Third Quarter 2017 Investor Presentation

September 30, 2017

Horace Mann®
Founded by Educators for Educators

AUTO | HOME | LIFE | RETIREMENT

Safe Harbor Statement and Non-GAAP Measures

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

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

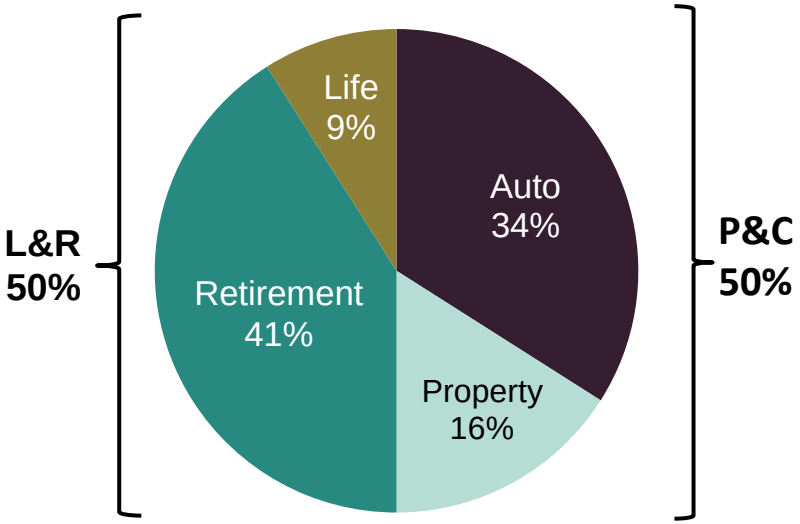
The historical and forward-looking financial information contained in this presentation includes measures which are based on methodologies other than U.S. Generally Accepted Accounting Principles (“GAAP”) such as operating income, operating earnings per share, pre-tax reporting segment income excluding DAC unlocking and book value per share excluding some components of accumulated other comprehensive income. A reconciliation of non-GAAP measures to the closest GAAP measures is available in our earnings release.

Horace Mann is the largest multiline insurance company focused on serving the nation's K-12 educator market

Good for shareholders

- Counter-cyclical
- Multiline focus provides earnings diversity
- Conservative financial and risk management
- Proven track record of earnings growth

2016 Premium & Contract Deposits ($1,262 mm)



Good for educators

- Innovative product solutions targeted to unique niche
- Ability to provide total household solutions
- Access to trusted, knowledgeable advisors

Results in industry-leading cross-line penetration

- HMN 19% vs. industry 11%(1)
- Leads to improved retention numbers
- 64% buy P&C products
- 56% buy L&R products

(1) Industry data per LIMRA, 2011 multiline exclusive agent average

Our unique value proposition is a differentiator

Mission

Educators are taking care of our children's futures, and we believe educators deserve someone to look after theirs.

Vision

We aspire to be the company of choice to help all educators protect what they have today and prepare for a successful tomorrow.

Continue to refine our value proposition within our niche market with a focus on Products, Distribution and Infrastructure

Product
Designed to meet educators' needs and cover their risks

We offer a full suite of **products** tailored to help educators cover their short-term insurance risks and prepare for a successful financial future

Distribution
Trusted, knowledgeable and tailored to educator needs and preferences

Distribution: We want educators to access Horace Mann how they choose. We believe they will need expert advice at the point of sale at some point in their lifetime, and they will choose the advice of a trusted advisor.

Infrastructure
Modern, efficient, scalable and easy to do business with

Infrastructure enhancements to improve customer and agent experience and "widen the pipes" to support greater scale

Why this niche market?

Educators have an attractive risk profile



How they live

Conservative and loyal

- Buy higher insurance limits
- Tend to bundle auto and home insurance
- Loyalty results in strong retention



Where they work

Close to home

- Generally live close to school with very short commutes
- Off-hour commutes without heavy traffic
- Tend to be off work in bad weather

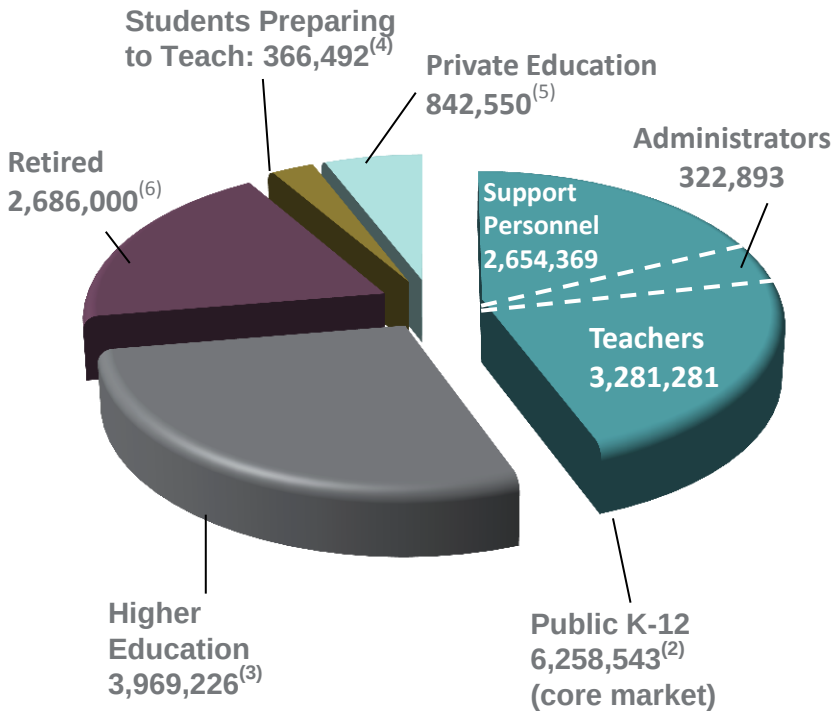


How they save

Financially responsible

- Focused on achieving financial goals
- Desire for guidance and education
- Open to reallocating household savings to retirement needs

Sizable opportunity with new and existing educators



Educator market

- The public K-12 education market includes more than 6.1 million individuals
- Current customer base of ~360,000 educator households

Opportunity

- Number of teachers projected to grow by 10% between 2012 to 2024(1)
- Attract new customers and deepen cross-sell efforts
  - Industry leading cross-line penetration (11% for the industry/19% for Horace Mann)
- Sizable demographic shift as Baby Boomers retire and Millennials make up a higher percentage of the workforce
  - Strong retention and persistency ratios with Baby Boomers
  - Additional opportunity for growth with Millennials

(1) *U.S. Dept. of Education, National Center for Education Statistics, Projections of Education Statistics to 2024, September 2016.*
(2) *U.S. Dept. of Education, National Center for Education Statistics, Digest of Education Statistics, Aug 2016*
(3) *U.S. Dept. of Education, National Center for Education Statistics, Digest of Education Statistics, Mar 2016*
(4) *U.S. Dept. of Education, National Center for Education Statistics, Digest of Education Statistics, Sep 2016 (Estimated, current year Education major Bachelors Degrees awarded times 4)*
(5) *U.S. Dept. of Education, National Center for Education Statistics, Private School Universe Survey, Dec 2015 (Total private employment estimated based on public teacher/staff ratio)*
(6) *Analysis of 2013 State Teacher and Public Employee Retirement Plans (Conservative estimate of Public K-12 retirees receiving benefits)*

Identifying and solving for issues in the educational community

Access via school districts

- School funding
- Teacher longevity
- Employee morale
- Pension plan reductions

Educators

- Financial literacy
- Student loan debt
- Out-of-pocket classroom expenses
- Retirement prep
- Asset protection

