S&P Global
Market Intelligence

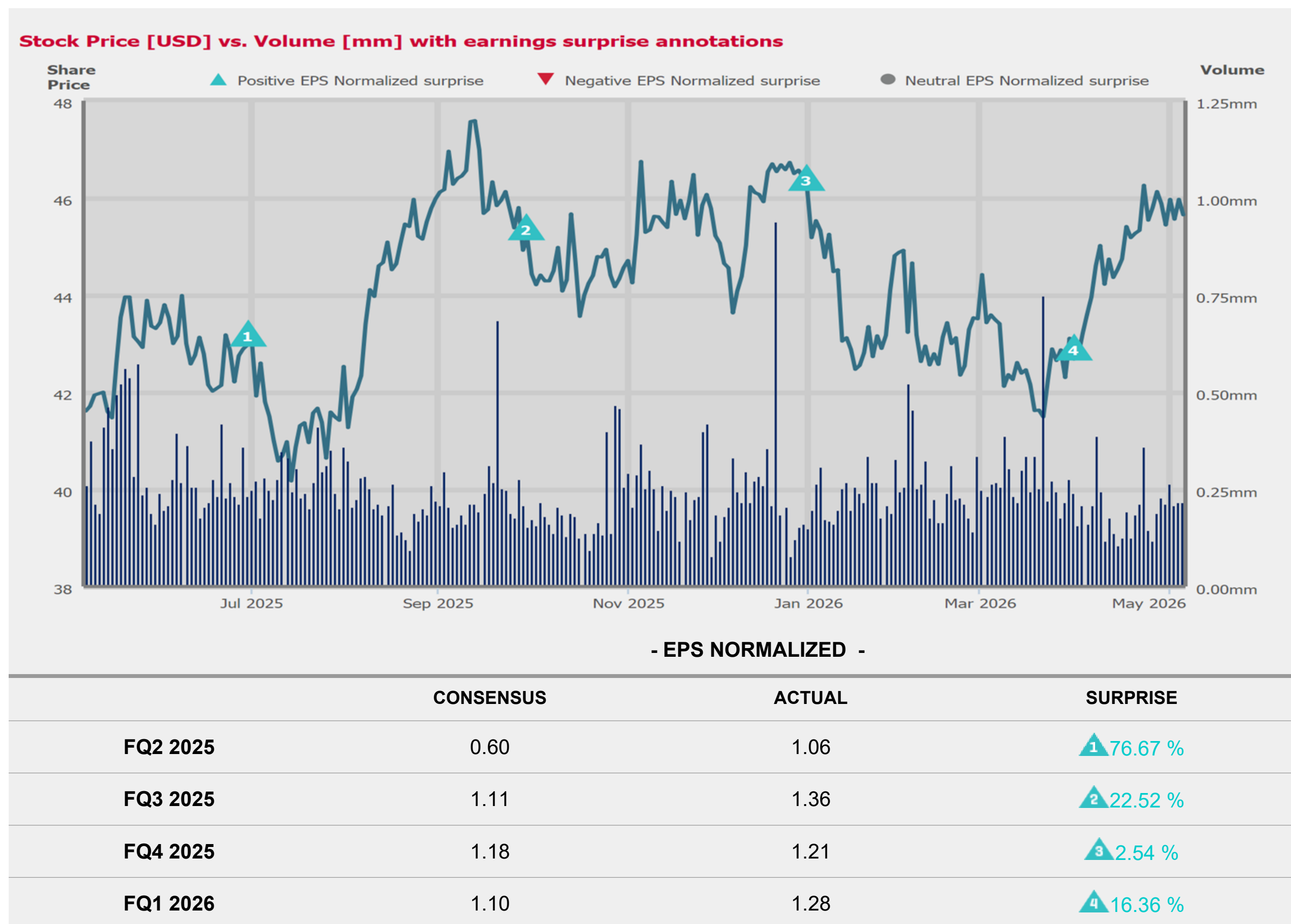
Horace Mann Educators Corporation NYSE:HMN FQ1 2026 Earnings Call Transcripts

Thursday, May 7, 2026 3:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ1 2026-			-FQ2 2026-	-FY 2026-	-FY 2027-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	1.10	1.28	▲16.36	0.78	4.43	NA
Revenue (mm)	445.40	429.30	▼(3.61 %)	449.50	1802.50	NA

