

National Teachers Associates Transaction Overview

December 10, 2018

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 the company's Quarterly Report on Form 10-Q for the period ended September 30, 2018, and the company's past and future filings and reports 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 core earnings, core earnings per share, pretax reporting segment income excluding DAC unlocking, and book value per share excluding some components of accumulated other comprehensive income. Reconciliations of non-GAAP measures to the closest GAAP measures are available on our website.

Transaction summary

| | |
|-------------------------------|---|
| Transaction | <ul style="list-style-type: none">• Horace Mann to acquire 100% of National Teachers Associates Life Insurance Company (NTA) in an all-cash transaction |
| Deal Value | <ul style="list-style-type: none">• Purchase price of \$405 million• Transaction represents ~11x LTM 9/30/18 total core earnings adjusted for ~\$75 million of their excess capital |
| Financing | <ul style="list-style-type: none">• Transaction can be funded with:<ul style="list-style-type: none">— Cash from the combined companies— \$250 million in new senior debt issued prior to closing• ~28% pro forma debt-to-total capitalization ratio reduces to ~25% in about 18-24 months• Horace Mann may explore additional financing options to optimize liquidity position or further enhance ROE |
| Approvals and Timeline | <ul style="list-style-type: none">• Subject to regulatory approvals and other customary closing conditions• Expected to close in Q2 2019 |
| Other | <ul style="list-style-type: none">• As part of Horace Mann, NTA will remain in Dallas under its current leadership and operate as a separate business division |

