



Horace Mann[®]

Founded by Educators for Educators

**INVESTOR FINANCIAL SUPPLEMENT
DECEMBER 31, 2014**

HORACE MANN EDUCATORS CORPORATION

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Note: The information contained in this document includes financial measures which are based on methodologies other than United States generally accepted accounting principles ("GAAP"). Reconciliations of non-GAAP measures to the closest GAAP measures are contained in the supplemental numerical pages of HMEC's quarterly earnings releases (and related Form 8-K filings), and additional descriptions of the non-GAAP measures are contained in the Glossary of Selected Terms included as an exhibit to HMEC's SEC filings.

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED FINANCIAL HIGHLIGHTS

For Period Ended	Three Months Ended					Year Ended	
	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<i>(\$ in millions, except per share data)</i>							
Earned Premiums	\$ 182.2	\$ 179.1	\$ 179.1	\$ 175.4	\$ 176.4	\$ 715.8	\$ 690.9
Net Investment Income	82.8	82.6	81.4	83.0	80.4	329.8	313.6
Net Realized Investment Gains (Losses)	2.2	3.5	3.5	1.7	1.3	10.9	22.2
Other Income	1.9	0.4	0.8	1.1	1.0	4.2	4.5
Total Revenues	\$ 269.1	\$ 265.6	\$ 264.8	\$ 261.2	\$ 259.1	\$ 1,060.7	\$ 1,031.2
Net Income	\$ 30.0	\$ 25.4	\$ 20.4	\$ 28.4	\$ 34.3	\$ 104.2	\$ 110.9
Operating Income	28.7	23.1	18.2	27.3	33.4	97.3	96.5
At Period End							
Total Assets	\$ 9,768.5	\$ 9,643.0	\$ 9,446.2	\$ 9,083.5	\$ 8,826.7	\$ 9,768.5	\$ 8,826.7
Total Policy Liabilities	5,351.5	5,269.5	5,163.3	5,082.3	5,029.2	5,351.5	5,029.2
Debt	237.9	237.9	237.9	237.9	237.9	237.9	237.9
Shareholders' Equity	1,336.5	1,288.3	1,283.1	1,197.8	1,099.3	1,336.5	1,099.3
Per Share and Shares Data							
Net Income per share (basic)	\$ 0.72	\$ 0.61	\$ 0.49	\$ 0.69	\$ 0.84	\$ 2.50	\$ 2.75
Operating Income per share (basic)	0.69	0.56	0.44	0.66	0.82	2.34	2.39
Net Income per diluted share	\$ 0.71	\$ 0.60	\$ 0.48	\$ 0.67	\$ 0.81	\$ 2.47	\$ 2.66
Operating Income per diluted share	0.68	0.55	0.43	0.65	0.79	2.30	2.32
Weighted average common shares (basic)	41.7	41.5	41.4	41.2	40.8	41.6	40.4
Dilutive effect of stock equivalents	0.7	0.8	0.9	1.1	1.4	0.6	1.2
Weighted average diluted shares	42.4	42.3	42.3	42.3	42.2	42.2	41.6
Book value per share	\$ 32.65	\$ 31.51	\$ 31.40	\$ 29.47	\$ 27.14	\$ 32.65	\$ 27.14
Per share impact of unrealized gain (loss) on fixed maturities and equity securities	7.27	6.60	6.89	5.20	3.31	7.27	3.31
Book value per share excluding unrealized gain (loss) on fixed maturities and equity securities	\$ 25.38	\$ 24.91	\$ 24.51	\$ 24.27	\$ 23.83	\$ 25.38	\$ 23.83
Dividends paid per share	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.195	\$ 0.92	\$ 0.78
Financial Ratios							
Net Income ROE	8.4%	9.1%	9.2%	9.8%	9.6%	8.4%	9.6%
Net Income ROE excluding unrealized on investments	10.4%	11.1%	11.1%	12.0%	12.2%	10.4%	12.2%
Operating Income ROE	7.8%	8.6%	9.0%	8.8%	8.3%	7.8%	8.3%
Operating Income ROE excluding unrealized on investments	9.7%	10.4%	10.8%	10.8%	10.6%	9.7%	10.6%
Debt to total capitalization	15.1%	15.6%	15.6%	16.6%	17.8%	15.1%	17.8%
Debt to total capitalization excluding unrealized on investments	18.6%	18.9%	19.2%	19.4%	19.8%	18.6%	19.8%
Annualized Investment yield, after tax	3.57%	3.58%	3.61%	3.67%	3.61%	3.57%	3.61%