Currency: USD
Consensus as of Apr-13-2026 8:16 AM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ2 2025	0.60	1.06	▲1 76.67 %
FQ3 2025	1.11	1.36	▲2 22.52 %
FQ4 2025	1.18	1.21	▲3 2.54 %
FQ1 2026	1.10	1.28	▲4 16.36 %

COPYRIGHT © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved
spglobal.com/marketintelligence

Table of Contents

Call Participants 3
Presentation 4
Question and Answer 8

COPYRIGHT © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved
spglobal.com/marketintelligence

Call Participants

EXECUTIVES

Marita Zuraitis
President, CEO & Director

Rachael Luber

Ryan Edward Greenier
Executive VP, CFO & Interim Chief Accounting Officer

ANALYSTS

Jack Matten
BMO Capital Markets Equity Research

Matthew John Carletti
Citizens JMP Securities, LLC, Research Division

Wilma Carter Jackson Burdis
Raymond James & Associates, Inc., Research Division

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Presentation

Operator

Good morning, and welcome to the Horace Mann Educators' First Quarter 2026 Results Conference Call. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Rachael Luber, Vice President of Investor Relations. Thank you, and over to you.

Rachael Luber

Thank you. Welcome to Horace Mann's discussion of our first quarter 2026 results. Yesterday, we issued our earnings release, investor supplement and investor presentation. Copies are available on the Investors page of our website.

Our speakers today are Marita Zuraitis, President and Chief Executive Officer; and Ryan Greenier, Executive Vice President and Chief Financial Officer.

Before turning it over to Marita, I want to note that our presentation today includes forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The company cautions investors that any forward-looking statements include risks and uncertainties and are not guarantees of future performance.

These forward-looking statements are based on management's current expectations, and we assume no obligation to update them. Actual results may differ materially due to a variety of factors, which are described in our news release and SEC filings.

In our prepared remarks, we use some non-GAAP measures. Reconciliations of these measures to the most comparable GAAP measures are available in our investor supplement.

I'll now turn the call over to Marita.

Marita Zuraitis
President, CEO & Director

Thanks, Rachael, and good morning, everyone. Yesterday, Horace Mann reported record first quarter core earnings per share of $1.28, 20% above the record level of the first quarter earnings we reported last year.

Insurance and fee-based revenue increased 6% year-over-year, reflecting growth across our businesses. Life sales were up 17%, individual supplemental increased 11%, and group benefits delivered a record quarter with sales more than tripling year-over-year.

Core shareholder return on equity for the trailing 12 months was 12.7%. These results highlight the strength of our multiline business model and our ability to deliver consistent profitable growth across a range of economic and industry conditions.

We are maintaining our 2026 core EPS guidance of $4.20 to $4.50 and remain confident in achieving our 3-year strategic goal of a 10% compound annual growth rate in core earnings per share and a sustainable 12% to 13% shareholder return on equity.

Today, I will discuss the highlights of the quarter and provide an update on our growth progress. Let's start with segment results.

Property and Casualty profitability remains strong. The combined ratio of 83.3%, a 5-point improvement over the prior year reflects lower catastrophe costs and improved underlying performance. P&C written premiums increased 5% and auto and property policyholder retention remained stable and consistently high relative to industry benchmarks.

Segment sales reflect our disciplined focus on profitable growth in a competitive auto market. We are prioritizing growth in markets where we see the strongest returns. Excluding California, which remains a more complex and highly regulated market for the industry, auto sales increased at a high single-digit rate. Countrywide, property sales increased 11%.

In life and retirement, core earnings increased 16% year-over-year, benefiting from lower mortality costs. Life sales increased 17% and persistency across both life and retirement remains strong. The individual supplemental and group benefits segment continued to deliver strong growth this quarter.

We continue to invest where we see meaningful long-term opportunity. Our approach is to build internally where we can deliver a differentiated best-in-class experience and to partner with leading third parties where it enhances our capabilities and speed to market.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

In individual supplemental, we are investing in our distribution and product portfolio to support growth. Our enhanced cancer product continues to be a key driver of growth with sales doubling year-over-year and building on record performance last year. Across all products, individual supplemental sales increased 11% year-over-year. This high-margin, high persistency business also supports strong cross-sell opportunities.

