



Horace Mann[®]

Founded by Educators for Educators

INVESTOR FINANCIAL SUPPLEMENT

MARCH 31, 2013

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	
	Mar. 31, 2013	Dec. 31, 2012	Sept. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2012	Dec. 31, 2011
<i>(\$ in millions, except per share data)</i>							
Earned Premiums	\$ 169.2	\$ 170.8	\$ 167.9	\$ 166.3	\$ 165.5	\$ 670.5	\$ 667.1
Net Investment Income	77.4	77.3	76.7	76.3	75.7	306.0	288.3
Net Realized Investment Gains (Losses)	6.9	6.2	10.8	9.9	0.4	27.3	37.7
Other Income	1.1	1.1	1.2	1.6	3.1	7.0	5.2
Total Revenues	\$ 254.6	\$ 255.4	\$ 256.6	\$ 254.1	\$ 244.7	\$ 1,010.8	\$ 998.3
Net Income	\$ 27.0	\$ 31.9	\$ 32.2	\$ 13.1	\$ 26.7	\$ 103.9	\$ 70.5
Operating Income	22.6	27.9	25.3	6.7	26.4	86.3	46.1
At Period End							
Total Assets	\$ 8,457.4	\$ 8,167.7	\$ 8,122.2	\$ 7,824.0	\$ 7,697.0	\$ 8,167.7	\$ 7,435.2
Total Policy Liabilities	4,801.6	4,736.7	4,657.1	4,556.3	4,465.8	4,736.7	4,401.0
Debt	237.8	237.8	237.8	237.8	237.8	237.8	237.7
Shareholders' Equity	1,261.7	1,245.8	1,232.4	1,143.5	1,088.8	1,245.8	1,055.4
Per Share and Shares Data							
Net Income per share	\$ 0.68	\$ 0.81	\$ 0.82	\$ 0.33	\$ 0.67	\$ 2.63	\$ 1.77
Operating Income per share	0.57	0.71	0.64	0.17	0.66	2.18	1.16
Net Income per diluted share	\$ 0.66	\$ 0.77	\$ 0.78	\$ 0.32	\$ 0.64	\$ 2.51	\$ 1.70
Operating Income per diluted share	0.55	0.67	0.62	0.16	0.64	2.08	1.11
Weighted average common shares outstanding	39.5	39.3	39.4	39.5	39.8	39.5	39.9
Dilutive effect of stock equivalents	1.6	2.0	1.7	1.8	1.7	1.9	1.5
Weighted average diluted shares	41.1	41.3	41.1	41.3	41.5	41.4	41.4
Book value per share	\$ 31.81	\$ 31.65	\$ 31.30	\$ 29.06	\$ 27.37	\$ 31.65	\$ 26.53
Per share impact of unrealized gain (loss) on fixed maturities and equity securities	9.43	9.72	10.06	8.51	7.06	9.72	6.74
Book value per share excluding unrealized gain (loss) on fixed maturities and equity securities	\$ 22.38	\$ 21.93	\$ 21.24	\$ 20.55	\$ 20.31	\$ 21.93	\$ 19.79
Dividends paid per share	\$ 0.195	\$ 0.16	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.55	\$ 0.46
Financial Ratios							
Net Income ROE	8.7%	9.0%	9.5%	9.2%	7.3%	9.0%	7.5%
Net Income ROE excluding unrealized on investments	12.4%	12.7%	13.1%	12.3%	9.3%	12.7%	9.3%
Operating Income ROE	6.9%	7.5%	7.9%	7.0%	5.1%	7.5%	4.9%
Operating Income ROE excluding unrealized on investments	9.8%	10.5%	11.0%	9.3%	6.5%	10.5%	6.1%
Debt to total capitalization	15.9%	16.0%	16.2%	17.2%	17.9%	16.0%	17.9%
Debt to total capitalization excluding unrealized on investments	21.1%	21.6%	22.1%	22.7%	22.7%	21.6%	22.4%
Annualized Investment yield, after tax	3.65%	3.79%	3.82%	3.85%	3.87%	3.79%	3.85%

