

Second Quarter 2023 Investor Presentation

August 1, 2023



Safe Harbor Statement and Non-GAAP Measures

Certain statements included in this presentation, including those regarding our earnings outlook, expected catastrophe losses, our investment strategies, our plans to implement additional rate actions, our plans relating to share repurchases and dividends, our efforts to enhance customer experience and expand our products and solutions to more educators, our strategies to create sustainable long-term growth and double-digit ROEs, our strategy to achieve a larger share of the education market, and other business strategies, constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are made based on management's current expectations and beliefs concerning future developments and their potential effects upon Horace Mann and its subsidiaries. Horace Mann cautions investors that such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond Horace Mann's control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking statements included in this document. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the "Risk Factors" and "Forward-Looking Information" sections included in Horace Mann's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission (SEC). The forward-looking statements herein are subject to the risk, among others, that we will be unable to execute our strategy because of market or competitive conditions or other factors. Horace Mann does not undertake to update any particular forward-looking statement included in this document if we later become aware that such statement is not likely to be achieved.

The historical and forward-looking financial information contained in this presentation includes measures marked with an asterisk (*) 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, adjusted core earnings and adjusted book value per share. An explanation of these measures is contained in the Glossary of Selected Terms included as Exhibit 99.1 in our most recent Form 8-K 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 most current Investor Supplement available on our website at investors.horacemann.com.

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

Longevity

- 1945: Founded by Educators for Educators to sell auto insurance
- 1961: Began offering 403(b) tax-qualified annuities
- 1991: Listed on NYSE (HMN)
- 2019: Acquired educator-centric NTA Life with 50-year history serving educators
- 2022: Acquired educator-centric Madison National Life with 60 years of experience

Financial strength

- \$13.4B in assets⁽¹⁾
- \$1.4B in net premium and contract deposits for 2022
- \$1.2B market capitalization⁽²⁾
- Highly rated by all four major rating agencies

Niche market

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

Multiline model

- 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

(1) As of December 31, 2022

(2) Based on stock price as of July 31, 2023

(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.

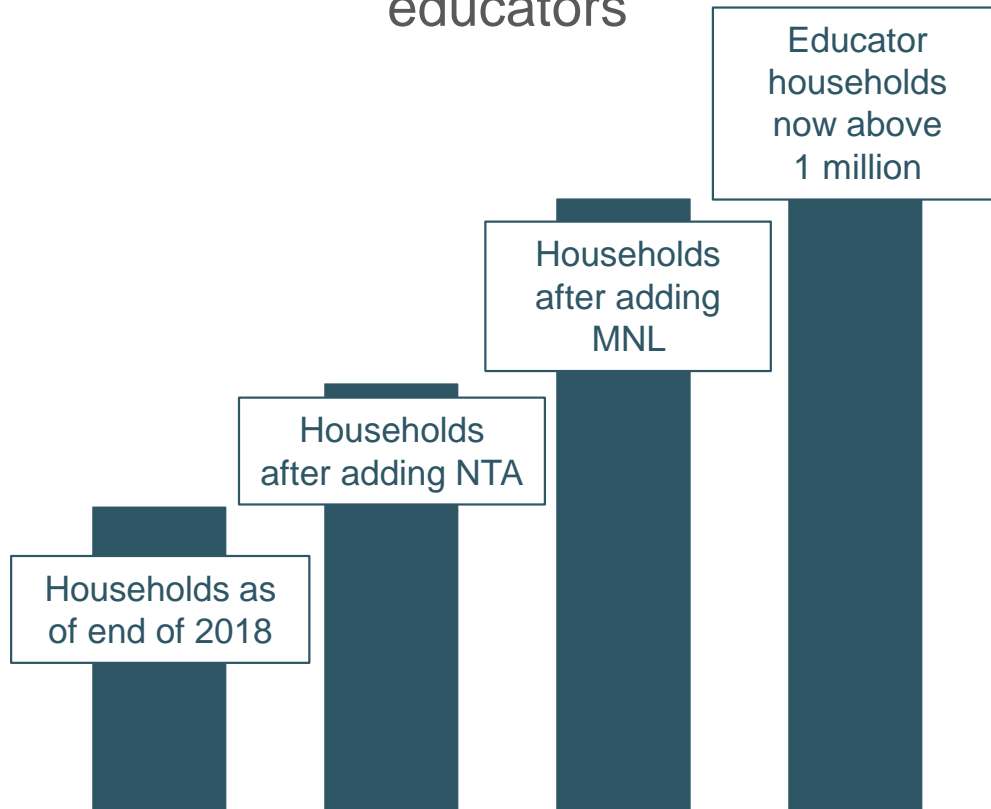
Value Proposition

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.

Driving shareholder value growth through business diversification and cross-sell

K-12 educator market offers substantial growth potential with additional opportunities in adjacent markets of others who serve the community

Market share has climbed to approximately 15% of K-12 educators



- Business diversification expands customer reach through retail and worksite channels
 - Three organizations with decades of commitment to educators, enhancing reputation and brand recognition of “Horace Mann Companies”
 - Expanded distribution channels allows educators to engage with Horace Mann the way they choose
 - Expanded product set aligns with educator needs throughout life stages
- Positive growth trend with more than 1 million total households across market footprint
- Homogeneous customer set with preferred risk profile and strong policyholder retention
- Positioned for significant cross-sell opportunities over time between product lines

Commitment to making a positive impact extends to all stakeholders

Our ESG commitment is ingrained in long-term strategy and day-to-day operations

We are committed to doing our part to protect the environment, including a **pledge to reach net-zero carbon emissions.**

- Cut Scope 1 and Scope 2 carbon emissions in half since 2019
- Reducing amount of waste at owned location through active recycling programs, replacing building piping and digitizing processes

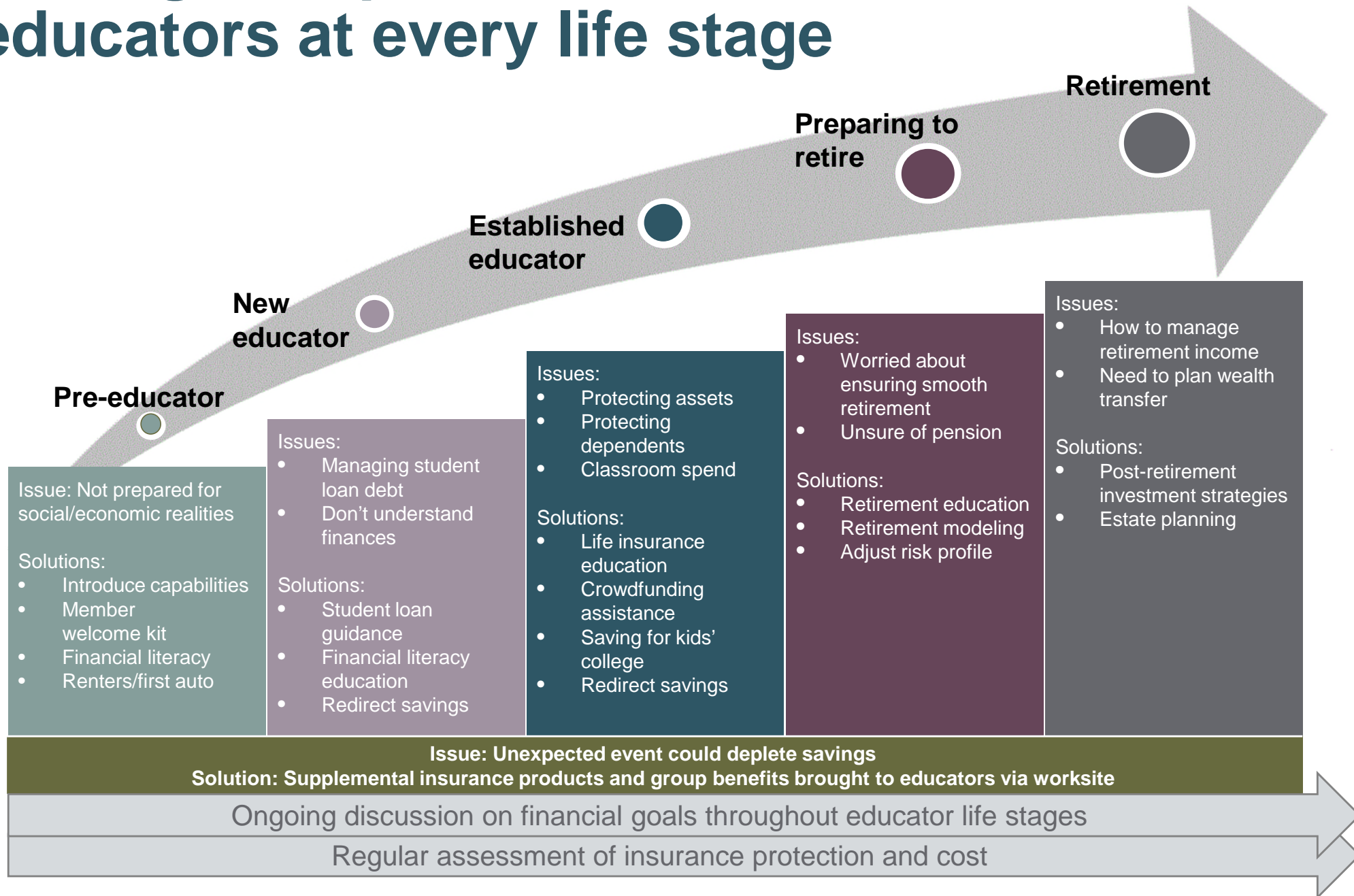
We strive to have a **significant positive social impact on America's educational community,** our employees and the communities in which we live and work.

- Undertaking DEI initiatives to foster an inclusive culture where individual differences are recognized, respected and appreciated
- Contributed nearly \$1 million to charitable causes in 2022 through Horace Mann Educators Foundation and Horace Mann Educators Corporation
- Identified more than \$600 million in Public Service Loan Forgiveness opportunities for educators since 2016

We are committed to following corporate governance best practices to ensure a **financially strong company that operates ethically.**

- Board formally oversees ESG strategy and programs, illustrating the significance of these programs to our company
- Corporate governance policies aligned with long-term shareholder interests
- Incorporated ESG modifier into executive compensation programs to further incentivize key executives to advance ESG initiatives over the long term

Strategic emphasis on solutions tailored for educators at every life stage



Delivering value proposition for educator customers

Focus on 'PDI' provided roadmap for fix-and-build and transformational stages

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

Addition of worksite solutions capped steps taken to implement 'PDI'

Completed key steps while successfully navigating pandemic environment and impact of external events in 2022

FIX AND BUILD: PRE-2019

- Established solutions orientation
- Filled PDI gaps to set stage for profitable growth
- Established direct-to-educators sales channel and added new capabilities with Horace Mann General Agency
- Centralized disparate ESG efforts into a formal Corporate Social Responsibility function

TRANSFORMATION: 2019-2021

Initiated pre-pandemic

- Improved key levers of underlying profitability improvement, including seven-point improvement in underlying auto loss ratio
- Added Supplemental segment: 150,000 households and additional agents with NTA acquisition
- Added infrastructure with acquisition of BCG
- Improved Retirement segment profitability and reduced interest-rate risk with annuity reinsurance transaction
- Optimized investment portfolio