NTA Strengthens Horace Mann's Presence in Education Market



NTA acquisition strengthens Horace Mann's long-term strategy

Longevity

Financial strength

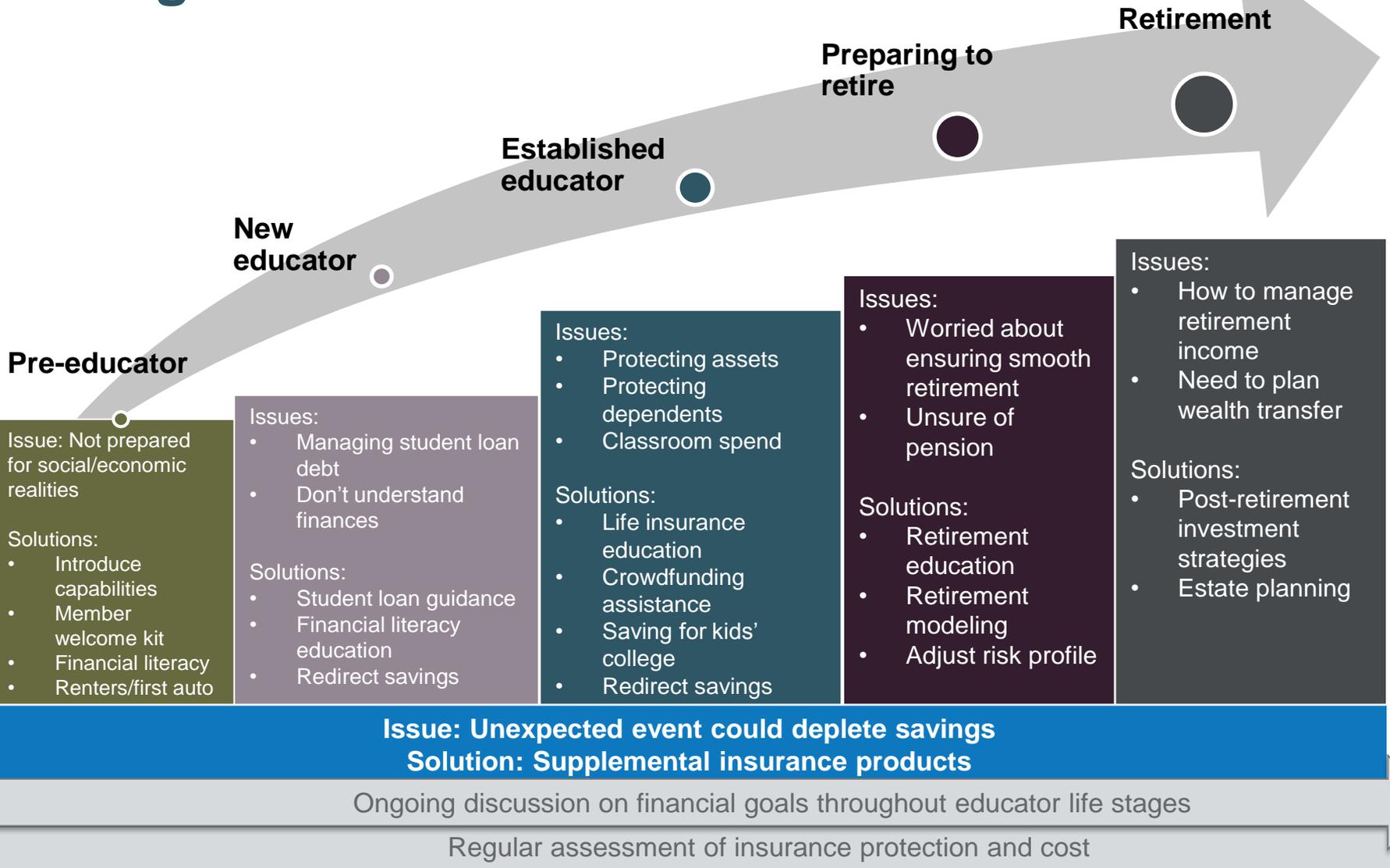
Niche market

Multiline model

| | | | | |
|-------------|---|---|--|--|
| HORACE MANN | <ul style="list-style-type: none"> • Founded by Educators for Educators® in 1945 • Offering 403(b) tax-qualified annuities since 1961 • NYSE listed (HMN) since 1991 | <ul style="list-style-type: none"> • \$11B in assets⁽¹⁾ • \$1.2B in 2017 premium and contract deposits • \$1.6B market capitalization⁽²⁾ • Highly rated by all four major rating agencies | <ul style="list-style-type: none"> • Educators have preferred risk profile • Homogenous customer set • Serving nearly 4,000 school districts nationwide | <ul style="list-style-type: none"> • Revenues balanced between Property & Casualty and Life & Retirement • Ability to provide total household solutions • Provides earnings diversification |
| NTA | <ul style="list-style-type: none"> • Serving the education market for nearly 50 years | <ul style="list-style-type: none"> • A- (Excellent) rating from A.M. Best • \$670M in assets⁽¹⁾ • \$132M in 2017 premiums | <ul style="list-style-type: none"> • 80% educator customers • Strong association relationships • Serving about 1,000 school districts nationwide | <ul style="list-style-type: none"> • Supplemental Insurance products include cancer, heart, accident and limited supplemental disability |

Proud to be the largest multiline financial services company focused on America's educators

NTA products enhance Horace Mann's already strong solutions orientation



Acquisition deploys capital in high-margin business to accelerate household acquisitions and enhance ROE

Financially Attractive

Delivers Immediate EPS and Return on Equity Accretion

Less Capital Intensive Business Generates Higher Margins

Diversifies Premium Sources to Help Reduce Earnings Volatility

On the “PDI” Gameboard

Products

- Adds complementary supplemental insurance products designed to meet educators’ needs and cover their financial risk

Distribution

- Brings ~220 trusted, knowledgeable agents with extensive worksite marketing experience serving ~1,000 schools with limited geographic overlap

Infrastructure

- Strong management team focused on delivering great educator customer experiences, supported by modern and scalable infrastructure

Provides the opportunity to cross-sell products in approximately 600,000 households

NTA provides supplemental insurance products to the education market

- NTA's product offerings include heart, cancer, accident and limited supplemental disability coverages
- Serving educator market for nearly 50 years
- Customer base includes other public sector employees, such as firefighters

