no obligation to update those statements.

The historical and forward-looking financial information contained in this presentation includes measures (marked with * the first time they are presented within this document) that are not based on accounting principles generally accepted in the United States of America (non-GAAP) such as core earnings, core earnings per share, pretax reporting segment income excluding DAC unlocking, and book value per share excluding some components of accumulated other comprehensive income. An explanation of these measures is contained in the Glossary of Selected Terms included as Exhibit 99.1 in our most recent Form 10-K and Form 10-Q filed with the SEC and are reconciled to the most directly comparable measures prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) in the Appendix of the Investor Supplement available on our website at investors.horacemann.com.

Our Foundation: Financially sound company with strong strategy for profitable growth



- Founded by Educators for Educators in 1945
- Offering 403(b) tax-qualified annuities since 1961
- NYSE listed (HMN) since 1991



- $14.2B in assets(1)
- $1.4B in premium and contract deposits for 2020
- $1.7B market capitalization(2)
- Highly rated by all four major rating agencies



- Educators have preferred risk profile
- Homogeneous customer set
- Serving about half of school locations(3) in our market footprint



- Business mix balanced between segments
- Ability to provide total household solutions
- Provides earnings diversification

Proud to be the largest multiline financial services company focused on America's educators

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(1) As of June 30, 2021
(2) Based on stock price as of July 30, 2021
(3) Includes school buildings and administration locations

Driven by a noble mission

Mission

We listen to and understand educators and those who serve our community. They are taking care of our children's future. We believe they deserve someone to look after theirs.

Vision

We aspire to be the company of choice to provide financial solutions for all educators and others who serve our communities - to help them protect what they have today and prepare for a successful tomorrow.

Value Proposition

We understand and solve the issues facing educators and others who serve the community, helping them achieve financial success to live better and retire happier.

Delivering value proposition for educator customers by focusing on “PDI”

Serving K-12 Educator Market

Homogenous customer set with attractive risk profiles

Solutions orientation addresses needs at every life stage

Focused on “PDI”

Products

- Products designed to meet educators’ needs and protect their unique risks

Distribution

- Knowledgeable, trusted distribution tailored to educator preferences

Infrastructure

- Modern, scalable infrastructure that is easy to do business with

Finding best solution to achieve long-term objectives

Madison National Life – strategic addition

$172.5M transaction expected to close in early 2022; funded with cash on hand and additional borrowing on revolving line of credit

Accelerates shareholder value creation

Immediately accretive to ROE and EPS

Diversifies written premium and earnings mix

Enhances PDI

Products

- Adds new suite of employer-sponsored benefit products, including short-and long-term group disability and group life

Distribution

- Adds new distribution channel that is complementary to Horace Mann's strengths in individual products sold through local, trusted advisors
- Leverages long-standing relationships with K-12 districts in place for both Madison National and their independent benefits broker partners

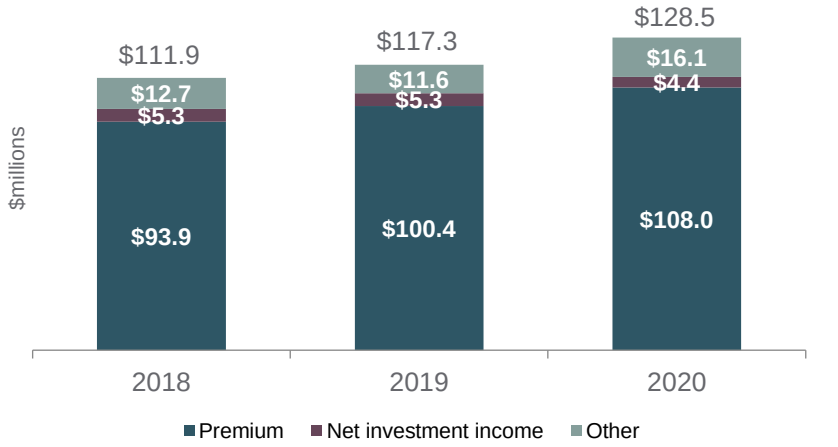
Infrastructure

- Supports group product operations with proven, scalable platform that delivers strong customer experience focus

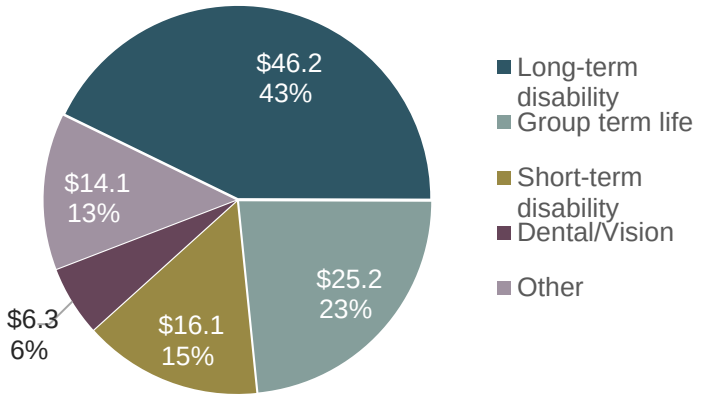
Accretive use of capital strengthens PDI focus through employer channel

Madison National Life – snapshot

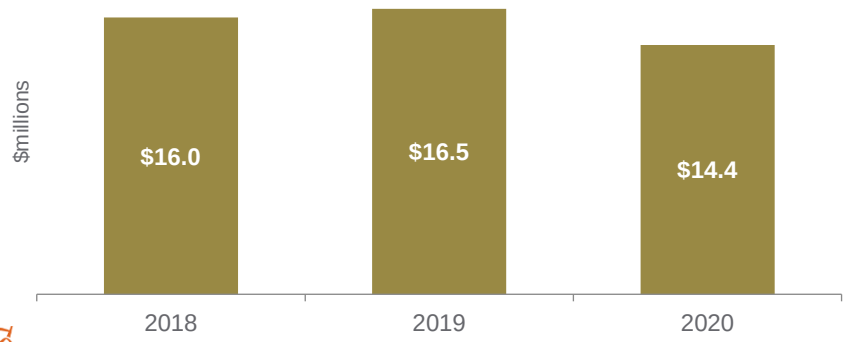
Statutory Revenue



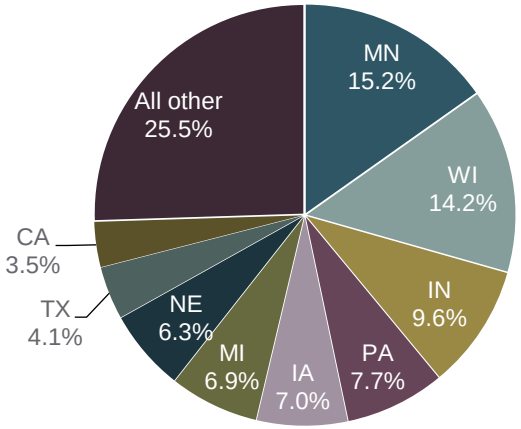
2020 Premium Mix by Product ($ in millions)