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

For Period Ended	Three Months Ended					Year Ended	
	Mar. 31,	Dec. 31,	Sept. 30,	Jun. 30,	Mar. 31,	Dec. 31,	Dec. 31,
<i>(\$ in millions)</i>	2013	2012	2012	2012	2012	2012	2011
Revenues							
Insurance premiums and contract charges earned	\$ 169.2	\$ 170.8	\$ 167.9	\$ 166.3	\$ 165.5	\$ 670.5	\$ 667.1
Net investment income	77.4	77.3	76.7	76.3	75.7	306.0	288.3
Net realized investment gains	6.9	6.2	10.8	9.9	0.4	27.3	37.7
Other income	1.1	1.1	1.2	1.6	3.1	7.0	5.2
Total revenues	254.6	255.4	256.6	254.1	244.7	1,010.8	998.3
Benefits, losses and expenses							
Benefits, claims and settlement expenses	112.7	103.3	106.0	131.0	107.9	448.2	502.4
Interest credited	41.4	41.8	41.4	40.4	40.0	163.6	154.9
DAC amortization expense, excluding unlocking	21.7	21.0	20.8	20.4	20.3	82.5	79.7
DAC unlocking	(1.6)	(2.0)	(0.4)	1.9	(2.5)	(3.0)	3.7
Operating expenses	38.8	41.6	38.1	38.5	37.9	156.1	148.7
Interest expense	3.6	3.5	3.6	3.5	3.6	14.2	14.0
Total benefits, losses and expenses	216.6	209.2	209.5	235.7	207.2	861.6	903.4
Income before income taxes	38.0	46.2	47.1	18.4	37.5	149.2	94.9
Income tax expense	11.0	14.3	14.9	5.3	10.8	45.3	24.4
Net income	\$ 27.0	\$ 31.9	\$ 32.2	\$ 13.1	\$ 26.7	\$ 103.9	\$ 70.5
Less: Net realized investment gains, after tax	4.4	4.0	6.9	6.4	0.3	17.6	24.4
Operating income	\$ 22.6	\$ 27.9	\$ 25.3	\$ 6.7	\$ 26.4	\$ 86.3	\$ 46.1
Other Statistics							
Effective tax rate on net investment income	32.7%	32.7%	32.6%	32.6%	32.6%	32.6%	32.4%
Net investment income, after tax	\$ 52.1	\$ 52.0	\$ 51.7	\$ 51.4	\$ 51.0	\$ 206.1	\$ 194.8
Catastrophes, net of reinsurance, pre-tax	5.7	2.8	5.4	29.2	5.9	43.3	86.0
Catastrophes, net of reinsurance, after tax	3.7	1.9	3.5	19.0	3.8	28.2	55.9
Other-than-temporary impairment losses on securities [1]	-	-	-	-	-	-	(0.1)
Agent Information							
Exclusive agencies	620	624	590	557	555	624	549
Employee agents	129	136	142	155	172	136	196
Total	749	760	732	712	727	760	745

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

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED BALANCE SHEET

	Mar. 31, 2013	Dec. 31, 2012	Sept. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011
<i>(\$ in millions, except per share data)</i>						
ASSETS						
Investments						
Fixed maturities, available for sale, at fair value	\$ 6,143.7	\$ 5,962.2	\$ 5,782.1	\$ 5,694.7	\$ 5,500.1	\$ 5,421.8
Equity securities, available for sale, at fair value	58.7	53.5	39.2	38.0	27.8	26.8
Short-term and other investments	223.8	276.4	353.5	216.9	229.6	228.9
Total investments	6,426.1	6,292.1	6,174.8	5,949.6	5,757.5	5,677.5
Cash	49.9	15.2	41.9	31.5	35.4	7.5
Deferred policy acquisition costs	199.0	196.9	216.5	216.3	218.8	216.5
Goodwill	47.4	47.4	47.4	47.4	47.4	47.4
Other assets	226.7	217.9	235.9	231.0	228.9	212.6
Separate account assets	1,508.3	1,398.3	1,405.7	1,348.1	1,409.1	1,273.8
Total assets	\$ 8,457.4	\$ 8,167.7	\$ 8,122.2	\$ 7,824.0	\$ 7,697.0	\$ 7,435.2
LIABILITIES AND SHAREHOLDERS' EQUITY						
Policy liabilities						
Fixed annuity contract liabilities	\$ 3,311.0	\$ 3,257.8	\$ 3,170.5	\$ 3,074.0	\$ 3,008.5	\$ 2,945.1
Interest-sensitive life contract liabilities	765.7	761.7	757.1	753.0	747.9	743.4
Unpaid claims and claim expenses	300.9	289.4	301.3	312.8	298.1	294.8
Future policy benefits	217.0	214.6	213.1	211.2	209.7	208.7
Unearned premiums	207.1	213.3	215.0	205.3	201.5	209.0
Total policy liabilities	4,801.6	4,736.7	4,657.1	4,556.3	4,465.8	4,401.0
Other policyholder funds	101.0	103.2	107.2	93.9	96.6	114.5
Other liabilities	546.9	446.0	482.0	444.4	399.0	352.8
Short-term debt	38.0	38.0	38.0	38.0	38.0	38.0
Long-term debt	199.8	199.8	199.8	199.8	199.8	199.7
Separate account liabilities	1,508.3	1,398.3	1,405.7	1,348.1	1,409.1	1,273.8
Total liabilities	7,195.7	6,921.9	6,889.8	6,680.4	6,608.3	6,379.8
Common stock, \$0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	390.2	383.1	380.1	378.0	376.3	373.4
Retained earnings	940.9	922.0	896.7	869.7	861.9	840.6
Accumulated other comprehensive income (loss), net of taxes:						
Net unrealized gains and losses on fixed maturities and equity securities	374.1	382.4	396.2	334.6	280.8	268.2
Net funded status of pension and other post-retirement benefit obligations	(15.3)	(15.3)	(16.2)	(16.2)	(16.2)	(16.2)
Treasury stock, at cost	(428.3)	(426.5)	(424.4)	(422.7)	(414.1)	(410.7)
Total shareholders' equity	1,261.7	1,245.8	1,232.4	1,143.5	1,088.8	1,055.4
Total liabilities and shareholders' equity	\$ 8,457.4	\$ 8,167.7	\$ 8,122.2	\$ 7,824.0	\$ 7,697.0	\$ 7,435.2