Pivots during pandemic

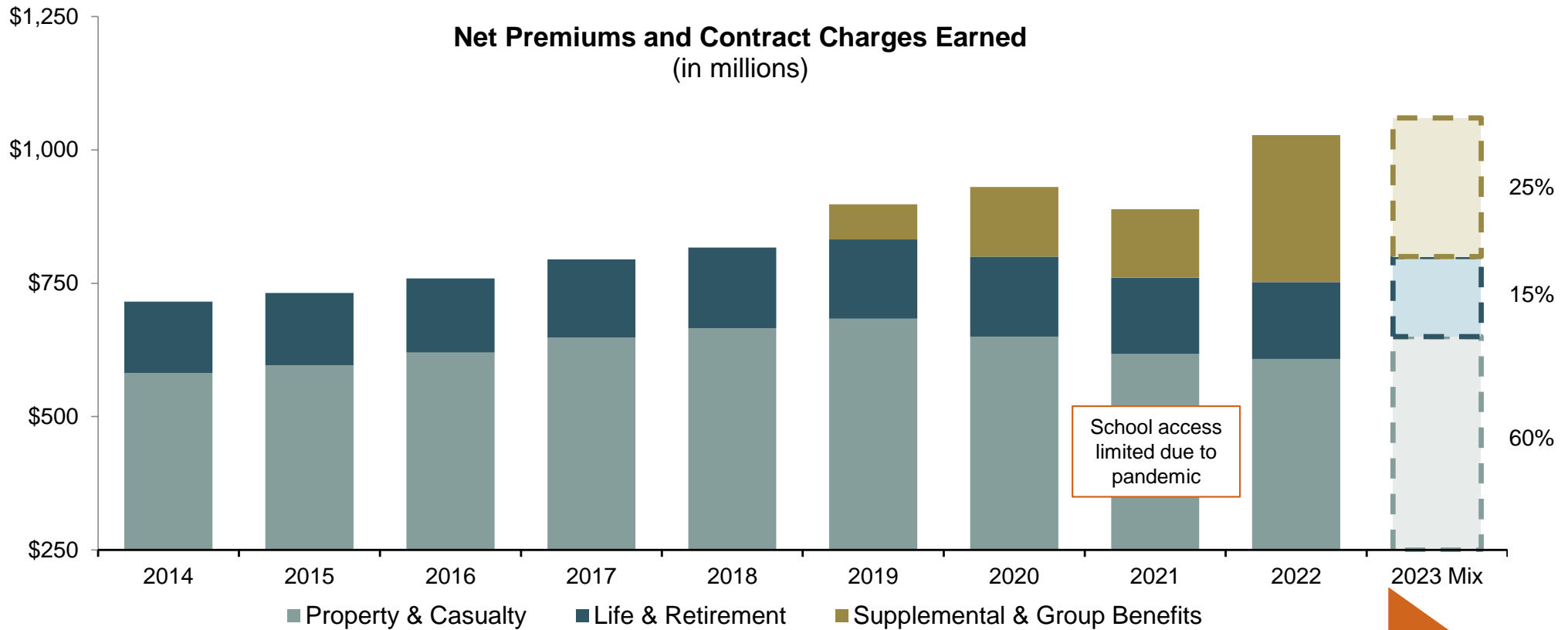
- Optimized and virtualized sales process
- Enhanced worksite capabilities to better serve school districts and administrators
- Invested in agency success and aligned agent resources to provide support needed
- Leveraged roll out of Guidewire administration platform to accelerate growth in key P&C states
- Implemented expense optimization initiatives

LEVERAGE LEADERSHIP: 2022 AND BEYOND

Stage set for return to long-term ROE trajectory with diversification of business base and strengthening of position as the leading provider of education market solutions for both school districts and individual educators

Stage set for accelerated shareholder value creation as market share expands

Largest financial services company focused on meeting the needs of educators and others who serve our communities



PDI implementation in leadership phase to drive strong shareholder value creation

Focus in 2023 and beyond is distribution initiatives to drive market share expansion

Product: Complete

- We have built a robust set of products, relevant to our educator market niche
- Expanded product portfolio to meet educator needs, whether they engage with Horace Mann directly or through their district

Infrastructure: Ongoing

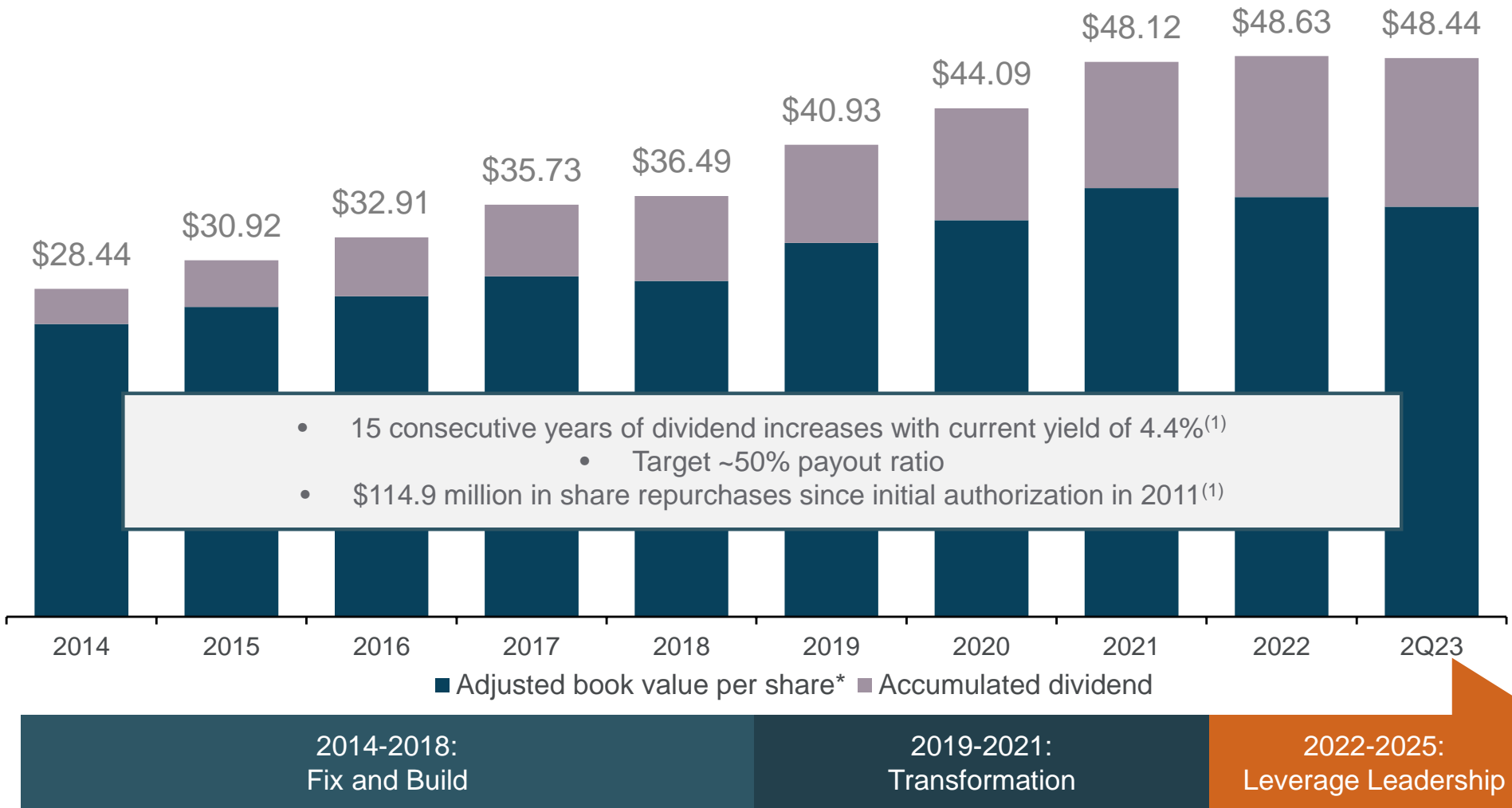
- We have a clear roadmap to systems modernization and a distinctive service mandate to secure “ease of doing business” and scalable infrastructure
- We continue to advance our digital roadmap to support our strategic initiatives

Distribution: Focus

- We have advanced our distribution model and will need to continue to evolve to remain unique and relevant
- Retail distribution focused on trusted advisors working directly with educators
- Worksite leverages independent distribution, including benefit consultants, that support district needs

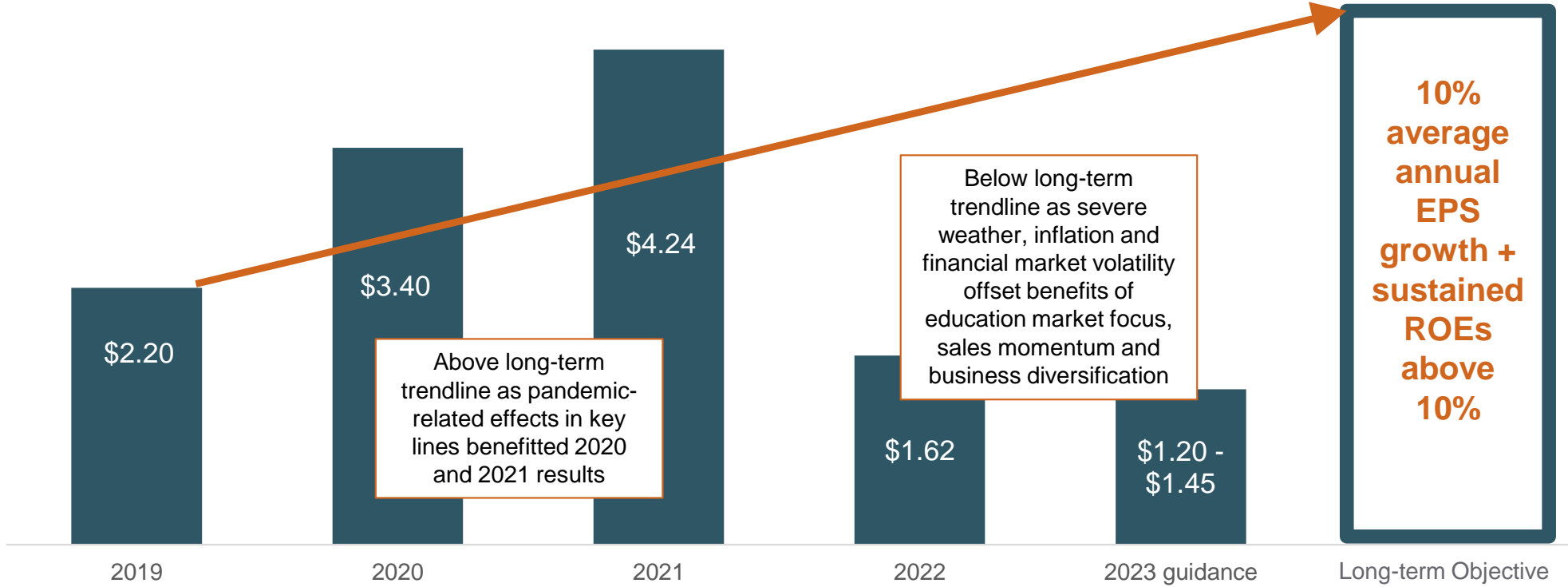
Transformation has driven strong shareholder value creation

7.8% compound annual growth in adjusted book value plus accumulated dividends since 2010



Earnings trajectory illustrates clear path to sustainable double-digit ROE through profitable growth

Core EPS*



2019-2021: Transformation

2022-2025: Leverage Leadership

Our plan:
Smart integration of key transactions while executing on fix and build enhancements and successfully navigating pandemic environment

Our path:
Accelerated shareholder value creation; significantly larger market share – meeting educator needs wherever they are

Diversified business key to return to core ROE near 10% in 2024, despite weather headwinds

2023 core EPS in the range of \$1.20 to \$1.45 (or core earnings of \$50 million to \$60 million) on L&R and S&GB contributions

- Committed to average annual core EPS growth of 10% in 2025 and beyond
- Expect total 2023 net investment income between \$429 million and \$439 million
 - Expect full-year net investment income from the managed portfolio to be between \$325 million and \$335 million
 - Reflects stronger returns from commercial mortgage loan portfolio as well as the benefits of the rising rate environment in floating rate securities over the past 18 months
 - First-half limited partnership returns below 10-year average of 8.5%
- Segment outlook reflects value of business diversification