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

For Period Ended	Three Months Ended					Year Ended	
	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<i>(\$ in millions)</i>							
Revenues							
Insurance premiums and contract charges earned	\$ 182.2	\$ 179.1	\$ 179.1	\$ 175.4	\$ 176.4	\$ 715.8	\$ 690.9
Net investment income	82.8	82.6	81.4	83.0	80.4	329.8	313.6
Net realized investment gains (losses)	2.2	3.5	3.5	1.7	1.3	10.9	22.2
Other income	1.9	0.4	0.8	1.1	1.0	4.2	4.5
Total revenues	269.1	265.6	264.8	261.2	259.1	1,060.7	1,031.2
Benefits, losses and expenses							
Benefits, claims and settlement expenses	111.8	117.4	127.2	112.0	102.1	468.4	448.3
Interest credited	44.8	44.5	43.7	43.1	43.5	176.1	169.9
DAC amortization expense, excluding unlocking	23.6	23.2	23.0	22.9	22.4	92.7	88.2
DAC unlocking	0.2	1.3	(0.5)	0.1	(1.8)	1.1	(3.6)
Operating expenses	43.0	39.9	39.3	39.9	40.9	162.1	160.1
Interest expense	3.6	3.5	3.6	3.5	3.5	14.2	14.2
Total benefits, losses and expenses	227.0	229.8	236.3	221.5	210.6	914.6	877.1
Income before income taxes	42.1	35.8	28.5	39.7	48.5	146.1	154.1
Income tax expense	12.1	10.4	8.1	11.3	14.2	41.9	43.2
Net income	\$ 30.0	\$ 25.4	\$ 20.4	\$ 28.4	\$ 34.3	\$ 104.2	\$ 110.9
Less: Net realized investment gains (losses), after tax	1.3	2.3	2.2	1.1	0.9	6.9	14.4
Operating income	\$ 28.7	\$ 23.1	\$ 18.2	\$ 27.3	\$ 33.4	\$ 97.3	\$ 96.5
Other Statistics							
Effective tax rate on net investment income	32.9%	32.9%	32.8%	32.9%	33.0%	32.9%	32.8%
Net investment income, after tax	\$ 55.6	\$ 55.4	\$ 54.7	\$ 55.7	\$ 53.9	\$ 221.4	\$ 210.8
Catastrophes, net of reinsurance, pre-tax	2.0	5.7	23.5	6.3	2.9	37.5	40.2
Catastrophes, net of reinsurance, after tax	1.3	3.7	15.3	4.1	1.9	24.4	26.1
Other-than-temporary impairment losses on securities [1]	(5.8)	(0.1)	(0.5)	-	(0.5)	(6.4)	(1.5)
Agent Information							
Exclusive agencies	682	640	620	629	654	682	654
Employee agents	73	79	87	93	105	73	105
Total	755	719	707	722	759	755	759

[1] Included in pre-tax net realized investment gains (losses)

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED BALANCE SHEET

	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sept. 30, 2013
<i>(\$ in millions, except per share data)</i>						
ASSETS						
Investments						
Fixed maturities, available for sale, at fair value	\$ 6,893.1	\$ 6,793.5	\$ 6,676.3	\$ 6,398.4	\$ 6,009.6	\$ 5,940.5
Equity securities, available for sale, at fair value	110.6	106.8	109.5	94.2	91.9	86.6
Short-term and other investments	399.8	406.2	303.9	308.7	438.0	313.7
Total investments	7,403.5	7,306.5	7,089.7	6,801.3	6,539.5	6,340.8
Cash	11.7	41.2	44.7	34.9	18.2	45.8
Deferred policy acquisition costs	215.1	217.7	210.0	222.6	245.3	233.1
Goodwill	47.4	47.4	47.4	47.4	47.4	47.4
Other assets	277.2	243.8	240.3	232.3	228.3	227.9
Separate account assets	1,813.6	1,786.4	1,814.1	1,745.0	1,748.0	1,627.7
Total assets	\$ 9,768.5	\$ 9,643.0	\$ 9,446.2	\$ 9,083.5	\$ 8,826.7	\$ 8,522.7
LIABILITIES AND SHAREHOLDERS' EQUITY						
Policy liabilities						
Fixed annuity contract liabilities	\$ 3,774.5	\$ 3,717.3	\$ 3,629.1	\$ 3,567.2	\$ 3,515.9	\$ 3,454.3
Interest-sensitive life contract liabilities	792.0	788.3	785.3	781.1	777.3	773.8
Unpaid claims and claim expenses	325.8	305.1	302.6	295.2	291.6	297.0
Future policy benefits	235.8	232.1	228.6	224.6	223.3	221.4
Unearned premiums	223.4	226.7	217.7	214.2	221.1	223.3
Total policy liabilities	5,351.5	5,269.5	5,163.3	5,082.3	5,029.2	4,969.8
Other policyholder funds	606.7	601.6	347.1	344.8	346.3	97.8
Other liabilities	422.3	459.3	600.7	475.7	366.0	500.2
Short-term debt	38.0	38.0	38.0	38.0	38.0	38.0
Long-term debt, current and noncurrent	199.9	199.9	199.9	199.9	199.9	199.9
Separate account liabilities	1,813.6	1,786.4	1,814.1	1,745.0	1,748.0	1,627.7
Total liabilities	8,432.0	8,354.7	8,163.1	7,885.7	7,727.4	7,433.4
Common stock, \$0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	422.2	420.7	418.0	413.4	407.0	400.1
Retained earnings	1,065.3	1,045.1	1,029.5	1,018.9	1,000.3	974.2
Accumulated other comprehensive income (loss), net of taxes:						
Net unrealized gains and losses on fixed maturities and equity securities	297.6	270.0	281.5	211.4	134.0	160.5
Net funded status of pension and other post-retirement benefit obligations	(13.0)	(11.8)	(11.8)	(11.8)	(11.8)	(15.3)
Treasury stock, at cost	(435.7)	(435.8)	(434.2)	(434.2)	(430.3)	(430.3)
Total shareholders' equity	1,336.5	1,288.3	1,283.1	1,197.8	1,099.3	1,089.3
Total liabilities and shareholders' equity	\$ 9,768.5	\$ 9,643.0	\$ 9,446.2	\$ 9,083.5	\$ 8,826.7	\$ 8,522.7