"Found" money through student loan solutions and crowdfunding assistance



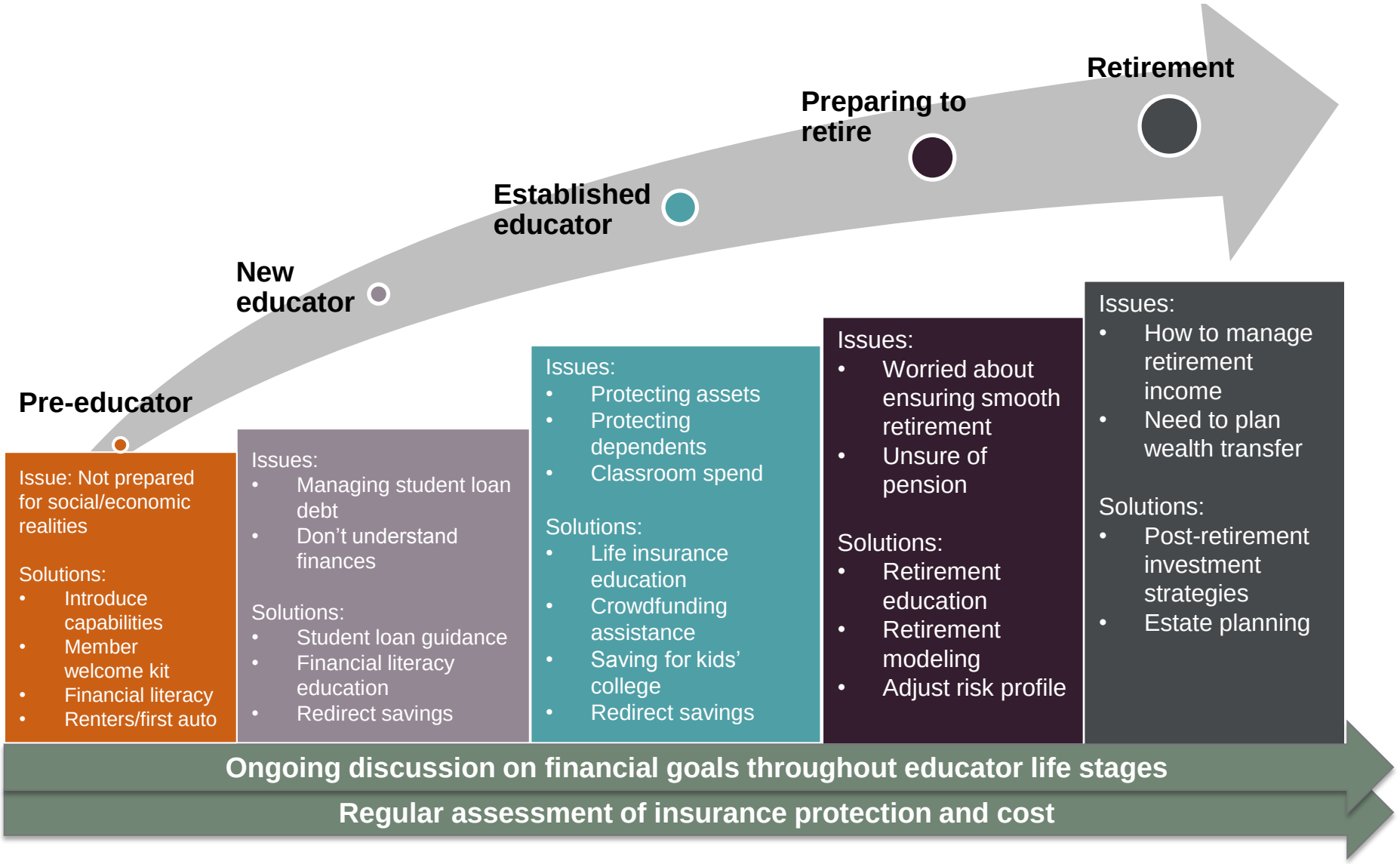
Long-term financial goals

Help protect against unnecessary loss

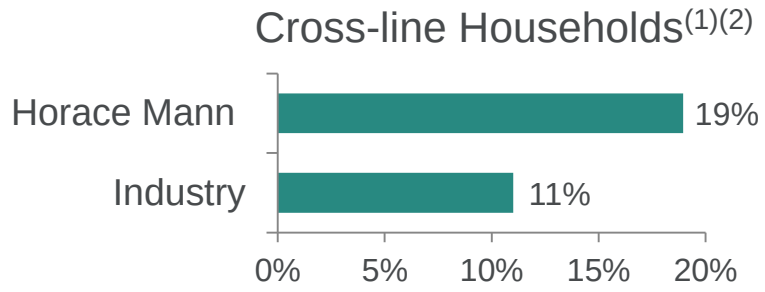
Redeploy to savings

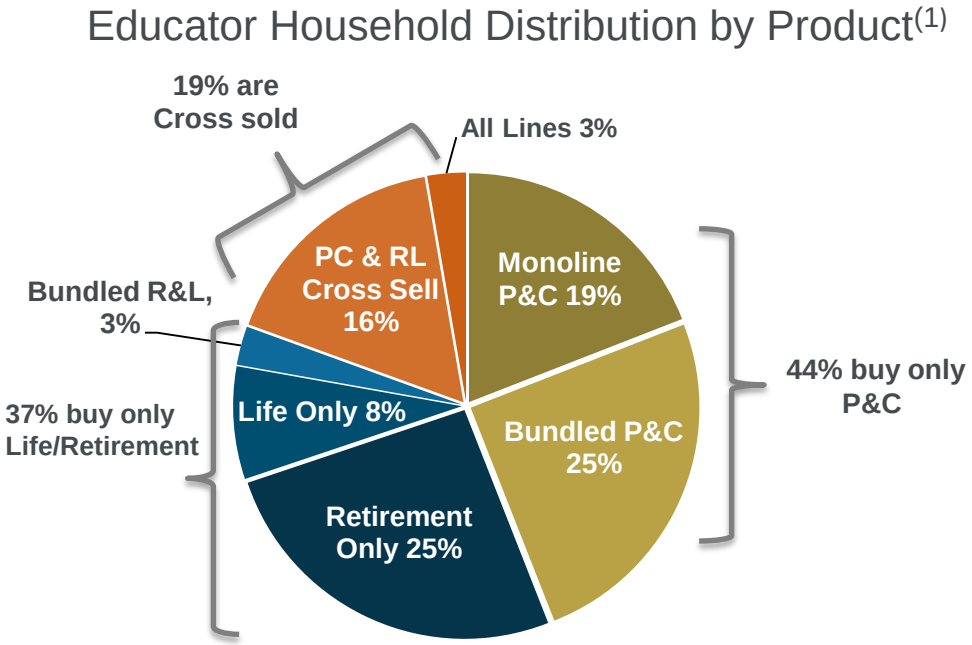
Holistic solutions-based orientation at every life stage

Deepens the customer relationship and fuels profitable growth



Focused on finding more educator households, and expanding our cross-line penetration





- Cross-line penetration significantly exceeds industry
- Significant additional cross sell opportunities within our existing customer base of ~360,000 educator households
  - 44% of educator households are buying only P&C products
  - 37% of educator households are buying only Life & Retirement products
- Targeted marketing efforts underway to drive more cross-line sales

(1) HMN data: ~360,000 educator households as of September 2017; Cross-line households defined as Auto and/or Property plus Retirement, Life and/or Group
(2) Industry data per LIMRA, 2011 multiline exclusive agent average

Segment strategy and results



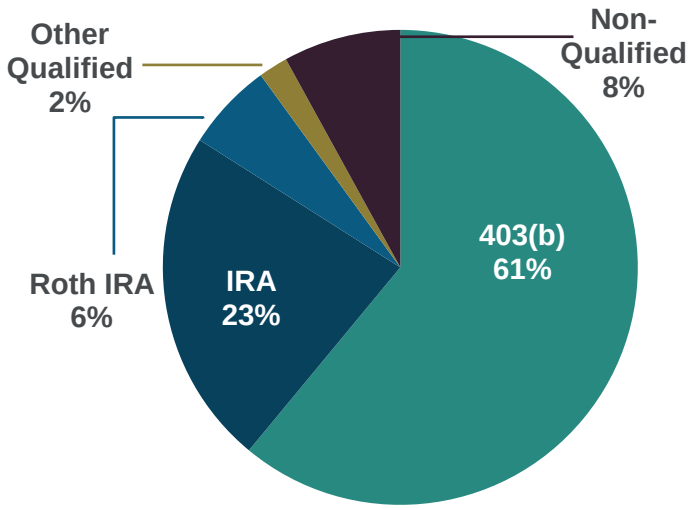
Horace Mann
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AUTO | HOME | LIFE | RETIREMENT