HORACE MANN EDUCATORS CORPORATION

CAPITAL METRICS

<u>For Period Ended</u>	<u>Three Months Ended</u>					<u>Year Ended</u>	
	<u>Mar. 31,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Sept. 30,</u> <u>2012</u>	<u>Jun. 30,</u> <u>2012</u>	<u>Mar. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2011</u>
<i>(\$ in millions, except per share data)</i>							
<u>Book Value Per Share</u>							
<u>Numerator</u>							
Shareholders' Equity	\$ 1,261.7	\$ 1,245.8	\$ 1,232.4	\$ 1,143.5	\$ 1,088.8	\$ 1,245.8	\$ 1,055.4
Less: Unrealized Gains and Losses on Fixed Maturities and Equity Securities [1]	374.1	382.4	396.2	334.6	280.8	382.4	268.3
<u>Shareholders' Equity Excluding Unrealized Gains and Losses on Fixed Maturities and Equity Securities</u>	<u>\$ 887.6</u>	<u>\$ 863.4</u>	<u>\$ 836.2</u>	<u>\$ 808.9</u>	<u>\$ 808.0</u>	<u>\$ 863.4</u>	<u>\$ 787.1</u>
<u>Denominator</u>							
Common Shares Issued and Outstanding, at period end	39.7	39.4	39.4	39.4	39.8	39.4	39.8
Book Value Per Share	\$ 31.81	\$ 31.65	\$ 31.30	\$ 29.06	\$ 27.37	\$ 31.65	\$ 26.53
Book Value Per Share Excluding Unrealized on Fixed Maturities and Equity Securities	\$ 22.38	\$ 21.93	\$ 21.24	\$ 20.55	\$ 20.31	\$ 21.93	\$ 19.79
<u>Return on Shareholders' Equity</u>							
<u>Numerator</u>							
Trailing 12 Months Net Income	\$ 104.2	\$ 103.9	\$ 105.0	\$ 96.4	\$ 71.6	\$ 103.9	\$ 70.5
Trailing 12 Months Operating Income	82.5	86.3	88.1	72.7	50.4	86.3	46.1
<u>Denominator (5-point Average)</u>							
5-point Average Shareholders' Equity	\$ 1,194.4	\$ 1,153.2	\$ 1,108.9	\$ 1,042.3	\$ 987.0	\$ 1,153.2	\$ 938.7
Trailing 12 Months Net Income on Average Shareholders' Equity (5-point Average)	8.7%	9.0%	9.5%	9.2%	7.3%	9.0%	7.5%
Trailing 12 Months Operating Income on Average Shareholders' Equity (5-point Average)	6.9%	7.5%	7.9%	7.0%	5.1%	7.5%	4.9%
<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	74.9	74.9	74.9	74.9	74.9	74.9	74.9
6.85% Senior Notes Due April 15, 2016	124.9	124.9	124.9	124.9	124.9	124.9	124.8
<u>Total Debt</u>	<u>237.8</u>	<u>237.8</u>	<u>237.8</u>	<u>237.8</u>	<u>237.8</u>	<u>237.8</u>	<u>237.7</u>
<u>Shareholders' Equity</u>	<u>1,261.7</u>	<u>1,245.8</u>	<u>1,232.4</u>	<u>1,143.5</u>	<u>1,088.8</u>	<u>1,245.8</u>	<u>1,055.4</u>
<u>Total Capitalization</u>	<u>\$ 1,499.5</u>	<u>\$ 1,483.6</u>	<u>\$ 1,470.2</u>	<u>\$ 1,381.3</u>	<u>\$ 1,326.6</u>	<u>\$ 1,483.6</u>	<u>\$ 1,293.1</u>
Ratio of Debt to Shareholders' Equity	18.8%	19.1%	19.3%	20.8%	21.8%	19.1%	22.5%
Ratio of Debt to Total Capitalization	15.9%	16.0%	16.2%	17.2%	17.9%	16.0%	17.9%
<u>Capital Returned to Shareholders</u>							
Common Stock Repurchased	\$ 1.8	\$ 2.1	\$ 1.6	\$ 8.7	\$ 3.3	\$ 15.7	\$ 3.1
Cash Dividends Paid	8.1	6.5	5.3	5.3	5.4	22.5	19.0
<u>Total Capital Returned to Shareholders</u>	<u>\$ 9.9</u>	<u>\$ 8.6</u>	<u>\$ 6.9</u>	<u>\$ 14.0</u>	<u>\$ 8.7</u>	<u>\$ 38.2</u>	<u>\$ 22.1</u>