HORACE MANN EDUCATORS CORPORATION

CAPITAL METRICS

For Period Ended	Three Months Ended					Year Ended	
	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<i>(\$ in millions, except per share data)</i>							
<u>Book Value Per Share</u>							
Numerator							
Shareholders' Equity	\$ 1,336.5	\$ 1,288.3	\$ 1,283.1	\$ 1,197.8	\$ 1,099.3	\$ 1,336.5	\$ 1,099.3
Less: Unrealized Gains and Losses on Fixed Maturities and Equity Securities [1]	297.6	270.0	281.5	211.4	134.0	297.6	134.0
Shareholders' Equity Excluding Unrealized Gains and Losses on Fixed Maturities and Equity Securities	\$ 1,038.9	\$ 1,018.3	\$ 1,001.6	\$ 986.4	\$ 965.3	\$ 1,038.9	\$ 965.3
Denominator							
Common Shares Issued and Outstanding, at period end	40.9	40.9	40.9	40.6	40.5	40.9	40.5
Book Value Per Share	\$ 32.65	\$ 31.51	\$ 31.40	\$ 29.47	\$ 27.14	\$ 32.65	\$ 27.14
Book Value Per Share Excluding Unrealized on Fixed Maturities and Equity Securities	\$ 25.38	\$ 24.91	\$ 24.51	\$ 24.27	\$ 23.83	\$ 25.38	\$ 23.83
<u>Return on Shareholders' Equity</u>							
Numerator							
Trailing 12 Months Net Income	\$ 104.2	\$ 108.5	\$ 106.7	\$ 112.3	\$ 110.9	\$ 104.2	\$ 110.9
Trailing 12 Months Operating Income	97.3	102.0	103.4	101.2	96.5	97.3	96.5
Denominator (5-point Average)							
5-point Average Shareholders' Equity	\$ 1,241.0	\$ 1,191.6	\$ 1,155.2	\$ 1,150.9	\$ 1,160.5	\$ 1,241.0	\$ 1,160.5
Trailing 12 Months Net Income on Average Shareholders' Equity (5-point Average)	8.4%	9.1%	9.2%	9.8%	9.6%	8.4%	9.6%
Trailing 12 Months Operating Income on Average Shareholders' Equity (5-point Average)	7.8%	8.6%	9.0%	8.8%	8.3%	7.8%	8.3%
<u>Debt and Total Capitalization</u>							
Short Term Debt, Due Under Revolving Credit Agreement, Expires On 10/6/15, At Libor +125 bps	\$ 38.0	\$ 38.0	\$ 38.0	\$ 38.0	\$ 38.0	\$ 38.0	\$ 38.0
Senior Debt:							
6.05% Senior Notes Due June 15, 2015	75.0	75.0	75.0	75.0	75.0	75.0	75.0
6.85% Senior Notes Due April 15, 2016	124.9	124.9	124.9	124.9	124.9	124.9	124.9
Total Debt	237.9	237.9	237.9	237.9	237.9	237.9	237.9
Shareholders' Equity	1,336.5	1,288.3	1,283.1	1,197.8	1,099.3	1,336.5	1,099.3
Total Capitalization	\$ 1,574.4	\$ 1,526.2	\$ 1,521.0	\$ 1,435.7	\$ 1,337.2	\$ 1,574.4	\$ 1,337.2
Ratio of Debt to Shareholders' Equity	17.8%	18.5%	18.5%	19.9%	21.7%	17.8%	21.7%
Ratio of Debt to Total Capitalization	15.1%	15.6%	15.6%	16.6%	17.8%	15.1%	17.8%
<u>Capital Returned to Shareholders</u>							
Common Stock Repurchased	\$ -	\$ 1.5	\$ -	\$ 3.9	\$ -	\$ 5.4	\$ 3.9
Cash Dividends Paid	9.8	9.8	9.8	9.8	8.3	39.2	32.6
Total Capital Returned to Shareholders	\$ 9.8	\$ 11.3	\$ 9.8	\$ 13.7	\$ 8.3	\$ 44.6	\$ 36.5

[1] After tax and including the impact on deferred policy acquisition costs for interest-sensitive life and investment (annuity) contracts.