Statutory Earnings

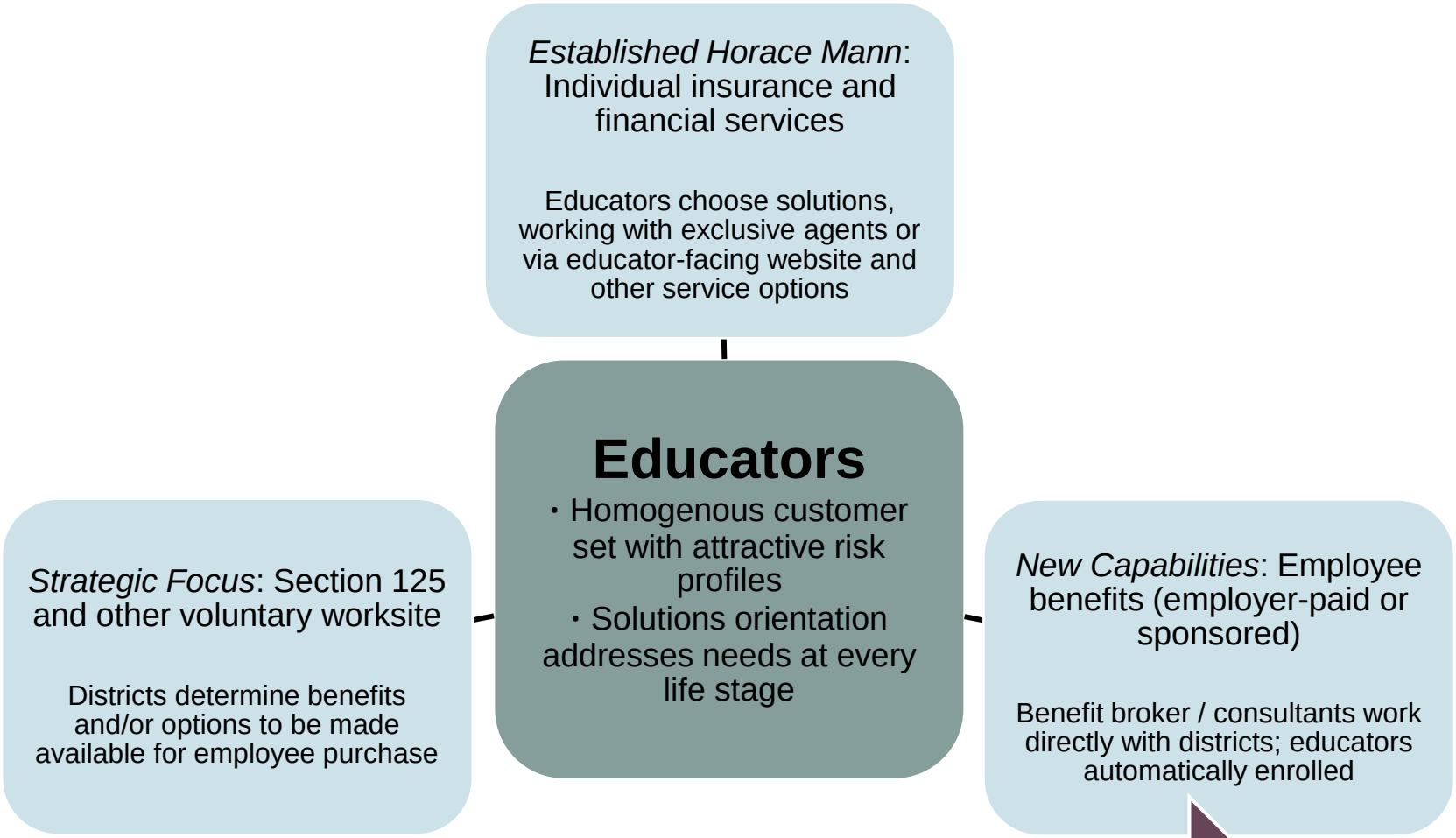


2020 Premium Mix by State



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Enhancing distribution to maximize value of solutions for educators



Growth journey continues with accretive transaction, bringing further transformation

2014-2018: Fix and Build	2019-2021: Transformation	2022-2025: Leverage Leadership
Our performance: Established solutions orientation; filled PDI gaps to set stage for profitable growth	***Our plan:*** Smart integration of key transactions while executing on fix and build enhancements ***2021 Guidance:*** • Core EPS* of $3.50 to $3.70 • Core ROE* of >10%	***Our path:*** Accelerated shareholder value creation; significantly larger market share – meeting educator needs wherever they are

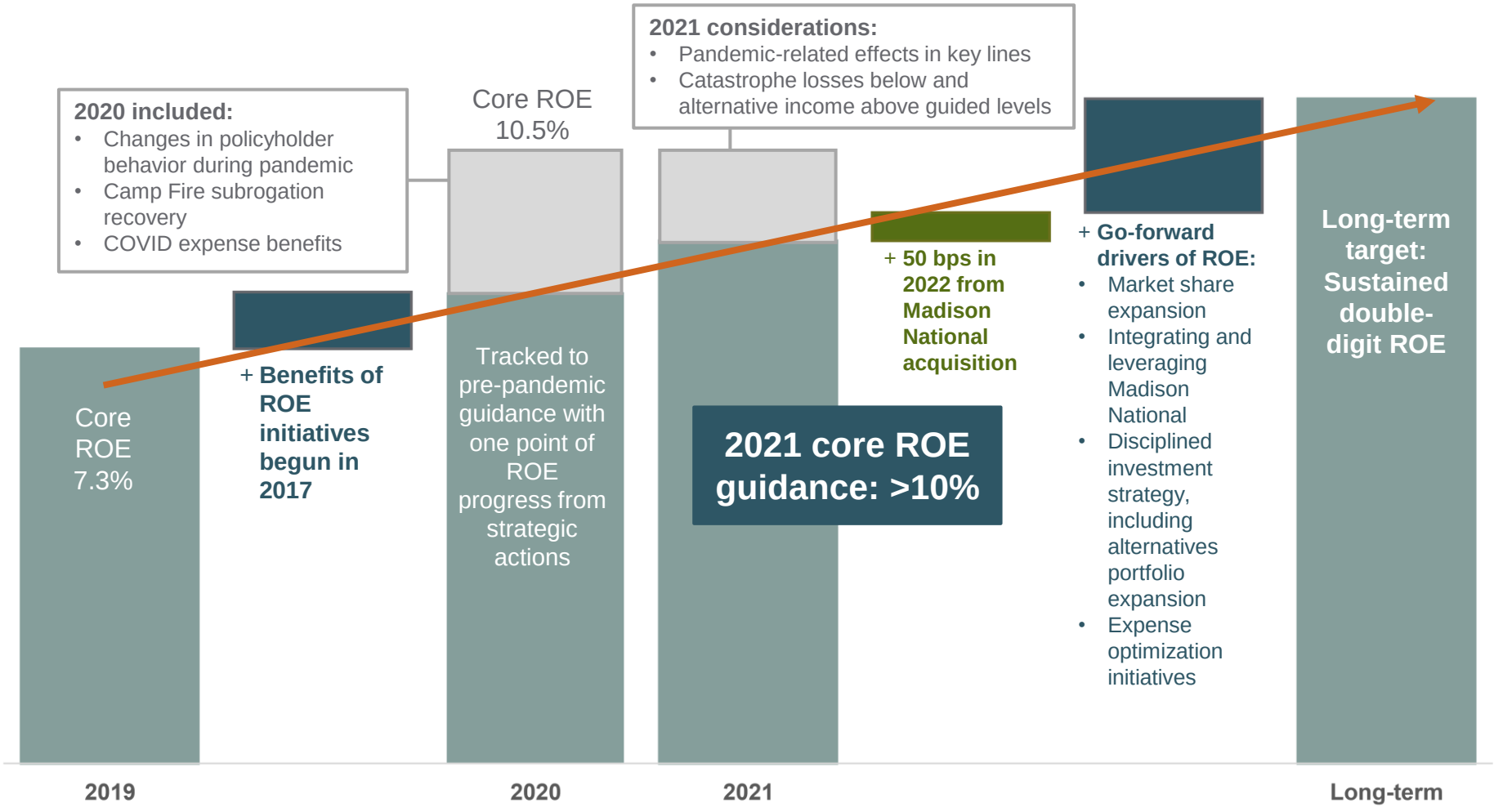
Acquisition of Madison National to drive market share expansion and add to EPS and ROE

Key levers of recent ROE improvement:

- Improved Retirement segment profitability and reduced interest-rate risk with annuity reinsurance transaction
- Added Supplemental segment with 150,000 households and additional agents with NTA acquisition
- Improved auto loss ratio
- Drove reduced expenses through optimization efforts

Accelerating shareholder value creation by increasing educator market share

Strategic progress toward long-term double-digit ROE objective will continue in 2021, even though the effect of changes in policyholder behavior due to pandemic expected to gradually return to more “normal” levels



With continued strong performance across segments, 2021 EPS guidance raised to $3.50 to $3.70

Increase largely attributable to strong second-quarter net investment income returns and lower-than-guided second-quarter catastrophe losses.

- Core ROE now expected to exceed 10% in 2021
- Net investment income expected to be in the range of $385 million to $405 million for full-year
  - Reflects second-quarter private equity realizations significantly above expectations
- Updated segment guidance (see page 39) reflects higher net investment income expectation as well as:
  - Second-half 2021 catastrophe losses between $20 million and $25 million, unchanged from original guidance and in line with the 10-year average for second half
  - Auto policyholder behavior moving toward historical levels more quickly than Supplemental policyholder behavior
  - Higher-than-actuarially modeled first-quarter mortality costs

2021 guidance assumes a federal statutory corporate tax rate of 21%

Go-forward strategic drivers of ROE

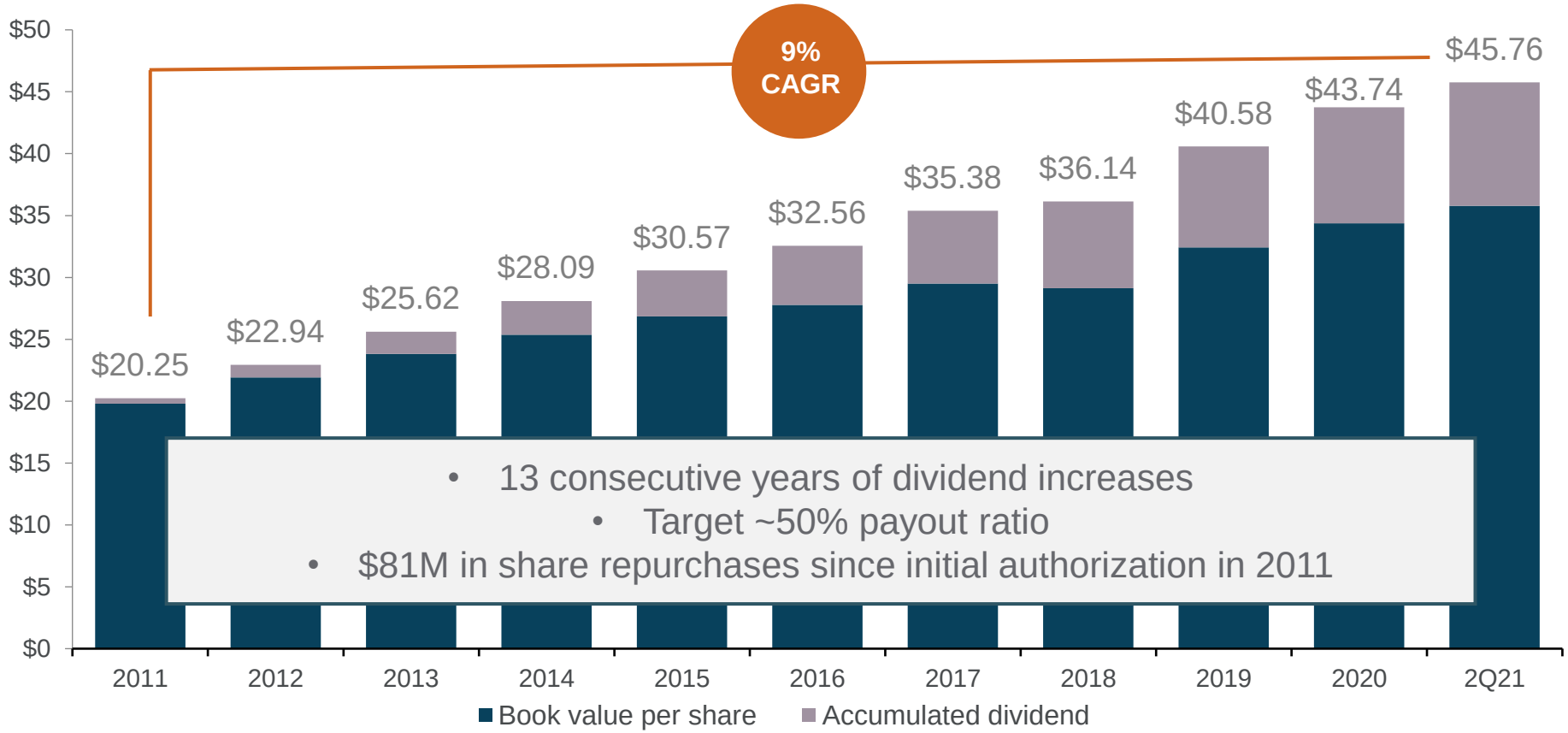
Sales: Grow sales by cross selling products while leveraging distribution to add new customers and school locations	
Each $10M of:	**Generates:**
New Supplemental sales	~15 basis points of ROE
New Property and Casualty sales	~7.5 basis points of ROE
New Life and Retirement sales	Longer-term ROE benefit
Expenses: Optimize business structure to leverage investments in infrastructure while also maintaining expense discipline	
Each $10M of:	**Generates:**
Expense savings	~50 basis points of ROE
Investments: Deliver strong investment performance through disciplined strategies including expansion of alternatives portfolio	
Each $100M of:	**Generates:**
Investment in alternative portfolio	~20 basis points of incremental ROE

