

Full-year 2021 Investor Supplement

Historical data through year-end 2021 reflecting
new segment structure

April 4, 2022

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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.

Consolidated Financial Highlights

(\$ in millions, except per share data)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Premiums and contract charges earned	\$ 210.8	\$ 225.4	\$ 225.8	\$ 227.6	\$ 889.6	\$ 930.7
Net investment income	114.1	103.7	109.2	95.5	422.5	357.6
Net investment gains (losses)	(0.4)	(6.5)	4.9	(9.0)	(11.0)	(2.3)
Other income	6.9	7.0	7.2	7.9	29.0	24.4
Total revenues	\$ 331.4	\$ 329.6	\$ 347.1	\$ 322.0	\$ 1,330.1	\$ 1,310.4
Net income	\$ 40.5	\$ 16.3	\$ 46.7	\$ 39.3	\$ 142.8	\$ 133.3
Core earnings*	40.8	21.4	42.8	46.4	151.4	143.1
Adjusted core earnings*	43.6	23.4	45.0	48.5	160.5	152.8
At Period End						
Total assets	\$ 14,383.9	\$ 14,266.0	\$ 14,190.1	\$ 13,745.5	\$ 14,383.9	\$ 13,471.8
Total policy liabilities	7,258.8	7,270.5	7,211.7	7,182.8	7,258.8	7,148.6
Debt	502.6	388.6	413.5	437.4	502.6	437.3
Shareholders' equity	1,807.4	1,796.4	1,816.6	1,692.9	1,807.4	1,790.1
Per Share and Shares Data (in millions)						
Net income per share (basic)	\$ 0.96	\$ 0.39	\$ 1.11	\$ 0.94	\$ 3.40	\$ 3.18
Net income per share (diluted)	0.96	0.39	1.11	0.93	3.39	3.17
Core earnings per share (diluted)*	0.97	0.50	1.02	1.10	3.59	3.40
Adjusted core earnings per share (diluted)*	1.03	0.55	1.07	1.15	3.80	3.64
Weighted average shares (basic)	42.0	42.0	42.0	41.9	42.0	41.9
Dilutive effect of share equivalents	0.2	0.2	0.1	0.2	0.2	0.1
Weighted average shares (diluted)	42.2	42.2	42.1	42.1	42.2	42.0
Book value per share	\$ 43.66	\$ 43.30	\$ 43.78	\$ 40.83	\$ 43.66	\$ 43.22
Per share impact of net unrealized investment gains on fixed maturity securities	7.02	7.40	8.00	5.88	7.02	8.84
Adjusted book value per share*	\$ 36.64	\$ 35.90	\$ 35.78	\$ 34.95	\$ 36.64	\$ 34.38
Tangible book value per share*	\$ 32.09	\$ 31.28	\$ 31.07	\$ 30.17	\$ 32.09	\$ 29.51
Dividends paid per share	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.31	\$ 1.24	\$ 1.20
Financial Ratios						
Net Income ROE - LTM ⁽¹⁾	8.0 %	8.5 %	9.8 %	9.3 %	8.0 %	8.1 %
Net Income ROE - Annualized	9.0 %	3.6 %	10.6 %	9.0 %	7.9 %	7.9 %
Core ROE - LTM*	10.3 %	10.9 %	12.1 %	11.2 %	10.3 %	10.5 %
Core ROE - Annualized*	10.9 %	5.8 %	11.7 %	12.9 %	10.3 %	10.4 %
Adjusted Core ROE - LTM*	10.9 %	11.5 %	12.7 %	11.7 %	10.9 %	11.2 %
Adjusted Core ROE - Annualized*	11.6 %	6.3 %	12.3 %	13.5 %	10.9 %	11.1 %
Debt to total capitalization excluding net unrealized investment gains on fixed maturity securities*	24.9 %	20.7 %	21.8 %	23.2 %	24.9 %	23.5 %
Investment yield on fixed income portfolio, pretax - annualized*	4.27 %	4.30 %	4.25 %	4.16 %	4.25 %	4.23 %

⁽¹⁾ LTM = Last twelve months.

Selected Financial Data - Five Year History

(\$ in millions, except per share data)	Year Ended December 31,				
	2021	2020	2019 ⁽¹⁾	2018	2017
Consolidated Statement of Operations Data					
Premiums and contract charges earned	\$ 889.6	\$ 930.7	\$ 898.0	\$ 817.3	\$ 794.7
Net investment income	422.5	357.6	365.1	376.5	373.6
Net income	142.8	133.3	184.4	18.3	169.4
Net income ROE - Annualized	7.9 %	7.9 %	12.9 %	1.3 %	12.1 %
At Period End					
Total assets	\$ 14,383.9	\$ 13,471.8	\$ 12,478.7	\$ 11,031.9	\$ 11,198.3
Total policy liabilities	7,258.8	7,148.6	6,956.5	6,384.1	6,182.0
Debt	502.6	437.3	433.0	297.7	297.5
Shareholders' equity	1,807.4	1,790.1	1,567.3	1,290.6	1,501.6
Per Share and Shares Data (in millions)					
Net income per share (basic)	\$ 3.40	\$ 3.18	\$ 4.42	\$ 0.44	\$ 4.10
Net income per share (diluted)	3.39	3.17	4.40	0.44	4.08
Weighted average shares (basic)	42.0	41.9	41.7	41.6	41.4
Weighted average shares (diluted)	42.2	42.0	41.9	41.9	41.6
Book value per share	\$ 43.66	\$ 43.22	\$ 38.01	\$ 31.50	\$ 36.88
Adjusted book value per share*	36.64	34.38	32.42	29.13	29.51
Tangible book value per share*	32.09	29.51	26.98	28.04	28.40
Dividends paid per share	\$ 1.24	\$ 1.20	\$ 1.15	\$ 1.14	\$ 1.10
Segment Information					
Premiums written and contract deposits					
Property & Casualty	\$ 607.8	\$ 635.5	\$ 683.1	\$ 681.5	\$ 662.8
Life & Retirement	563.0	536.3	529.6	550.4	561.0
Supplemental & Group Benefits	128.0	133.2	68.7	3.1	3.3
Total	\$ 1,298.8	\$ 1,305.0	\$ 1,281.4	\$ 1,235.0	\$ 1,227.1
Net income (loss)					
Property & Casualty	\$ 57.0	\$ 76.5	\$ 54.3	\$ (14.3)	\$ 17.8
Life & Retirement	68.4	30.7	12.6	60.4	166.2
Supplemental & Group Benefits	46.0	42.9	18.2	0.1	(0.2)
Corporate & Other	(28.6)	(16.8)	99.3	(27.9)	(14.4)
Total	\$ 142.8	\$ 133.3	\$ 184.4	\$ 18.3	\$ 169.4

⁽¹⁾ The acquisition of NTA (Supplemental & Group Benefits segment) closed on July 1, 2019.