HORACE MANN EDUCATORS CORPORATION
PROPERTY & CASUALTY SEGMENT
STATEMENT OF OPERATIONS

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Year Ended	
	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
UNDERWRITING RESULTS							
Written premiums							
Voluntary Auto	\$ 95.4	\$ 97.0	\$ 93.3	\$ 94.8	\$ 93.6	\$ 380.5	\$ 371.7
Property	47.0	56.9	54.0	41.9	46.8	199.8	195.0
Involuntary & Other	2.0	0.7	0.9	0.5	1.4	4.1	3.7
Total written premiums	144.4	154.6	148.2	137.2	141.8	584.4	570.4
Earned premiums							
Voluntary Auto	\$ 95.3	\$ 94.6	\$ 94.2	\$ 93.9	\$ 93.3	\$ 378.0	\$ 367.5
Property	50.1	50.2	49.8	49.6	48.6	199.7	190.8
Involuntary & Other	2.3	0.8	0.6	0.4	1.8	4.1	3.6
Total earned premiums	147.7	145.6	144.6	143.9	143.7	581.8	561.9
Losses and loss adjustment expenses							
Current accident year before catastrophes	98.3	98.6	89.4	92.7	90.7	379.0	363.4
Current accident year catastrophes	2.0	5.7	23.5	6.3	2.9	37.5	40.2
Prior years' reserve development [1]	(5.6)	(4.4)	(3.0)	(4.0)	(8.1)	(17.0)	(18.0)
Total losses and loss adjustment expenses	94.7	99.9	109.9	95.0	85.5	399.5	385.6
Operating expenses, including DAC amortization expense	41.2	40.2	38.5	39.8	40.0	159.7	155.5
Underwriting gain (loss)	11.8	5.5	(3.8)	9.1	18.2	22.6	20.8
Net investment income	9.2	8.9	9.4	9.3	9.3	36.8	36.2
Other income (expense)	1.2	-	-	0.2	-	1.4	0.2
Income before income taxes	22.2	14.4	5.6	18.6	27.5	60.8	57.2
Income tax expense (benefit)	6.0	2.6	0.7	4.6	8.5	13.9	12.8
Net Income [2]	\$ 16.2	\$ 11.8	\$ 4.9	\$ 14.0	\$ 19.0	\$ 46.9	\$ 44.4

[1] (Favorable) unfavorable.

[2] Net realized investment gains (losses) are not allocated by segment, therefore, net income and operating income are equivalent.

HORACE MANN EDUCATORS CORPORATION
PROPERTY & CASUALTY SEGMENT
UNDERWRITING RESULTS

<u>For Period Ended</u>	<u>Three Months Ended</u>					<u>Year Ended</u>	
	<u>Dec. 31,</u> <u>2014</u>	<u>Sept. 30,</u> <u>2014</u>	<u>Jun. 30,</u> <u>2014</u>	<u>Mar. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>
UNDERWRITING RATIOS (%)							
Losses and loss adjustment expenses							
Current accident year before catastrophes	66.6	67.7	61.8	64.4	63.1	65.1	64.7
Current accident year catastrophes	1.3	4.0	16.3	4.4	2.1	6.5	7.2
Prior years' reserve development [1]	(3.8)	(3.0)	(2.1)	(2.8)	(5.7)	(2.9)	(3.3)
Total losses and loss adjustment expenses	64.1	68.7	76.0	66.0	59.5	68.7	68.6
Expense Ratio	27.8	27.6	26.7	27.7	27.9	27.4	27.7
Combined ratio	91.9	96.3	102.7	93.7	87.4	96.1	96.3
Combined ratio before catastrophes	90.6	92.3	86.4	89.3	85.3	89.6	89.1
Combined ratio before catastrophes and prior years' development	94.4	95.3	88.5	92.1	91.0	92.5	92.4
PRODUCT (%)							
Voluntary Automobile							
Loss and loss adjustment expense ratio	76.9	69.0	70.3	67.7	68.4	71.0	70.5
Expense ratio	28.3	28.3	27.0	28.3	28.1	28.0	28.1
Combined ratio	105.2	97.3	97.3	96.0	96.5	99.0	98.6
Prior years' reserve development [1]	(2.8)	(3.7)	(3.2)	(4.2)	(8.1)	(3.5)	(4.7)
Catastrophes	0.5	1.1	4.2	0.1	0.4	1.5	1.2
Combined ratio before catastrophes and prior years' development	107.5	99.9	96.3	100.1	104.2	101.0	102.1
Property							
Loss and loss adjustment expense ratio	41.9	68.5	86.7	62.4	42.1	64.6	64.3
Expense ratio	27.1	26.4	26.2	26.7	27.7	26.6	27.0
Combined ratio	69.0	94.9	112.9	89.1	69.8	91.2	91.3
Prior years' reserve development [1]	(4.3)	0.0	0.0	0.0	(1.3)	(1.1)	(0.4)
Catastrophes	2.8	9.2	39.4	12.5	5.3	15.8	18.7
Combined ratio before catastrophes and prior years' development	70.5	85.7	73.5	76.6	65.8	76.5	73.0
STATISTICAL PREMIUM INFORMATION							
Policy Count Retention (12 month)							
Voluntary Automobile	84.7%	84.5%	84.5%	84.6%	84.8%	84.7%	84.8%
Property	87.9%	88.2%	88.8%	88.9%	89.0%	87.9%	89.0%
Sales (12-month annualized premium, in millions) [2]							
Voluntary Automobile	\$ 20.1	\$ 22.1	\$ 19.6	\$ 17.2	\$ 17.8	\$ 79.0	\$ 74.8
Property	4.4	5.1	3.9	3.5	4.2	16.9	17.9
Total Sales	\$ 24.5	\$ 27.2	\$ 23.5	\$ 20.7	\$ 22.0	\$ 95.9	\$ 92.7
Policies in force (in thousands)							
Voluntary Automobile	481	481	480	480	482	481	482
Property	229	230	232	234	235	229	235
Total Policies in force	710	711	712	714	717	710	717

[1] (Favorable) unfavorable.

[2] HM products.