Retirement segment

Helping educators meet their financial goals with tailored solutions

Retirement Product Composition(1)



Opportunity

- Educators face complicated retirement system offerings
  - Differing state teacher retirement systems (STRS)
  - Pension uncertainty
  - Tax-deferred options
- Educators want guidance to plan for the future
  - Student loan solutions seminars
  - Financial literacy workshops
  - STRS workshops
  - Classroom funding assistance via DonorsChoose.org
  - Encourage redirecting savings to retirement planning
  - Options for school payroll deductions

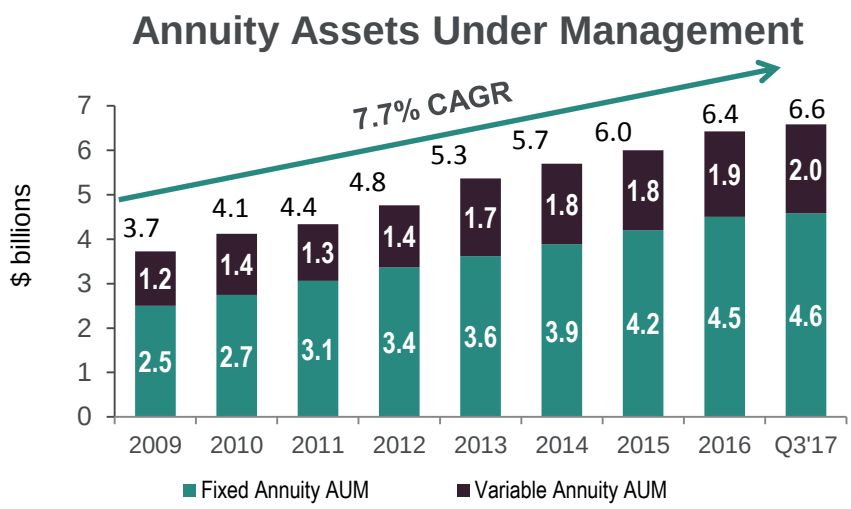
Product

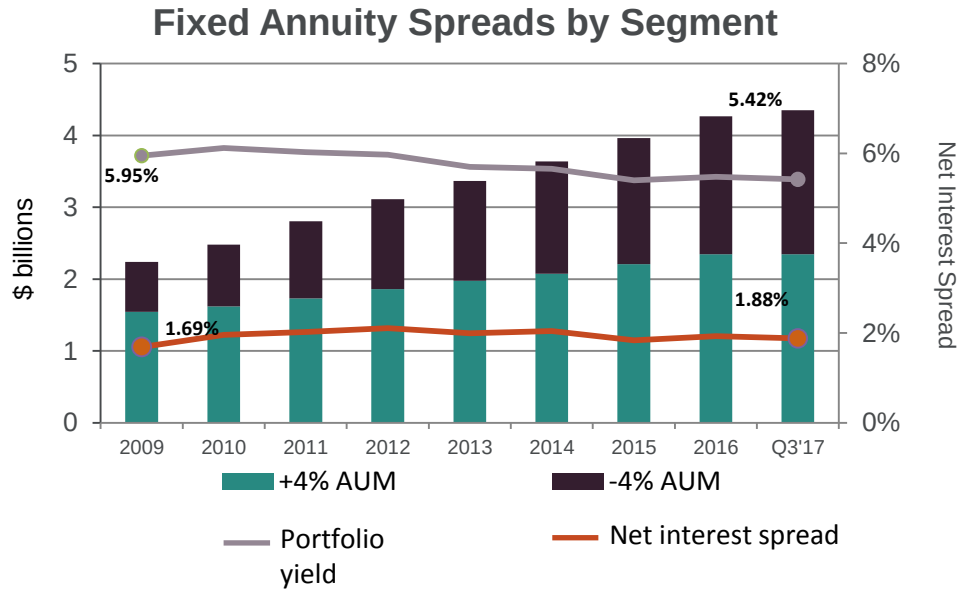
- 92% of Retirement assets under management are tax-qualified accounts with a retirement orientation
  - Consistent strong persistency ~92%

(1) Based on Assets Under Management as of September 30, 2017

Retirement segment

Strong earnings contributor; Assets under management continue to grow





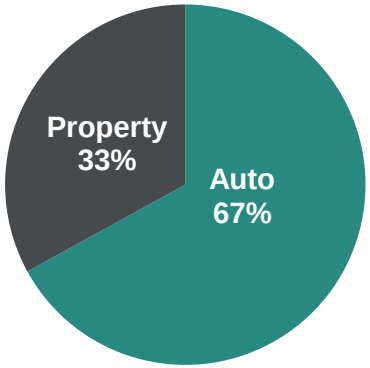
Results

- Total Retirement sales largely consistent with prior year
  - Annuity deposits of $348.9 million YTD; 11% decrease year over year
  - Mutual fund deposits increased 89% year over year to $53 million
  - Retirement assets under management increased 9% year over year to $6.9 billion
- Disciplined crediting rate actions and prudent investment management have resulted in favorable net interest spreads
  - Ex-DAC YTD operating earnings down 7% Y/Y to $36.9 million
- Business is priced to generate a low double-digit ROE at targeted spreads of 200 to 250 bps
  - New business spreads continue to exceed targets

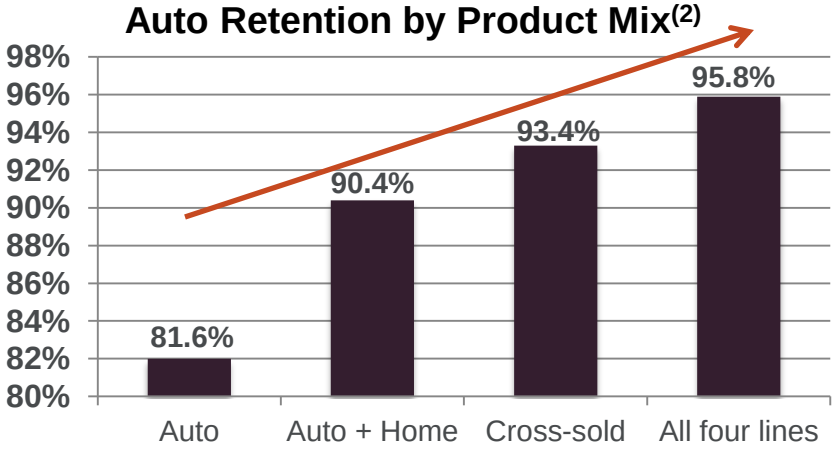
P&C segment

Preferred book of educator risk with strong retention ratios

P&C Net Written Premium ($634 MM)[1]



Auto Retention by Product Mix[2]



Opportunity

- Preferred risk profile
  - Conservative by nature
  - Short/off-hour commutes
  - Financially responsible
- Reach new educators and cross-sell to our existing Life & Retirement customers