2023 segment outlook reflects value of business diversification

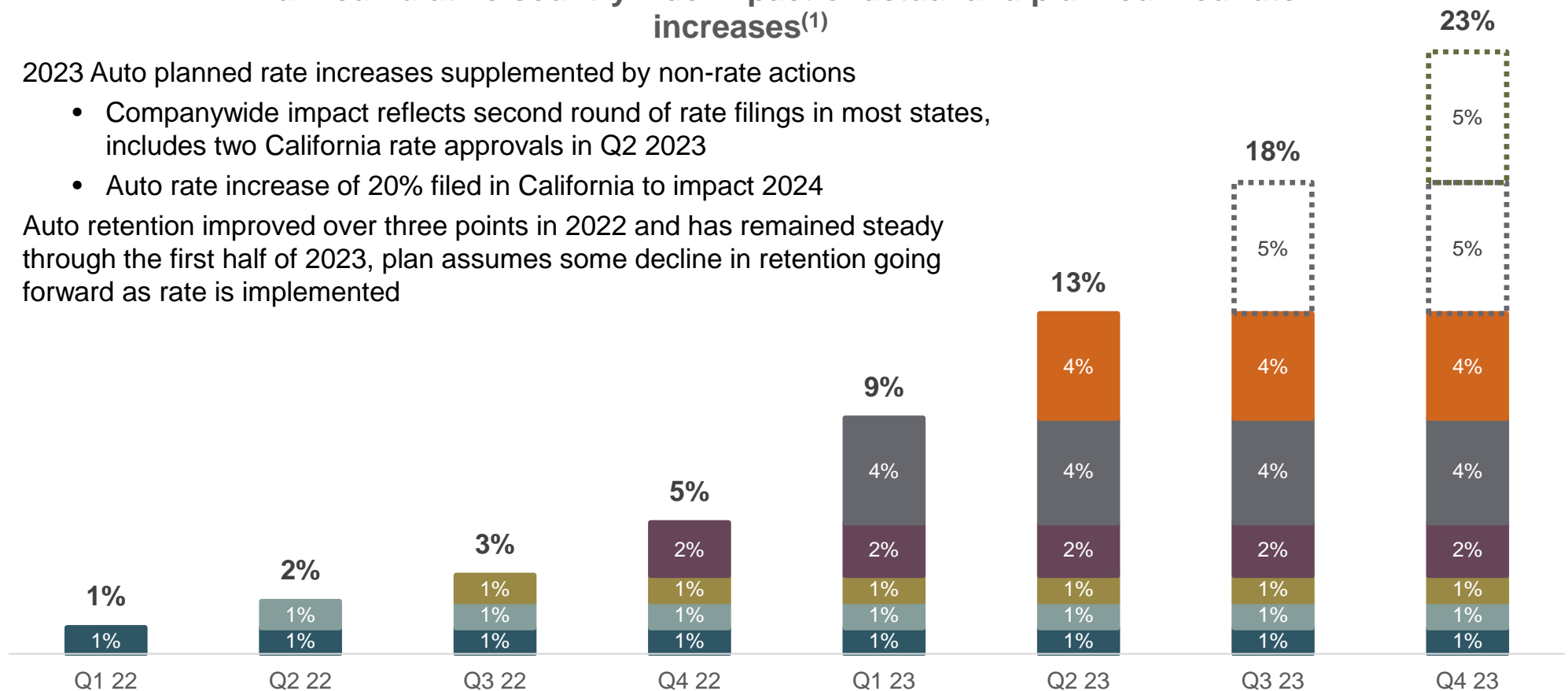
- Updated: Life & Retirement segment core earnings of \$63 million to \$65 million to reflect the lower-than-anticipated first-half fixed annuity spread
 - Longer-term target for fixed annuity spread remains 220 to 230 basis points
 - Continue to anticipate full-year mortality near 2021 levels compared with lower mortality experienced in 2022
- Updated: Supplemental & Group Benefits segment core earnings of \$47 million to \$50 million to reflect strong first-half performance
 - Reflects a strong first-half pretax profit margin due to continued favorable benefit ratios; long-term blended benefit ratios target remains 43%
 - Expect 2023 claims utilization to continue to move towards pre-pandemic levels
 - Continues to reflect an expense ratio in the range of 37% to 38%
- Updated: Property & Casualty segment core loss between \$27 million and \$32 million due to weather losses
 - Now assumes a full-year catastrophe loss contribution of \$95 million to \$100 million, or about 15.5 points to the combined ratio.
 - Expect cumulative auto rate increases of up to 25% by year-end 2023, bolstered by non-rate actions
 - Anticipates average renewal premiums for property to increase by 17% to 20% in 2023, reflecting rate actions and “inflation guard” increases to raise coverage values
 - Longer-term combined ratio target for the segment remains 95% to 96%
 - Longer-term combined ratio target for auto is 97% to 98%
 - Longer-term combined ratio target for property is 92% to 93%

Targeting longer-term auto combined ratio between 97% and 98%

Rate actions nearing 15% since the beginning of 2022; expect rate actions with a cumulative impact that could approximate 25% by year-end 2023

Minimum cumulative countrywide impact of actual and planned filed rate increases⁽¹⁾

- 2023 Auto planned rate increases supplemented by non-rate actions
 - Companywide impact reflects second round of rate filings in most states, includes two California rate approvals in Q2 2023
 - Auto rate increase of 20% filed in California to impact 2024
- Auto retention improved over three points in 2022 and has remained steady through the first half of 2023, plan assumes some decline in retention going forward as rate is implemented



(1) Illustrative only, based on current filing schedule. Timing of regulatory approvals often shift rate actions from one quarter to the next.

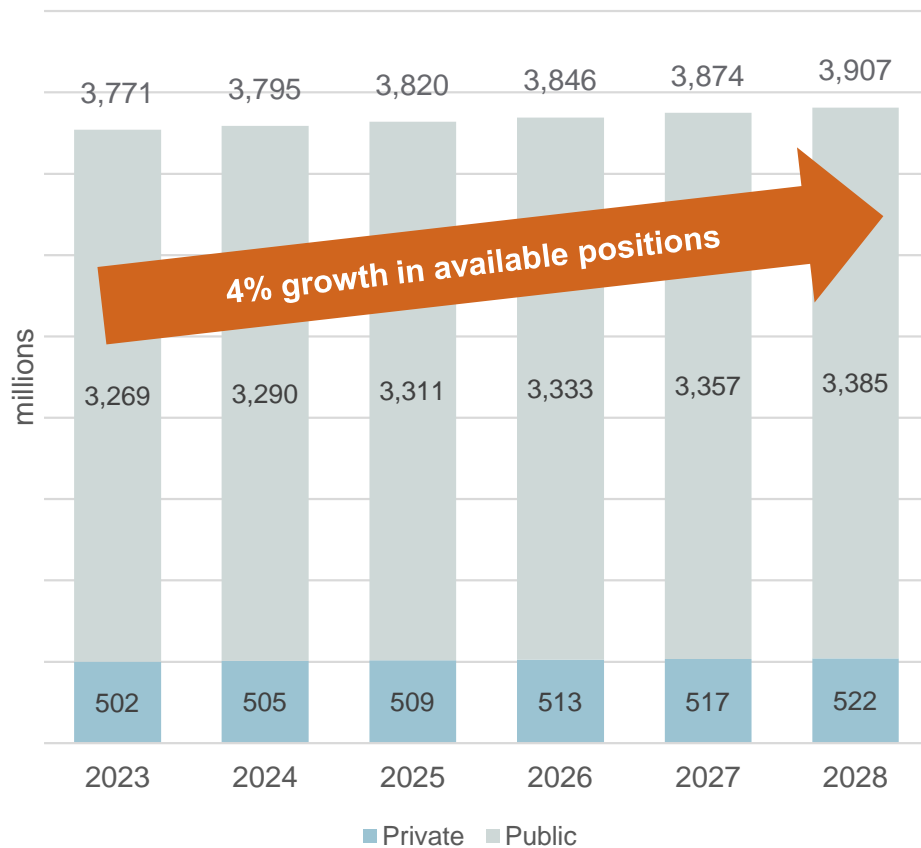
Education market opportunity



Sizeable, growing opportunity in core K-12 education market

Additional opportunities to grow in legacy adjacent markets

U.S. elementary and secondary education teachers, projected⁽¹⁾



- 7.5 million K-12 educators nationwide⁽¹⁾
 - ~3.7M teachers in public and private schools;
 - ~3.1M public school instructional and support staff;
 - ~500,000 private school staff and administrators;
 - ~200,000 public school district administrators
 - Adjacent segments include higher education and students preparing to teach
- Education profession generally insulated from larger job market concerns
- Customer base added through acquisitions over past several years are 80% educators
 - NTA also has long served firefighter community
 - MNL also has long served other public employees

K-12 education a homogeneous market with similar customer characteristics and goals

Reachable through both retail and worksite channels

Responsible, risk-adverse and loyal

- Strong desire for guidance and education
- Committed to protecting retirement needs and dependents
- Live close to work; seldom drive during rush hour or inclement weather
- Loyalty results in strong retention

Dedicated to students

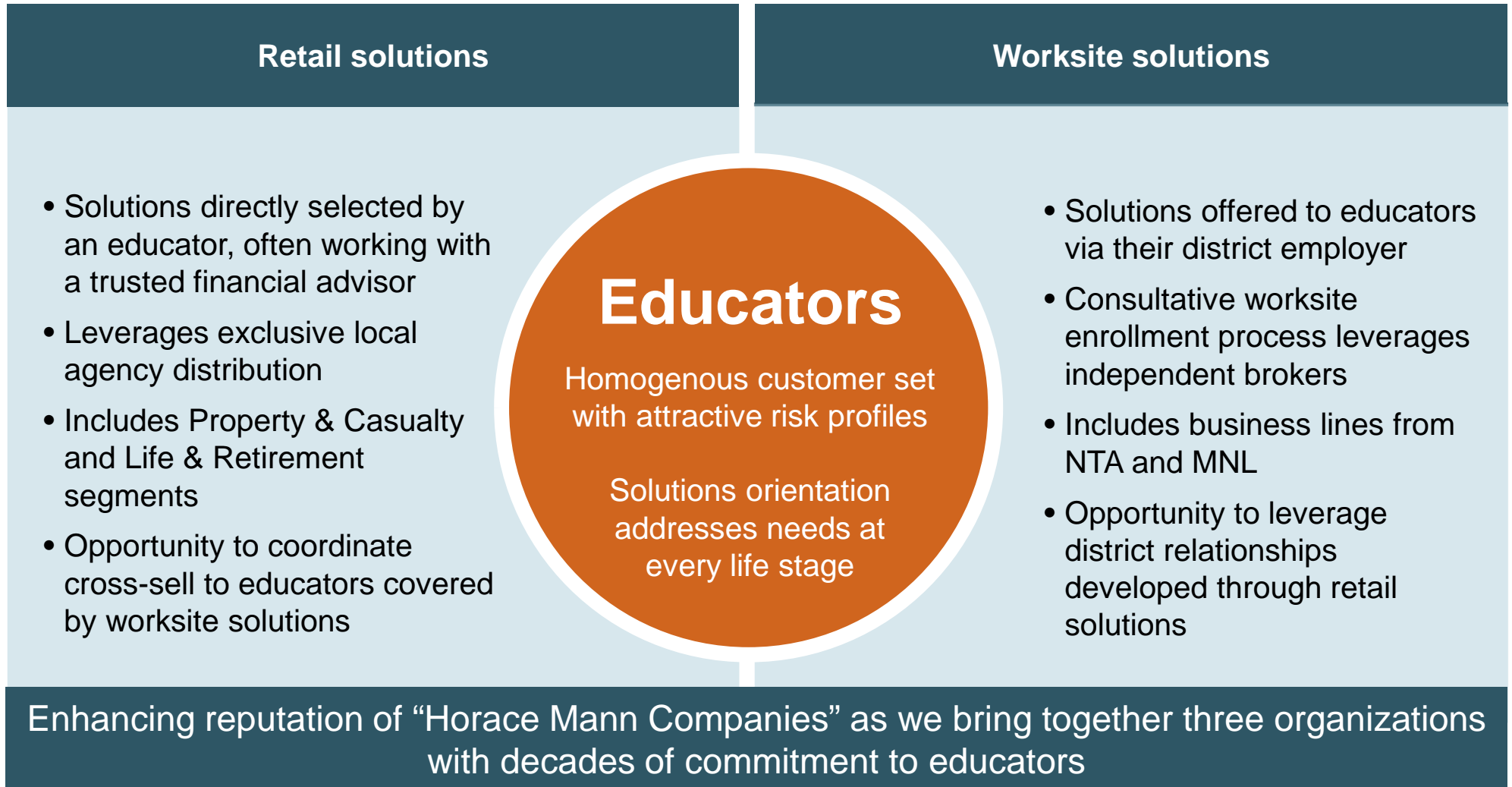
- Passion for education and helping students prepare for the future
- Put in hours of work outside school hours to meet individual student needs
- Choose to forego more lucrative private sector jobs to make a difference