HORACE MANN EDUCATORS CORPORATION
ANNUITY SEGMENT
STATEMENT OF OPERATIONS AND SUPPLEMENTAL DATA

<u>For Period Ended</u> (\$ in millions)	<u>Three Months Ended</u>					<u>Year Ended</u>	
	<u>Dec. 31,</u> <u>2014</u>	<u>Sept. 30,</u> <u>2014</u>	<u>Jun. 30,</u> <u>2014</u>	<u>Mar. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>
Contract deposits	\$ 118.9	\$ 143.4	\$ 118.0	\$ 100.3	\$ 106.2	\$ 480.6	\$ 423.0
Revenues							
Contract charges earned	\$ 6.6	\$ 6.6	\$ 6.5	\$ 5.9	\$ 5.9	\$ 25.6	\$ 22.6
Net investment income	55.9	56.0	54.4	55.8	53.6	222.1	208.4
Other income	0.5	0.2	0.5	0.6	0.7	1.8	3.0
Total revenues	63.0	62.8	61.4	62.3	60.2	249.5	234.0
Benefits and Expenses							
Interest credited	33.8	33.6	32.8	32.3	32.7	132.5	127.0
Mortality loss and other reserve changes	0.5	0.9	0.4	0.4	0.4	2.2	1.8
DAC amortization expense, excluding unlocking	3.5	3.5	3.3	3.3	3.0	13.6	11.7
DAC unlocking	0.3	1.2	(0.4)	0.1	(1.8)	1.2	(3.7)
Operating expenses	8.9	7.5	8.5	8.4	8.6	33.3	34.0
Total benefits and expenses	47.0	46.7	44.6	44.5	42.9	182.8	170.8
Income before income taxes	16.0	16.1	16.8	17.8	17.3	66.7	63.2
Income tax expense	4.8	5.8	5.3	5.5	4.5	21.4	18.5
Net income [1]	\$ 11.2	\$ 10.3	\$ 11.5	\$ 12.3	\$ 12.8	\$ 45.3	\$ 44.7
Less: DAC unlocking, after tax	(0.2)	(0.8)	0.3	(0.1)	1.2	(0.8)	2.4
Net income excluding DAC unlocking	\$ 11.4	\$ 11.1	\$ 11.2	\$ 12.4	\$ 11.6	\$ 46.1	\$ 42.3
RETURN ON ASSETS (Before-tax bps)							
ROA (12 month) [2]	123	124	121	121	118	123	118
INTEREST SPREAD (Before-tax bps, YTD annualized)	201	204	205	214	199	201	199
Annuity Contracts in force (in thousands)	203	199	197	196	195	203	195
Persistence (12 month)							
Fixed Annuities	94.5%	94.8%	94.9%	95.1%	95.2%	94.5%	95.2%
Variable Annuities	94.0%	94.2%	94.1%	94.1%	94.0%	94.0%	94.0%
Sales (12-month annualized deposits, in millions) [3]							
Recurring	\$ 16.3	\$ 10.0	\$ 10.0	\$ 8.8	\$ 12.6	\$ 45.1	\$ 37.2
Single Deposit/Rollover	68.9	102.1	69.3	55.4	57.7	295.7	242.6
Total Sales	\$ 85.2	\$ 112.1	\$ 79.3	\$ 64.2	\$ 70.3	\$ 340.8	\$ 279.8

[1] Net realized investment gains (losses) are not allocated by segment, therefore, net income and operating income are equivalent.

[2] Trailing 12 months adjusted earnings (income before income taxes adjusted to remove the impact of DAC unlocking and changes in guaranteed minimum death benefit reserves) divided by a 5-point average accumulated account value.

[3] HM products.

HORACE MANN EDUCATORS CORPORATION
ANNUITY SEGMENT
ACCOUNT VALUE ROLLFORWARD

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					
	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sept. 30, 2013
FIXED ANNUITIES						
Beginning balance	\$ 3,826.1	\$ 3,730.6	\$ 3,667.1	\$ 3,617.2	\$ 3,559.0	\$ 3,471.7
Deposits	80.7	108.7	82.8	67.8	71.6	96.7
Withdrawals	(73.0)	(58.4)	(62.0)	(56.0)	(61.4)	(53.8)
Net Transfers	16.3	11.5	10.9	4.6	12.1	13.3
Interest Credited	33.8	33.6	32.8	32.3	32.7	32.2
Other	1.2	0.1	(1.0)	1.2	3.2	(1.1)
Ending balance	<u>\$ 3,885.1</u>	<u>\$ 3,826.1</u>	<u>\$ 3,730.6</u>	<u>\$ 3,667.1</u>	<u>\$ 3,617.2</u>	<u>\$ 3,559.0</u>
VARIABLE ANNUITIES						
Beginning balance	\$ 1,786.4	\$ 1,814.1	\$ 1,745.0	\$ 1,748.0	\$ 1,627.7	\$ 1,525.5
Deposits	38.2	34.7	35.2	32.5	34.6	31.5
Withdrawals	(29.4)	(28.3)	(28.5)	(24.4)	(25.5)	(25.2)
Net Transfers	(16.3)	(11.5)	(10.9)	(4.6)	(12.1)	(13.3)
Fees & Charges	(7.1)	(7.0)	(6.9)	(6.6)	(7.0)	(6.1)
Market Appreciation	41.7	(15.8)	80.2	-	130.1	115.2
Other	0.1	0.2	-	0.1	0.2	0.1
Ending balance	<u>\$ 1,813.6</u>	<u>\$ 1,786.4</u>	<u>\$ 1,814.1</u>	<u>\$ 1,745.0</u>	<u>\$ 1,748.0</u>	<u>\$ 1,627.7</u>