~80% of customers are educators

~220 agents

150,000+ households

Rated A- (excellent) by A.M. Best

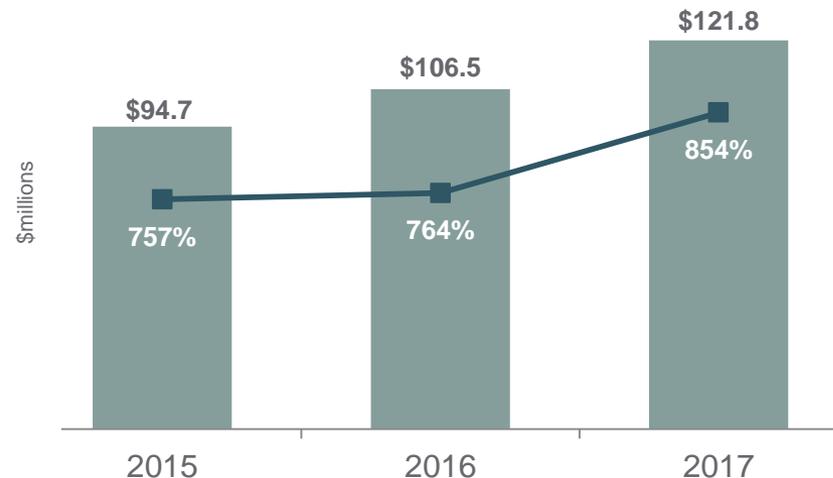
~1,000 school districts

Ward's 50 Top Performing Life & Health Insurers

NTA Financial Highlights (LTM 9/30/2018)

| | |
|------------------------------------|---------------|
| Premiums | \$132 million |
| Total revenues | \$156 million |
| Total core earnings ⁽¹⁾ | \$30 million |
| Statutory capital as of 9/30/18 | \$140 million |

NTA Adjusted Capital and RBC Ratio⁽²⁾



Compelling Opportunity to Leverage Business Strategy and Accelerate Profitable Growth



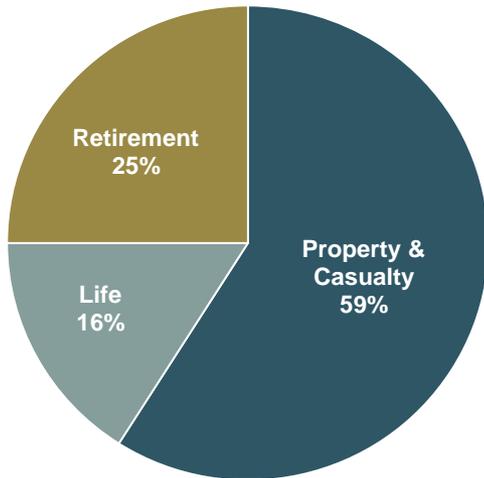
Expands solutions for education market

| | |
|--|--|
| <p>Reinforces Horace Mann's Focus on Education Markets</p> | <ul style="list-style-type: none"> • Brings together two mission-centric organizations focused on helping educators achieve lifelong financial success • Enhances scale in education market |
| <p>Expertise Aligns with Horace Mann's "PDI" Strategy</p> | <ul style="list-style-type: none"> • Complementary supplemental insurance products designed to meet educators' needs and cover their financial risk • Trusted, knowledgeable distribution that is aligned to educators' life stage needs and preferences and adds new geographies • Experienced team focused on delivering great educator customer experiences, supported by modern and scalable infrastructure |
| <p>Offers Long-term Opportunity for Household Acquisitions and Enhanced ROE</p> | <ul style="list-style-type: none"> • Increases Horace Mann's households and distribution network by more than 30% with limited geographic overlap • Sets stage for market expansion and additional product cross-selling opportunities • Provides broader solution for individual educator customers, as well as school superintendents and business officials |
| <p>Financially Compelling</p> | <ul style="list-style-type: none"> • Delivers immediate EPS and ROE accretion • Less capital intensive business with higher margin profile • Diversifies premium sources to help reduce earnings volatility |