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Sensitivities based on a federal statutory corporate tax rate of 21% and shareholders' equity excluding net unrealized investment gains on fixed maturity securities

Focus on long-term shareholder value

Strong book value growth and 3.1% dividend yield(1)



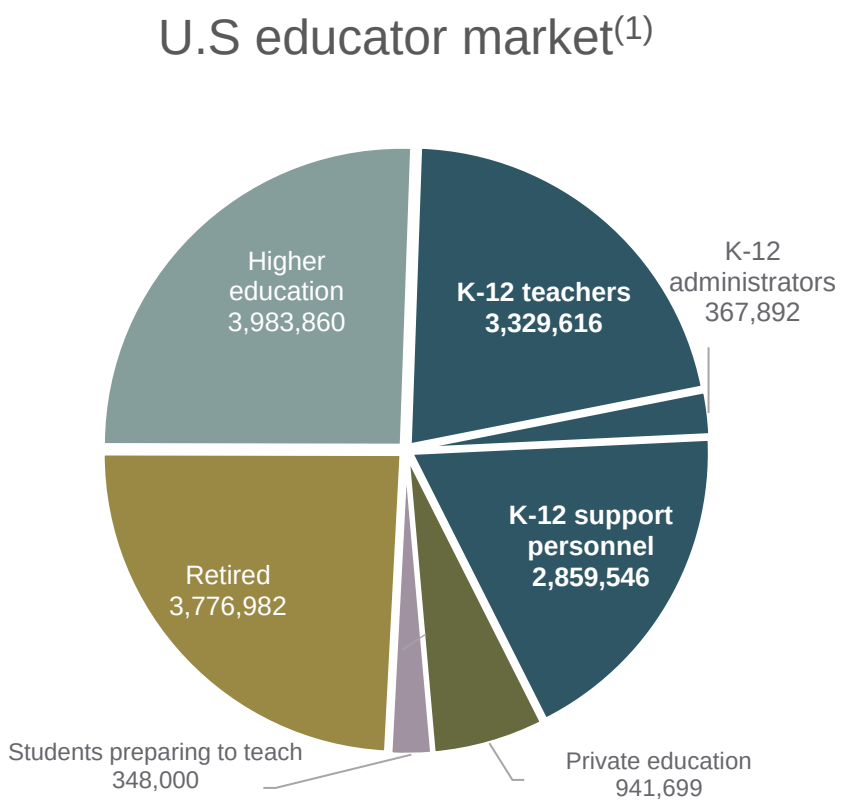
- 13 consecutive years of dividend increases
- Target ~50% payout ratio
- $81M in share repurchases since initial authorization in 2011

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(1) Based on stock price as of July 30, 2021

PDI growth strategy leads to industry-leading cross-sell and retention

Sizeable opportunity within existing K-12 educator market and adjacent segments



- 6.5 million K-12 educators nationwide
- Current customer base of roughly 470,000 educator households (~600,000 total households) in about half of the school buildings and administrative locations in our market footprint
- 8% increase in number of K-12 teachers anticipated between 2015 and 2027(2)
- Sizable demographic shift as Baby Boomers retire and Millennials make up a higher percentage of the workforce

(1) K-12, private education and higher education numbers from U.S. Dept. of Education, National Center for Education Statistics, Digest of Education Statistics. Student preparing to teach estimate derived from U.S. Dept. of Education, National Center for Education Statistics, The Condition of Education, 2016 (current year Education major Bachelors Degrees awarded times 4). Retired educator estimate derived from 2017 State Teacher and Public Employee Retirement Plans (public K-12 retirees receiving benefits).

(2) U.S. Department of Education, National Center for Education Statistics, Projections of Education Statistics to 2027, Feb. 2019.

K-12 educators have similar characteristics and can be reached through a consistent channel



- Usually buy higher insurance limits
- Tend to bundle auto & home insurance
- Loyalty results in strong retention



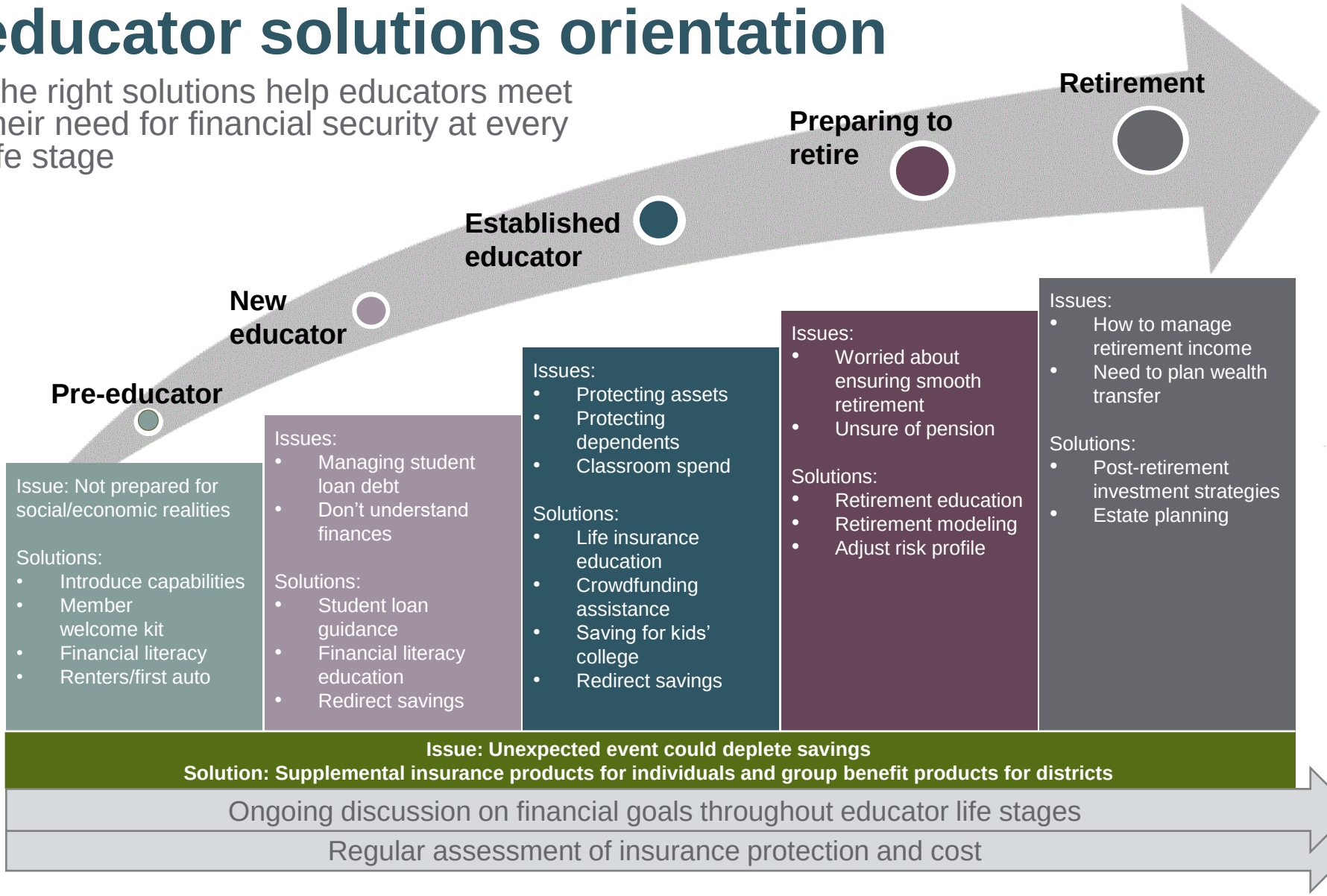
- Generally live close to school with short commutes
- Off-hour commutes with light traffic
- Tend to be off during adverse weather conditions