HORACE MANN EDUCATORS CORPORATION
LIFE SEGMENT
STATEMENT OF OPERATIONS AND SUPPLEMENTAL DATA

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Year Ended	
	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Premiums and contract deposits	\$ 29.0	\$ 24.7	\$ 26.2	\$ 22.8	\$ 27.4	\$ 102.7	\$ 100.8
Revenues							
Premiums and contract charges earned	\$ 27.9	\$ 26.9	\$ 28.0	\$ 25.6	\$ 26.8	\$ 108.4	\$ 106.4
Net investment income	17.9	17.9	17.9	18.1	17.7	71.8	69.9
Other income	0.3	0.2	0.3	0.3	0.3	1.1	1.3
Total revenues	46.1	45.0	46.2	44.0	44.8	181.3	177.6
Benefits and Expenses							
Death benefits / mortality cost [1]	7.7	8.4	7.3	9.2	8.6	32.6	29.7
Interest credited	11.0	10.9	10.9	10.8	10.8	43.6	42.9
Change in reserves	8.9	8.2	9.6	7.4	7.6	34.1	31.2
DAC amortization expense, excluding unlocking	2.0	1.9	2.0	1.9	2.0	7.8	8.1
DAC unlocking	(0.1)	0.1	(0.1)	-	-	(0.1)	0.1
Operating expenses	9.5	9.4	8.8	8.7	8.8	36.4	34.3
Total benefits and expenses	39.0	38.9	38.5	38.0	37.8	154.4	146.3
Income before income taxes	7.1	6.1	7.7	6.0	7.0	26.9	31.3
Income tax expense	2.4	2.2	2.7	2.1	2.3	9.4	10.9
Net income [2]	\$ 4.7	\$ 3.9	\$ 5.0	\$ 3.9	\$ 4.7	\$ 17.5	\$ 20.4
Less: DAC unlocking, after tax	0.1	(0.1)	0.1	-	-	0.1	(0.1)
Net income excluding DAC unlocking	\$ 4.6	\$ 4.0	\$ 4.9	\$ 3.9	\$ 4.7	\$ 17.4	\$ 20.5
Earnings margin (Before tax)							
Return On Premium (12 month) [3]	24.7%	25.0%	27.4%	28.9%	29.5%	24.7%	29.5%
SUPPLEMENTAL DATA							
Lapse Ratio (12 month) [4]	4.0%	4.1%	4.1%	4.2%	4.4%	4.0%	4.4%
Sales (12-month premium, in millions) [5]							
Recurring	\$ 2.4	\$ 1.6	\$ 1.6	\$ 1.4	\$ 1.6	\$ 7.0	\$ 5.4
Single Premium	1.4	0.7	1.7	0.3	0.6	4.1	3.1
Total Sales	\$ 3.8	\$ 2.3	\$ 3.3	\$ 1.7	\$ 2.2	\$ 11.1	\$ 8.5
Insurance in force (in millions)	\$ 15,801	\$ 15,560	\$ 15,414	\$ 15,241	\$ 15,104	\$ 15,801	\$ 15,104
Policies in force (in thousands)	201	200	200	200	200	201	200

[1] Ordinary life insurance.

[2] Net realized investment gains (losses) are not allocated by segment, therefore, net income and operating income are equivalent.

[3] Trailing 12 months adjusted earnings (income before income taxes adjusted to remove the impact of DAC unlocking) divided by trailing 12 months premiums and contract charges earned.

[4] Based on ordinary life insurance in force.

[5] HM products.

HORACE MANN EDUCATORS CORPORATION
CORPORATE & OTHER SEGMENT
STATEMENT OF OPERATIONS
(Amounts are net of consolidating eliminations)

<u>For Period Ended</u> <i>(\$ in millions)</i>	<u>Three Months Ended</u>					<u>Year Ended</u>	
	<u>Dec. 31,</u> <u>2014</u>	<u>Sept. 30,</u> <u>2014</u>	<u>Jun. 30,</u> <u>2014</u>	<u>Mar. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>
Revenues							
Net investment income	\$ (0.2)	\$ (0.2)	\$ (0.3)	\$ (0.2)	\$ (0.2)	\$ (0.9)	\$ (0.9)
Other income	(0.1)	-	-	-	-	(0.1)	-
Total revenues	(0.3)	(0.2)	(0.3)	(0.2)	(0.2)	(1.0)	(0.9)
Expenses							
Interest expense	3.6	3.5	3.6	3.5	3.5	14.2	14.2
Other operating expenses	1.5	0.6	1.2	0.7	0.9	4.0	4.7
Total expenses	5.1	4.1	4.8	4.2	4.4	18.2	18.9
Operating income (loss) before income tax	(5.4)	(4.3)	(5.1)	(4.4)	(4.6)	(19.2)	(19.8)
Income tax expense (benefit)	(2.0)	(1.4)	(1.9)	(1.5)	(1.5)	(6.8)	(6.8)
Operating income (loss) after tax	\$ (3.4)	\$ (2.9)	\$ (3.2)	\$ (2.9)	\$ (3.1)	\$ (12.4)	\$ (13.0)
Realized investment gains (losses) pretax [1]	2.2	3.5	3.5	1.7	1.3	10.9	22.2
Tax on realized investment gains (losses) [1]	0.9	1.2	1.3	0.6	0.4	4.0	7.8
Realized investment gains (losses) after tax [1]	1.3	2.3	2.2	1.1	0.9	6.9	14.4
Net income (loss)	\$ (2.1)	\$ (0.6)	\$ (1.0)	\$ (1.8)	\$ (2.2)	\$ (5.5)	\$ 1.4

[1] Corporate level transactions, such as realized investment gains and losses, are not allocated to the insurance segments consistent with how management evaluates the results of those segments.