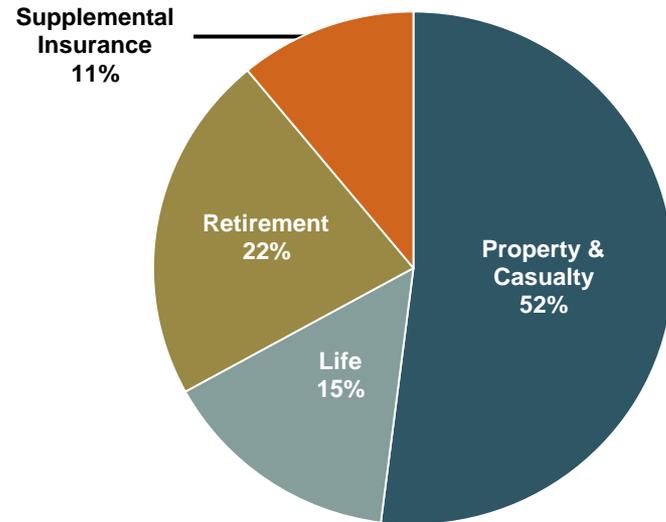
Best current use of capital to drive earnings growth and ROE improvement

Adding NTA brings complementary products to meet educator financial needs

Standalone Horace Mann Revenue Mix
\$1.2 billion⁽¹⁾



Pro Forma Horace Mann Revenue Mix
\$1.4 billion⁽¹⁾



Horace Mann — Property & Casualty

- Auto, homeowners, renters and umbrella
- Partnerships through Horace Mann General Agency to offer additional products

Horace Mann — Life

- Term, whole life, cash value term and indexed universal life

Horace Mann — Retirement

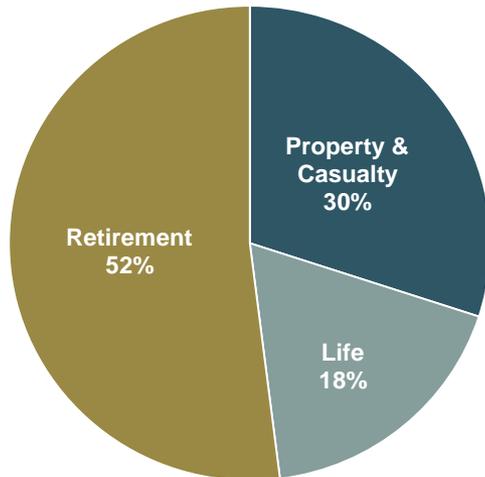
- Fixed, variable and fixed indexed annuities
- Retirement Advantage mutual fund platform
- Employer and individual product offerings

NTA — Supplemental Insurance

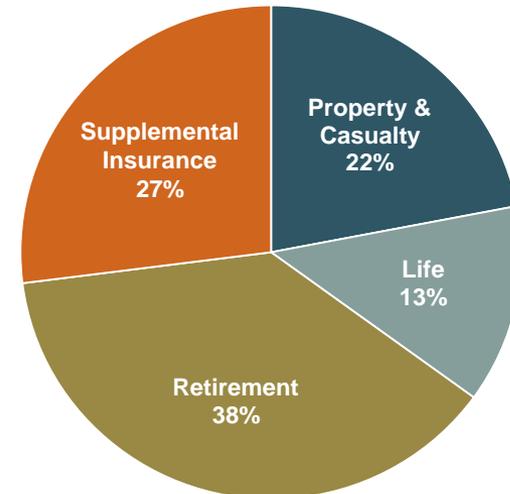
- Guaranteed renewable individual coverage
 - Cancer, heart and accident
 - Limited supplemental disability