Consolidated Statements of Operations

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Revenues						
Premiums and contract charges earned	\$ 210.8	\$ 225.4	\$ 225.8	\$ 227.6	\$ 889.6	\$ 930.7
Net investment income	114.1	103.7	109.2	95.5	422.5	357.6
Net investment gains (losses)	(0.4)	(6.5)	4.9	(9.0)	(11.0)	(2.3)
Other income	6.9	7.0	7.2	7.9	29.0	24.4
Total revenues	331.4	329.6	347.1	322.0	1,330.1	1,310.4
Benefits, losses and expenses						
Benefits, claims and settlement expenses	171.5	164.8	147.1	134.3	617.7	568.9
Interest credited	10.7	51.9	51.2	50.6	164.4	204.6
Operating expenses	68.7	64.3	60.5	58.0	251.5	237.8
DAC amortization expense, excluding DAC unlocking	23.9	23.7	23.9	24.7	96.2	102.0
DAC unlocking	0.3	(0.8)	(0.4)	(0.6)	(1.5)	(2.1)
Intangible asset amortization expense	3.2	3.3	3.2	3.3	13.0	14.4
Interest expense	3.5	3.4	3.5	3.5	13.9	15.2
Other expense - goodwill and intangible asset impairments	—	—	—	—	—	10.0
Total benefits, losses and expenses	281.8	310.6	289.0	273.8	1,155.2	1,150.8
Income before income taxes	49.6	19.0	58.1	48.2	174.9	159.6
Income tax expense	9.1	2.7	11.4	8.9	32.1	26.3
Net income	\$ 40.5	\$ 16.3	\$ 46.7	\$ 39.3	\$ 142.8	\$ 133.3
Other Statistics						
Effective tax rate on net investment income	20.6 %	20.5 %	20.5 %	20.4 %	20.5 %	20.4 %
Net investment income, after tax	\$ 90.6	\$ 82.4	\$ 86.8	\$ 75.9	\$ 335.7	\$ 284.6
Impairments on investments ⁽¹⁾	(0.6)	(6.6)	—	(3.2)	(10.4)	(5.3)
Catastrophe losses, net of reinsurance, pretax	11.1	38.6	17.5	11.0	78.2	84.4
Catastrophe losses, net of reinsurance, after tax	8.8	30.5	13.8	8.7	61.8	66.7

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

Consolidated Balance Sheets

(\$ in millions, except per share data)	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020
Assets					
Investments					
Fixed maturity securities, available for sale, at fair value	\$ 6,239.3	\$ 6,512.0	\$ 6,555.0	\$ 6,356.3	\$ 6,345.3
Equity securities, at fair value	147.2	152.3	145.7	140.0	121.6
Limited partnership interests	712.8	615.4	585.7	505.2	449.0
Short-term and other investments	350.2	251.6	301.1	311.6	346.3
Total investments	7,449.5	7,531.3	7,587.5	7,313.1	7,262.2
Cash	133.7	40.2	29.4	39.4	22.3
Deferred policy acquisition costs	248.0	244.7	236.0	262.5	229.8
Deposit asset on reinsurance	2,481.5	2,477.9	2,456.8	2,442.2	2,420.9
Intangible assets	145.4	148.7	151.9	155.2	158.5
Goodwill	43.5	43.5	43.5	43.5	43.5
Other assets	441.3	451.9	428.3	436.7	443.2
Separate account assets	3,441.0	3,326.8	3,256.7	3,052.9	2,891.4
Total assets	\$ 14,383.9	\$ 14,265.0	\$ 14,190.1	\$ 13,745.5	\$ 13,471.8
Liabilities and Shareholders' Equity					
Policy liabilities					
Investment contract and life policy reserves	\$ 6,577.8	\$ 6,569.0	\$ 6,526.9	\$ 6,480.0	\$ 6,445.3
Unpaid claims and claim expenses	425.9	440.1	433.6	452.5	438.8
Unearned premiums	255.1	261.4	251.2	250.3	264.5
Total policy liabilities	7,258.8	7,270.5	7,211.7	7,182.8	7,148.6
Other policyholder funds	945.9	994.3	1,023.1	885.1	751.3
Other liabilities	428.2	488.4	468.5	494.4	453.1
Short-term debt	249.0	135.0	135.0	135.0	135.0
Long-term debt	253.6	253.6	278.5	302.4	302.3
Separate account liabilities	3,441.0	3,326.8	3,256.7	3,052.9	2,891.4
Total liabilities	12,576.5	12,468.6	12,373.5	12,052.6	11,681.7
Common stock, \$0.001 par value	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	495.3	492.9	490.7	489.2	488.4
Retained earnings	1,524.9	1,497.5	1,494.4	1,460.8	1,434.6
Accumulated other comprehensive income, net of taxes:					
Net unrealized investment gains on fixed maturity securities	290.7	306.9	332.2	243.6	366.3
Net funded status of benefit plans	(10.2)	(11.2)	(11.2)	(11.2)	(11.2)
Treasury stock, at cost	(493.4)	(489.8)	(489.6)	(489.6)	(488.1)
Total shareholders' equity	1,807.4	1,796.4	1,816.6	1,692.9	1,790.1
Total liabilities and shareholders' equity	\$ 14,383.9	\$ 14,265.0	\$ 14,190.1	\$ 13,745.5	\$ 13,471.8

Capital Metrics

(\$ in millions, except per share data)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Debt and Total Capitalization						
Short term debt due under revolving credit agreement ⁽¹⁾	\$ 249.0	\$ 135.0	\$ 135.0	\$ 135.0	\$ 249.0	\$ 135.0
Senior Debt:						
4.50% Senior notes due December 1, 2025	248.6	248.6	248.5	248.4	248.6	248.3
FHLB Borrowing	5.0	5.0	30.0	54.0	5.0	54.0
Total debt	502.6	388.6	413.5	437.4	502.6	437.3
Shareholders' equity	1,807.4	1,796.4	1,816.6	1,692.9	1,807.4	1,790.1
Total capitalization	\$ 2,310.0	\$ 2,185.0	\$ 2,230.1	\$ 2,130.3	\$ 2,310.0	\$ 2,227.4
Debt to shareholders' equity	27.8 %	21.6 %	22.8 %	25.8 %	27.8 %	24.4 %
Debt to total capitalization	21.8 %	17.8 %	18.5 %	20.5 %	21.8 %	19.6 %
Debt to total capitalization excluding net unrealized investment gains (losses) on fixed maturity securities*	24.9 %	20.7 %	21.8 %	23.2 %	24.9 %	23.5 %
Capital Returned to Shareholders						
Number of shares of common stock repurchased (thousands)	96.1	5.0	0.2	39.5	140.8	52.1
Common stock repurchased ⁽²⁾	\$ 3.6	\$ 0.2	\$ —	\$ 1.5	\$ 5.3	\$ 2.2
Cash dividends paid	12.8	12.9	12.8	12.9	51.4	49.6
Total capital returned to shareholders	\$ 16.4	\$ 13.1	\$ 12.8	\$ 14.4	\$ 56.7	\$ 51.8

⁽¹⁾ Amount available for borrowing is \$76.0 million; At LIBOR +115 bps; Expires on July 12, 2026.

⁽²⁾ As of December 31, 2021, the Company's program had a remaining authorization of \$15.3 million.