HORACE MANN EDUCATORS CORPORATION
INVESTMENT EARNINGS BEFORE-TAX
CONSOLIDATED

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Year Ended	
	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net Investment Income							
Fixed maturities [1]							
Taxable	\$ 74.3	\$ 73.4	\$ 72.7	\$ 73.8	\$ 71.2	\$ 294.2	\$ 280.4
Tax-exempt	5.8	6.0	5.9	5.9	5.8	23.6	23.6
Total fixed maturities	80.1	79.4	78.6	79.7	77.0	317.8	304.0
Equity securities	1.3	1.2	1.1	1.2	1.2	4.8	3.7
Policy loans	2.1	2.0	2.1	1.9	2.1	8.1	7.9
Limited partnerships and other alternative investments	1.2	2.1	1.7	2.2	2.0	7.2	5.9
Short-term investments and other	0.3	-	-	0.1	0.2	0.4	0.4
Investment income	85.0	84.7	83.5	85.1	82.5	338.3	321.9
Investment expenses	2.2	2.1	2.1	2.1	2.1	8.5	8.3
Total net investment income	\$ 82.8	\$ 82.6	\$ 81.4	\$ 83.0	\$ 80.4	\$ 329.8	\$ 313.6
Annualized investment yield, before-tax [2]	5.32%	5.33%	5.38%	5.47%	5.37%	5.32%	5.37%
Annualized investment yield, after-tax [2]	3.57%	3.58%	3.61%	3.67%	3.61%	3.57%	3.61%
Net Investment Income by Segment							
Property & Casualty	\$ 9.2	\$ 8.9	\$ 9.4	\$ 9.3	\$ 9.3	\$ 36.8	\$ 36.2
Annuity	55.9	56.0	54.4	55.8	53.6	222.1	208.4
Life	17.9	17.9	17.9	18.1	17.7	71.8	69.9
Corporate, including intersegment eliminations	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)	(0.9)	(0.9)
Total net investment income	\$ 82.8	\$ 82.6	\$ 81.4	\$ 83.0	\$ 80.4	\$ 329.8	\$ 313.6
Net Realized Capital Gains (Losses)							
Gross gains on disposals	\$ 11.6	\$ 8.2	\$ 4.3	\$ 2.6	\$ 2.4	\$ 26.7	\$ 29.5
Gross losses on disposals	(3.6)	(4.6)	(0.3)	(0.9)	(0.6)	(9.4)	(5.8)
Other-than-temporary impairment losses	(5.8)	(0.1)	(0.5)	-	(0.5)	(6.4)	(1.5)
Total net realized capital gains (losses)	\$ 2.2	\$ 3.5	\$ 3.5	\$ 1.7	\$ 1.3	\$ 10.9	\$ 22.2

[1] Includes income on short-term bonds.

[2] Yields calculated by annualizing the result of year-to-date net investment income divided by the average of period-end and beginning of year invested assets at cost, amortized cost, or adjusted carrying value, as applicable.