Adding NTA offers diversification that reduces earnings volatility

Standalone Horace Mann Core Pre-Tax Earnings
\$127 million⁽¹⁾⁽²⁾



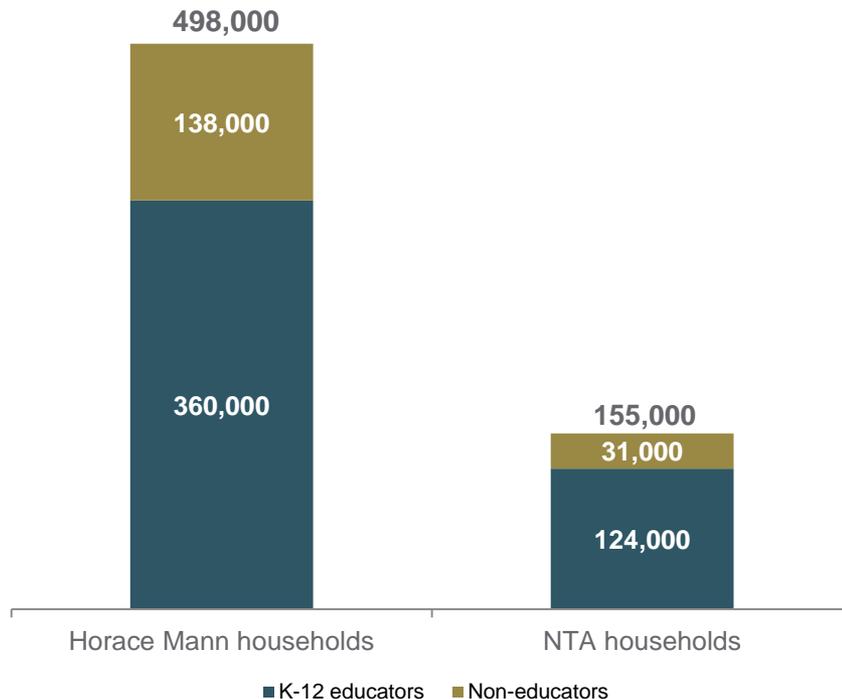
Pro Forma Horace Mann Normalized Core Pre-Tax Earnings
\$173 million⁽¹⁾⁽²⁾



- ✓ Adds geographies
- ✓ Supplemental insurance unaffected by weather volatility
- ✓ Morbidity risk not strongly correlated to mortality risk in Life business
- ✓ More attractive return profile than existing product lines
- ✓ Lower capital profile required

Combining distribution forces increases Horace Mann households and agent count by more than 30%

Improved Scale in Target Markets



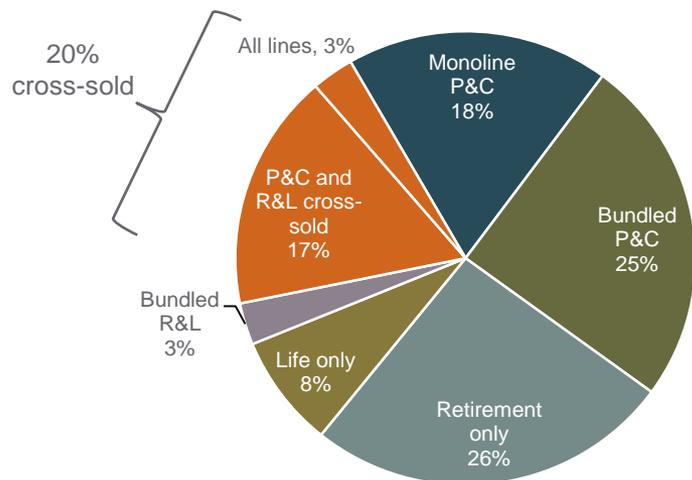
- ✓ Total household count of approximately 600,000
- ✓ Vast majority of total customers are K-12 educators
- ✓ Grows captive agent force to nearly 900
- ✓ Improved school district access in complementary geographies
- ✓ Combination adds unique expertise and service capabilities