Desire to improve educator total compensation

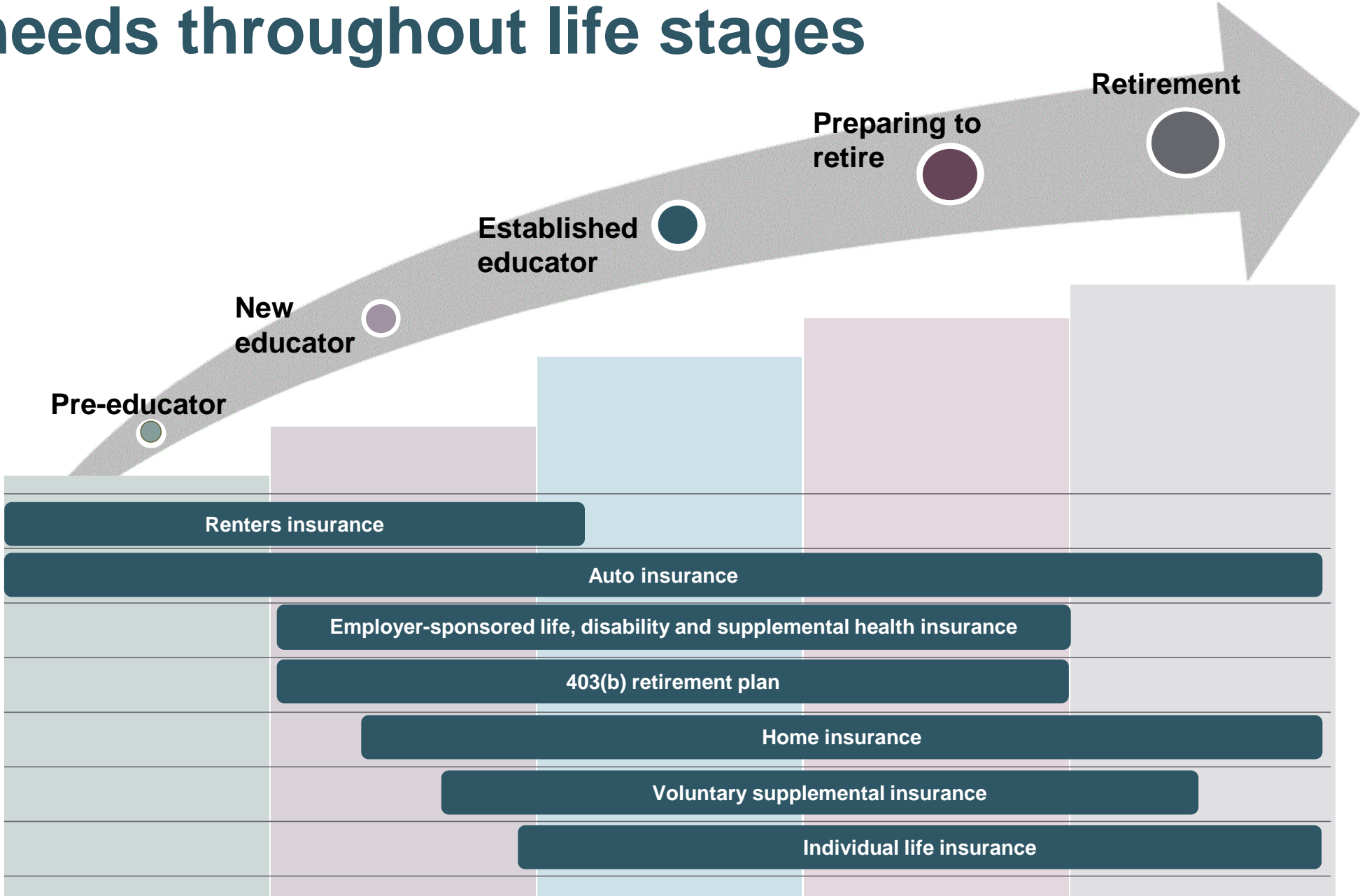
- Need for K-12 educators continues to grow
- Competing with private sector for talent
- State and local budgets often dictate educator salaries
- Benefits valuable recruitment and retention tools for school districts

Increased relevance for educators

Helping educators protect what they have today and prepare for a successful tomorrow

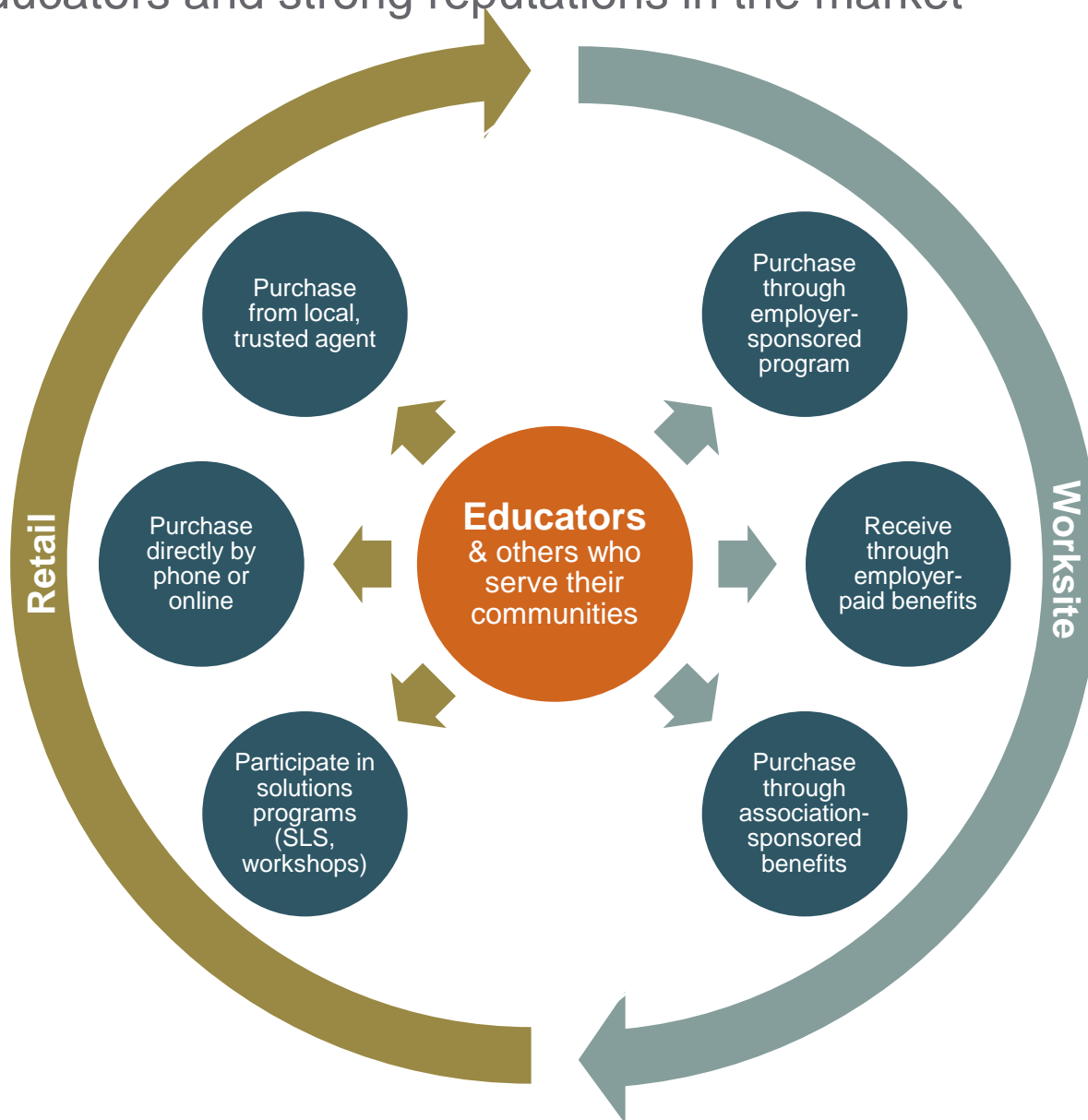


Expanded product set aligns with educator needs throughout life stages



Expanded distribution allows educators to engage with Horace Mann the way they choose

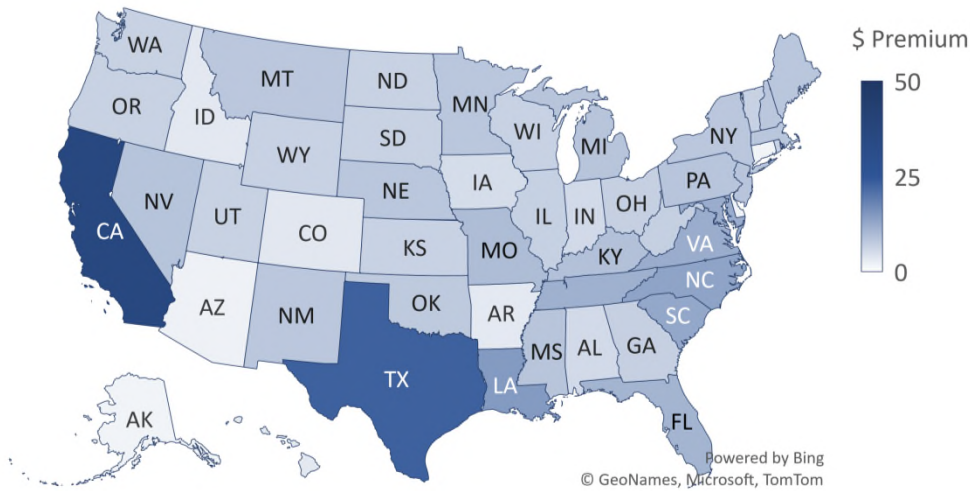
“Horace Mann Companies” brings together three organizations with decades of commitment to educators and strong reputations in the market



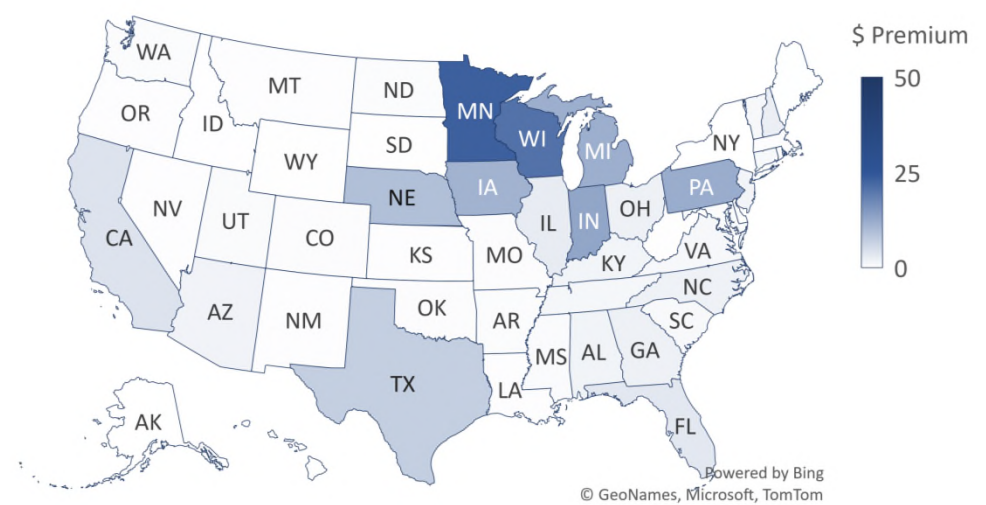
Positioned with significant cross-sell opportunities between worksite product lines

Over time, cross sell with districts reached by retail businesses presents additional upside

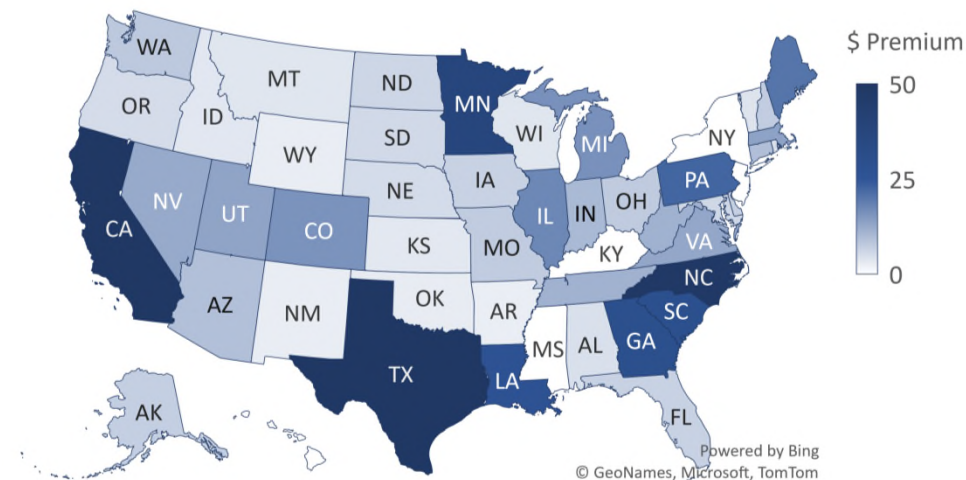
Worksite direct (NTA) 2022 premiums⁽¹⁾



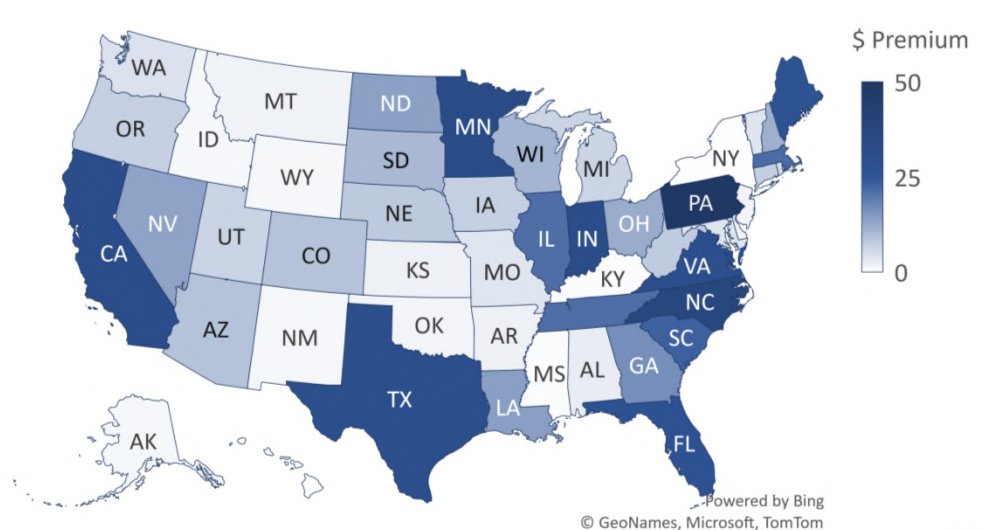
Employer-sponsored (MNL) 2022 premiums⁽¹⁾