HORACE MANN EDUCATORS CORPORATION
COMPOSITION OF INVESTED ASSETS
CONSOLIDATED

For Period Ended <i>(\$ in millions)</i>	December 31, 2014		September 30, 2014		June 30, 2014		March 31, 2014		December 31, 2013		September 30, 2013	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Fixed maturities, at fair value [1]	\$ 6,893.1	93.1%	\$ 6,793.5	93.0%	\$ 6,676.3	94.2%	\$ 6,398.4	94.1%	\$ 6,009.6	91.9%	\$ 5,940.5	93.7%
Equity securities, at fair value	110.6	1.5%	106.8	1.5%	109.5	1.5%	94.2	1.4%	91.9	1.4%	86.6	1.4%
Policy loans, at outstanding balance	145.4	2.0%	143.7	2.0%	142.2	2.0%	140.7	2.1%	140.6	2.2%	139.0	2.2%
Limited partnerships and other alternative investments	112.3	1.5%	100.3	1.4%	93.2	1.3%	92.5	1.4%	90.6	1.4%	80.3	1.3%
Short-term investments [2]	142.1	1.9%	162.2	2.2%	68.5	1.0%	75.5	1.1%	206.8	3.2%	94.4	1.5%
Short-term investments, securities lending collateral	-	-	-	-	-	-	-	-	-	-	-	-
Total investments	\$ 7,403.5	100.0%	\$ 7,306.5	100.0%	\$ 7,089.7	100.0%	\$ 6,801.3	100.0%	\$ 6,539.5	100.0%	\$ 6,340.8	100.0%
Asset-backed securities ("ABS")	\$ 539.3	7.8%	\$ 507.7	7.5%	\$ 509.6	7.6%	\$ 507.5	7.9%	\$ 514.1	8.6%	\$ 513.1	8.6%
Collateralized debt/loan obligations ("CDOs/CLOs")	528.6	7.7%	522.4	7.7%	435.5	6.5%	325.4	5.1%	223.4	3.7%	188.2	3.2%
Commercial mortgage-backed securities ("CMBS")	169.2	2.5%	153.0	2.3%	125.7	1.9%	114.4	1.8%	104.2	1.7%	107.3	1.8%
Corporate	2,894.4	42.0%	2,914.7	42.9%	2,920.6	43.7%	2,840.5	44.4%	2,669.4	44.4%	2,607.6	43.9%
Municipal	1,647.8	23.9%	1,617.1	23.8%	1,597.9	23.9%	1,546.2	24.2%	1,471.5	24.5%	1,459.6	24.6%
Residential mortgage-backed securities ("RMBS")	575.6	8.4%	574.9	8.5%	610.8	9.1%	597.4	9.3%	591.4	9.8%	609.6	10.3%
U.S. Treasuries and government agencies	538.2	7.8%	503.7	7.4%	476.2	7.1%	467.0	7.3%	435.6	7.2%	455.1	7.7%
Total fixed maturities	\$ 6,893.1	100.0%	\$ 6,793.5	100.0%	\$ 6,676.3	100.0%	\$ 6,398.4	100.0%	\$ 6,009.6	100.0%	\$ 5,940.5	100.0%
U.S. government/government agencies	\$ 1,077.5	15.6%	\$ 1,042.1	15.3%	\$ 1,062.4	15.9%	\$ 1,048.6	16.4%	\$ 1,009.8	16.8%	\$ 1,047.3	17.6%
AAA	471.9	6.8%	484.1	7.1%	462.3	6.9%	418.2	6.5%	367.7	6.1%	335.7	5.7%
AA	1,435.8	20.8%	1,426.5	21.0%	1,284.9	19.2%	1,162.0	18.2%	995.5	16.6%	958.8	16.1%
A	1,689.0	24.5%	1,641.4	24.2%	1,651.2	24.7%	1,590.6	24.9%	1,543.8	25.7%	1,517.0	25.5%
BBB	1,966.3	28.5%	1,932.7	28.4%	1,938.2	29.0%	1,898.9	29.7%	1,820.7	30.3%	1,797.1	30.3%
BB & below, includes securities not rated	252.6	3.7%	266.7	3.9%	277.3	4.2%	280.1	4.4%	272.1	4.5%	284.6	4.8%
Total fixed maturities	\$ 6,893.1	100.0%	\$ 6,793.5	100.0%	\$ 6,676.3	100.0%	\$ 6,398.4	100.0%	\$ 6,009.6	100.0%	\$ 5,940.5	100.0%
INVESTMENTS BY SEGMENT												
Property & Casualty	\$ 938.3	12.7%	\$ 936.0	12.8%	\$ 940.0	13.3%	\$ 907.5	13.3%	\$ 870.1	13.3%	\$ 865.9	13.7%
Annuity and Life	6,422.1	86.7%	6,325.4	86.6%	6,110.3	86.2%	5,857.6	86.1%	5,629.1	86.1%	5,453.7	86.0%
Corporate	43.1	0.6%	45.1	0.6%	39.4	0.6%	36.2	0.5%	40.3	0.6%	21.2	0.3%
Total investments	\$ 7,403.5	100.0%	\$ 7,306.5	100.0%	\$ 7,089.7	100.0%	\$ 6,801.3	100.0%	\$ 6,539.5	100.0%	\$ 6,340.8	100.0%

[1] Cost of \$6,375.2, \$6,323.1, \$6,187.4, \$6,031.0, \$5,784.2 and \$5,662.7 at December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013 and September 30, 2013, respectively.

[2] Includes \$43.1, \$45.1, \$39.4, \$36.2, \$40.3 and \$21.2 of short-term investments in the Corporate segment at December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013 and September 30, 2013, respectively.

HORACE MANN EDUCATORS CORPORATION

RATINGS AND CONTACT INFORMATION

Address:
1 Horace Mann Plaza
Springfield, IL 62715

Corporate Website:
www.horacemann.com

Contact:
Ryan E. Greenier
Vice President
Investor Relations
Phone: 217-788-5738
Ryan.Greenier@horacemann.com

Kristi E. Niles
Assistant Vice President
Investor Relations
Phone: 217-788-5160
Kristi.Niles@horacemann.com

As of December 31, 2014				
	A.M. Best	Standard & Poor's	Moody's	Fitch
Financial Strength Ratings:				
Horace Mann Life Insurance Company	A	A	A3	A
Horace Mann Property and Casualty Insurance Company	A-	A	A3	A
Horace Mann Insurance Company	A-	A	A3	A
Teachers Insurance Company	A-	A	A3	A
Horace Mann Lloyds	A-	NR	NR	A
Other Ratings:				
Horace Mann Educators Corporation:				
Senior debt	bbb	BBB	Baa3	BBB
NR - not rated				

TRANSFER AGENT

American Stock Transfer & Trust Company
59 Maiden Lane
Plaza Level
New York, NY 10038
Phone: 800-937-5449
E-mail: info@amstock.com
Corporate Website: www.amstock.com/shareholder/sh_general_info.asp

COMMON STOCK

Common stock of Horace Mann Educators Corporation is traded on the New York Stock Exchange under the symbol "HMN".

This report is for information purposes only. It should be read in conjunction with documents filed by Horace Mann Educators Corporation with the U.S. Securities and Exchange Commission, including the most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.