Experienced team ● Delivers great educator customer experiences ● Modern and scalable infrastructure

Offers long-term opportunity for household acquisitions and enhanced ROE

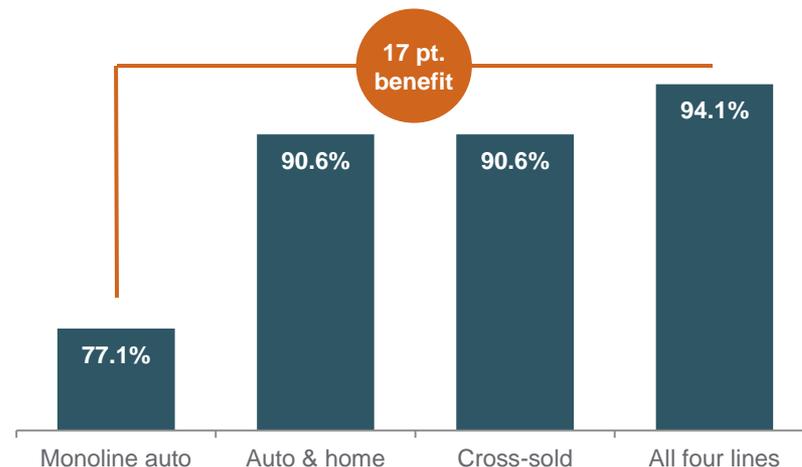
Horace Mann has Strong Cross-Sell Expertise⁽¹⁾

- Educator customer cross-line penetration of 20% far exceeds industry average of 12%⁽²⁾
- Targeted marketing efforts to drive more cross-line sales



Cross-selling Improves Horace Mann Persistency⁽³⁾

- Horace Mann policy retention and persistency exceed industry averages and improve with cross-sell efforts
- Minimal impact to auto retention despite high single-digit rate increases



Cross-selling products to expanded customer base has the potential to increase annual pro forma earnings by an additional \$5-7 million by 2021

(1) HMN data: ~360k educator households as of September 30, 2018; cross-line households defined as Auto and/or Property plus Retirement, Life and/or Group

(2) Industry data per LIMRA, 2018 multiline exclusive agent average

(3) As of September 30, 2018

Compelling financial benefits

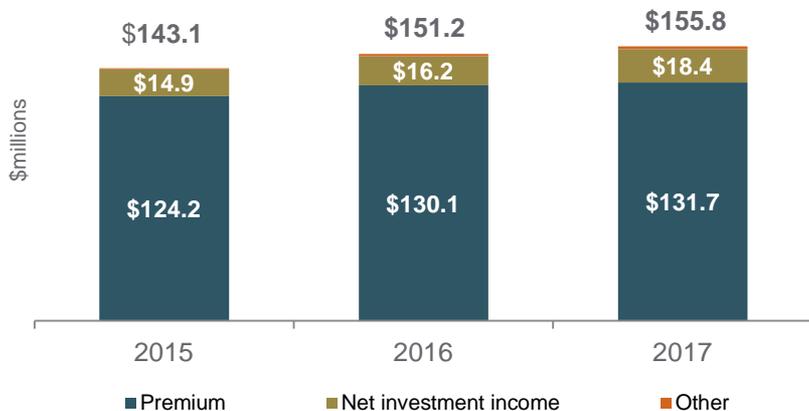
| | |
|--|---|
| Delivers EPS and ROE accretion | <ul style="list-style-type: none">• Adds \$15-20 million to earnings and 100 basis points to ROE in first 12 months after closing• At closing, less than 1 percent dilutive to book value ex. AOCI |
| Less Capital Intensive Supplemental Insurance Business Generates Higher Margins | <ul style="list-style-type: none">• Pro forma contribution expected to be about 10 percent of the combined company's revenues, and roughly 25 percent of pre-tax income |
| Diversifies Premium Sources to Help Reduce Earning Volatility | <ul style="list-style-type: none">• Supplemental insurance products unaffected by weather• Adds new geographies |
| Long-term Contribution (after tax) | <ul style="list-style-type: none">• Cross-selling initiatives provide initial \$5-7 million run-rate contribution to operating earnings by 2021• Expect ~\$1 million of incremental net investment income by 2020• Anticipated integration expenses approximate expected cost synergies• \$5-7 million of one-time deal-related expenses |