Property & Casualty Segment | Statements of Operations

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Underwriting Results						
Premiums written*	\$ 146.6	\$ 163.8	\$ 155.6	\$ 141.8	\$ 607.8	\$ 635.5
Premiums earned	153.3	153.3	155.0	155.8	617.4	650.1
Losses and loss adjustment expenses						
Current accident year before catastrophe losses	98.6	93.9	100.7	83.7	376.9	356.8
Current accident year catastrophe losses	11.1	38.6	17.5	11.0	78.2	84.4
Prior years' reserve development ⁽¹⁾	—	(3.0)	(4.2)	—	(7.2)	(10.2)
Total losses and loss adjustment expenses	109.7	129.5	114.0	94.7	447.9	431.0
Operating expenses, including DAC amortization expense	43.3	42.1	39.9	39.5	164.8	171.7
Underwriting gain (loss)	0.3	(18.3)	1.1	21.6	4.7	47.4
Net investment income	17.3	11.3	21.7	10.8	61.1	42.6
Other income	0.5	0.7	1.2	2.1	4.5	2.3
Interest expense	—	—	—	0.1	0.1	0.4
Income (loss) before income taxes	18.1	(6.3)	24.0	34.4	70.2	91.9
Income tax expense (benefit)	3.6	(1.6)	4.7	6.5	13.2	15.4
Net income (loss) ⁽²⁾	\$ 14.5	\$ (4.7)	\$ 19.3	\$ 27.9	\$ 57.0	\$ 76.5
Underwriting Ratios (%)						
Losses and loss adjustment expenses						
Current accident year before catastrophe losses and PYD	64.4	61.4	64.9	53.8	61.0	54.9
Current accident year catastrophe losses	7.2	25.1	11.3	7.0	12.7	13.0
Prior years' reserve development ⁽¹⁾	0.0	(2.0)	(2.7)	0.0	(1.2)	(1.6)
Total losses and loss adjustment expenses	71.6	84.5	73.5	60.8	72.5	66.3
Expense Ratio	28.3	27.5	25.7	25.4	26.7	26.4
Combined ratio	99.9	112.0	99.2	86.2	99.2	92.7
Combined ratio before catastrophe losses	92.7	86.9	87.9	79.2	86.5	79.7
Combined ratio before catastrophe losses and prior years' reserve development*	92.7	88.9	90.6	79.2	87.7	81.3
Informational Data						
Sales* (Annualized premium) ⁽³⁾	\$ 15.2	\$ 17.5	\$ 18.1	\$ 17.1	\$ 67.9	\$ 79.2
Risks in force (in thousands) ⁽⁴⁾	553	559	567	575	553	583

⁽¹⁾ (Favorable) unfavorable.

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

⁽³⁾ Horace Mann products.

⁽⁴⁾ Includes assumed risks in force of 4 for auto.

Property & Casualty Segment | Auto Product Lines

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Auto Underwriting Results						
Premiums written*	\$ 94.4	\$ 103.1	\$ 97.8	\$ 99.2	\$ 394.5	\$ 416.8
Premiums earned	\$ 98.7	\$ 100.2	\$ 101.6	\$ 102.8	\$ 403.3	\$ 428.2
Auto Underwriting Ratios (%)						
Loss and loss adjustment expense ratio	79.9	71.5	67.6	59.1	69.4	61.2
Expense ratio	28.5	27.7	25.7	25.1	26.7	26.8
Combined ratio	108.4	99.2	93.3	84.2	96.1	88.0
Prior years' reserve development ⁽¹⁾	0.0	(2.0)	(3.0)	0.0	(1.2)	(0.5)
Catastrophe losses	0.6	2.9	2.6	0.3	1.6	1.3
Combined ratio before catastrophe losses and prior years' reserve development*	107.8	98.3	93.7	83.9	95.7	87.2
Auto Informational Data						
Policy Count Retention - LTM ⁽²⁾	83.7 %	83.3 %	81.9 %	81.9 %	83.7 %	81.2 %
Sales* (Annualized premium) ⁽³⁾	\$ 11.5	\$ 13.2	\$ 14.1	\$ 13.7	\$ 52.5	\$ 62.1
Risks in force (in thousands) ⁽⁴⁾	376	381	387	393	376	399

⁽¹⁾ (Favorable) unfavorable.

⁽²⁾ For all periods presented for 2021, retention data is an estimate due to system conversion.

⁽³⁾ Horace Mann products.

⁽⁴⁾ Includes assumed risks in force of 4.

Property & Casualty Segment | Property and Other Product Lines

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Property and Other Underwriting Results						
Premiums written*	\$ 52.2	\$ 60.7	\$ 57.8	\$ 42.6	\$ 213.3	\$ 218.7
Premiums earned	\$ 54.6	\$ 53.1	\$ 53.4	\$ 53.0	\$ 214.1	\$ 221.9
Property and Other Underwriting Ratios (%)						
Loss and loss adjustment expense ratio	56.6	108.9	84.8	64.1	78.5	76.1
Expense ratio	28.1	27.2	26.0	26.0	26.9	25.9
Combined ratio	84.7	136.1	110.8	90.1	105.4	102.0
Prior years' reserve development ⁽¹⁾	0.0	(1.9)	(2.3)	0.0	(1.0)	(3.7)
Catastrophe losses	19.3	67.3	27.9	20.1	33.6	35.5
Combined ratio before catastrophe losses and prior years' development*	65.4	70.7	85.2	70.0	72.8	70.2
Property and Other Informational Data						
Policy Count Retention - LTM ⁽²⁾	88.3 %	88.0 %	87.3 %	87.3 %	88.3 %	86.8 %
Sales* (Annualized premium) ⁽³⁾	\$ 3.7	\$ 4.3	\$ 4.0	\$ 3.4	\$ 15.4	\$ 17.1
Risks in force (in thousands)	177	178	180	182	177	184

⁽¹⁾ (Favorable) unfavorable.

⁽²⁾ For all periods presented for 2021, retention data is an estimate due to system conversion.

⁽³⁾ Horace Mann products.

Life & Retirement Segment | Statements of Operations

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Premiums and net annuity contract deposits*	\$ 135.6	\$ 150.8	\$ 146.3	\$ 130.3	\$ 563.0	\$ 536.3
Revenues						
Contract charges earned	\$ 25.9	\$ 40.4	\$ 38.5	\$ 39.4	\$ 144.2	\$ 147.0
Net investment income	91.2	85.8	81.7	79.9	338.6	299.3
Other income	5.1	5.1	5.0	4.8	20.0	16.4
Total revenues	122.2	131.3	125.2	124.1	502.8	462.7
Benefits and Expenses						
Death benefits / mortality costs ⁽¹⁾	10.1	10.3	8.5	14.6	43.5	38.8
Interest credited	10.7	51.8	51.1	50.5	164.1	204.4
Change in reserves	41.3	14.5	14.5	15.0	85.3	55.0
Operating expenses	27.1	25.7	24.6	23.7	101.1	93.6
DAC amortization expense, excluding DAC unlocking	6.9	6.6	6.6	6.9	27.0	25.9
DAC unlocking	0.3	(0.8)	(0.4)	(0.6)	(1.5)	(2.1)
Intangible asset amortization expense	0.3	0.4	0.2	0.4	1.3	1.8
Other expense - goodwill and intangible asset impairments	—	—	—	—	—	10.0
Total benefits and expenses	96.7	108.5	105.1	110.5	420.8	427.4
Income before income taxes	25.5	22.8	20.1	13.6	82.0	35.3
Income tax expense (benefit)	4.1	3.7	3.6	2.2	13.6	4.6
Net income ⁽²⁾	\$ 21.4	\$ 19.1	\$ 16.5	\$ 11.4	\$ 68.4	\$ 30.7
Core earnings*	21.4	19.1	16.5	11.4	68.4	38.8
Adjusted core earnings*	\$ 21.9	\$ 18.8	\$ 16.4	\$ 11.1	\$ 68.2	\$ 38.6

⁽¹⁾ Ordinary life insurance.