Product

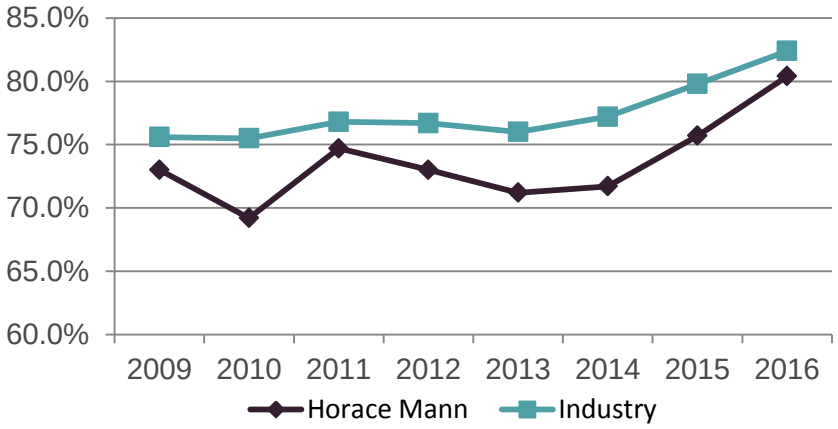
- Majority of P&C business is bundled Auto and Property
- Policy retention exceeds industry averages and improves with cross-sell efforts
  - 83% Auto
  - 88% Property

(1) Based on FY16
(2) HMN data: ~360,000 educator households as of September 2017; Cross-sold households defined as Auto and Property plus Annuity and/or Life

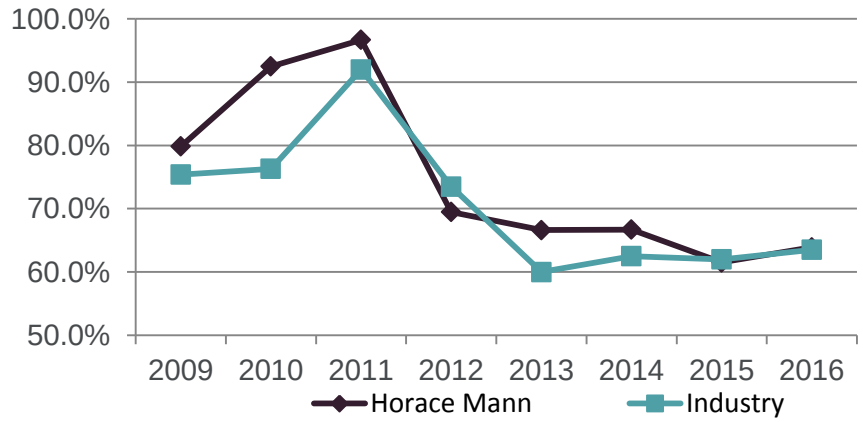
P&C segment

YTD 2017 results reflect elevated 1H'17 catastrophes; emerging signs of auto margin expansion in Q3'17

Auto Loss Ratio vs Industry(1)



Homeowners Loss Ratio vs Industry(1)



Results

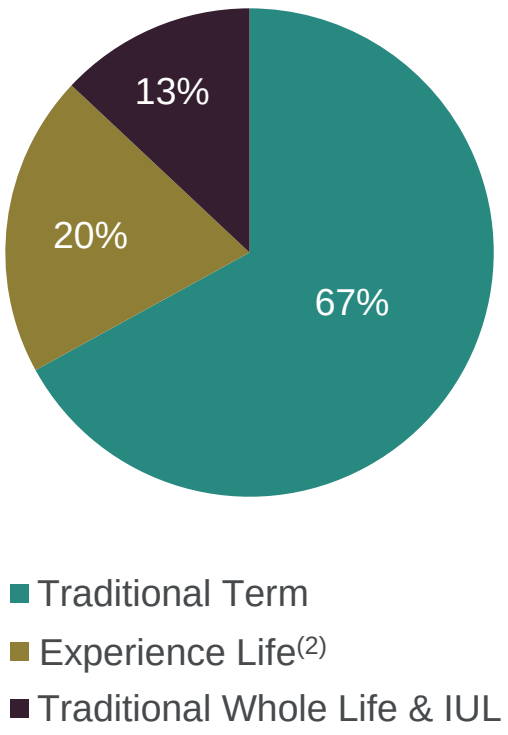
- YTD 2017 combined ratio of 106.5 impacted by higher level of weather and catastrophe losses in Q1 and Q2
  - 12.0 points of catastrophe losses
  - Auto underlying combined ratio of 103.9 in line with prior year results
  - Property underlying combined ratio of 76.1 is 6 pts higher versus prior year
- 4.6% increase in net written premiums to $498 million compared to a year ago
  - Double digit Auto rate increases
  - Mid-single digit Property rate increases
- Auto loss ratio continues to average nearly 4 points better than the industry
  - Profitability improvement initiatives on track
- Mid-90s combined ratio would generate 12% ROE at 1.5x underwriting leverage

(1) A.M. Best industry composite based on statutory incurred losses.

Life segment

Sizable opportunity in our middle-market educator niche

Individual insurance in force[(1)]



Opportunity

- Many educators are in uninsured or underinsured
- Tailored product suite to cross-sell to our existing P&C and Retirement customers

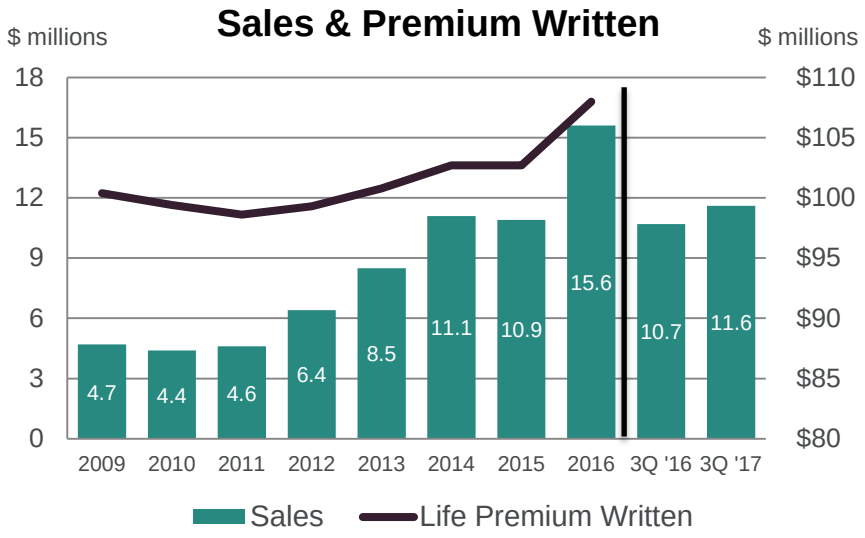
Products

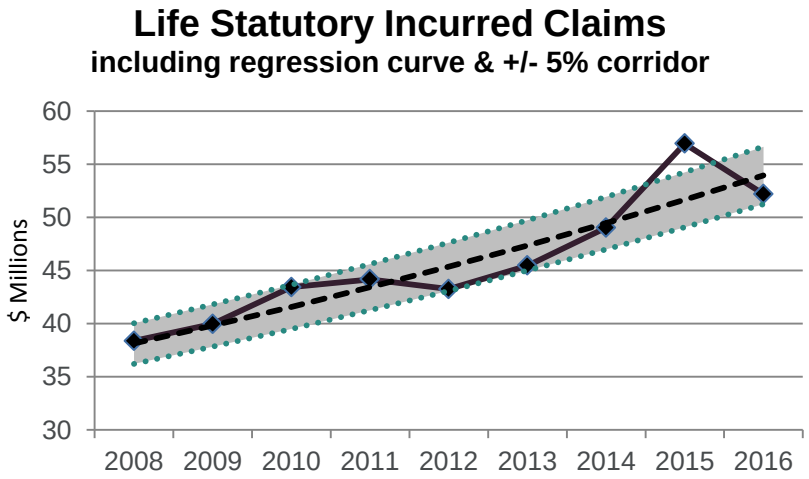
- Basic coverages appropriate for educator income levels
  - Indexed universal life
  - Term insurance
  - Traditional whole life
  - Single-premium whole life
- Mature in-force book of whole and term life products
  - About 197,000 policies in force
  - Average individual life face amount of ~ $102K
  - 95% retention ratio

(1) Face amount in force as of September 30, 2017
(2) Experience Life is a legacy Whole Life and Term product