Financial Details

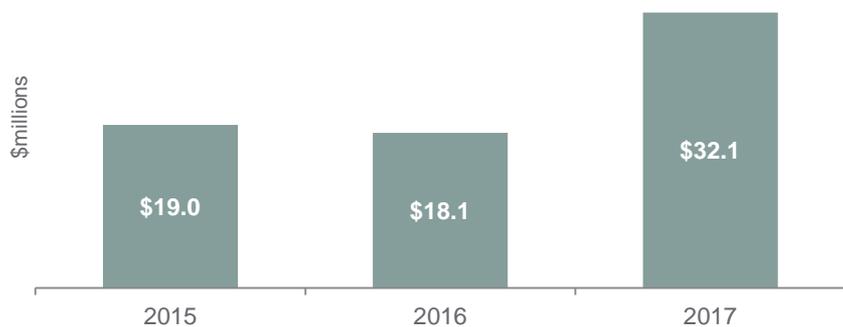


NTA background

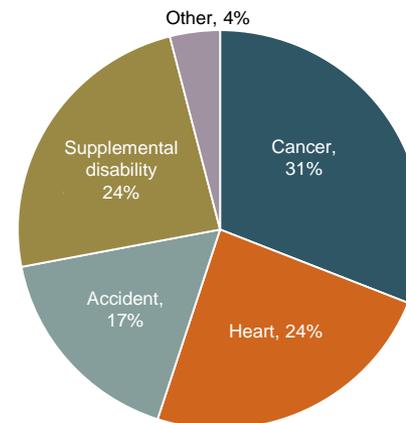
Statutory Revenue



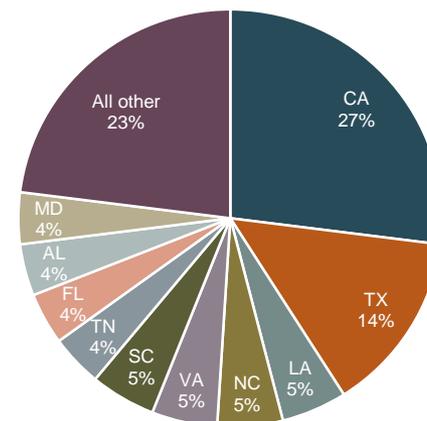
Statutory Pre-tax Core Earnings⁽¹⁾



Supplemental Insurance Premium Mix by Product⁽²⁾



Supplemental Insurance Premium Mix by State⁽³⁾



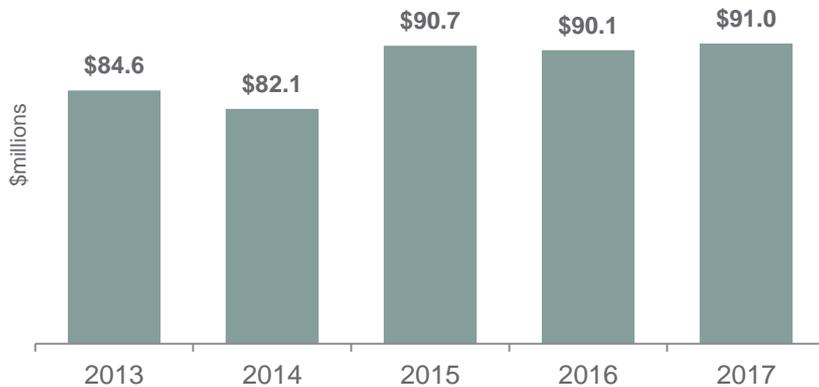
(1) Higher 2017 statutory core pretax earnings primarily due to favorable reserve releases and increased investment income