- Focused on achieving goals
- Strong desire for guidance and education
- Open to reallocating savings to retirement needs

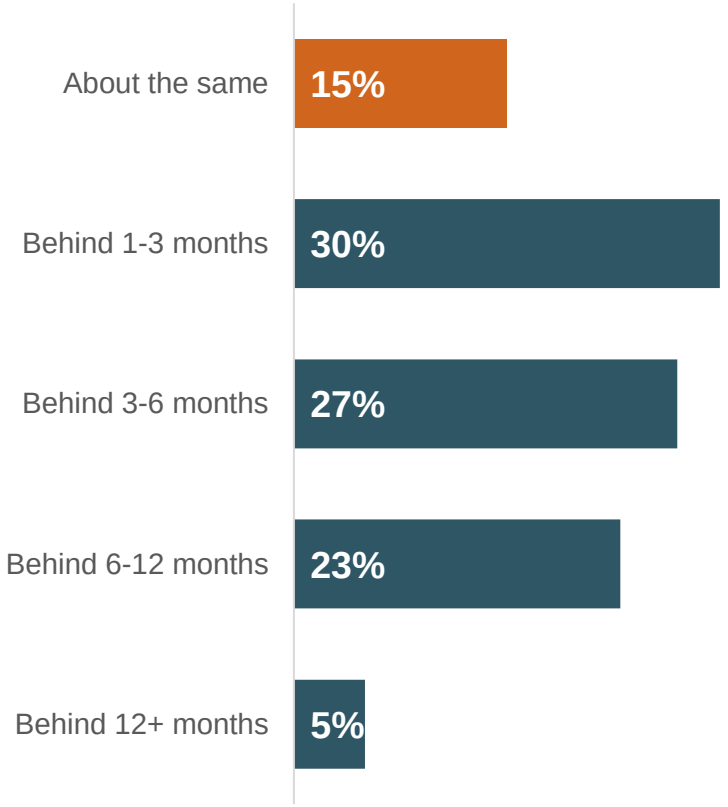
Employer-sponsored products strengthens educator solutions orientation

The right solutions help educators meet their need for financial security at every life stage



Pandemic lessons learned: Remote learning no substitute for in-person instruction

Educators' assessment of students' 2020-2021 academic progress vs. previous years[1]



Educators say extra measures needed to account for lost academic and social-emotional learning[1]

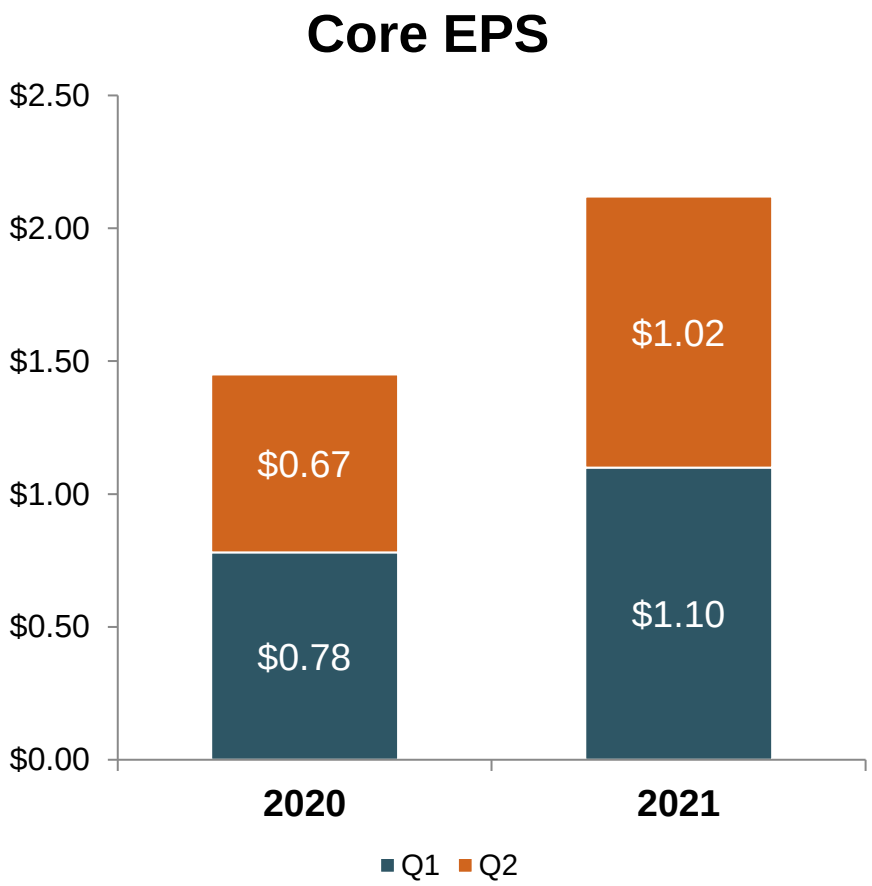
- 53% see a need for **a narrower focus on grade-level standards** to ensure students learn the most important concepts for their grade level
- 34% would like **more paraprofessionals** to provide targeted support to struggling students
- 30% requested access to **more social-emotional learning resources** to help students process the events of the past year

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(1) "Closing the Learning Gap," Horace Mann, March 2021. Based on the Horace Mann Voice of the Educator nationally representative survey of 941 U.S. educators, including public school K-12 teachers, administrators and support personnel, fielded in February and March 2021.

Business details and results

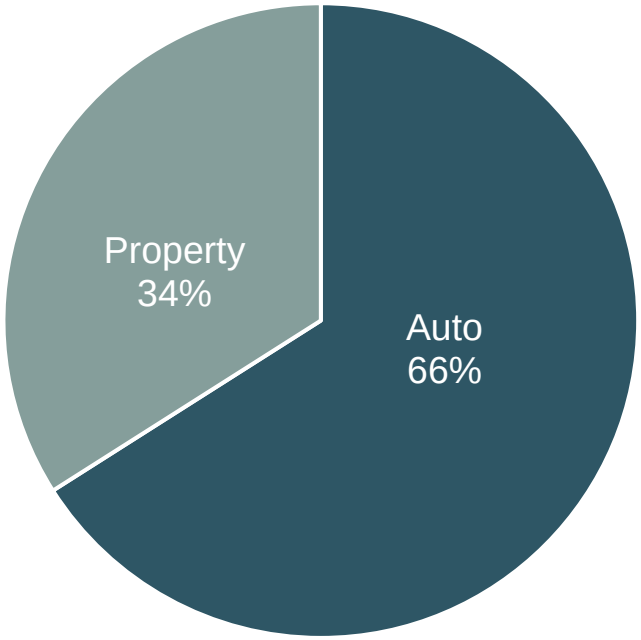
Q2 earnings up more than 50% over 2020



- Net income per share rose 52% to $1.11, with record core earnings of $1.02 per share
  - Unwavering commitment to education market and multi-year emphasis on products, distribution and infrastructure setting stage for success in post-vaccine environment
  - Sales momentum building in anticipation of back to school, net annuity contract deposits* lead progress with 16% increase
  - Net investment income rose approximately $29 million or 36% on strong returns from alternatives portfolio, contributing to 10% increase in total revenues
  - Book value per share up 10% and book value excluding net unrealized gains* up 9% from a year ago

P&C segment: Providing coverage to protect what educators have today

P&C Net Written Premium ($636M)(1)



Opportunity

- Preferred risk profile
- Loyal customers less likely to leave due to rate actions

Products

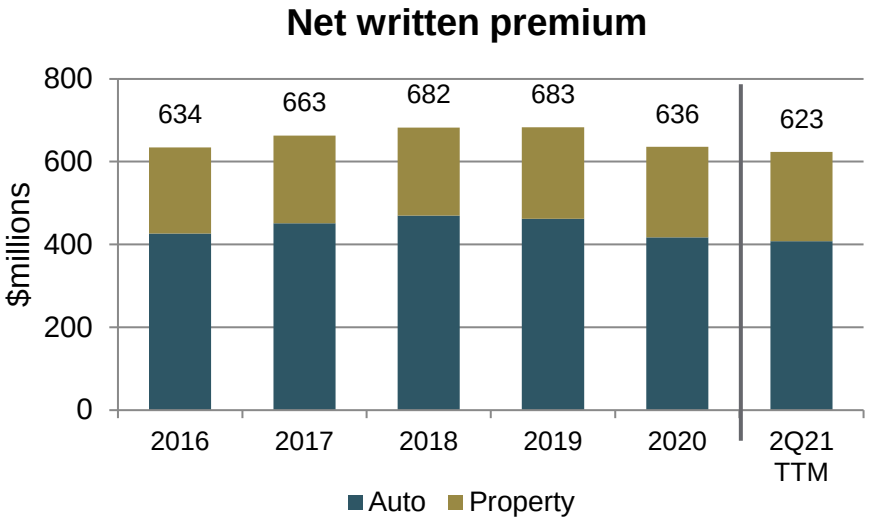
- Auto, homeowners, renters and umbrella
- Majority of P&C business is bundled Auto and Home
- Partnerships through Horace Mann General Agency