Life is a natural adjacency for benefit specialists selling individual supplemental products. And today, approximately 10% of our life sales are consistently generated through that channel.

In group benefits, we are leveraging partnerships to expand our capabilities, including the recent implementation of a third-party technology platform that supports a fully integrated end-to-end leave management experience for employers and educators.

This investment underpins our paid family medical leave enhancement to our short-term disability offering introduced earlier this year in Minnesota.

We will evaluate opportunities to expand these capabilities into additional markets over time as adoption continues to grow. 13 states have enacted paid leave mandates with more proposals currently under consideration.

Employers offering paid leave benefits report higher retention, a key priority for school administrators. Consistent with this, our research shows that 1/4 of educators would be more likely to stay in their role with improved healthcare and protection benefits. Against this backdrop, group benefit sales more than tripled year-over-year, to $11 million.

While results can vary from quarter-to-quarter given the size and timing of our business, our first quarter sales nearly matched our total group benefit sales for all of 2025, highlighting the momentum we are building.

Our corporate expense ratio is up slightly over the prior year, but down sequentially. We manage our expenses closely and continue to expect a 25 basis point reduction over the course of 2026.

Turning to how we are expanding our relationships across the educator market. We are reaching more educators than ever before and continuing to build meaningful relationships across our target market.

As we have noted, unaided brand awareness among educators has increased to 35%, reflecting the impact of our investments over the past several years. We are building both awareness and affinity through partnerships with well-known trusted national brands and educational institutions.

In January, we sponsored Crayola Creativity Week, reaching more than 1 million educators through classroom and professional development activities.

We are also excited about our new partnership with Disney. We recently launched a continuing education program, a Heart for Service in Education, developed in collaboration with Disney and delivered through the Disney Institute with multiple sessions scheduled throughout the year. Each session brings together educators from across the country to participate in immersive service-focused development experiences.

We are seeing strong early engagement with the Horace Mann Club, our centralized platform providing financial wellness tools, classroom resources and educator benefits. Since launching earlier this year, thousands of educators across the country have already enrolled.

We are also in the midst of teacher appreciation month, where we continue to connect with educators through our Beyond Grateful campaign. Last year, we engaged 55,000 new educators during this event and expect another strong outcome this year.

In addition, we have expanded our digital reach through targeted audio campaigns on platforms like Spotify and Apple Music, meeting educators where they are. Over the past year, we have grown our points of distribution by 8% and continue to enhance the effectiveness of our marketing efforts as we scale these initiatives.

Before I turn the call over to Ryan, I want to underscore our commitment to disciplined capital management and long-term shareholder value. In March, our Board of Directors approved a 3% increase to our quarterly shareholder dividend, marking the 18th consecutive year of dividend growth.

In the quarter, we returned $33 million of capital to shareholders, including $18 million of share repurchases, a significant increase relative to recent periods.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

As we've said before, our highest priority remains investing in profitable growth, and we remain confident in our ability to continue creating long-term value for our shareholders.

In closing, our strong start to the year reflects solid underlying performance and continued momentum across the business. We are investing where we see the most attractive returns and where it strengthens our ability to deliver a best-in-class experience for our customers, while maintaining expense discipline and executing against our strategy.

We remain confident in achieving our 3-year strategic goals of a 10% compound annual growth rate in core earnings per share and a sustainable 12% to 13% shareholder return on equity.

Thank you. And now I'll turn the call over to Ryan.

Ryan Edward Greenier
Executive VP, CFO & Interim Chief Accounting Officer

Thanks, Marita. I'll focus on a few key takeaways from the quarter and provide some additional context on what's driving the results.

This was a very strong start to the year. We delivered record first quarter core earnings of $53 million or $1.28 per share, up 20% year-over-year with solid underlying performance across the business, continued margin improvement in P&C and continued growth in our higher return segments.

Core shareholder return on equity for the trailing 12 months was 12.7%. Overall, results are tracking in line with our expectations for the year, and we are not making any changes to our outlook.

Turning to results by segment. In Property and Casualty, core earnings were $39 million, up 46% year-over-year. The reported combined ratio of 83.3 points, improved 5 points year-over-year, reflecting lower catastrophe costs and improved underlying results. The $5 million in prior year development included $2 million in property and $3 million in auto, primarily driven by lower-than-expected claim severity, with claims settling below prior reserve expectations.