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

Life & Retirement Segment | Life Insurance Product Lines

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Premiums and contract deposits*	\$ 31.4	\$ 29.4	\$ 28.9	\$ 24.5	\$ 114.2	\$ 107.2
Net investment income	22.5	21.0	19.7	19.5	82.7	69.5
Death benefits / mortality costs ⁽¹⁾	10.1	10.3	8.5	14.6	43.5	38.8
Earnings margin (before tax)						
Return on premium - LTM	18.8 %	14.6 %	14.0 %	10.9 %	18.8 %	10.9 %
Informational Data						
Lapse ratio - LTM ⁽¹⁾	3.5 %	3.8 %	4.0 %	3.9 %	3.5 %	4.2 %
Annualized sales*	\$ 2.3	\$ 2.0	\$ 2.4	\$ 2.0	\$ 8.7	\$ 8.5
Insurance in force	\$ 19,548	\$ 19,384	\$ 19,239	\$ 19,028	\$ 19,548	\$ 18,902
Policies in force (in thousands)	163	163	163	163	163	163

⁽¹⁾ Ordinary life insurance.

Life & Retirement Segment | Retirement Product Lines

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Net annuity contract deposits*	\$ 104.2	\$ 121.4	\$ 117.4	\$ 105.8	\$ 448.8	\$ 429.1
Net investment income - managed portfolio	42.7	39.2	36.9	36.0	154.8	132.5
Interest credited	14.1	14.2	14.1	13.8	56.2	58.6
Net interest margin	28.6	25.0	22.8	22.2	98.6	73.9
Investment income - deposit asset on reinsurance	26.0	25.6	25.1	24.4	101.1	97.3
Interest credited - reinsured block	26.7	26.5	25.9	25.5	104.6	100.9
Net interest margin - reinsured block	\$ (0.7)	\$ (0.9)	\$ (0.8)	\$ (1.1)	\$ (3.5)	\$ (3.6)
Fixed annuity interest spread - Annualized	344	297	265	253	290	212
Variable annuity fee margin - Annualized	148	145	147	144	146	132
Informational Data						
Assets under administration (AUA)						
Annuity assets under management ⁽¹⁾	\$ 5,339.8	\$ 5,246.9	\$ 5,173.1	\$ 4,991.7	\$ 5,339.8	\$ 4,841.8
Brokerage and advisory assets under administration	2,597.9	2,499.5	2,516.4	2,388.1	2,597.9	2,324.1
Recordkeeping assets under administration	1,572.0	1,606.3	1,629.9	1,546.3	1,572.0	1,518.1
Total AUA	\$ 9,509.7	\$ 9,352.7	\$ 9,319.4	\$ 8,926.1	\$ 9,509.7	\$ 8,684.0
Total Persistency - LTM	94.4 %	94.7 %	94.9 %	95.0 %	94.4 %	94.8 %
Annuity contracts in force (in thousands)	230	229	229	230	230	230
Retirement Advantage® contracts in force (in thousands)	15	14	13	13	15	13

⁽¹⁾ Amount reported as of December 31, 2021 excludes \$834.6 million of assets under management held under modified coinsurance reinsurance.

Life & Retirement Segment | Account Value Rollforward

(\$ in millions)	Three Months Ended				
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020
Fixed Account Annuities⁽¹⁾					
Beginning balance	\$ 2,217.5	\$ 2,208.5	\$ 2,200.8	\$ 2,188.3	\$ 2,177.6
Reinsurance transfer	(6.2)	(21.9)	(15.7)	(21.2)	(20.7)
Deposits	43.4	57.0	50.8	46.4	46.8
Withdrawals	(99.0)	(72.7)	(75.2)	(68.6)	(80.2)
Net transfers	10.5	8.1	8.2	16.6	25.2
Interest credited	40.8	40.7	40.0	39.3	40.1
Other	—	(2.2)	(0.4)	—	(0.5)
Ending balance	\$ 2,207.0	\$ 2,217.5	\$ 2,208.5	\$ 2,200.8	\$ 2,188.3
Fixed Indexed Account Annuities⁽²⁾					
Beginning balance	\$ 522.7	\$ 526.8	\$ 520.8	\$ 514.2	\$ 502.7
Deposits	9.6	10.3	12.8	9.6	12.3
Withdrawals	(10.2)	(14.9)	(10.7)	(7.6)	(8.0)
Net transfers	(0.6)	(0.9)	(0.4)	(0.4)	(0.4)
Index credits	5.4	5.1	6.2	1.2	1.2
Other	(0.5)	(3.7)	(1.9)	3.8	6.4
Ending balance	\$ 526.4	\$ 522.7	\$ 526.8	\$ 520.8	\$ 514.2
Variable Account Annuities⁽³⁾					
Beginning balance	\$ 3,326.9	\$ 3,256.7	\$ 3,052.9	\$ 2,891.4	\$ 2,488.5
Deposits	66.2	71.0	67.7	61.5	57.6
Withdrawals	(55.5)	(45.6)	(40.5)	(44.5)	(36.2)
Net transfers	(9.9)	(7.2)	(7.8)	(16.2)	(24.8)
Fees and charges	(13.2)	(12.4)	(12.0)	(11.0)	(10.6)
Market appreciation	126.5	64.4	196.4	171.7	416.9
Other	—	—	—	—	—
Ending balance	\$ 3,441.0	\$ 3,326.9	\$ 3,256.7	\$ 3,052.9	\$ 2,891.4
Held under modified coinsurance agreement	834.6	820.2	818.9	782.8	752.1
Ending balance net of reinsurance	\$ 2,606.4	\$ 2,506.7	\$ 2,437.8	\$ 2,270.1	\$ 2,139.3

⁽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.

Supplemental & Group Benefits | Statement of Operations

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Revenues						
Premiums and contract charges earned	\$ 31.6	\$ 31.7	\$ 32.3	\$ 32.4	\$ 128.0	\$ 133.6
Net investment income	6.2	7.2	6.4	5.4	25.2	18.1
Other income	0.7	0.6	0.6	0.7	2.6	2.8
Total revenues	38.5	39.5	39.3	38.5	155.8	154.5
Benefits and Expenses						
Benefits	10.8	8.8	9.0	9.9	38.5	39.4
Change in reserves and interest credited	(0.4)	1.8	1.2	0.2	2.8	4.9
Operating expenses (includes DAC unlocking and amortization expense)	11.1	11.4	10.7	11.0	44.2	42.7
Intangible asset amortization expense	2.9	2.9	3.0	2.9	11.7	12.6
Total benefits and expenses	24.4	24.9	23.9	24.0	97.2	99.6
Income before income taxes	14.1	14.6	15.4	14.5	58.6	54.9
Income tax expense	2.9	3.1	3.4	3.2	12.6	12.0
Net income ⁽¹⁾	\$ 11.2	\$ 11.5	\$ 12.0	\$ 11.3	\$ 46.0	\$ 42.9
Adjusted core earnings*	\$ 13.5	\$ 13.8	\$ 14.3	\$ 13.7	\$ 55.3	\$ 52.8
Informational Data						
Sales*	\$ 2.2	\$ 2.1	\$ 1.2	\$ 1.0	\$ 6.5	\$ 7.2
Benefits ratio ⁽²⁾	32.8 %	33.3 %	31.7 %	31.0 %	32.2 %	33.2 %
Operating expense ratio ⁽³⁾	28.9 %	28.6 %	27.4 %	28.5 %	28.3 %	27.6 %
Pretax profit margin ⁽³⁾	36.6 %	37.2 %	39.1 %	37.8 %	37.7 %	35.5 %
Policies in force (in thousands)	315	316	319	322	315	326

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

⁽²⁾ Benefits ratio plus change in reserves measured to earned premium.