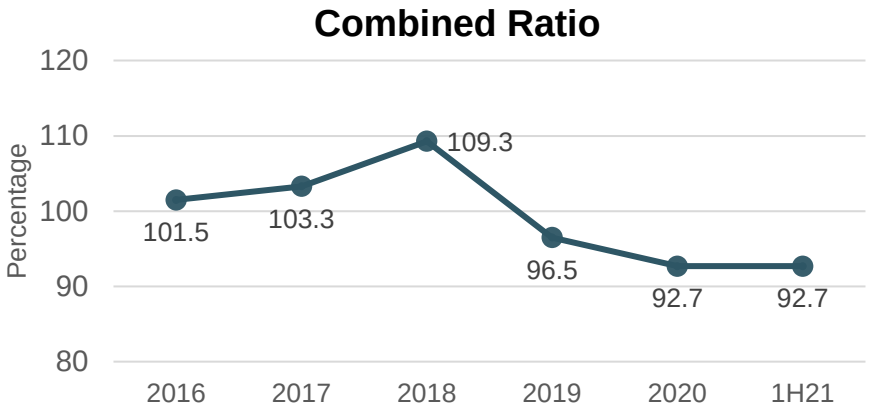
Strategy

- Continuous improvement of P&C pricing segmentation
- Grow direct channel
- Modernize P&C infrastructure to enhance customer experience and ease of doing business

(1) Based on FY2020

P&C segment: 1H Combined ratio at 92.7%, largely due to lower catastrophe losses



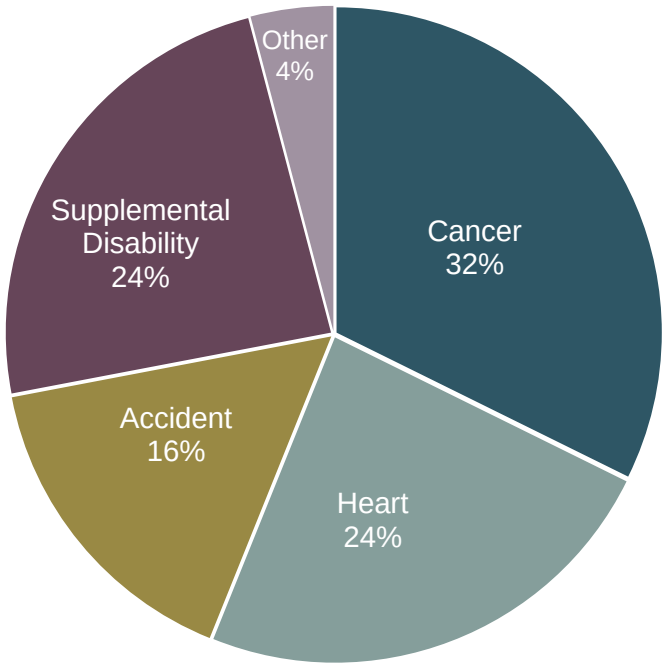


2Q21 results

- Premiums written were $155.6 million
  - New business volume remains below historical levels due to impact of pandemic on sales
  - Auto average premiums down slightly, due in part to change in miles driven
  - Property average premiums rose slightly
- Core earnings for quarter rose 70.8% due to increase in net investment income.
- 3.8 point increase in Q2 combined ratio over last year reflected below-historical-average catastrophe losses offset by higher underlying combined ratio
  - $17.5M in policyholder catastrophe losses, compared with $34.7M last year
  - Underlying loss ratio reflected return to more normal driving behaviors, elevated fire and non-weather water losses, and overall inflationary pressure
  - Auto underlying loss ratio remains below 2019 level, reflecting changes in driving patterns as well as ongoing benefit of profitability initiatives

Supplemental segment: Providing options for educators to address unexpected events

Supplemental coverage in-force(1)



Opportunity

- Educators facing rising out-of-pocket healthcare costs
- No correlation between Supplemental morbidity risk, Life mortality risk or P&C weather risks

Products

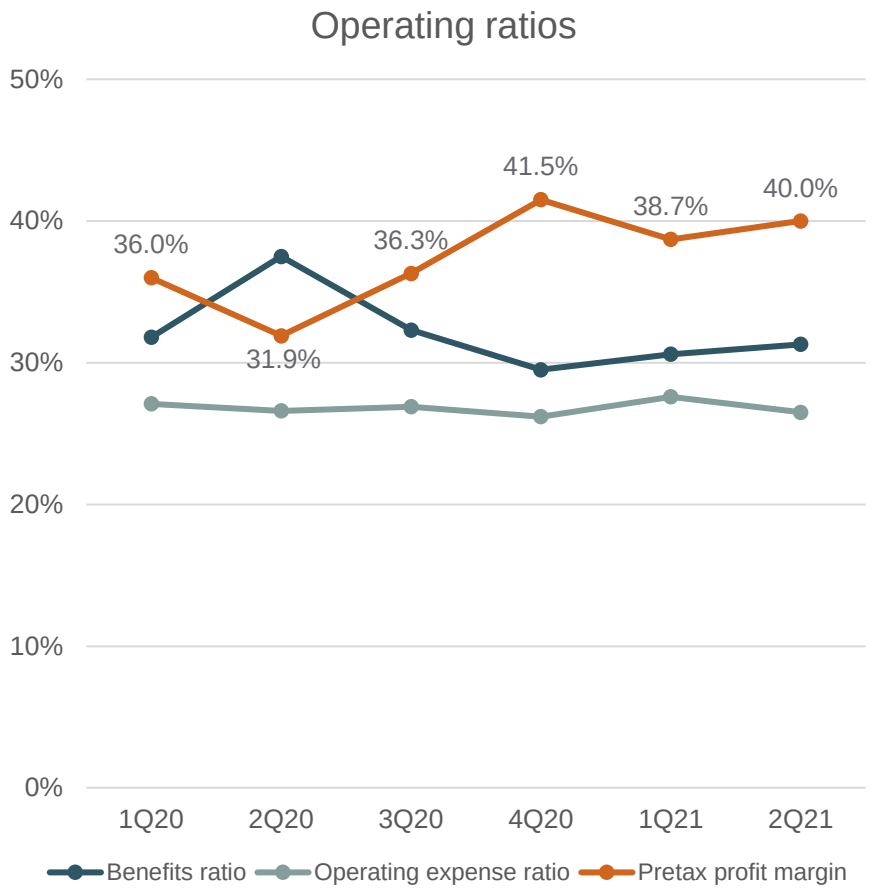
- Individual limited benefit products that are guaranteed renewable and portable
- Products include Cancer, Heart, Hospital and Accident as well as short-term Supplemental Disability

Strategy

- Cross-sell existing Horace Mann educator customers
- Work with school districts and administrators to offer Supplemental products to enhance benefit offerings
- Continue to develop distinctive educator-focused individual and group products

(1) As of December 31, 2020

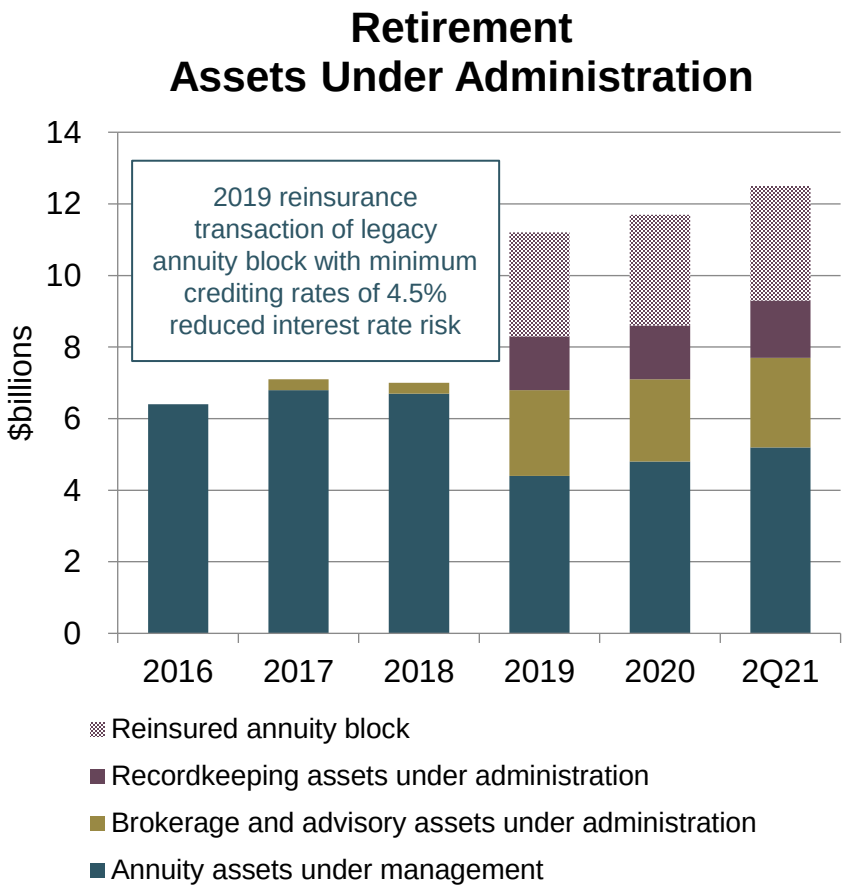
Supplemental segment: Strong margins continue, sales affected by school closures