Life segment

Profitable in-force block with double digit sales growth

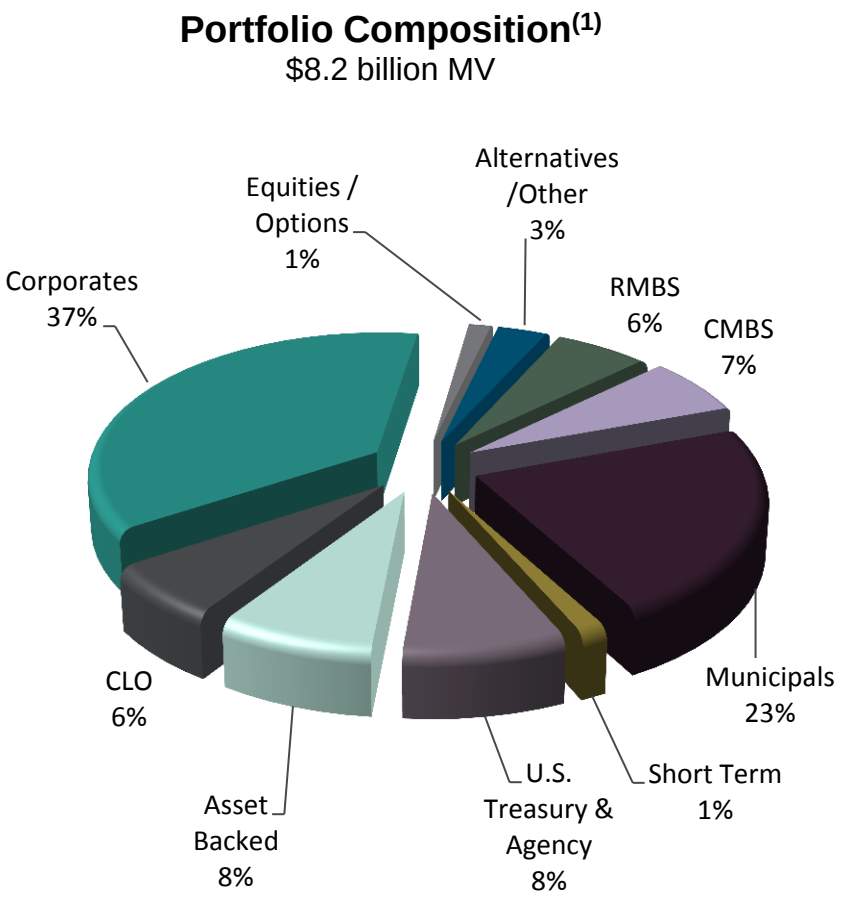




Results

- Strategic focus to grow this segment of profitable business
  - 8% increase in Life sales year over year to $11.6 million
- YTD 2017 ex-DAC life earnings of $14.1 million increased 8% year over year
  - Mortality in line with actuarial expectations
- Business is priced to generate a low double-digit ROE

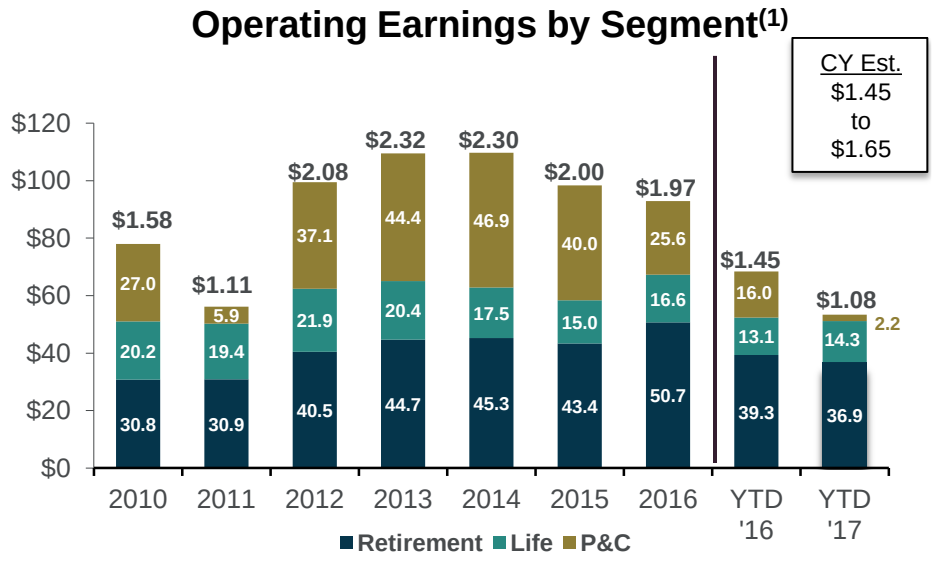
Conservative, diversified investment portfolio designed to support our product offerings

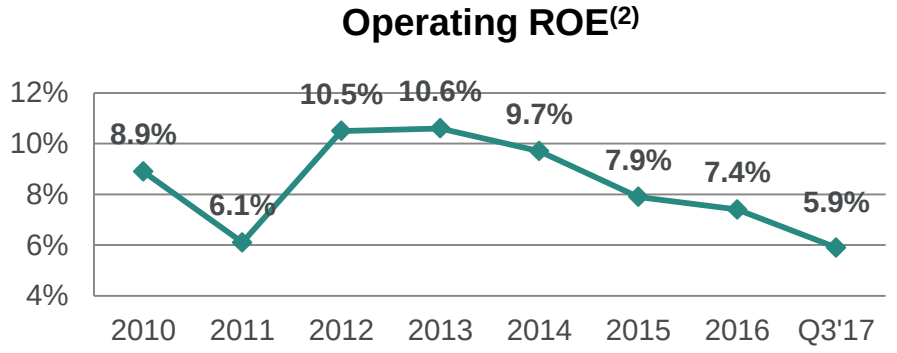


- High quality, well diversified portfolio across fixed income sectors
  - Weighted average quality: A
  - Average duration 6.0
- Focused on risk and asset liability management
  - $7.3 billion MV portfolio supports long dated Life & Retirement liabilities
  - $0.9 billion MV portfolio supports P&C
  - $455.3 million net unrealized gain; majority in Life & Retirement portfolios
- New purchases focused on maintaining portfolio quality and yield
  - Q3 2017 new money rate of 3.81% slightly below 2017 original guidance assumption of 4.00%