⁽³⁾ Operating expense ratio and pretax profit margin measured to total revenues.

Supplemental & Group Benefits | Voluntary Product Lines

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Premiums written and contract deposits*	\$ 31.2	\$ 30.9	\$ 31.7	\$ 31.6	\$ 125.3	\$ 130.3
Informational Data						
Sales*	\$ 2.2	\$ 2.0	\$ 1.2	\$ 1.0	\$ 6.4	\$ 7.2
Benefits ratio ⁽¹⁾	31.6 %	33.9 %	31.3 %	30.9 %	31.9 %	33.0 %
Operating expense ratio ⁽²⁾	28.0 %	27.7 %	26.5 %	27.6 %	27.5 %	26.7 %
Pretax profit margin ⁽²⁾	38.4 %	37.6 %	40.0 %	38.7 %	38.7 %	36.4 %
Premium persistency (rolling 12 months)	92.5 %	92.2 %	90.7 %	91.5 %	92.5 %	90.5 %
Policies in force (in thousands)	278	280	282	284	278	287

⁽¹⁾ Benefits ratio plus change in reserves measured to earned premium.

⁽²⁾ Operating expense ratio and pretax profit margin measured to total revenues.

Supplemental & Group Benefits | Employer-Paid Product Lines

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Premiums written and contract deposits*	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
Informational Data						
Sales*	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
Benefits ratio ⁽¹⁾	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
Operating expense ratio ⁽²⁾	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
Pretax profit margin ⁽²⁾	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
Premium persistency (rolling 12 months)	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.
Policies in force (in thousands)	N.M.	N.M.	N.M.	N.M.	N.M.	N.M.

N.M. - Not meaningful.

⁽¹⁾ Benefits ratio plus change in reserves measured to earned premium.

⁽²⁾ Operating expense ratio and pretax profit margin measured to total revenues.

Corporate & Other Segment | Statements of Operations

(\$ in millions, amounts are net of consolidating eliminations)		Three Months Ended				Year Ended	
		Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Revenues							
Net investment income	\$	(0.6)	\$ (0.6)	\$ (0.6)	\$ (0.6)	\$ (2.4)	\$ (2.4)
Other income		0.6	0.6	0.4	0.3	1.9	2.9
Total revenues		—	—	(0.2)	(0.3)	(0.5)	0.5
Expenses							
Interest expense		3.5	3.4	3.5	3.4	13.8	14.8
Debt retirement costs		—	—	—	—	—	—
Other operating expenses		4.2	2.2	2.6	1.6	10.6	5.9
Total expenses		7.7	5.6	6.1	5.0	24.4	20.7
Loss before income taxes		(7.7)	(5.6)	(6.3)	(5.3)	(24.9)	(20.2)
Income tax benefit		(1.4)	(1.1)	(1.3)	(1.1)	(4.9)	(5.1)
Loss after tax	\$	(6.3)	\$ (4.5)	\$ (5.0)	\$ (4.2)	\$ (20.0)	\$ (15.1)
Net investment gains (losses) pretax ⁽¹⁾		(0.4)	(6.5)	4.9	(9.0)	(11.0)	(2.3)
Tax on net investment gains (losses) ⁽¹⁾		(0.1)	(1.4)	1.0	(1.9)	(2.4)	(0.6)
Net investment gains (losses) after tax ⁽¹⁾		(0.3)	(5.1)	3.9	(7.1)	(8.6)	(1.7)
Net income (loss)	\$	(6.6)	\$ (9.6)	\$ (1.1)	\$ (11.3)	\$ (28.6)	\$ (16.8)

⁽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.

Investment Earnings Before Taxes Consolidated

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Net Investment Income						
Fixed maturity securities ⁽¹⁾						
Taxable	\$ 55.5	\$ 56.9	\$ 56.4	\$ 54.7	\$ 223.5	\$ 219.7
Tax-exempt	2.9	2.9	3.0	3.3	12.1	13.2
Total fixed maturity securities	58.4	59.8	59.4	58.0	235.6	232.9
Equity securities	1.5	1.4	1.3	1.1	5.3	4.7
Policy loans	2.3	2.3	2.4	2.3	9.3	9.2
Commercial mortgage loan funds	4.0	3.4	2.0	2.2	11.6	3.2
Limited partnership interests	23.9	13.4	21.0	9.1	67.4	17.7
Short-term investments and other	0.8	0.5	0.5	0.5	2.3	2.1
Investment income	90.9	80.8	86.6	73.2	331.5	269.8
Investment expense	2.8	2.7	2.5	2.1	10.1	9.5
Total net investment income - investment portfolio	88.1	78.1	84.1	71.1	321.4	260.3
Investment income - Deposit asset on reinsurance	26.0	25.6	25.1	24.4	101.1	97.3
Total gross investment income	\$ 114.1	\$ 103.7	\$ 109.2	\$ 95.5	\$ 422.5	\$ 357.6
Investment yield, pretax - annualized ⁽²⁾	5.61 %	4.97 %	5.36 %	4.57 %	5.12 %	4.28 %
Investment yield, after tax - annualized ⁽²⁾	4.46 %	3.96 %	4.27 %	3.64 %	4.08 %	3.42 %
Investment yield on fixed income portfolio, pretax - annualized ⁽²⁾	4.27 %	4.30 %	4.25 %	4.16 %	4.25 %	4.23 %
Investment yield on fixed income portfolio, after tax - annualized ⁽²⁾	3.40 %	3.43 %	3.40 %	3.31 %	3.39 %	3.38 %
Portfolio Net Investment Income by Segment						
Property & Casualty	\$ 17.3	\$ 11.3	\$ 21.7	\$ 10.8	\$ 61.1	\$ 42.6
Life & Retirement	65.2	60.2	56.6	55.5	237.5	202.0
Supplemental & Group Benefits	6.2	7.2	6.4	5.4	25.2	18.1
Corporate & Other, including intersegment eliminations	(0.6)	(0.6)	(0.6)	(0.6)	(2.4)	(2.4)
Total net investment income	\$ 88.1	\$ 78.1	\$ 84.1	\$ 71.1	\$ 321.4	\$ 260.3
Net Investment Gains (Losses)						
Gross realized gains	\$ 8.8	\$ 7.0	\$ 5.8	\$ 3.9	\$ 25.5	\$ 28.7
Gross realized losses, excluding impairment charges	(5.8)	(5.9)	(5.2)	(6.9)	(23.8)	(25.5)
Change in fair value of equity securities	(2.8)	(1.0)	4.3	(2.8)	(2.3)	(0.2)
Impairment charges	(0.6)	(6.6)	—	(3.2)	(10.4)	(5.3)
Total net investment gains (losses)	\$ (0.4)	\$ (6.5)	\$ 4.9	\$ (9.0)	\$ (11.0)	\$ (2.3)

⁽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.