From a premium standpoint, net written premiums increased 5% to $194 million, primarily reflecting higher average premium. In Property, premiums were up 14%, while auto premiums were essentially flat, reflecting a shift in mix towards targeted growth markets. That's consistent with the approach Marita outlined, prioritizing profitability and focusing growth in markets where we see the strongest returns.

Auto profitability improved with the combined ratio at 89.2, reflecting strong underlying performance and retention remained strong. Property also performed well with a combined ratio of 74.3, supported by lower catastrophe costs.

While catastrophe losses and prior year development were favorable in the quarter, we also saw improvement in underlying margins. We continue to incorporate current loss trends into our pricing and underwriting, and feel well positioned given the actions we've taken over the past several quarters.

In Life & Retirement, results were stable and improving. Core earnings increased 16% to $9 million, primarily driven by favorable mortality. Life sales were up 17% with persistency remaining strong near 96%. In retirement, contract deposits were modestly lower year-over-year, primarily reflecting product mix and market conditions, while fee income and strong persistency continue to support stable earnings.

In Supplemental and Group Benefits, the story is about growth and continued investment. The segment contributed $12.6 million of core earnings and net written premiums rose to nearly $71 million.

Individual Supplemental delivered another strong quarter. Our enhanced cancer product introduced last year continues to be a key driver of growth, with sales up 11% year-over-year. The benefit ratio of 30.5 reflects favorable policyholder utilization trends and persistency remains above 90%.

In Group Benefits, results reflect the investments we've made, including the introduction of paid family medical leave in January, within our short-term disability offering in Minnesota. Premiums increased 4% to $38 million and the benefit ratio of 51.9% moved closer to our longer-term expectations.

Sales more than tripled year-over-year to $11 million, although results can vary quarter-to-quarter given the size and timing of the business.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Total net investment income on the managed portfolio was relatively stable year-over-year. Core fixed income performance remains consistent with some offset from the commercial mortgage loan fund and runoff that we've discussed previously, as well as limited partnership returns that were slightly below our full year expectation.

Limited partnership returns can vary quarter-to-quarter, and we remain confident in our full year outlook. We continue to make progress on expense optimization, with early benefits beginning to emerge. As expected, the majority of our targeted improvement will come in later years as scale builds, but we remain on track for approximately 25 basis points of improvement in 2026.

Our balance sheet remains strong, and capital generation continues to support both strategic growth initiatives and consistent shareholder returns.

In the first quarter, we repurchased approximately 420,000 shares at a total cost of $18 million, representing a meaningful increase in activity relative to recent periods.

We also returned $15 million to shareholders through dividends. We continue to prioritize investing in profitable growth while returning excess capital to shareholders.

Tangible book value per share increased 9% year-over-year, reflecting solid earnings and disciplined capital management. Stepping back, the quarter reflects strong underlying performance, improved profitability in property and casualty and continued growth momentum across our businesses.

Importantly, the drivers of performance this quarter, margin improvement in P&C, stable and improving results in life and retirement, and growth in higher return businesses, like Individual Supplemental and Group Benefits are all consistent with the framework we laid out at Investor Day, supported by continued progress in customer engagement and brand awareness.

We continue to execute against our strategy with a focus on disciplined underwriting, profitable growth and thoughtful capital allocation. We remain confident in our ability to deliver our 3-year financial targets, including a 10% compound annual growth rate in core earnings per share and a sustainable 12% to 13% return on equity. Thank you.
Operator, we are ready for questions.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Question and Answer

Operator

[Operator Instructions] We have the first question from the line of Jack Matten from BMO Capital Markets.

Jack Matten
BMO Capital Markets Equity Research

My first one is on the group business. I'm wondering if you could unpack further what's driving the strong sales growth. And I'm curious, over time, how significant of a contributor do you think the new paid family medical leave offering can be within that business?

Marita Zuraitis
President, CEO & Director

Yes. Thanks for the question. When we think about our supplemental growth, both individual supplemental, quite frankly, and group, it really has been a very strategic product enhancement strategy. You heard in the script that we built our cancer product within individual supplemental and updated that offering, and we're seeing nice traction there.

And then on the group side, not only is it the new paid family leave connection to our short-term disability offering, but we also have about a 30% increase in the amount of benefit specialists out there and the work that we're doing on the supplemental side.