Property & Casualty 2022 premiums⁽¹⁾



Life & Retirement 2022 premiums⁽¹⁾



Uniquely positioned to take advantage of education market opportunities

Retail customers:

P&C and L&R
(including third-party)

Natural cross-sell: Our individual retail customers plus worksite direct supplemental customers and SLS users are a natural cross-sell universe for our retail products

Revenue-generating:

Retail customers + direct and employer-sponsored worksite customers

Test and learn: How do we cross-sell individual insurance and financial services products to educators reached through worksite products?

Relationships:

Revenue-generating + Student Loan Solutions

Households: Horace Mann has active relationships with more than one million educator households

Prospects:

Relationships + previously quoted educators, event attendees, website visitors, social media followers, etc.

Brand awareness: Leveraging reputation of “Horace Mann Companies” with decades of commitment to educators

Total addressable market:

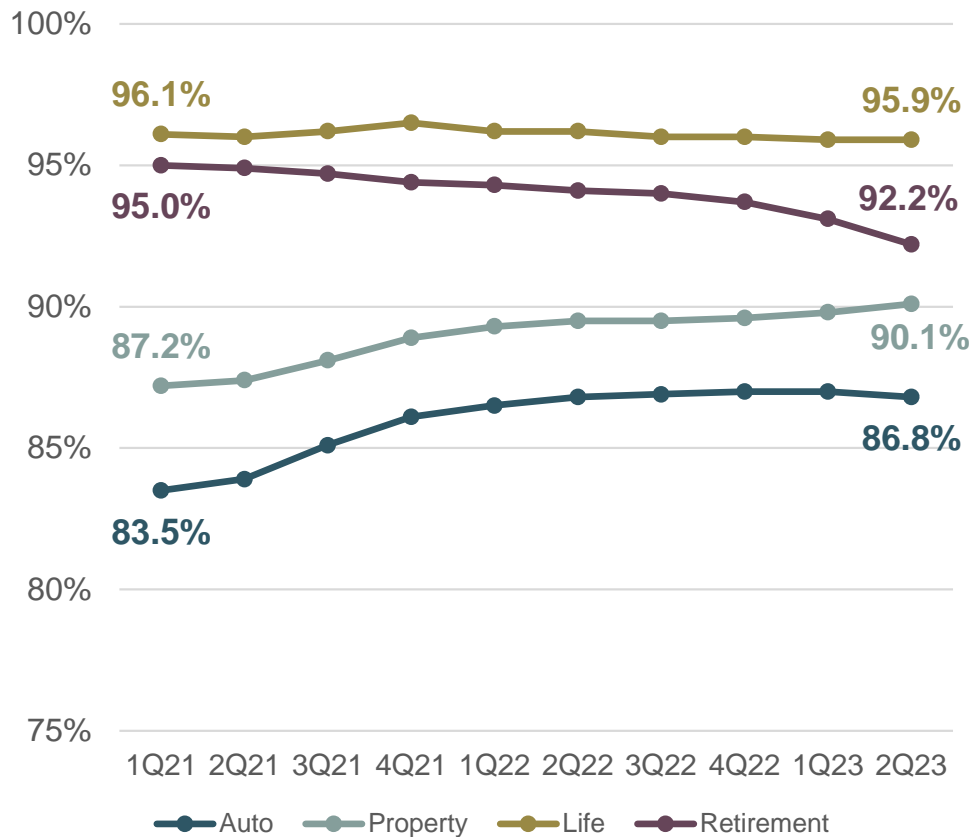
~7.5M educators (including our prospects) plus selected others who serve the community

Market opportunity:

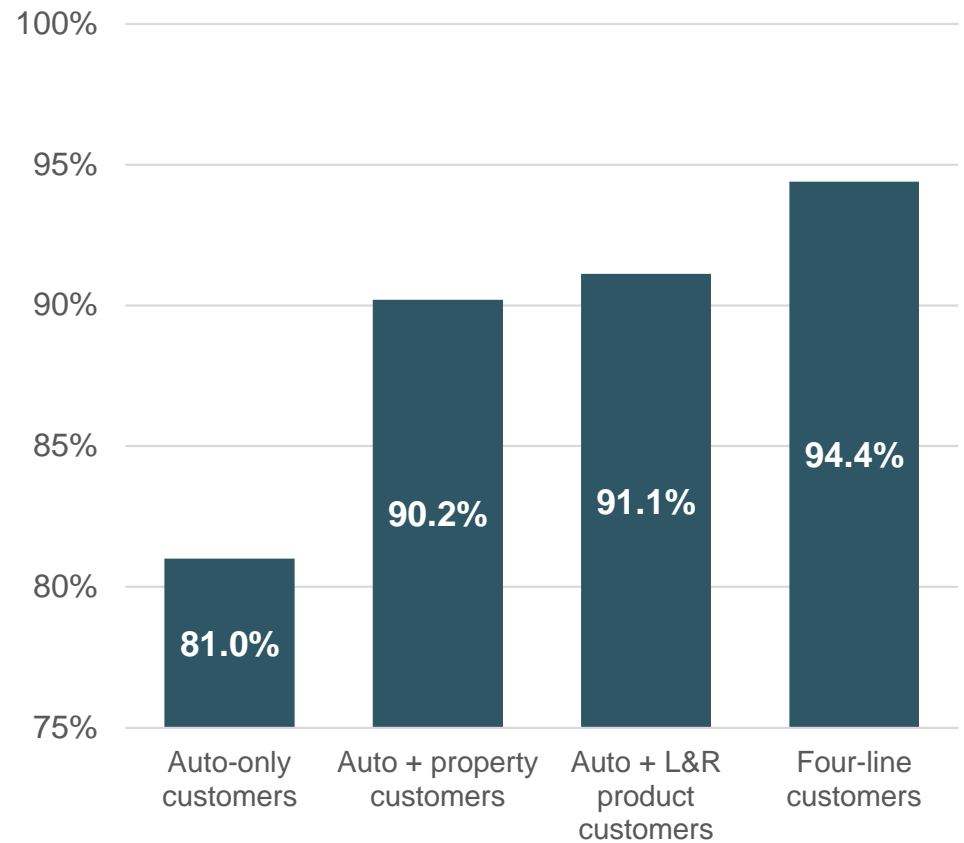
Need for public K-12 educators growing steadily

Strong retention across retail business lines illustrates value proposition for educators

Retail customer retention



Auto customer retention breakdown

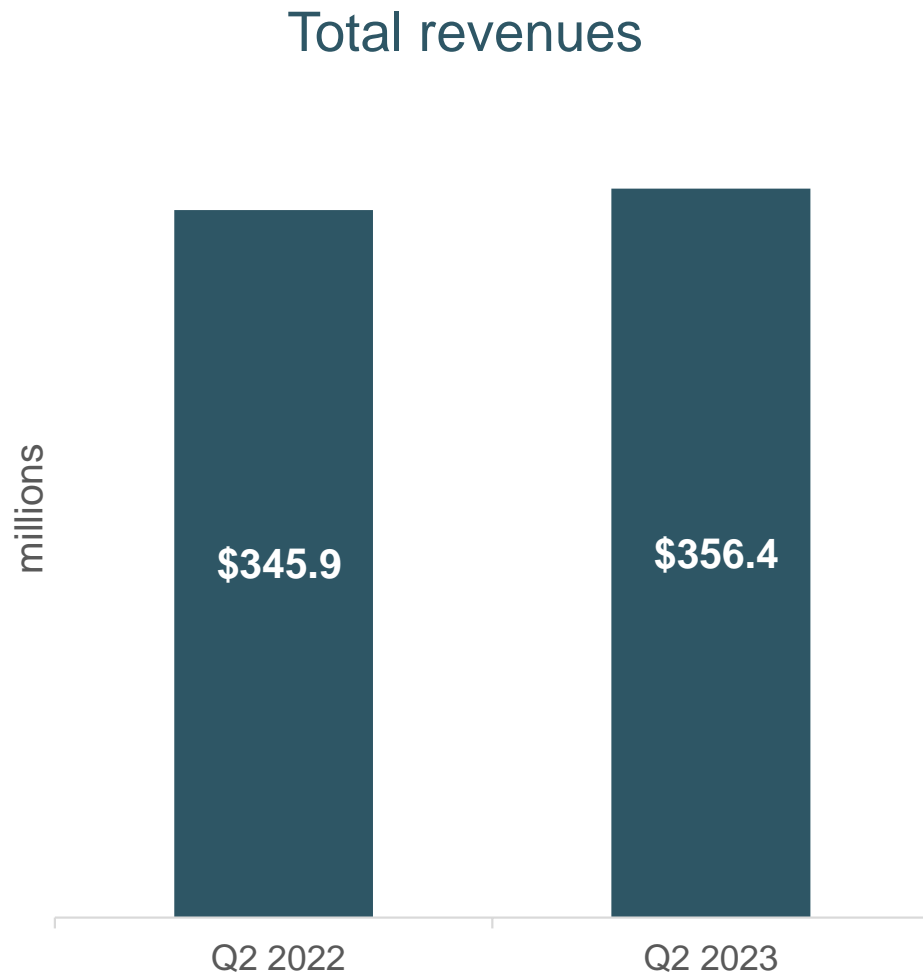


Business details and results



Diversified business delivered core EPS of \$0.03 despite continued elevated catastrophe losses

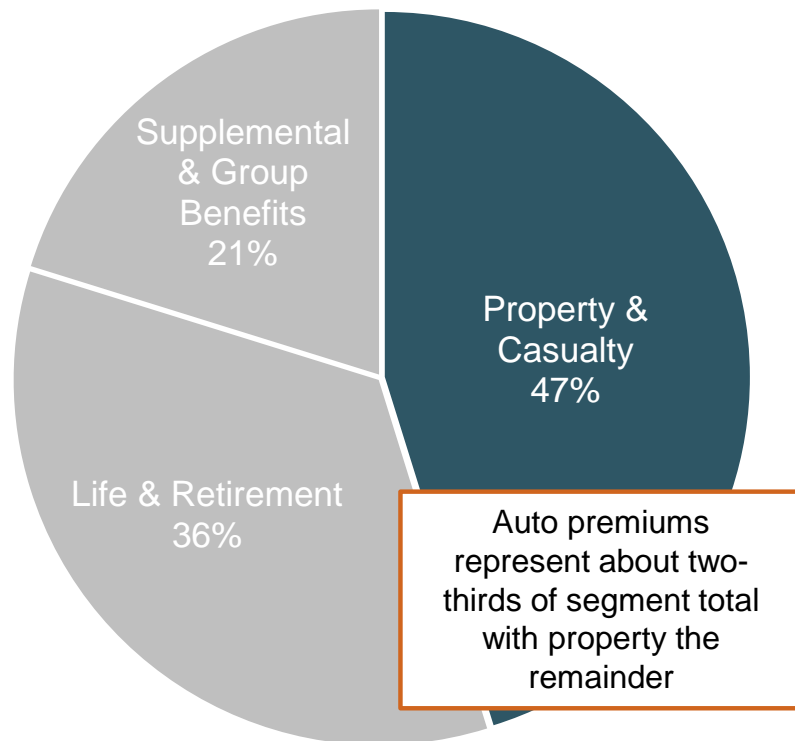
Household acquisition momentum continues with sales growth in both Retail and Worksite divisions