Composition of Invested Assets Consolidated

(\$ in millions)	December 31, 2021		September 30, 2021		June 30, 2021		March 31, 2021		December 31, 2020	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Fixed maturity securities, at fair value ⁽¹⁾	\$ 6,239.3	83.7 %	\$ 6,512.0	86.5 %	\$ 6,555.0	86.4 %	\$ 6,356.3	86.9 %	\$ 6,345.3	87.4 %
Equity securities, at fair value	147.2	2.0 %	152.3	2.0 %	145.7	1.9 %	140.0	1.9 %	121.6	1.7 %
Policy loans, at outstanding balance	142.1	1.9 %	143.9	1.9 %	145.5	1.9 %	147.6	2.0 %	150.1	2.1 %
Commercial mortgage loan funds	346.8	4.7 %	265.9	3.5 %	254.8	3.4 %	197.3	2.7 %	149.6	2.0 %
Limited partnership interests	366.0	4.9 %	349.5	4.7 %	330.9	4.4 %	307.9	4.2 %	299.4	4.1 %
Short-term investments and other	208.1	2.8 %	107.7	1.4 %	155.6	2.0 %	164.0	2.3 %	196.2	2.7 %
Total investments	\$ 7,449.5	100.0 %	\$ 7,531.3	100.0 %	\$ 7,587.5	100.0 %	\$ 7,313.1	100.0 %	\$ 7,262.2	100.0 %
Asset-backed securities	\$ 274.1	4.4 %	\$ 302.7	4.6 %	\$ 336.7	5.1 %	\$ 362.3	5.7 %	\$ 361.5	5.7 %
Collateralized loan obligations	669.1	10.7 %	687.8	10.6 %	671.4	10.2 %	675.0	10.6 %	689.7	10.9 %
Commercial mortgage-backed securities	310.3	5.0 %	318.5	4.9 %	328.6	5.0 %	329.5	5.2 %	343.4	5.4 %
Corporate	2,432.3	39.0 %	2,495.6	38.3 %	2,453.1	37.4 %	2,238.7	35.2 %	2,168.0	34.2 %
Municipal	1,703.4	27.3 %	1,775.5	27.3 %	1,799.1	27.5 %	1,768.1	27.8 %	1,827.5	28.8 %
Residential mortgage-backed securities	484.2	7.7 %	523.0	8.0 %	509.8	7.8 %	524.4	8.3 %	522.0	8.2 %
U.S. Treasuries and government agencies	365.9	5.9 %	408.9	6.3 %	456.3	7.0 %	458.3	7.2 %	433.2	6.8 %
Total fixed maturity securities	\$ 6,239.3	100.0 %	\$ 6,512.0	100.0 %	\$ 6,555.0	100.0 %	\$ 6,356.3	100.0 %	\$ 6,345.3	100.0 %
U.S. government/government agencies	\$ 1,064.9	17.1 %	\$ 1,139.0	17.5 %	\$ 1,166.1	17.8 %	\$ 1,166.3	18.4 %	\$ 1,150.3	18.1 %
AAA	624.4	10.0 %	634.0	9.7 %	661.8	10.1 %	714.9	11.2 %	712.2	11.2 %
AA	1,244.0	19.9 %	1,325.8	20.4 %	1,349.1	20.6 %	1,308.0	20.6 %	1,410.5	22.2 %
A	1,082.7	17.3 %	1,098.7	16.9 %	1,147.2	17.5 %	1,125.4	17.7 %	1,188.8	18.8 %
BBB	1,326.8	21.3 %	1,433.5	22.0 %	1,440.7	22.0 %	1,368.2	21.5 %	1,353.1	21.3 %
BB and below, includes securities not rated	896.5	14.4 %	881.0	13.5 %	790.1	12.0 %	673.5	10.6 %	530.4	8.4 %
Total fixed maturity securities	\$ 6,239.3	100.0 %	\$ 6,512.0	100.0 %	\$ 6,555.0	100.0 %	\$ 6,356.3	100.0 %	\$ 6,345.3	100.0 %
Investments by Segment										
Property & Casualty	\$ 975.9	13.1 %	\$ 985.3	13.1 %	\$ 1,045.9	13.8 %	\$ 1,030.5	14.1 %	\$ 1,042.9	14.4 %
Life & Retirement	5,790.2	77.7 %	5,860.8	77.8 %	5,853.2	77.1 %	5,631.4	77.0 %	5,579.5	76.8 %
Supplemental & Group Benefits	681.4	9.2 %	683.8	9.1 %	680.1	9.0 %	648.0	8.9 %	636.0	8.7 %
Corporate & Other ⁽²⁾	2.0	— %	1.4	— %	8.3	0.1 %	3.2	— %	3.8	0.1 %
Total investments	\$ 7,449.5	100.0 %	\$ 7,531.3	100.0 %	\$ 7,587.5	100.0 %	\$ 7,313.1	100.0 %	\$ 7,262.2	100.0 %

⁽¹⁾ Amortized cost, net of \$5,797.7, \$6,045.6, \$6,049.4, \$5,992.7, and \$5,788.6, at December 31, 2021, September 30, 2021, June 30, 2021, March 31, 2021, and December 31, 2020, respectively.

⁽²⁾ Corporate & Other segment assets are comprised primarily of short-term investments.

Appendix: 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 comprise 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.

Reconciliations of GAAP Measures to Non-GAAP Measures

(\$ in millions after tax)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Reconciliation of Net Income to Core Earnings and Adjusted Core Earnings						
Net income	\$ 40.5	\$ 16.3	\$ 46.7	\$ 39.3	\$ 142.8	\$ 133.3
Less: Net investment gains (losses)	(0.3)	(5.1)	3.9	(7.1)	(8.6)	(1.7)
Other expense - goodwill and intangible asset impairments	—	—	—	—	—	(8.1)
Core earnings*	\$ 40.8	\$ 21.4	\$ 42.8	\$ 46.4	\$ 151.4	\$ 143.1
Less: DAC unlocking	0.2	(0.6)	(0.3)	(0.5)	(1.2)	(1.7)
Intangible asset amortization	2.6	2.6	2.5	2.6	10.3	11.4
Adjusted core earnings*	\$ 43.6	\$ 23.4	\$ 45.0	\$ 48.5	\$ 160.5	\$ 152.8
Pretax net income	\$ 49.6	\$ 19.0	\$ 58.1	\$ 48.2	\$ 174.9	\$ 159.6
Less: Pretax net investment gains (losses)	(0.4)	(6.5)	4.9	(9.0)	(11.0)	(2.3)
Other expense - goodwill and intangible asset impairments, pretax	—	—	—	—	—	(10.0)
Pretax core earnings*	\$ 50.0	\$ 25.5	\$ 53.2	\$ 57.2	\$ 185.9	\$ 171.9
Less: Pretax DAC unlocking	0.3	(0.8)	(0.4)	(0.6)	(1.5)	(2.1)
Pretax intangible asset amortization	3.2	3.3	3.2	3.3	13.0	14.4
Adjusted pretax core earnings*	\$ 53.5	\$ 28.0	\$ 56.0	\$ 59.9	\$ 197.4	\$ 184.2
Reconciliation of Net Income per Share to Core Earnings per Share and Adjusted Core Earnings per Share on a Basic and Diluted Basis						
Net income per share (basic)	\$ 0.96	\$ 0.39	\$ 1.11	\$ 0.94	\$ 3.40	\$ 3.18
Less: Net investment gains (losses)	(0.01)	(0.12)	0.09	(0.17)	(0.21)	(0.04)
Other expense - goodwill and intangible asset impairments	—	—	—	—	—	(0.19)
Core earnings per share (basic)*	\$ 0.97	\$ 0.51	\$ 1.02	\$ 1.11	\$ 3.61	\$ 3.41
Less: DAC unlocking	—	(0.01)	(0.01)	(0.01)	(0.03)	(0.03)
Intangible asset amortization	0.06	0.06	0.06	0.06	0.24	0.27
Adjusted core earnings per share (basic)*	\$ 1.03	\$ 0.56	\$ 1.07	\$ 1.16	\$ 3.82	\$ 3.65
Net income per share (diluted)	\$ 0.96	\$ 0.39	\$ 1.11	\$ 0.93	\$ 3.39	\$ 3.17
Less: Net investment gains (losses)	(0.01)	(0.11)	0.09	(0.17)	(0.20)	(0.04)
Other expense - goodwill and intangible asset impairments	—	—	—	—	—	(0.19)
Core earnings per share (diluted)*	\$ 0.97	\$ 0.50	\$ 1.02	\$ 1.10	\$ 3.59	\$ 3.40
Less: DAC unlocking	—	(0.01)	(0.01)	(0.01)	(0.03)	(0.03)
Intangible asset amortization	0.06	0.06	0.06	0.06	0.24	0.27
Adjusted core earnings per share (diluted)*	\$ 1.03	\$ 0.55	\$ 1.07	\$ 1.15	\$ 3.80	\$ 3.64