(2) LTM June 30, 2018

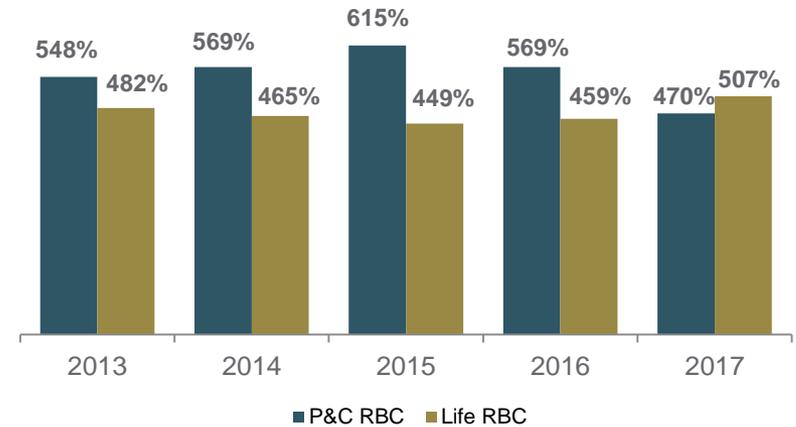
(3) Full-year 2017

Horace Mann liquidity and capitalization

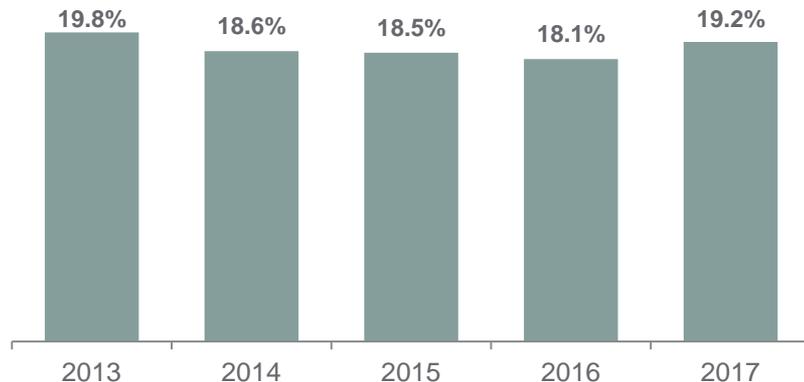
Ordinary Dividend Capacity (Operating Companies)



Risk Based Capital Ratios⁽¹⁾



Debt to Total Capitalization



Dividends and Share Repurchases



(1) As a percent of Company Action Level (CAL)

Reconciliation of standalone Horace Mann core pre-tax earnings LTM September 30, 2018

| Segment | Core Earnings | | Core Earnings LTM 9/30/2018 | Corporate and Other | LTM Catastrophe Costs | LTM Catastrophe Guidance ⁽¹⁾ | Normalized Core Earnings LTM 9/30/2018 |
|-----------------------|---------------|-------------------------|-----------------------------|---------------------|-----------------------|---|--|
| | YTD 9/30/2018 | + Core Earnings Q4 2017 | | | | | |
| Property and Casualty | \$ (7) | \$ 19 | \$ 12 | | \$ 72 | \$ (46) | \$ 38 |
| Retirement | 48 | 18 | 66 | | | | 66 |
| Life | 19 | 4 | 23 | | | | 23 |
| Corporate and Other | (14) | (4) | (18) | 18 | | | - |
| Total: | | | \$ 83 | \$ 18 | \$ 72 | \$ (46) | <u>\$ 127</u> |

(1) Reflects mid-point of 2018 original catastrophe loss guidance, which was based on modeled results and historic average losses.

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