2Q21 results

- $1.2 million in sales
  - Continues to reflect overall limited school access due to COVID-19
  - Improved over 1Q 2021 and 2Q 2020 as access is increasing in some geographies
- 26% increase in core earnings due to:
  - Higher net investment income
  - Favorable business trends including some short-term benefits from changes in policyholder behavior due to COVID-19
- Persistency remained very strong at 90.7%, demonstrating the need and value of Supplemental products

Retirement segment: Helping educators meet their financial goals with tailored solutions



Opportunity

- Educators face complicated retirement system offerings
- Educators want guidance to plan for the future

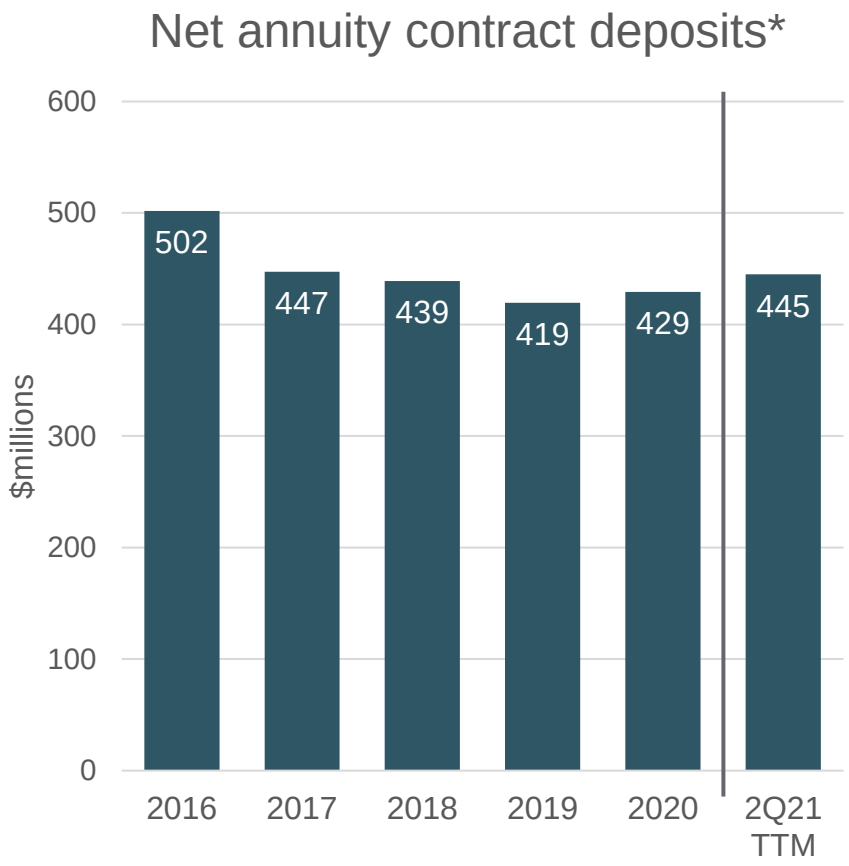
Products

- Fixed annuities, variable annuities and Retirement Advantage mutual fund platform
- 62% of traditional annuities in 403(b)

Strategy

- Leverage captive agents to build relationships with homogeneous set of customers
- Advanced planning capabilities & tools
- Build out Employer Services capabilities

Retirement segment: Product suite meets unique needs of educator market

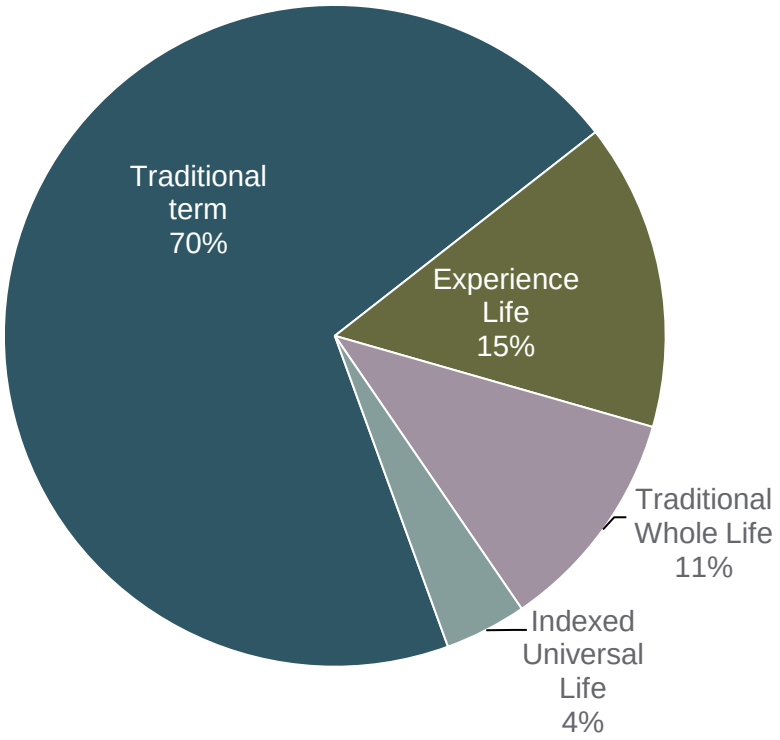


2Q21 results

- 15.6% increase in net annuity contract deposits
- 88.3% rise in core earnings excluding DAC unlocking*, primarily due to strong net interest margin
  - Net interest spread was 265 points, reflecting strong returns from the alternatives portfolio
- Total cash value persistency remained strong at 94.8% for variable annuities and 95.0% for fixed annuities

Life segment: Sizeable opportunity in our middle-market educator niche

Individual insurance in force[(1)]



Opportunity

- Many educators are uninsured or underinsured

Products

- Basic coverages appropriate for educator income levels
- Full suite of Life products available

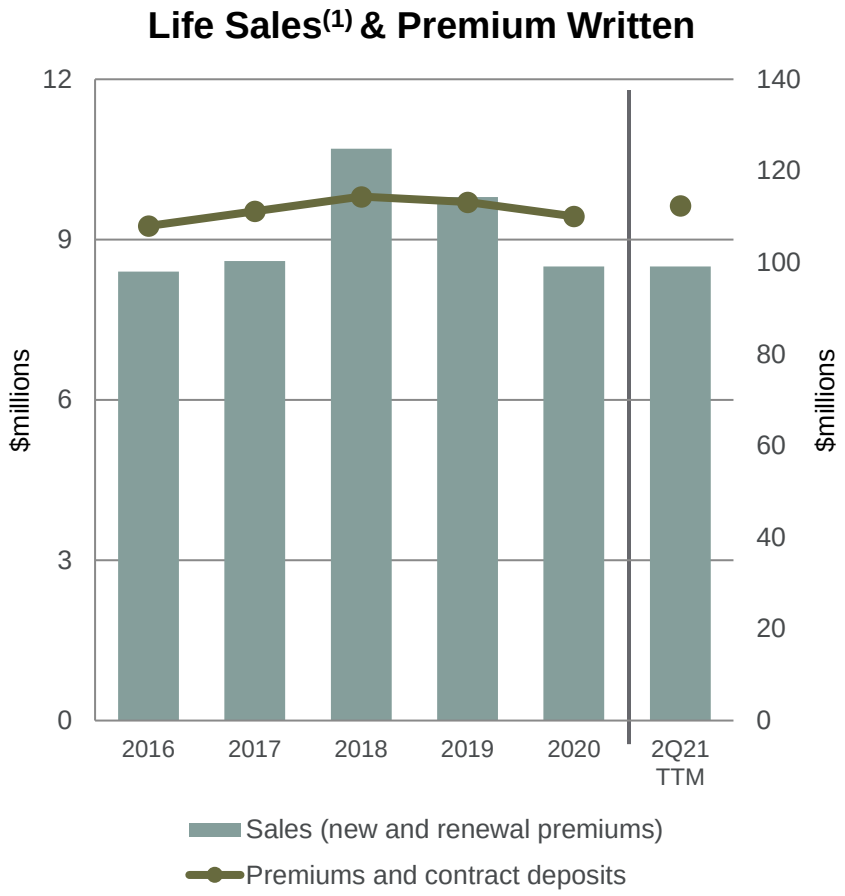
Strategy

- Leverage trusted agents to cross-sell customers
- Improve ease of doing business, including use of automated underwriting tools to reduce time to issue policies

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(1) As of December 31, 2020
(2) Experience Life is a legacy Whole Life and Term product

Life segment: Profitable in-force block



2Q21 results

- Annualized sales in line with last year
  - Strong new sales of recurring premium policies
  - Increase in sales of single premium policies
- Core earnings for the quarter rose $3.1 million due to:
  - Strong net investment income growth
  - Mortality costs in line with actuarial expectations
- Full-year persistency at 96%; in line with prior periods