Reconciliations of GAAP Measures to Non-GAAP Measures

(\$ in millions after tax)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Reconciliation of Life & Retirement Net Income to Core Earnings and Adjusted Core Earnings						
Net income	\$ 21.4	\$ 19.1	\$ 16.5	\$ 11.4	\$ 68.4	\$ 30.7
Less: Net investment gains (losses)	—	—	—	—	—	—
Other expense - goodwill and intangible asset impairments	—	—	—	—	—	(8.1)
Core earnings*	\$ 21.4	\$ 19.1	\$ 16.5	\$ 11.4	\$ 68.4	\$ 38.8
Less: DAC unlocking	0.2	(0.6)	(0.3)	(0.5)	(1.2)	(1.6)
Intangible asset amortization	0.3	0.3	0.2	0.2	1.0	1.4
Adjusted core earnings*	\$ 21.9	\$ 18.8	\$ 16.4	\$ 11.1	\$ 68.2	\$ 38.6
Reconciliation of Supplemental & Group Benefits Net Income to Core Earnings and Adjusted Core Earnings						
Net income	\$ 11.2	\$ 11.5	\$ 12.0	\$ 11.3	\$ 46.0	\$ 42.9
Less: Net investment gains (losses)	—	—	—	—	—	—
Other expense - goodwill and intangible asset impairments	—	—	—	—	—	—
Core earnings*	\$ 11.2	\$ 11.5	\$ 12.0	\$ 11.3	\$ 46.0	\$ 42.9
Less: DAC unlocking	—	—	—	—	—	—
Intangible asset amortization	2.3	2.3	2.3	2.4	9.3	9.9
Adjusted core earnings*	\$ 13.5	\$ 13.8	\$ 14.3	\$ 13.7	\$ 55.3	\$ 52.8

Reconciliations of GAAP Measures to Non-GAAP Measures

(\$ in millions)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Reconciliation of Return on Equity						
Average Shareholders' Equity						
Shareholders' equity	\$ 1,807.4	\$ 1,796.4	\$ 1,816.6	\$ 1,692.9	\$ 1,807.4	\$ 1,790.1
Net unrealized investment gains on fixed maturity securities	290.7	306.9	332.2	243.6	290.7	366.3
Five quarter average shareholders' equity	1,780.7	1,762.3	1,731.0	1,663.2	1,780.7	1,638.1
Two quarter average shareholders' equity	1,801.9	1,806.5	1,754.8	1,741.5	1,798.8	1,678.7
Five quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,472.7	1,446.9	1,421.1	1,392.4	1,472.7	1,370.0
Two quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,503.1	1,487.0	1,466.9	1,436.6	1,470.3	1,380.4
Net Income Return on Equity - LTM						
Numerator: LTM net income	\$ 142.8	\$ 150.1	\$ 170.3	\$ 154.1	\$ 142.8	\$ 133.3
Denominator: Five quarter average shareholders' equity	1,780.7	1,762.3	1,731.0	1,663.2	1,780.7	1,638.1
Net income ROE - LTM	8.0 %	8.5 %	9.8 %	9.3 %	8.0 %	8.1 %
Net Income Return on Equity - Annualized						
Numerator: Annualized net income	\$ 162.0	\$ 65.2	\$ 186.8	\$ 157.2	\$ 142.8	\$ 133.3
Denominator: Two quarter average shareholders' equity	1,801.9	1,806.5	1,754.8	1,741.5	1,798.8	1,678.7
Net income ROE - Annualized	9.0 %	3.6 %	10.6 %	9.0 %	7.9 %	7.9 %
Core Return on Equity - LTM						
Numerator: LTM core earnings	\$ 151.4	\$ 158.1	\$ 171.3	\$ 156.5	\$ 151.4	\$ 143.1
Denominator: Five quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,472.7	1,446.9	1,421.1	1,392.4	1,472.7	1,370.0
Core ROE - LTM	10.3 %	10.9 %	12.1 %	11.2 %	10.3 %	10.5 %
Core Return on Equity - Annualized						
Numerator: Annualized core earnings	\$ 163.2	\$ 85.6	\$ 171.2	\$ 185.6	\$ 151.4	\$ 143.1
Denominator: Two quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,503.1	1,487.0	1,466.9	1,436.6	1,470.3	1,380.4
Core ROE - Annualized	10.9 %	5.8 %	11.7 %	12.9 %	10.3 %	10.4 %
Adjusted Core Return on Equity - LTM						
Numerator: LTM adjusted core earnings	\$ 160.5	\$ 166.9	\$ 180.1	\$ 162.3	\$ 160.5	\$ 152.8
Denominator: Five quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,472.7	1,446.9	1,421.1	1,392.4	1,472.7	1,370.0
Adjusted core ROE - LTM	10.9 %	11.5 %	12.7 %	11.7 %	10.9 %	11.2 %
Adjusted Core Return on Equity - Annualized						
Numerator: Annualized adjusted core earnings	\$ 174.4	\$ 93.6	\$ 180.0	\$ 194.0	\$ 160.5	\$ 152.8
Denominator: Two quarter average shareholders' equity excluding net unrealized investment gains on fixed maturity securities	1,503.1	1,487.0	1,466.9	1,436.6	1,470.3	1,380.4
Adjusted core ROE - Annualized	11.6 %	6.3 %	12.3 %	13.5 %	10.9 %	11.1 %

Reconciliations of GAAP Measures to Non-GAAP Measures

(\$ in millions)	Twelve Months Ended			
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Reconciliation of Book Value per Common Share to Adjusted Book Value per Common Share and Tangible Book Value per Common Share				
Shareholders' equity	\$ 1,807.4	\$ 1,796.4	\$ 1,816.6	\$ 1,692.9
Less: Net unrealized investment gains on fixed maturity securities	290.7	306.9	332.2	243.6
Adjusted common shareholders' equity	1,516.7	1,489.5	1,484.4	1,449.3
Less: Goodwill	43.5	43.5	43.5	43.5
Other intangible assets	145.4	148.7	151.9	155.2
Impact of deferred taxes	(0.5)	(0.4)	(0.3)	(0.2)
Tangible shareholders' equity	\$ 1,328.3	\$ 1,297.7	\$ 1,289.3	\$ 1,250.8
Common shares outstanding	41.4	41.5	41.5	41.5
Book value per share	\$ 43.66	\$ 43.30	\$ 43.78	\$ 40.83
Adjusted book value per share*	36.64	35.90	35.78	34.95
Tangible book value per share*	32.09	31.28	31.07	30.17
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	\$ 502.6	\$ 388.6	\$ 413.5	\$ 437.4
Denominator:				
Total debt	502.6	388.6	413.5	437.4
Common shareholders' equity	1,807.4	1,796.4	1,816.6	1,692.9
Total capital	2,310.0	2,185.0	2,230.1	2,130.3
Debt to total capitalization	21.8 %	17.8 %	18.5 %	20.5 %
Debt to total capitalization excluding net unrealized investment gains on fixed maturity securities				
Numerator: Total debt	\$ 502.6	\$ 388.6	\$ 413.5	\$ 437.4
Denominator:				
Total debt	502.6	388.6	413.5	437.4
Common shareholders' equity	1,807.4	1,796.4	1,816.6	1,692.9
Less: Net unrealized investment gains on fixed maturity securities	290.7	306.9	332.2	243.6
Adjusted common shareholders' equity	2,019.3	1,878.1	1,897.9	1,886.7
Debt to total capitalization excluding net unrealized investment gains on fixed maturity securities	24.9 %	20.7 %	21.8 %	23.2 %