(1) As of September 30, 2017; excludes policy loans

Multiline business model has generated solid operating earnings

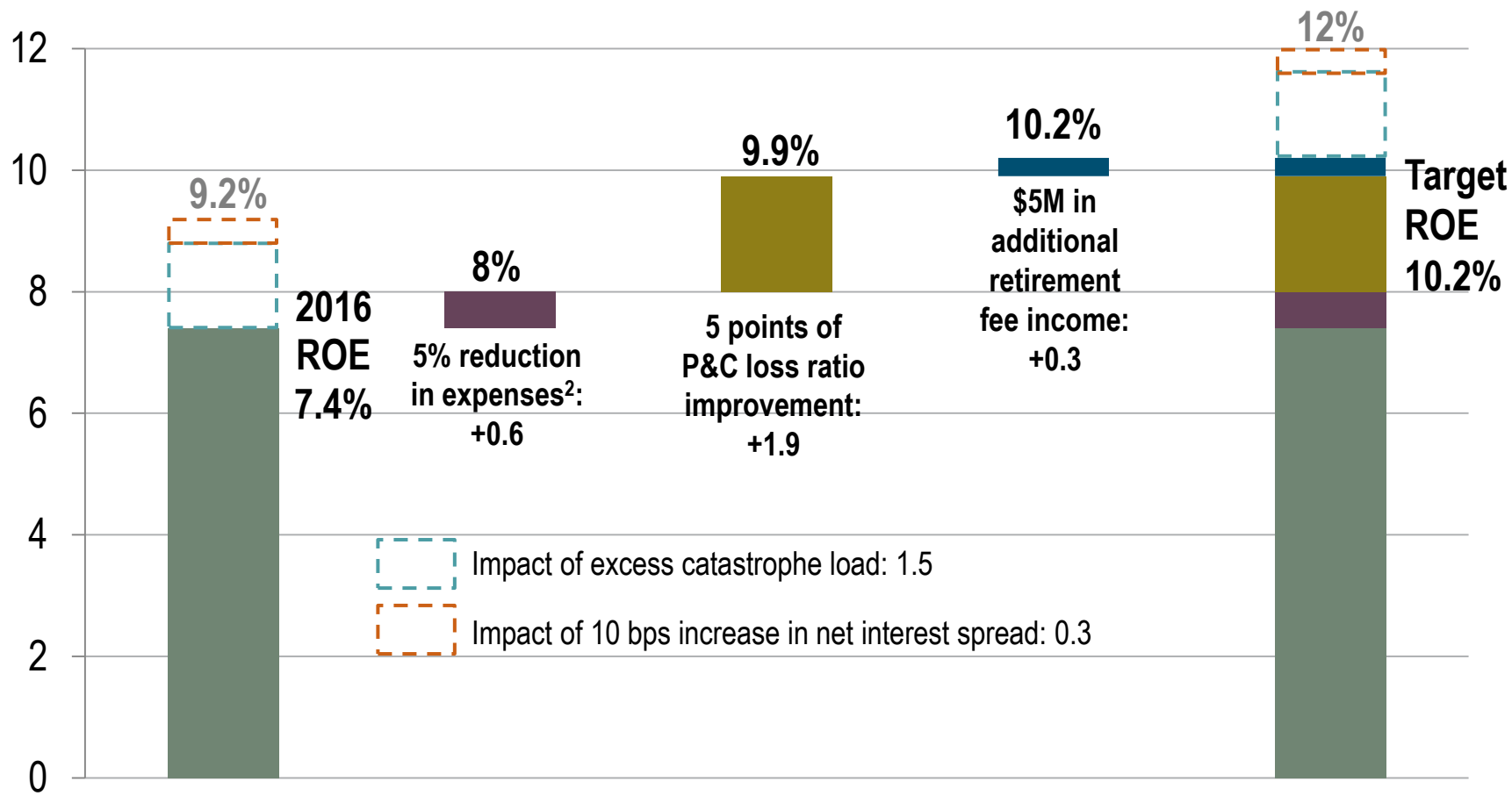




- Operating earnings per share(1) reflect diversification of multi-line business model; earnings growth led by Retirement
  - Solid Retirement sales, assets under management growth, and proactive spread management have generated 9% earnings growth CAGR
  - Recent P&C pressure from adverse weather; continue to implement double digit Auto rate plan and other profitability improvement actions
- For 2017, expect operating earnings of $1.45 to $1.65 per diluted share
  - Includes $0.10 of strategic investments to accelerate top line growth over time
  - Expect full-year underlying Auto combined ratio to be flat compared to 2016 and expect 2 to 2.5 points improvement in 2018
  - Reported Property combined ratio below 100, reflecting adverse weather in 1H'17
  - Retirement spreads in the 180s, reflecting more normalized investment returns; sales at similar pace
  - Life earnings of $14 to $16 million, reflecting normal mortality; sales continue to grow at a double digit pace

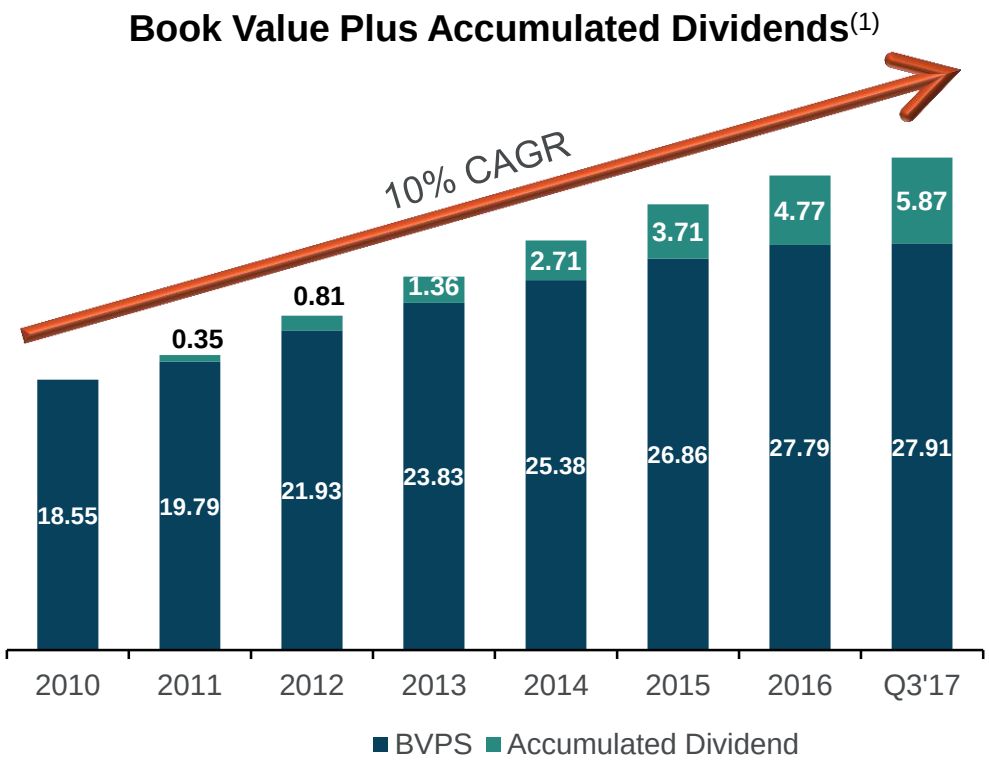
(1) Operating earnings reflects net income excluding net realized investment gains and losses
(2) Operating ROE excluding net unrealized investment gains and losses; 2010 is before the retroactive application of new accounting guidance for deferred policy acquisition costs

Despite a challenging macroeconomic backdrop, we have a clear path to achieve a double-digit ROE[(1)] over time



(1) *Operating ROE excluding net unrealized investment gains and losses.*
(2) *Annual operating expenses are approximately $250M; every 5% reduction results in a 0.6% increase in ROE. Many targeted reductions are a result of operational efficiencies gained from strategic investments.*

Solid financial results have resulted in top quartile book value growth[(1)] and a compelling dividend yield



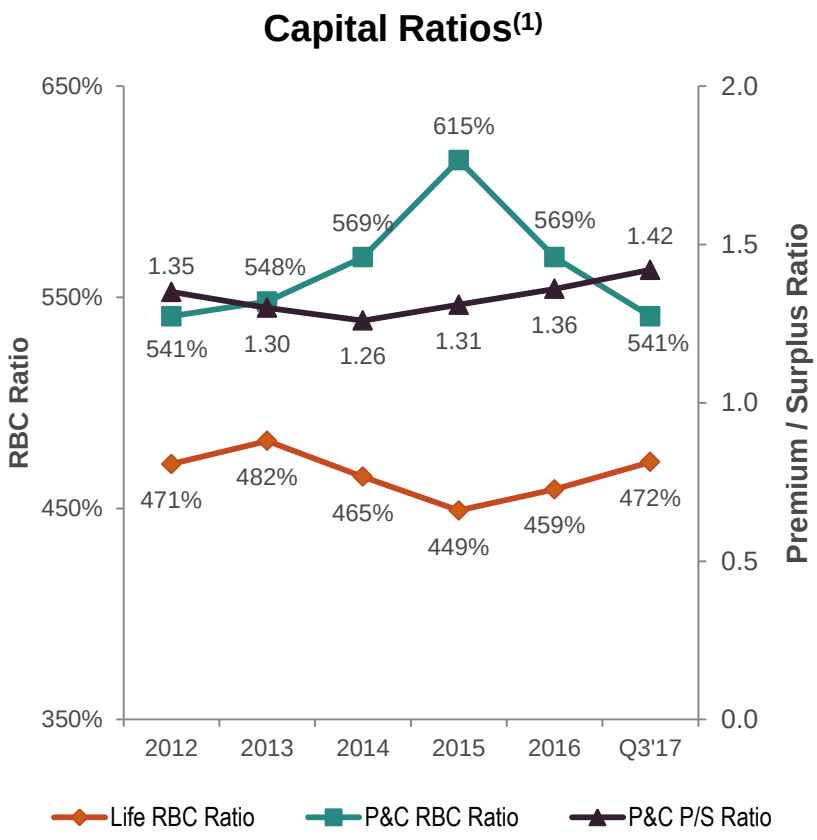
- $27.91 book value per share excluding FAS 115 as of Q3 2017, up 1.3% from a year ago
- Annualized 2017 shareholder dividend of $1.10
  - Increase of 4% represents the ninth consecutive year for increase
  - Dividend yield of 2.8%[(2)]
  - Reflects ~50% payout ratio[(3)]
- Opportunistic share buyback program
  - Repurchases of $72.2 million since December 2011 at an average price of $25.35 versus VWAP of $29.22 through Q3'17
  - $27.8 million remains under share repurchase authorization