- Q2 net loss of \$0.31 per share and core earnings of \$0.03 per share
 - Strong Life & Retirement and Supplemental & Group Benefit segment core earnings offset impact of lower-than-anticipated Property & Casualty segment core earnings largely due to weather losses
 - Rate actions in auto and property businesses continue to be on track to full-year plan; catastrophe losses reduced 2Q23 Property & Casualty segment earnings by \$41.5 million (pretax), slightly below the \$45.7 million (pretax) in 2Q22
- Full-year 2023 core EPS now expected to be in the range of \$1.20 to \$1.45; remain confident in the longer-term outlook for sustainable double-digit ROEs

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

Horace Mann 2022 revenues⁽¹⁾



Products

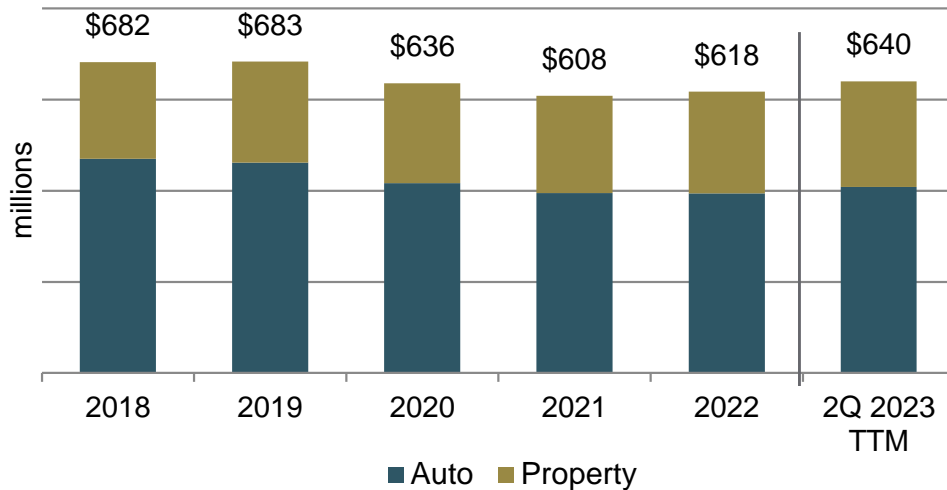
- Auto, homeowners, renters and umbrella
- Majority of P&C business is bundled auto and home
- Partnerships through Horace Mann General Agency

Strategy

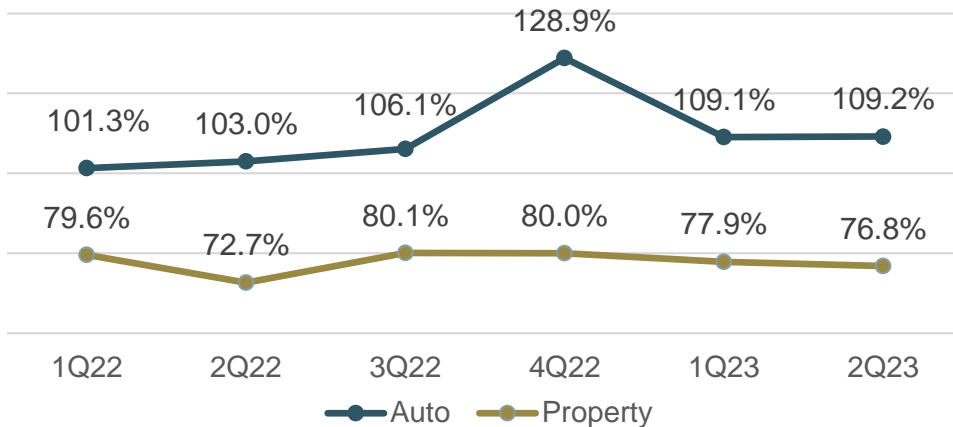
- Continuous improvement of P&C pricing segmentation
- Grow direct channel
- Modernize P&C infrastructure to enhance customer experience and ease of doing business

P&C segment: Long-term profitability targets unchanged as rate and non-rate underwriting actions take effect

Net Premiums Written*



Underlying combined ratio⁽¹⁾



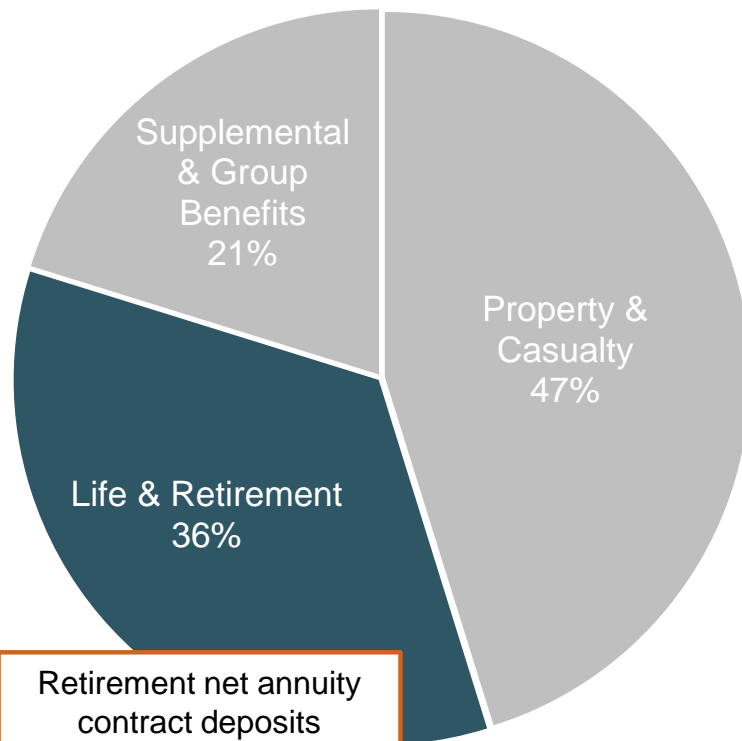
Q2 results

- Segment core loss reflected elevated catastrophe losses in line with preliminary announcement
 - Catastrophe losses contributed 26.3 points, below the 30.5 points in 2Q22
 - Auto underlying loss ratio largely reflected the ongoing impact of loss cost factors being addressed in rate and non-rate underwriting actions
 - Property underlying loss ratio in line with 1Q23
- Segment net investment income was up over 2Q22, as returns on the limited partnership portfolio normalized from last year
- Net premiums written up 8.2% over 2Q22
- Policyholder retention remains strong in both auto, at 86.8%; and property, at 90.1%

(1) Combined ratio excluding catastrophe losses and prior year's reserve development

Life & Retirement: Helping educators and their families plan for a strong financial future

Horace Mann 2022 revenues⁽¹⁾



Retirement net annuity contract deposits represent about three-quarters of segment

Products

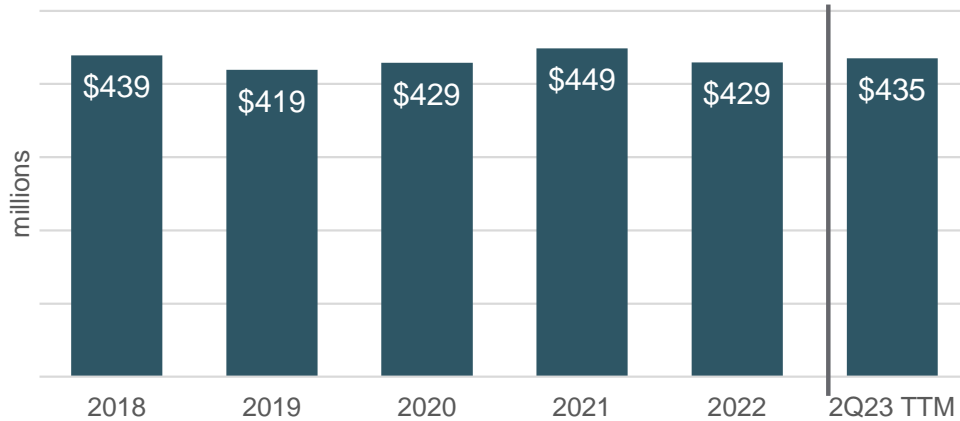
- 403(b) tax-qualified fixed, fixed index and variable annuities
- Horace Mann Retirement Advantage[®] open architecture platform for 403(b)(7) and other defined contribution plans
- Traditional term and whole life insurance products appropriate for educator income levels

Strategy

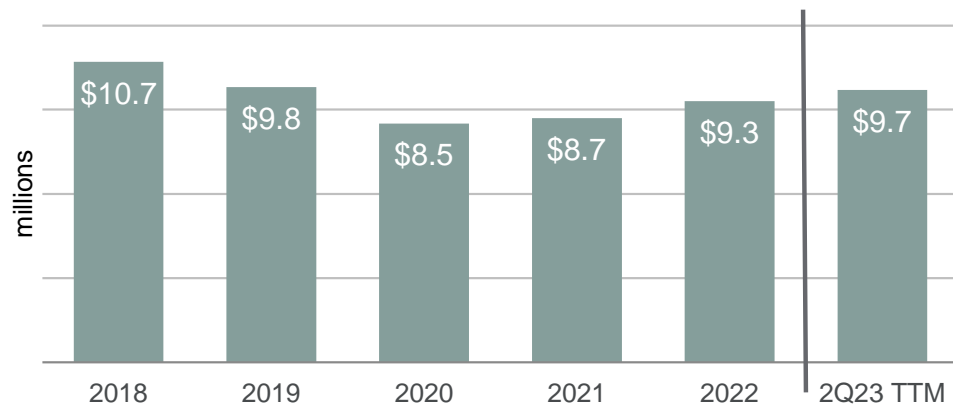
- Leverage captive agents to build relationships with homogeneous set of customers
- Improve ease of doing business, including use of automated underwriting tools to reduce time to issue policies

Life & Retirement: Longer-term target for fixed annuity spread remains 220-230 points

Net annuity contract deposits*



Life annualized sales

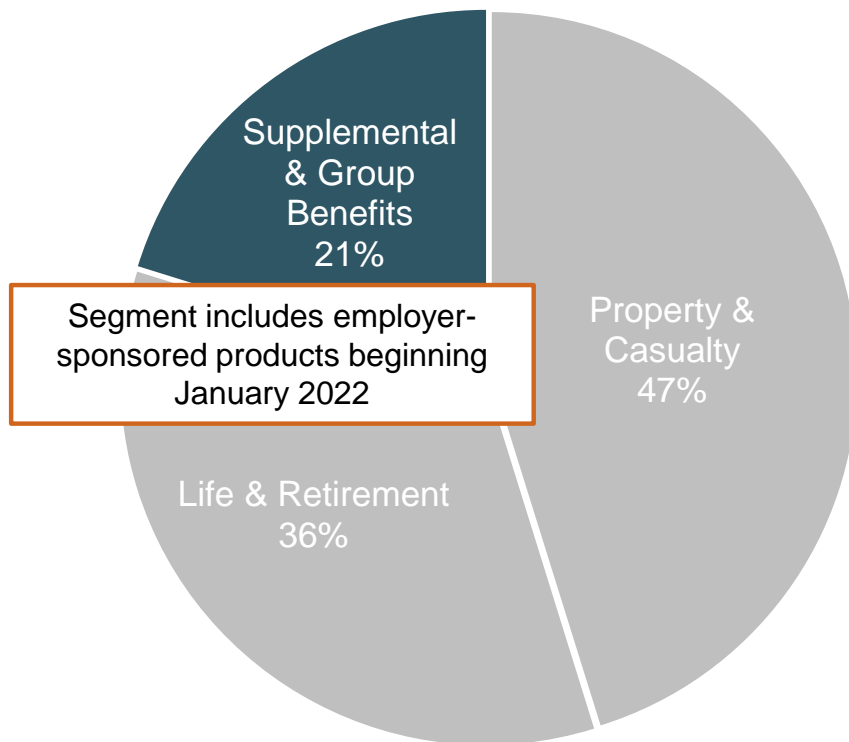


Q2 results

- Segment core earnings of \$17.4 million
 - Lower net investment income from the segment's limited partnership fund portfolio contributed to net interest spread on fixed annuity business of 203 basis points in 2Q23
 - Total benefit expense declined as favorable market rate benefit adjustments for Retirement more than offset a marginal increase in Life mortality experience
- Retirement net annuity contract deposits up 8.3% over 2Q22
- Assets under administration of \$8.6 billion, including Horace Mann Retirement Advantage[®] and other advisory and recordkeeping assets
- Annuity persistency at 92.2%