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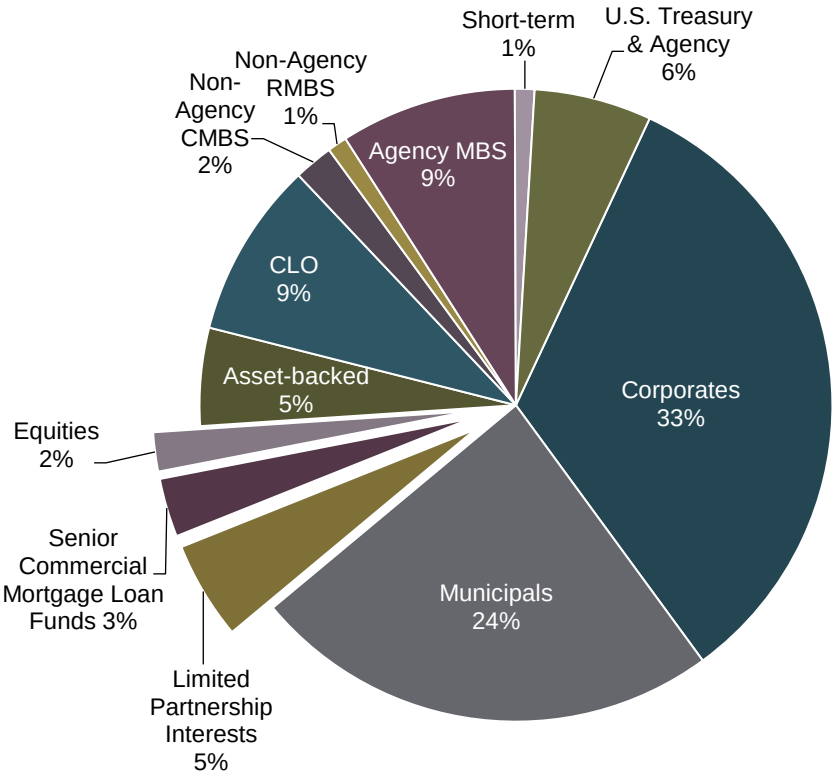
(1) Annualized

Investments: High-quality, well-diversified portfolio

Constructed to support insurance liabilities through various market cycles

Portfolio Composition(1)

$7.4 billion fair value



$6.6 billion fixed-maturity portfolio

- 66% A-rated or higher
- A+ weighted-average credit quality
- <5% below-investment grade exposure(2)
- 6.8 average duration
- 3.96% Q2 core pre-tax yield(3)
- 3.38% Q2 core new money yield

$586 million invested in senior commercial mortgage loan funds and limited partnership interests

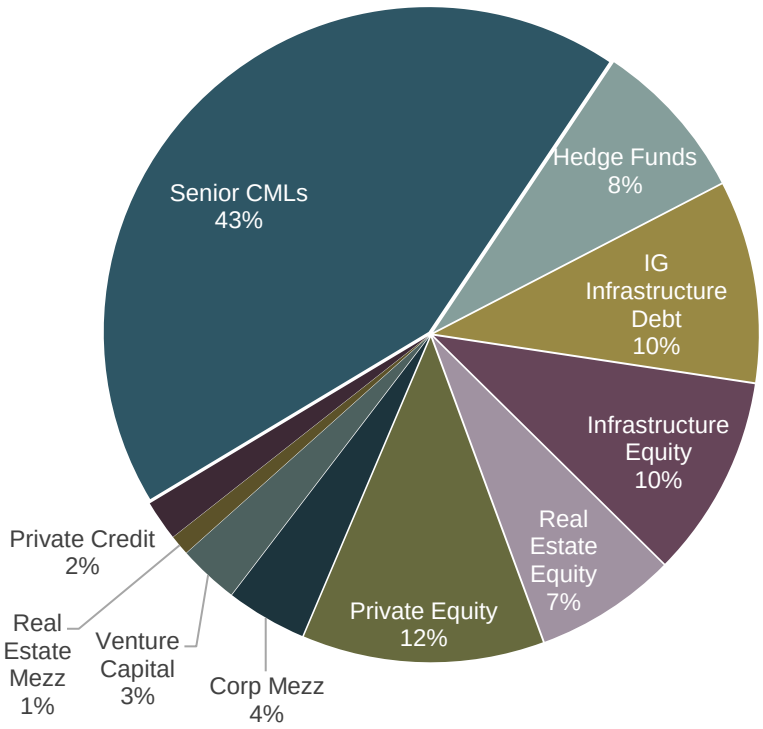
- ~8% of total investment portfolio

(1) As of June 30, 2021; excludes $145.5 million in policy loans and $15.4 million in derivatives used to hedge indexed annuity and life insurance products
(2) Does not include securities that are not rated
(3) Prospective investment yield

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Alternative portfolio: Diversified across strategies, risk and vintage year

Diversified $586M alternative investment portfolio

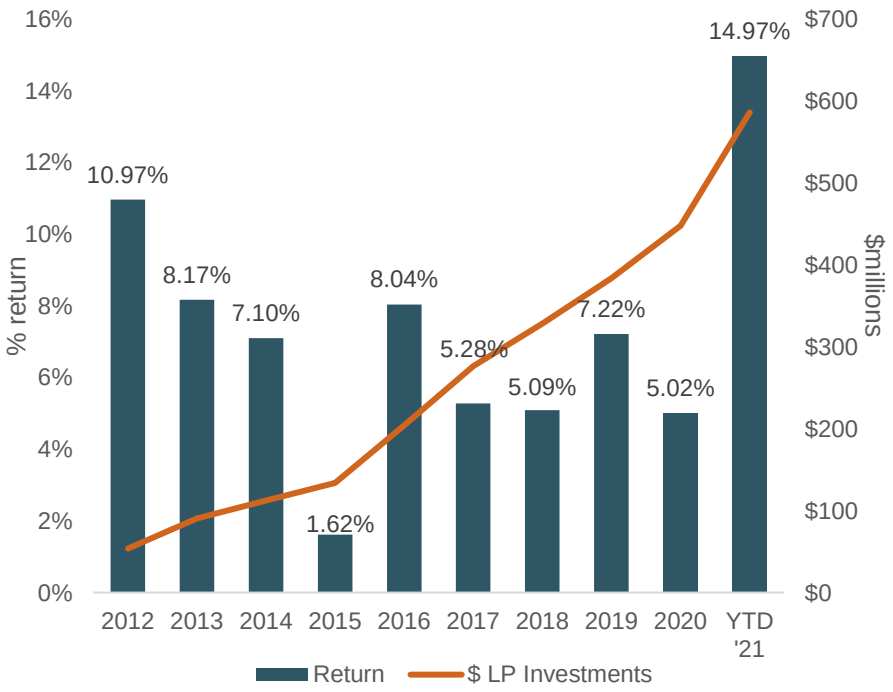


- More than half of the portfolio is income-producing investment grade senior commercial mortgage loan (CML) and investment-grade (IG) Infrastructure Debt funds
- Remainder of funds in structured credit hedge funds, infrastructure, real estate and private equity, capital-efficient private credit structures and corporate mezzanine funds
- 54 funds; well-diversified portfolio to minimize return volatility
- Nearly 45% funded; remainder of commitments expected to fund within next three years
  - Individual Fund commitments range from $5M to $220M

Alternative portfolio is a growing contributor to net investment income

Targeting high-single digit returns

Return averages 6.5% since 2012(1)



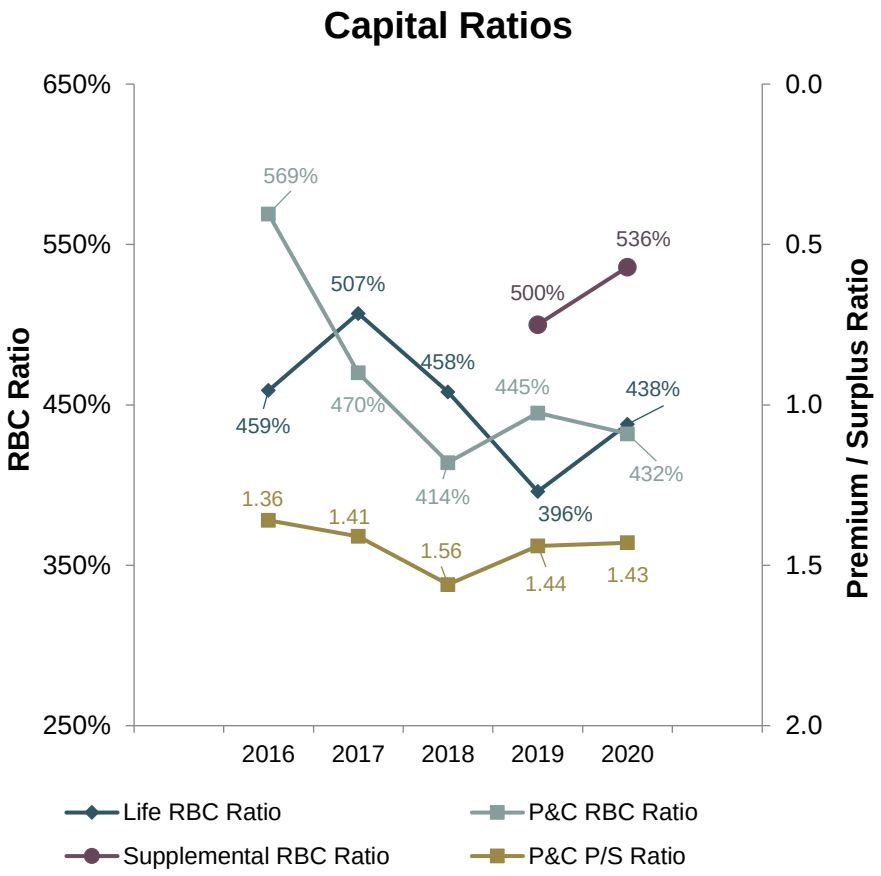
Fund ct.	1	2	6	10	11	17	21	35	47	54

- Strong YTD annualized return of 14.97%, driven by private equity outperformance
- Given economic and interest rate outlook, management set new portfolio allocation targets in late 2018:
  - 10% high quality commercial mortgage loan (CML) (NAIC 1-2) and investment grade infrastructure debt funds
  - 5% Other Alternatives Strategies
- On track to achieve target allocation by 2023
  - Target high-single digit portfolio returns:
    - Mid-single digit returns for CML and infrastructure debt funds
    - Double-digit returns for other strategies
  - Seasoning of older vintage private equity, venture capital and infrastructure equity funds will continue to generate additional returns as portfolio continues to mature