(1) Book value per share excluding unrealized investment gains/losses (ex. FAS 115). 2010-2011 numbers have been restated to include the retrospective application of new accounting guidance for deferred policy acquisition costs. Top quartile ranking in peer group includes Large, Mid and Small cap personal lines and life insurance companies.

(2) Based on 9/30/17 closing stock price of $39.35.

(3) Assuming catastrophe and weather-related losses are in line with historical experience.

Capital ratios are strong and reflect more than adequate capital to grow our businesses



- Consistent earnings and conservative bias have resulted in strong capital ratios
  - P&C loss reserves held in the upper end of an independent actuarial range
  - Conservative Life & Retirement product design
  - Investment portfolio construction/favorable historical loss experience
- Q3 2017 debt-to-capital ratio(2) of 17.9%
- Excess capital deployed for organic growth will result in modest ROE expansion

(1) Q3'17 RBC results are estimates. P&C RBC is shown using 2016 methodology.
(2) Excluding unrealized gains/losses on investments.

Alignment of PDI and solutions orientation will accelerate efforts to profitably grow

Product

Robust/Complete Product Suite

- Full suite of Life and Retirement products:
  - Revamped and re-priced existing Life products
  - Introduced FIA and IUL products
  - New Retirement Product Suite
- Continuous improvement of P&C pricing segmentation
- Introduction of Student Loan Solutions
- Increased partnerships through Horace Mann general Agency

Distribution

Strengthening the model

- Enhanced agent quality standards and improved agency support
- Common repeatable sales process
- Development of complementary channels will allow customers to choose access points
  - Direct
  - Institutional
  - Captive Agents
- Enhanced digital capabilities

Infrastructure

Modernizing the experience

- Life & Retirement systems modernization rearing completion
- P&C modernization in progress
- Introduce Best Interest Advice Model
- Improving customer and experience and NPS
- Widening the pipes to support greater new business volumes

- **More educator households**
- **Sales momentum across all business lines**
- **Improve our already industry-leading cross-sell ratio**

Unique value proposition results in a differentiated investment opportunity



Multiline business model	Niche market	Strong financial position	Top quartile results
Provides earnings diversification and compelling cross-sell opportunities	Growing market of underserved educators results in significant profitable growth opportunities	Conservative balance sheet and excess capital to fund growth and return capital to shareholders via strong dividend and opportunistic share repurchases	Strong track record of shareholder value creation, which has resulted in top quartile performance among peers over the past 5 years(1)

(1) *Book value per share excluding unrealized investment gains/losses (ex. FAS 115). As of 12/31/2016, top quartile ranking in peer group reflects book value growth and dividend growth includes Large, Mid and Small cap personal lines and life insurance companies, over past 5 years. Source: SNL Financial*

Appendix

Horace Mann
Founded by Educators for Educators

AUTO | HOME | LIFE | RETIREMENT

Founded by Educators for Educators®

1945	**Founded by two teachers in Springfield, IL as the Illinois Education Association Mutual Insurance Company to provide automobile insurance to IEA members**
1949 1961	Company began offering life insurance products to the educational community Introduced 403(b) tax-qualified retirement annuities; the year Congress created this option for educators
1975 1989 1991	Company acquired by INA Corporation Company acquired from CIGNA through a management led LBO Completed initial public offering; stock trades on NYSE under the symbol "HMN"
2000 2006 2009	With less than 50% of new P&C business represented by educators, company refocuses on the educator market Began transitioning employee agency force to new business model Exclusive Agent (EA) contract introduced
2010 2014-15	Re-introduced State Teacher Retirement Seminars, and began strategic relationship with DonorsChoose.org Introduction of Fixed Indexed Annuity and Indexed Universal Life rounds out product offerings
Today	Building on a solid foundation to accelerate our growth momentum and increase our penetration in the K-12 educator niche – Largest national, multiline insurance company focused on serving the nation's K-12 educator market – Current book ~ 80% educator – Agency force transition largely complete; now focused on productivity improvement initiatives – Life & Retirement product line enhancements and infrastructure improvements – Enhanced P&C pricing segmentation and underwriting and claims initiatives to further improve underwriting results

Retirement sales are in line with prior year; AUM up 9%; early sales momentum for higher ROE fee-based products

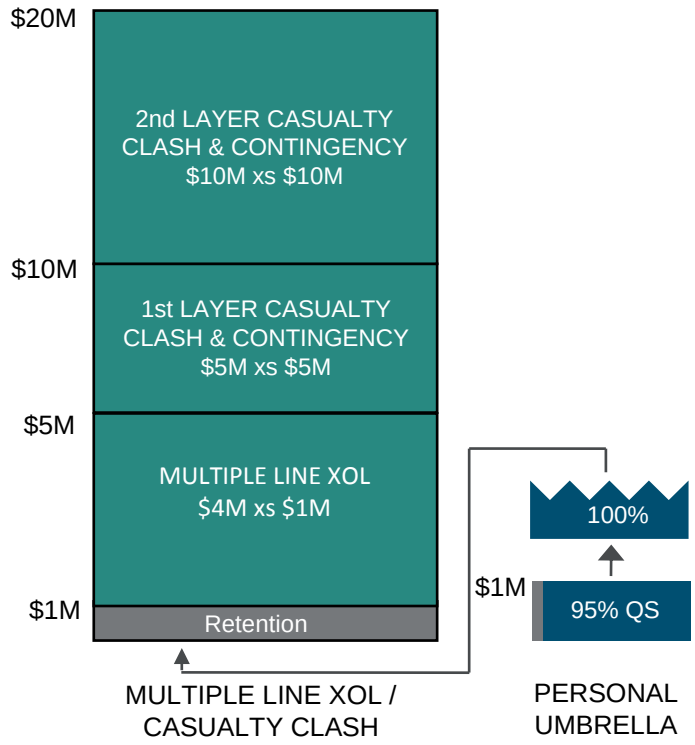
	Sales			AUM		
	YTD 2017	YTD 2016	% Change	Q3 17	Q3 16	% Change
Fee Based						
Variable Annuity	$ 123.1	$ 108.1	14%	$ 2,051.2	$1,782.8	15%
Retirement Adv / Mng'd Acct	29.0	9.0	222%	50.4	16.1	213%
Other TPV	24.0	19.0	26%	175.6	149.5	17%
Total	$ 176.1	$ 136.1	29%	$ 2,277.2	$1,948.4	17%
Spread Based						
Fixed Annuity*	$ 214.8	$ 262.8	-18%	$ 4,571.2	$4,367.1	5%
GUFA (Retirement Adv)**	5.1	2.3	122%	6.8	2.1	224%
Total	219.9	265.1	-17%	4,578.0	4,369.2	5%
Total Retirement	$ 396.0	$ 401.2	-1%	$ 6,855.2	$6,317.6	9%