Supplemental & Group Benefits segment: Providing options to address unexpected events

Horace Mann 2022 revenues⁽¹⁾



Products

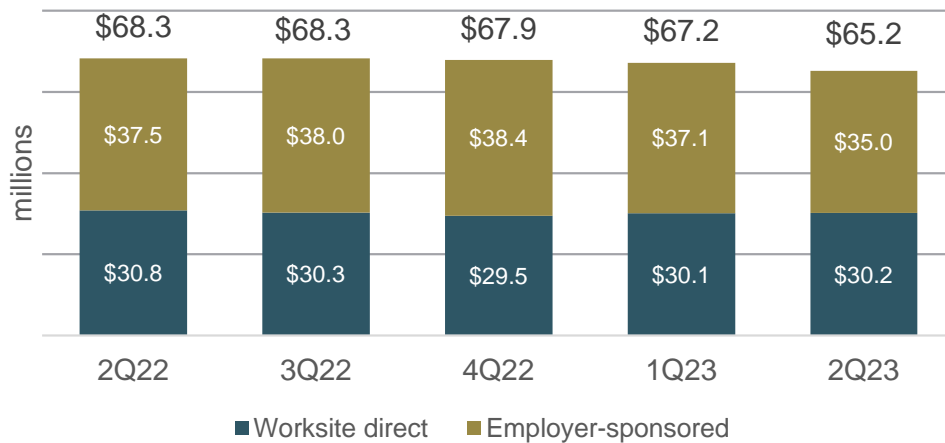
- Individual limited benefit products that are guaranteed renewable and portable
 - Products include cancer, heart, hospital and accident as well as short-term supplemental disability
- Group life, disability and specialty health insurance provided through district employers

Strategy

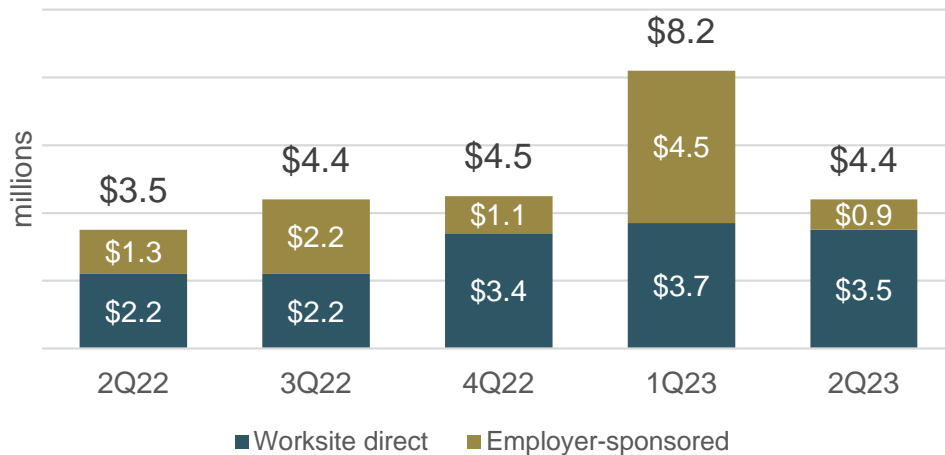
- Reach educators wherever they get their protection and financial services solutions
- Assist districts with attracting and retaining staff
- Leverage awareness of “Horace Mann Companies” across all businesses

Supplemental & Group Benefits: Delivers strong first-half performance

Net Premiums Written and Contract Deposits*



Sales*



Q2 Results

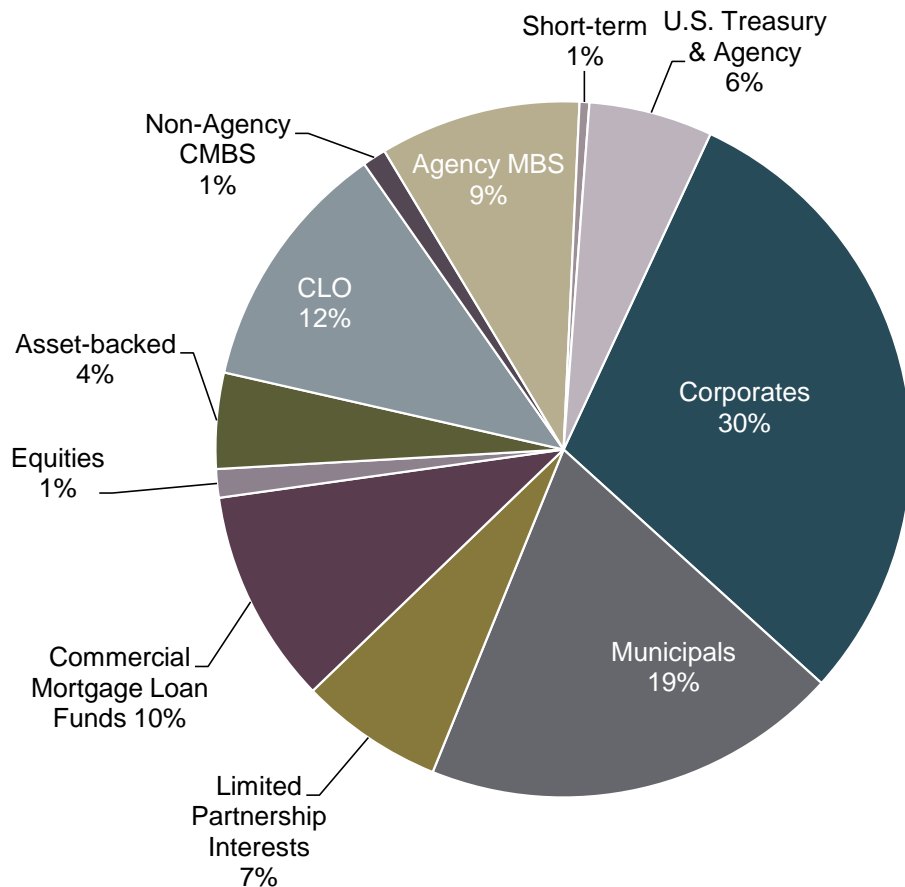
- Segment core earnings of \$11.8 million
 - Higher benefit ratio for employer-sponsored product lines in 2Q23 versus last year's relatively low ratio
 - Segment net investment income of \$9.1 million for the quarter slightly below prior year due to lower returns in limited partnership portfolio
- Strong second-quarter sales of \$4.4 million
 - 2Q23 sales of worksite direct products were up 59.1%, to \$3.5 million; worksite direct persistency remaining strong at 90.5%
 - 2Q23 sales of employer-sponsored products were \$0.9 million, reflecting normal seasonality

High-quality, well-diversified investment portfolio

Constructed to support insurance liabilities through various market cycles

Portfolio composition⁽¹⁾

\$6.5 billion fair value



- **\$5.2 billion fixed-maturity portfolio**

- 70% A-rated or higher
- A+ weighted-average credit quality
- <3% below-investment grade exposure⁽²⁾
- 7.1 average duration⁽³⁾
- 4.20% Q2 core pre-tax yield⁽⁴⁾
- 5.91% Q2 core new money yield⁽⁴⁾

- **\$643 million commercial mortgage loan fund portfolio**

- 10% target portfolio allocation – fully allocated
- Majority of exposure is to open-ended funds comprised of senior loans

- **\$431 million limited partnership portfolio**

- 5% target portfolio allocation – fully allocated
- Two-thirds of LPs are lower volatility, fixed income-like strategies

(1) As of June 30, 2023; excludes \$140.7 million in policy loans and \$12.7 million in derivatives used to hedge fixed indexed annuity and life insurance products

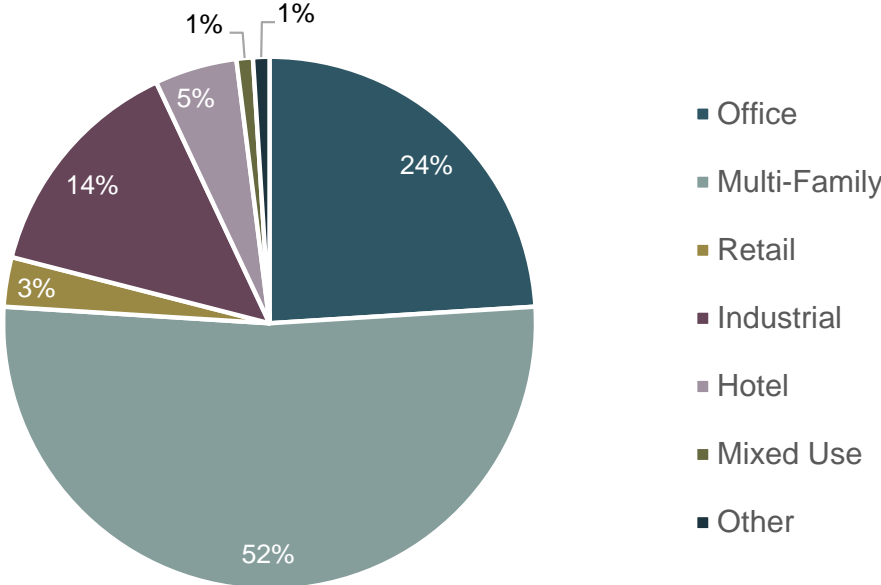
(2) Does not include securities that are not rated