For paid family leave, I think it's just a really good example of thinking about our customer segment and what our customer segment needs. Bundling it with short-term disability was the right answer for us.

As you pointed out, it's been a meaningful contributor to the sales in the quarter. But our group business is still relatively small. So we're focused on building a sustainable pipeline. It's not necessarily going to be linear. This is going to be quarter-over-quarter for us as we think about growth.

And we thought about PMFL as both defense and offense. There are about 13 states out there that have included this in their mandate, if you will. We know our educators are looking for increased benefits. We see improvement in retention when we build out these products.

So defensively, in a state like Minnesota, adding that to our short-term disability offering allowed us to keep the good groups, the good schools that we have in Minnesota. But also on the offense side, it allowed us an edge for new customer engagement. And that's how we'll think about it as we think about the remaining states out there in our footprint and maybe a really good way for us to think about how we enter some new geographies as well.

So it's a good example of how we think about our customer segment building what they need. And when you build it, they will come, I guess, and that clearly is what occurred this quarter.

Ryan Edward Greenier
Executive VP, CFO & Interim Chief Accounting Officer

And Jack, this is Ryan. The only thing I would add is when I think about our ROE trajectory, growth in these capital-light, higher-margin products are a key component of our strategy to drive higher ROE in the future.

Jack Matten
BMO Capital Markets Equity Research

That's helpful. And maybe just one on the Life & Retirement business, which has thrown off healthy and stable margins over time. Just wondering about the top line growth outlook there. I think it's a little bit this quarter. I know part of that might be lower CML and LP returns. But any trends that you're seeing on the premium and contract deposit growth in that business that we should be thinking about?

Marita Zuraitis
President, CEO & Director

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Yes. Ryan can cover some of the numbers. But what I would say in Life & Retirement, we are seeing a 17% increase in Life sales. That's healthy. We're seeing more of our traditional agents in the game. That's also healthy. 10% of our Life sales now on a relatively consistent basis is coming from benefit specialists who, at the beginning of this integration when we brought on NTA and then later MNL, were predominantly in that individual supplemental space. Now, they are selling Horace Mann Life products, and it's amounting to about 10% of our sales there. So it's working very well.

And on the Retirement side, we always talk about that as our ballast. And I would say Retirement continues to be a very consistent, steady contributor to earnings.

Ryan Edward Greenier
Executive VP, CFO & Interim Chief Accounting Officer

Yes. And look, if you isolate for just sales, sales were up 7% in the first quarter for Retirement. We're attracting a few thousand new customers in the first quarter, opening new Retirement accounts with us. So like Marita said, it's an important product and an important entry point for many educators to begin their relationship with us.

On the bottom line, you correctly pointed out the commercial mortgage loan allocation. So as a reminder, our commercial mortgage loan funds are nearly entirely held within Life & Retirement, and Retirement has a larger allocation to them. So when there's some pressure there, you're going to see that in the fixed annuity spread number, and you can see that this quarter. But overall, the business is solid. It's steady, and it's an important earnings diversification tool for us.

Jack Matten
BMO Capital Markets Equity Research

And then if I could just sneak one more in on auto insurance. I think you referenced some challenges in California, offset by strong sales growth in other states. Just wondering, if you could elaborate on what you're seeing in California and your color for growth there.

Marita Zuraitis
President, CEO & Director

Yes. Thanks for asking. It is -- when we think about auto, obviously, we think about all the states that we're in. But California specifically, when you take California out of our growth numbers, like we said in the script, we are seeing high single-digit growth in auto, which in this competitive environment for us, I think, is quite strong.

But California is highly regulated. It's complex. And we took an intentional conservative approach in the state. We remain active in the state. We've been working very closely with the department. And as we've talked about before, we have reached target profitability in all of our states except California, and California is dangerously close, if you will, to targeted profitability, and we feel very confident that we'll get there.

But as you can imagine, when you think thoughtfully about where you place agents, when you think thoughtfully about where you make marketing investments, when you think thoughtfully about the things you do intentionally to drive auto new business, California wouldn't necessarily be the state in which we were making those investments.

So it takes a while to ramp them back up. And we will continue to take a conservative and appropriately cautious approach to California. But we feel really good about the momentum that we're seeing in auto in this environment outside of California.

And like I said, California was intentional. I think it is a state that you need to be thoughtful and conservative and feel good about the work with the department and feel like we're getting close to California being like the rest of the states where we're wide open and ready to push.