Reconciliations of GAAP Measures to Non-GAAP Measures

(\$ in millions after tax)	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Reconciliation of Investment Yield on Fixed Income Portfolio						
Numerator:						
Total net investment income, pretax	\$ 114.1	\$ 103.7	\$ 109.2	\$ 95.5	\$ 422.5	\$ 357.6
Less: Investment income on deposit asset on reinsurance	26.0	25.6	25.1	24.4	101.1	97.3
Investment income on limited partnership interests	23.9	13.4	21.0	9.1	67.4	17.7
Investment income on commercial mortgage loan funds	4.0	3.4	2.0	2.2	11.6	3.2
FHLB interest credited	0.8	0.8	0.7	0.6	2.9	5.7
Adjusted net investment income, pretax	59.4	60.5	60.4	59.2	239.5	233.7
Denominator:						
Adjusted investment portfolio, beginning of period ⁽¹⁾	\$ 5,617.0	\$ 5,638.7	\$ 5,723.8	\$ 5,666.0	\$ 5,666.0	\$ 5,425.8
Adjusted investment portfolio, end of period ⁽¹⁾	5,512.6	5,617.0	5,638.7	5,723.8	5,512.6	5,666.0
Average adjusted investment portfolio for the period	5,564.8	5,627.9	5,681.3	5,694.9	5,589.3	5,545.9
Investment yield on fixed income portfolio, pretax - annualized ⁽²⁾	4.27 %	4.30 %	4.25 %	4.16 %	4.25 %	4.23 %
Investment yield on fixed income portfolio, after tax - annualized ⁽²⁾⁽³⁾	3.40 %	3.43 %	3.40 %	3.31 %	3.39 %	3.38 %

⁽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, 2021 and 2020 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 on fixed income portfolio, after tax - annualized is calculated using the effective tax rate in effect for each applicable period.

Reconciliations of GAAP Measures to Non-GAAP Measures

	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Operating Ratios - Property & Casualty						
Property & Casualty						
Claims and claims expense ("loss") ratio	71.6	84.5	73.5	60.8	72.5	66.3
Expense ratio	28.3	27.5	25.7	25.4	26.7	26.4
Combined ratio	99.9	112.0	99.2	86.2	99.2	92.7
Loss ratio	71.6	84.5	73.5	60.8	72.5	66.3
Less: Effect of catastrophe losses	7.2	25.1	11.3	7.0	12.7	13.0
Effect of prior years' reserve development ⁽¹⁾	—	(2.0)	(2.7)	—	(1.2)	(1.6)
Underlying loss ratio*	64.4	61.4	64.9	53.8	61.0	54.9
Reconciliation of combined ratio to underlying combined ratio						
Combined ratio	99.9	112.0	99.2	86.2	99.2	92.7
Effect of catastrophe losses	7.2	25.1	11.3	7.0	12.7	13.0
Effect of prior years' reserve development ⁽¹⁾	—	(2.0)	(2.7)	—	(1.2)	(1.6)
Underlying combined ratio*	92.7	88.9	90.6	79.2	87.7	81.3
Auto						
Claims and claims expense ("loss") ratio	79.9	71.5	67.6	59.1	69.4	61.2
Expense ratio	28.5	27.7	25.7	25.1	26.7	26.8
Combined ratio	108.4	99.2	93.3	84.2	96.1	88.0
Loss ratio	79.9	71.5	67.6	59.1	69.4	61.2
Less: Effect of catastrophe losses	0.6	2.9	2.6	0.3	1.6	1.3
Effect of prior years' reserve development ⁽¹⁾	—	(2.0)	(3.0)	—	(1.2)	(0.5)
Underlying loss ratio*	79.3	70.6	68.0	58.8	69.0	60.4
Reconciliation of combined ratio to underlying combined ratio						
Combined ratio	108.4	99.2	93.3	84.2	96.1	88.0
Effect of catastrophe losses	0.6	2.9	2.6	0.3	1.6	1.3
Effect of prior years' reserve development ⁽¹⁾	—	(2.0)	(3.0)	—	(1.2)	(0.5)
Underlying combined ratio*	107.8	98.3	93.7	83.9	95.7	87.2

⁽¹⁾ (Favorable) unfavorable.

Reconciliations of GAAP Measures to Non-GAAP Measures

	Three Months Ended				Year Ended	
	Dec. 31, 2021	Sept. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
Operating Ratios - Property & Casualty (Cont.)						
Property						
Claims and claims expense ("loss") ratio	56.6	108.9	84.8	64.1	78.5	76.1
Expense ratio	28.1	27.2	26.0	26.0	26.9	25.9
Combined ratio	84.7	136.1	110.8	90.1	105.4	102.0
Loss ratio	56.6	108.9	84.8	64.1	78.5	76.1
Less: Effect of catastrophe losses	19.3	67.3	27.9	20.1	33.6	35.5
Effect of prior years' reserve development ⁽¹⁾	—	(1.9)	(2.3)	—	(1.0)	(3.7)
Underlying loss ratio*	37.3	43.5	59.2	44.0	45.9	44.3
Reconciliation of combined ratio to underlying combined ratio						
Combined ratio	84.7	136.1	110.8	90.1	105.4	102.0
Effect of catastrophe losses	19.3	67.3	27.9	20.1	33.6	35.5
Effect of prior years' reserve development ⁽¹⁾	—	(1.9)	(2.3)	—	(1.0)	(3.7)
Underlying combined ratio*	65.4	70.7	85.2	70.0	72.8	70.2

⁽¹⁾ (Favorable) unfavorable.

Ratings and Contact Information

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April 4, 2022	Insurance Financial Strength Ratings (Outlook)		Debt Ratings (Outlook)		Affirmed/ Reviewed
A.M. Best					
HMEC (parent company)	N.A.		bbb	(stable)	7/14/2021
HMEC's Life & Retirement subsidiaries	A	(stable)	N.A.		7/14/2021
HMEC's Property & Casualty subsidiaries	A	(stable)	N.A.		7/14/2021
HMEC's Supplemental & Group Benefits subsidiaries					
Madison National Life Insurance Company	A-	(stable)	N.A.		2/9/2022
National Teachers Associates Life Insurance Company	A	(stable)	N.A.		7/14/2021
Fitch	A	(stable)	BBB	(stable)	9/14/2021
Moody's	A2	(stable)	Baa2	(stable)	10/28/2021
S&P	A	(stable)	BBB	(stable)	2/14/2022

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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.