(3) Core fixed maturity portfolios only

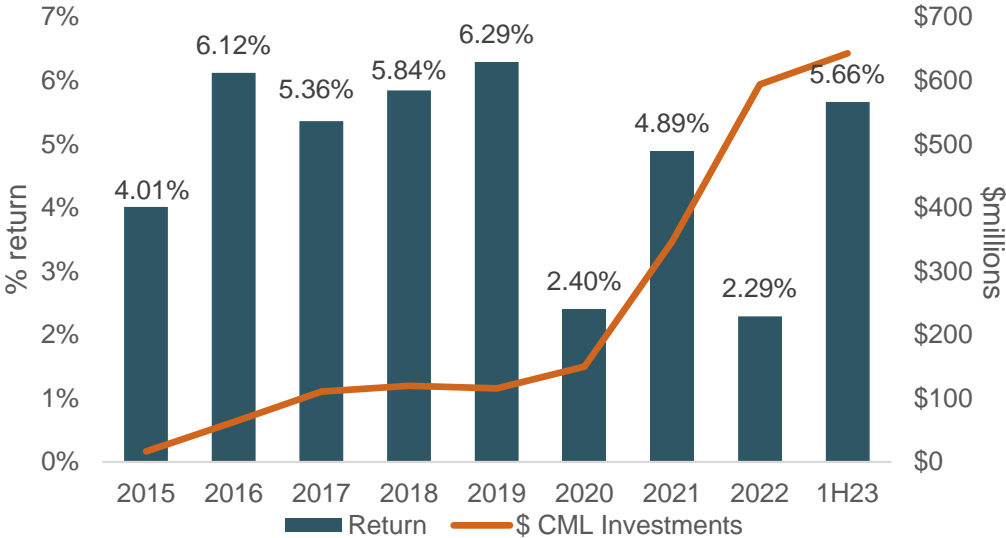
(4) Prospective investment yield

\$643M Commercial Mortgage Loan Fund Portfolio

Diversified pool of high-quality loans



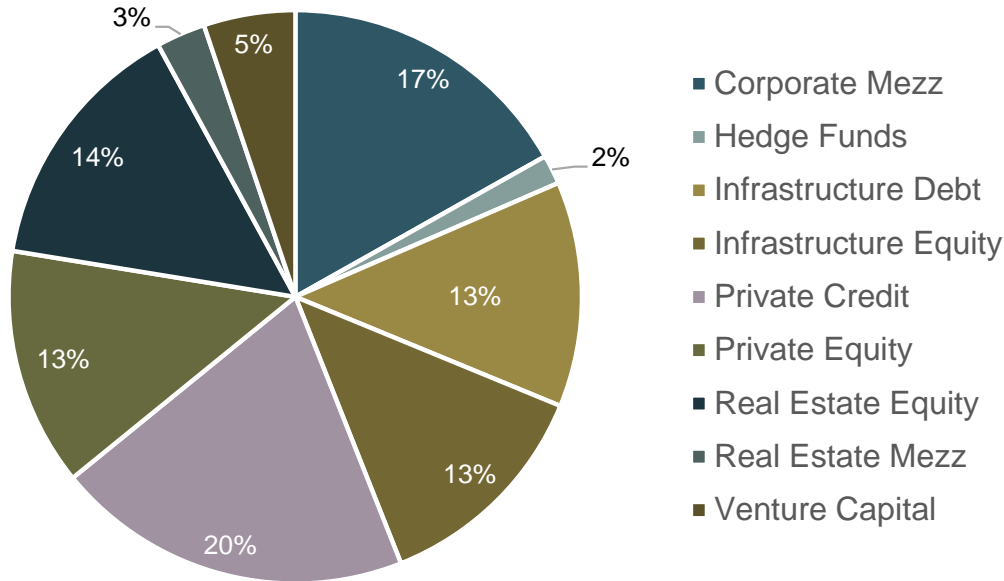
Average Annual Return: 4.65%



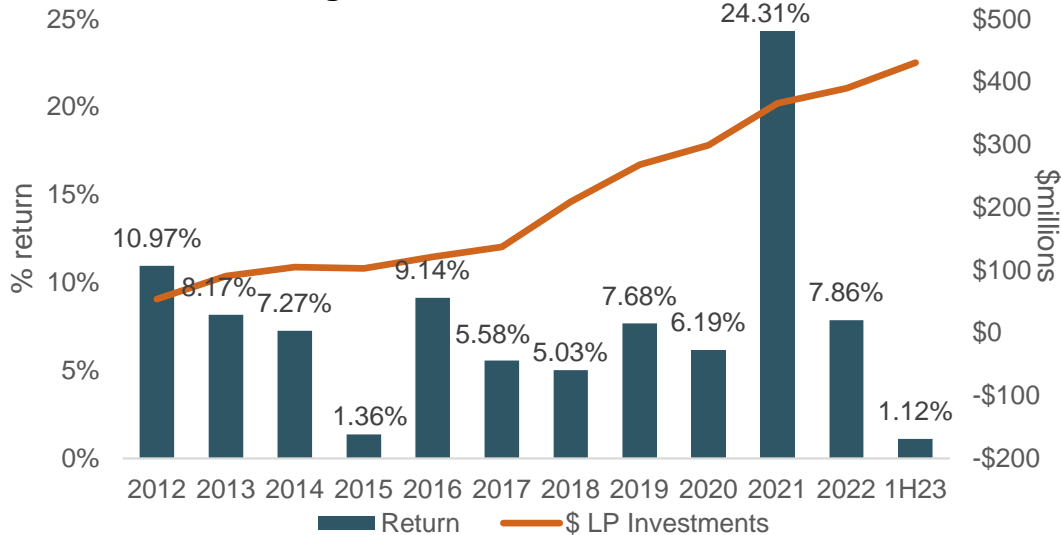
- Majority of exposure is to open-ended funds comprised of senior loans
- Fund structure and diversification of managers provide access to broader markets – geography, property types, borrowers and loan type versus direct origination
- CML funds are held in L&R and S&GB segments
- Underlying loan characteristics
 - 236 loans, average size of ~\$50M
 - Average loan-to-value of 67%
 - Average debt service coverage ratio of 1.22
 - 86% of loans are floating rate
- 2023 performance rebounding after 2022 valuation adjustments largely due to higher interest rates
 - 4.65% average annual return
 - Relatively lower volatility with recurring quarterly cash returns

\$431M Limited Partnership Fund Portfolio

Well diversified by strategy⁽¹⁾, vintage year, and potential volatility of returns



Average Annual Return: 8.50%

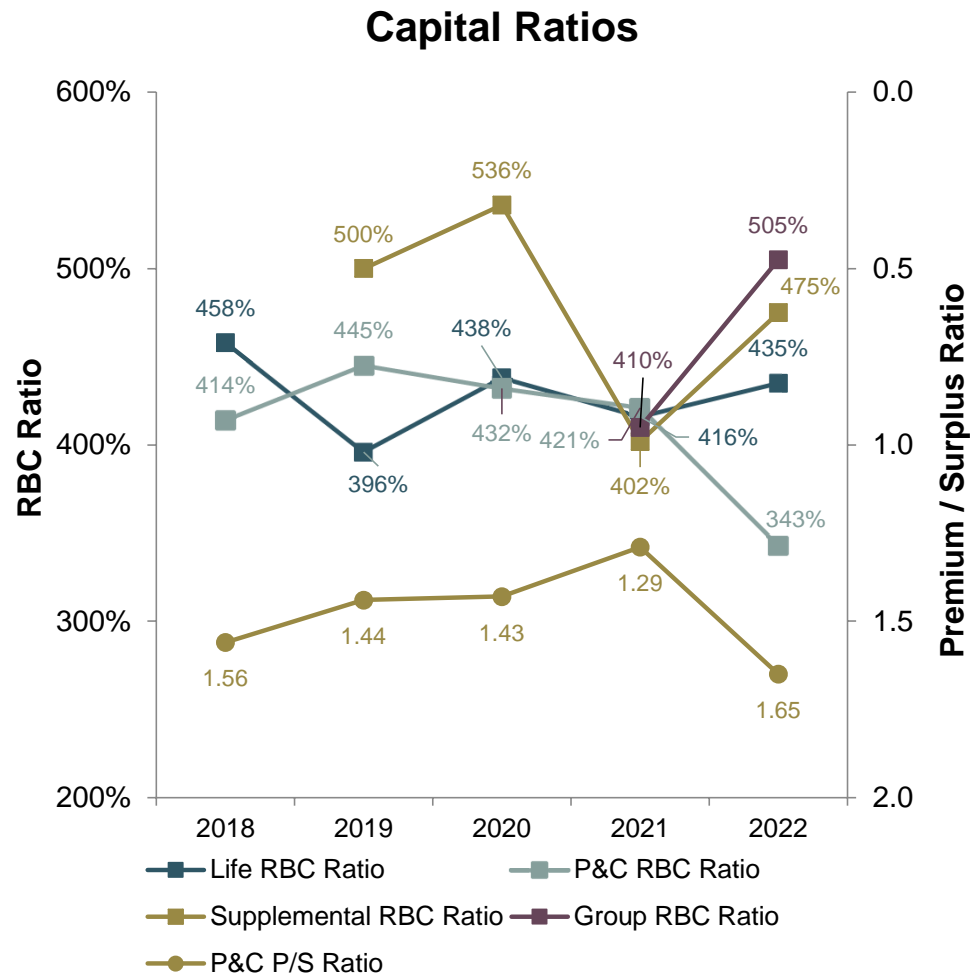


Fund ct.	1	2	5	7	8	12	17	29	39	50	73	73
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- Inception-to-date performance strong
 - 8.50% average annual return
 - 2022 performance near 10-year average following outsized returns of 2021
 - 2Q23 returns of 5.76% reflected lower valuations in various equity-related strategies partially offset by consistent returns for private credit in line with expectations
- Lower volatility, fixed income-like strategies comprise two-thirds⁽¹⁾ of exposure
 - Largest allocations to Private Credit, Corp Mezzanine and Infrastructure Debt strategies
 - Majority of these funds are held in L&R and S&GB segments
- More equity sensitive strategies comprise one-third⁽¹⁾ of exposure
 - Private equity strategies generally held in P&C division which has no public equities exposure
 - Infrastructure equity and real estate equity generally held in L&R and S&GB

(1) Reflects exposure on a risk-weighted basis

Financial leverage and other capital metrics align with levels appropriate for current financial strength ratings



- More than adequate capital to continue to grow business
- Conservative targets for year-end RBCs of 425% for life and retirement subsidiaries and 400% for property and casualty subsidiaries
- Debt-to-capital ratio⁽¹⁾ of 25.5%

Appendix



Highly rated by all rating agencies

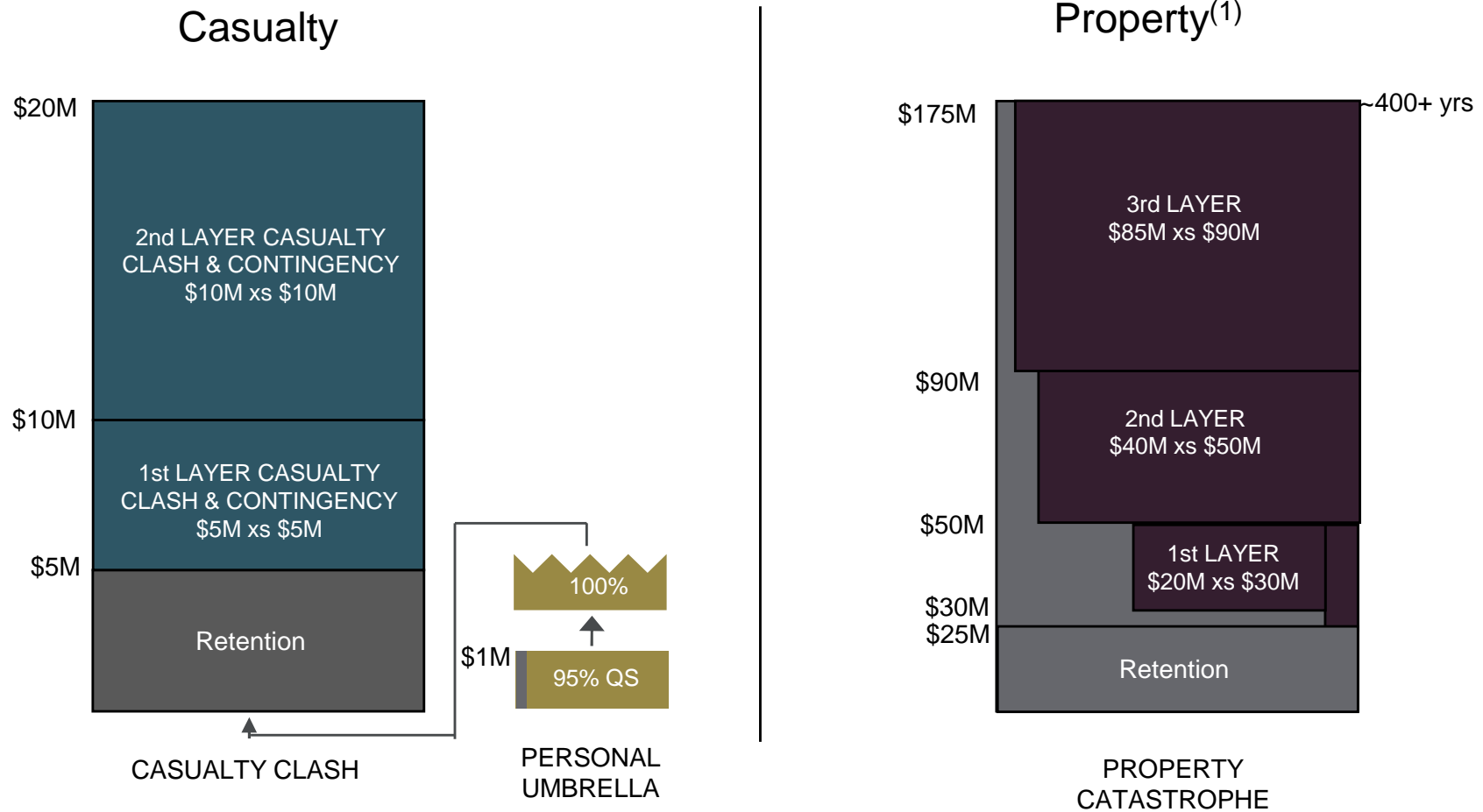
Education market focus, earnings diversification and capital strength cited

Agency	Rating (affirmed/reviewed)	Outlook
AM Best Company	A (7/28/22)	Stable
Fitch Ratings	A (10/18/22)	Stable
Moody's Investor Services	A2 (7/28/23)	Negative
Standard & Poor's Global Inc.	A (2/7/23)	Stable

- Moody's and S&P affirmed Horace Mann's financial strength ratings in first-half 2023
 - Moody's revised outlooks to negative for a group of P&C personal lines carriers
- AM Best and Fitch affirmed our financial strength ratings in second-half 2022

2023 single-event catastrophe reinsurance provides PML coverage of approximately 400+ years

Retention at \$30 million, up from \$25 million, first increase since 2011, with higher share of the lowest layer



Horace Mann at a glance

Exchange ticker symbol	NYSE:HMN
Share Price	\$30.13 ⁽¹⁾
Weighted Average Diluted Shares (for 2Q23)	41.4 million
Market Capitalization	\$1.2 billion ⁽¹⁾
Annualized Dividend Per Share	\$1.32
Dividend Yield Per Share	4.4% ⁽¹⁾
Adjusted Book Value Per Share (at June 30, 2023)	\$35.55
Analyst Coverage	Dowling & Partners: Julia Ferguson JMP Securities: Matt Carletti Keefe, Bruyette & Woods: Meyer Shields Piper Sandler: John Barnidge Raymond James: Greg Peters
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