Operator

We have the next question from the line of Wilma Burdis from Raymond James.

Wilma Carter Jackson Burdis
Raymond James & Associates, Inc., Research Division

Can you talk a little bit more about how much of the good combined ratio in P&C comes from favorable claims experience and some of the variability there in the quarter? And how much is just, I guess, just more diligent underwriting you're going to stick around a little bit longer, especially given some others seem to be leaning in aggressively on pricing?

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Ryan Edward Greenier
Executive VP, CFO & Interim Chief Accounting Officer

Wilma, thanks for the question. The combined ratio improved 5.4 points this quarter and was an 83.3 and both auto and property contributed to that improvement. Stepping back, about half of that improvement was weather related. We didn't experience as severe of weather activity in the first quarter, which benefited both property catastrophe and our non-catastrophe property results. But the other half reflects the disciplined rate and non-rate actions that we've deliberately taken to restore profitability and to get the book back to our targets.

We're seeing the benefits of the actions we've taken, whether it's terms and conditions, implementations of roof schedules, increases in deductibles, improved claims handling, that's all coming through our results. And we believe that's durable, that's sustainable, and we're pleased with the profitability in our P&C book.

Marita Zuraitis
President, CEO & Director

Yes. And I'd add -- thanks, Ryan. That was a good layout there. I want to add on to the latter half of that as you were ending your question and you say, as others are powering up for growth or lower pricing.

I think it's important to talk about really how we think about this. I mean, clearly, it's a competitive market out there. Shopping activity is clearly up. And when others talk about powering up for growth, and we've said this before, we really don't think about it that way. We're powering up, but we're powering up the value that we're bringing to our customers. Customer engagement is up, brand recognition is up.

And when I think about auto, and that seems to be the basis of your question, we talk about insulated but not immune. We're not immune to the competitive environment that's out there, but we are insulated somewhat by our strategy. And growth is not one line or one state. We think about it much more broadly than that.

I mean, it is about us expanding the relationships that we have with educators and increasing that educator household count. And we're seeing strong results there. I mean, we talked in the script that, and we just mentioned that ex California being up mid-single digits in auto in this environment, we actually feel very good about that. We're excited about being able to bring more of these things to California as well.

But more importantly, when we step back with group benefits tripling, Individual Supplemental up 11%, Life up 17%, Property countrywide up 11%, the stable ballast we're getting from Retirement, the momentum is good. So we really don't think about ramping up or ramping down. We think about increasing educator households, and that's exactly what we're doing.

And when you add that to the customer retention that we're seeing and how healthy it is, low to mid-90s in Life and Retirement and Supplemental, near 90% for property, a decent 84% in auto, that -- those are pretty strong numbers. And I would say that does add up to momentum, but maybe it's our way, not necessarily the way a monoline auto writer would do it or some of the P&C-only writers that you cover.

Our story is a little bit different, but it is playing out consistently with what we laid out and against our internal plans, we're right where we wanted to be this quarter and feel strong about the result.

Wilma Carter Jackson Burdis
Raymond James & Associates, Inc., Research Division

And I think you touched on this a little bit, but can you talk more about the strategy of, I'm going to call it, reinvesting back into your teachers via programs and donations, and how that fits into your overall capital plans? I definitely realize the importance of this. There's a lot of pressure on classroom budgets. And it seems like you guys have leaned into some of these programs and donations given the great quarter results.

Marita Zuraitis
President, CEO & Director

Yes. Thank you for the question. It's at the heart and the core of what we've always done as a company, but I feel really excited about how modernized that has become. And the work that we have done over the past few years, new marketing leadership, building out that team, we've done all the things necessary to make sure educators know who we are and pleased with the increase in brand identity, increased the number of educators who are engaging with us, maybe not even customers yet.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

But when you think about good old-fashioned top-of-the-funnel marketing, I would say for the first time in our 80-year history, we're doing that and we're doing it well. We're engaging with more customers. We're partnering with like-minded companies.

Our Crayola creativity assessment that we're doing, bringing creativity assessments to the classroom, engaging educators and continuing education that's fun and not just maybe some of the boring continuing education that's required, right, in their profession.