* Excludes employee 401(k) and pension flows, which totalled $6mm for YTD 2017 and $18.7mm for YTD 2016

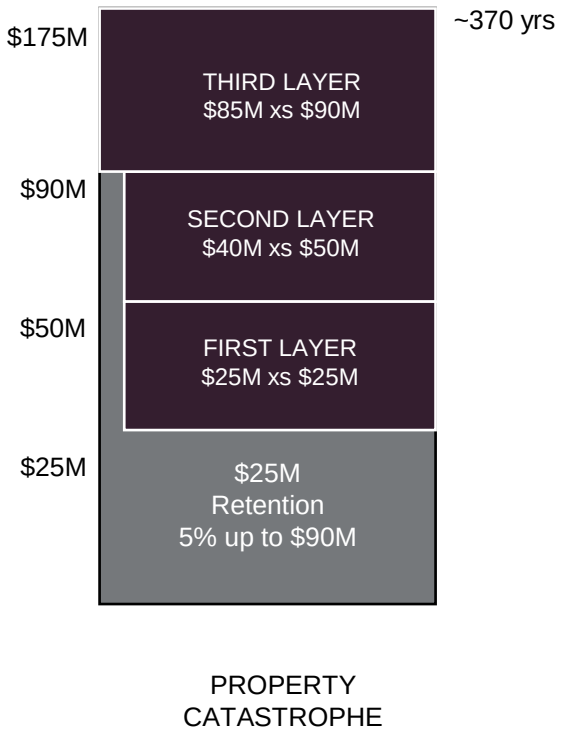
** GUFA (Guaranteed Unallocated Fixed Account) is a traditional fixed crediting rate product, managed in the same manner as Fixed Annuities; therefore it is reported as part of our Fixed Annuity flows in our Account Rollforward in the supplement; this product is sold as part of our new Retirement Advantage product suite

Current single-event catastrophe reinsurance provides PML coverage of approximately 370 years

Multiple Line XOL / Casualty(1)



Property(1)



(1) 2017 Reinsurance Program
Based on current AIR model

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

Appropriate conservatism

- Disciplined reserving practices
- Recent favorable reserve development consistent with independent observations

Strong claims organization/capabilities

- Centralized claim offices
- Technology/infrastructure
- Implementation of best practices and procedures

Net P&C Reserve Position			
	Independent Actuary		HMN
($ Millions)	Low	High	Held
2016	$219.8	$260.0	$246.6
2015	$214.3	$257.7	$251.2
2014	$227.8	$274.5	$267.4

Highly rated by all rating agencies: educator market focus, earnings diversification and capital strength

Recent Ratings Upgrades

- In Q4 2016, Moody's upgraded our P&C outlook to Positive from Stable
- In Q1 2016, AM Best upgraded our P&C rating to "A" from "A-"
- In Q2 2015, Moody's upgraded our Life outlook to Positive from Stable

Strong Position within the Educator Community

- "strong business franchise/formidable reputation in K-12 educator market…"
- "continued expertise in writing personal lines products in educator market…"
- "historical growth/recent growth momentum in 403(b) market…established as one of the more significant providers…"

Stable Operating Results and Enterprise Risk Management

- "(earnings) have benefitted from diversity…P/C and Life operations…"
- "limits its risk taking to areas it understands and has made decisions to avoid risks related to certain distribution segments, products, and investments to maintain a high quality book of business focused on the educational market"

Strong Capital Adequacy

- "maintains a generally risk-adverse approach to underwriting and the management of its investment portfolio"
- "maintains debt at a conservative level, consolidated capital adequacy that is above the rating category and a conservative investment portfolio with limited exposure to problematic asset classes"

Current Financial Strength Ratings

Agency	Rating (affirmed/ reviewed)	Outlook
S&P	A (2/13/17)	Stable
Moody's	A3 (3/10/17)	Positive
AM Best	A (5/16/17)	Stable
Fitch	A (8/4/16)	Stable

Consolidated GAAP Income Statement

($ in Millions, except EPS and BV)	2013	2014	2015	2016	YTD 2017
Written Prem. & Contract Deposits	$ 1,094.2	$ 1,167.7	$ 1,256.5	$ 1,262.5	$ 926.7
Earned Prem. & Contract Charges	$ 690.9	$ 715.8	$ 731.9	$ 759.1	$ 590.4
Net Investment Income	313.6	329.8	332.6	361.2	275.0
Other Income	4.5	4.2	3.2	4.5	4.8
Benefits, Claims, & Settlement Exp.	618.2	644.5	679.2	733.1	444.9
Total Other Expenses & Taxes	294.3	308.0	303.6	310.2	380.4
Net Income Before Net Realized Investment Gains (Losses)	$ 96.5	$ 97.3	$ 84.9	$ 81.5	$ 44.9
Operating EPS	$ 2.32	$ 2.30	$ 2.00	$ 1.97	$ 1.08
Operating ROE (ex. FAS 115)	10.6%	9.7%	7.9%	7.4%	5.9%
Net Realized Investment Gains (Losses), After Tax	14.4	6.9	8.6	2.3	(0.8)
Net Income	$ 110.9	$ 104.2	$ 93.5	$ 83.8	$ 44.1
BV / Share (ex. FAS 115)	$ 23.83	$ 25.38	$ 26.86	$ 27.79	$ 27.91
BV / Share	$ 27.14	$ 32.65	$ 31.18	$ 32.15	$ 34.20

Consolidated GAAP Balance Sheet

($ in Millions)

	2013	2014	2015	2016	Q3 2017
Assets					
Investments	$ 6,539.5	$ 7,403.5	$ 7,648.0	$ 7,999.3	$ 8,337.1
Cash	18.2	11.7	15.5	16.7	6.7
Separate Account Assets	1,748.0	1,813.6	1,800.7	1,923.9	2,051.5
DAC	245.3	215.1	253.2	267.6	257.2
Goodwill	47.4	47.4	47.4	47.4	47.4
Other Assets	228.3	277.2	292.2	321.9	344.4
Total Assets	$ 8,826.7	$ 9,768.5	$10,057.0	$ 10,576.8	$ 11,044.3
Liabilities					
Policy Liabilities & Other Policyholder Funds	$ 5,375.5	$ 5,958.2	$ 6,376.1	$ 6,733.1	$ 6,861.2
Separate Acct. Liabilities	1,748.0	1,813.6	1,800.7	1,923.9	2,051.5
Long Term Debt	199.9	199.9	247.0	247.2	247.4
Short Term Debt	38.0	38.0	0.0	0.0	0.0
Other Liabilities	366.0	422.3	368.5	378.6	493.8
Total Liabilities	7,727.4	8,432.0	8,792.3	9,282.8	9,653.9
Shareholders' Equity	1,099.3	1,336.5	1,264.7	1,294.0	1,390.4
Total Liabilities & Equity	$ 8,826.7	$ 9,768.5	$10,057.0	$ 10,576.8	$ 11,044.3

Horace Mann

National insurer offering Auto, Property and traditional Life & Retirement products to a niche market of educators through a largely captive agency distribution model

Exchange ticker symbol	**NYSE:HMN**
Share Price	$39.35 (1)
Shares Outstanding	40.7 million (1)(2)
Market Capitalization	$1.6 billion (1)
Annualized Dividend Per Share	$1.10 (1)
Dividend Yield Per Share	2.8% (1)
Average Daily Volume	163K shares (52-week average daily volume as of 9/30/17)
Book Value Per Share	$27.91 (1)(3)
Analyst Coverage	Dowling & Partners: Julia Ferguson Janney Montgomery Scott: Robert Glasspiegel JMP Securities: Matt Carletti Keefe, Bruyette & Woods: Christopher Campbell
Company Contacts	Ryan Greenier, Vice President, Investor Relations, 217-788-5738, ryan.greenier@horacemann.com

(1) As of 9/30/2017
(2) 41.6 million weighted average diluted shares for Q3 '17
(3) Excluding net unrealized gains/losses on investments