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(1) 2012-2020

Strong capital position, with more than adequate capital to grow businesses



- Capital management strategies support strong capital ratios
  - P&C loss reserves held at top half of independent actuarial range
  - Conservative L&R product design
  - New Supplemental segment delivering strong earnings
  - Investment portfolio appropriately positioned
- In conjunction with Madison National acquisition, targets for year-end RBCs are now 425% for life and retirement subsidiaries and 400% for property and casualty subsidiaries
  - Estimated RBC ratios as of June 30, 2021, align with targeted levels
- Debt-to-capital ratio(1) of 21.8%

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As of June 30, 2021, excluding net unrealized investment gains/losses on fixed maturity securities*

Appendix



Highly rated by all rating agencies

Education market focus, earnings diversification and capital strength cited

Agency	Rating (affirmed/reviewed)	Outlook
AM Best Company	A (7/14/21)	Stable
Fitch Ratings	A (7/14/21)	Stable
Moody's Investor Services	A2 (7/14/21)	Stable
Standard & Poor's Global Inc.	A (2/18/21)	Stable

- AM Best upgraded Financial Strength Rating of subsidiary NTA Life to A (Excellent) in recent rating action
- Following July 14 announcement of the planned acquisition of Madison National, AM Best, Fitch and Moody's affirmed ratings

Committed to Corporate Social Responsibility

Increased ESG Board oversight

- Updated Board charters to confirm Board-level commitment and oversight of ESG topics
  - Cybersecurity
  - Human rights
  - Diversity and inclusion
  - Environmental stewardship
  - Employee health and safety

Established Horace Mann Educators Foundation

- 501(c)(3) nonprofit organization
- Funded with initial contribution of $1 million
- Created to honor the dedication of America's educators to our children by supporting them in their efforts to help each student reach their full potential

Increased transparency

- Disclosed new environmental stewardship metrics, including waste, water and paper usage
- Expanded human capital disclosures to include employee age, ethnicity and location, in addition to gender
- Onboarded NAVEX for oversight of whistleblower programs

For more information, visit csr.horacemann.com



Strong corporate governance policies aligned with long-term shareholder interests

Effective board structure

- Separate CEO and chairman
- Non-employee director independence
- Audit, Compensation & Nominating Committee completely independent
- Use of independent compensation consultant to complete intensive annual review of prevailing market compensation practices and industry standards

Performance-based NEO compensation

- Up to 78% of NEOs' target compensation linked to performance and equity-based incentives
- Annual incentive plan aligned with achieving shared corporate objectives
- Long-term equity-based incentive plan aligned with shareholder value metrics
- Significant NEO and board member stock ownership requirements

Governance best practices

- Clawback provision for both cash & equity awards
- Anti-hedging and pledging policy of company shares
- No single-trigger change in control benefits
- No excise tax gross-ups from change in control
- Limited perquisites and executive benefits
- No poison pill

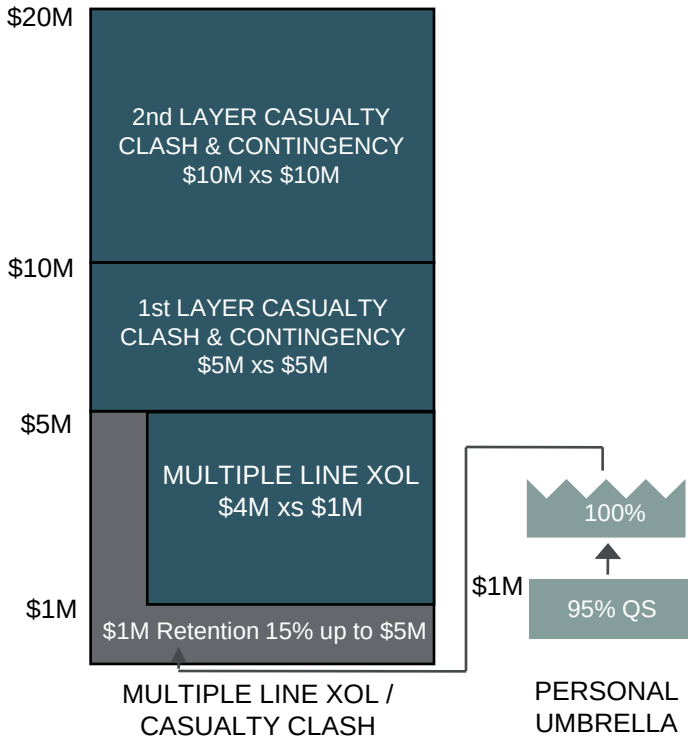
Strong and stable P&C reserves further reduce potential earnings volatility

Net P&C Reserve Position			
	Independent Actuary		HMN
($M)	Low	High	Held
2020	$217.9	$270.3	$259.3
2019	$230.4	$278.7	$266.5
2018	$240.7	$291.4	$277.5

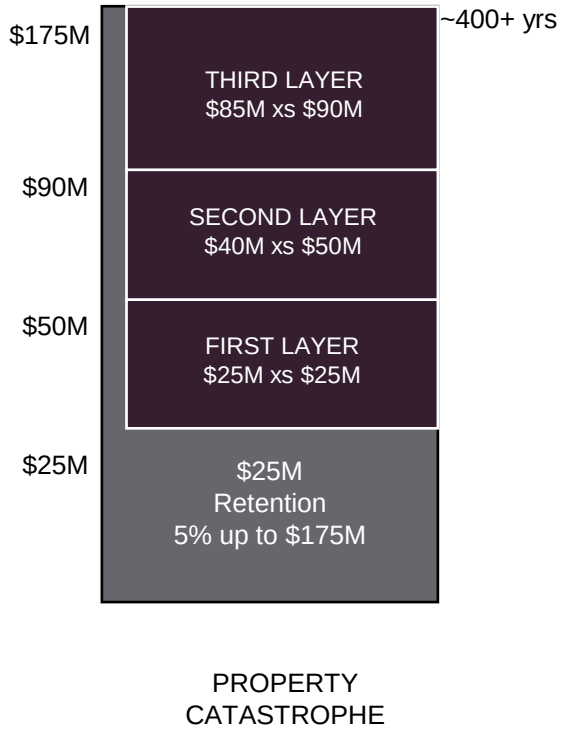
- **Appropriate conservatism**
  - Disciplined reserving practices
  - Recent favorable reserve development consistent with independent observations
- **Strong claims organization/capabilities**
  - Centralized claim offices
  - Technology/infrastructure
  - Implementation of best practices and procedures

Current single-event catastrophe reinsurance provides PML coverage for a 1-in-400+ years event

Multiple Line XOL / Casualty(1)



Property(1)



(1) 2021 Reinsurance Program, based on current AIR model.

Updated 2021 analyst modeling considerations

2020 Actual	2021 updated guidance	Updated guidance reflects expectation for improved net investment income across segments as well as:
Property & Casualty core earnings		

$76.5 million	$66-$70 million *(previously $54-58 million)*	• Full-year combined ratio expected to be in line with longer-term target of 95% to 96%
		  • Second-half 2021 catastrophe losses between $20 million and $25 million, in line with the 10-year average for second-half
		  • Full-year catastrophe losses below historical average offset by return to historical Auto loss ratio

Supplemental core earnings		
$43.1 million	$41-$43 million *(previously $33-$35 million)*	• Full-year pretax profit margin expected to be above longer-term target of mid-20s with policyholder claims behavior returning to historical patterns more slowly than anticipated
Retirement ex-DAC core earnings		
$26.8 million	$43-$45 million *(previously $38-$40 million)*	• No additional update
Life core earnings		
$10.4 million	$14-$16 million *(previously $17-$19 million)*	• Mortality costs above actuarial expectations in first quarter; returned to within actuarial expectations in second quarter
Total core earnings		
$143.1 million $3.40/share	$3.50-$3.70/share *(previously $3.00-$3.20)*	• Note: corporate expense includes interest expense of approximately $14 million pretax annually

Note: 2021 total net investment income now expected to be in range of $385 to $405 million compared with previous guidance of $370 to $390 million due to outsized returns in the alternatives portfolio. Net investment income was $357.6 million in 2020. Underlying assumptions include:

- Core 2021 new money rate of approximately 3%
- Long-term target for return on alternatives portfolio remains in the mid- to high-single digits
- Accreted investment income on deposit asset on reinsurance of approximately $100 million

Horace Mann

All data is after tax unless otherwise noted
2021 guidance assumes a federal statutory corporate tax rate of 21%

Horace Mann at a glance

Exchange ticker symbol	NYSE:HMN
Share Price	$39.81[(1)]
Weighted Average Diluted Shares (for 2Q21)	42.1 million
Market Capitalization	$1.7 billion[(1)]
Annualized Dividend Per Share	$1.24
Dividend Yield Per Share	3.1%[(1)]
Book Value Per Share*	$35.78[(2)]
Analyst Coverage	Dowling & Partners: Gary Ransom JMP Securities: Matt Carletti Keefe, Bruyette & Woods: Meyer Shields Piper Sandler: John Barnidge Raymond James: Greg Peters
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(1) Based on stock price as of July 30, 2021
(2) As of June 30, 2021; excluding net unrealized investment gains/losses on fixed maturity securities