They're really enjoying the engagement with us. We're meeting them where they are, and we're bringing meaningful value to those educators with the idea of, if you're an educator, you should be with the educator company. And we have many ways to start that relationship with the educator. But it starts with them knowing who we are, engaging with us and bringing them a solutions orientation, not just product. So that when they have a product decision, they're going to place that product with an educator -- with the educator company unless we give them a reason not to.

And our agent NPS scores, our customer surveys, all the indications are up. And we feel good that -- when you do really good top-of-the-funnel marketing and you're engaging with these educators, we feel good about the current momentum, and we feel good about the momentum to come. None of that changes that with -- we're in a competitive auto environment, we get it. But we have lots of ways to engage with these educators other than auto.

And we feel good that when we do engage in auto, other than intentional plans in California that are working as well, when we engage in auto, we get our fair share. We don't win business solely on price, and we don't lose business solely on price. Our proactive retention efforts are helping on the retention side, and we feel really good about where we are.

Wilma Carter Jackson Burdis
Raymond James & Associates, Inc., Research Division

Makes a lot of sense. I know you touched on this a little bit earlier, but can you talk about what you're seeing in the overall annuity spread environment? And do you think it will stabilize over the coming year?

Ryan Edward Greenier
Executive VP, CFO & Interim Chief Accounting Officer

Thanks for your question, Wilma. Yes, this quarter I don't think is indicative of what we would expect for our fixed annuity spread. It was a 134% in the quarter, and we're obviously targeting a number higher than that.

For us, the core fixed income portfolio, which is the workhorse of the portfolio is performing quite well. This is -- the core book yield, I should say, is up 23 basis points year-over-year. Our new money yields were 5.38, and that's for the core investment-grade fixed income portfolio.

So I have been impressed with the investment team's ability to continue to find attractive investments without taking excessive risk. So I think we're going to stick to our knitting. We're going to look for slightly better LP returns. They were modestly below our expectations. They came in at 7% versus the 8% we would expect. And we'll watch commercial mortgage loans carefully. But I don't think there's anything -- I guess, I would say, I wouldn't expect the 134% to repeat, Wilma, I'd expect it to improve from here.

Operator

We have the next question from the line of Matt Carletti from JMP Securities.

Matthew John Carletti
Citizens JMP Securities, LLC, Research Division

Marita, I might ask you to follow on kind of part of your last answer specifically around auto and kind of the environment we're in. Can you talk a little bit about how you guys are using the agency to kind of help manage the environment? I mean, we can see kind of the PIF numbers in the supplement and understand that those are just kind of on Horace Mann paper sort of numbers. Has the agency been more active? Have you been placing kind of more business with partners as the environment changes? Can you just help us understand how you use it as a tool?

Marita Zuraitis
President, CEO & Director

Yes. Thanks for that, Matt. I mean, the Horace Mann General Agency was started with the idea that, if we had an educator customer or someone who served the community and they needed coverage that we either didn't have an appetite for, think nonstandard or higher-valued home, the idea is that, if we didn't have the pricing sophistication and had no intention of building that, why send them

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

down the road to an independent agent who, if that independent agent is good, is going to say, when was the last time someone looked at your life insurance needs, can I sell you something else.

So it was a very defensive strategy, if you will, and it's worked quite well. We are not seeing a large ramp-up in HMGA sales because of the competitive environment. Our close ratios have remained relatively consistent during this time. So it is working as it is intended.

We've said before, we're a large agent of Progressive and have a good relationship with Progressive. They have a broad appetite and go well beyond our educators and others who serve the community. So they're there for us. We have other very strong partners. And we have not seen a big change in the use of HMGA. It's good. It works very well for us and allows us to keep that educator household.

And maybe if those circumstances change and that customer is no longer nonstandard, we can pull that auto customer back. We've seen win back, if you will, where we're bringing some of those customers back to the Horace Mann portfolio, when it makes sense, when they match our appetite. And we do look at that book often to do just that. But I would say, pretty consistent as intended and working as a good strategic lever for customer retention, which is what it was set up to be.

Operator

Thank you. That was the last question. This concludes our question-and-answer session. I would now like to turn the conference back over to Rachel Luber for any closing remarks.

Rachael Luber

We appreciate everyone joining us on the call today, and we look forward to speaking with you. Thank you. Have a great day.

Operator

Thank you. The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Copyright © 2026 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.
© 2026 S&P Global Market Intelligence.