[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 (\$ in millions)	Three Months Ended					Year Ended	
	Mar. 31, 2013	Dec. 31, 2012	Sept. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2012	Dec. 31, 2011
UNDERWRITING RESULTS							
Written premiums							
Voluntary Auto	\$ 92.3	\$ 90.7	\$ 91.9	\$ 88.3	\$ 89.4	\$ 360.3	\$ 359.9
Property	39.2	45.1	53.8	50.2	37.8	186.9	182.1
Involuntary & Other	0.4	1.4	0.8	0.9	0.5	3.6	3.9
Total written premiums	131.9	137.2	146.5	139.4	127.7	550.8	545.9
Earned premiums							
Voluntary Auto	\$ 90.9	\$ 90.1	\$ 89.5	\$ 88.8	\$ 88.7	\$ 357.1	\$ 363.0
Property	46.7	46.8	46.6	46.2	45.9	185.5	181.1
Involuntary & Other	0.3	1.9	0.8	0.6	0.4	3.7	3.4
Total earned premiums	137.9	138.8	136.9	135.6	135.0	546.3	547.5
Losses and loss adjustment expenses							
Current accident year before catastrophes	94.0	92.0	88.2	91.8	91.3	363.3	366.8
Current accident year catastrophes	5.7	2.8	5.4	29.2	5.9	43.3	86.0
Prior years' reserve development [1]	(3.3)	(5.7)	(3.0)	(4.5)	(4.0)	(17.2)	(10.3)
Total losses and loss adjustment expenses	96.4	89.1	90.6	116.5	93.2	389.4	442.5
Operating expenses, including DAC amortization expense	37.7	39.1	36.7	36.4	35.1	147.3	141.6
Underwriting gain (loss)	3.8	10.6	9.6	(17.3)	6.7	9.6	(36.6)
Net investment income	9.0	9.6	9.0	9.3	8.9	36.8	36.9
Other income (expense)	-	-	(0.1)	-	1.6	1.5	0.3
Income before income taxes	12.8	20.2	18.5	(8.0)	17.2	47.9	0.6
Income tax expense (benefit)	2.6	5.7	5.0	(3.9)	4.0	10.8	(5.3)
Net Income [2]	\$ 10.2	\$ 14.5	\$ 13.5	\$ (4.1)	\$ 13.2	\$ 37.1	\$ 5.9

[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>Mar. 31,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Sept. 30,</u> <u>2012</u>	<u>Jun. 30,</u> <u>2012</u>	<u>Mar. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2011</u>
UNDERWRITING RATIOS (%)							
Losses and loss adjustment expenses							
Current accident year before catastrophes	68.1	66.3	64.4	67.7	67.6	66.5	67.0
Current accident year catastrophes	4.2	2.0	4.0	21.5	4.4	8.0	15.7
Prior years' reserve development [1]	(2.4)	(4.1)	(2.2)	(3.3)	(3.0)	(3.2)	(1.9)
Total losses and loss adjustment expenses	69.9	64.2	66.2	85.9	69.0	71.3	80.8
Expenses Ratio	27.3	28.2	26.8	26.9	26.0	27.0	25.8
Combined ratio	97.2	92.4	93.0	112.8	95.0	98.3	106.6
Combined ratio before catastrophes	93.0	90.4	89.0	91.3	90.6	90.3	90.9
Combined ratio before catastrophes and prior years' development	95.4	94.5	91.2	94.6	93.6	93.5	92.8
PRODUCT (%)							
Voluntary Automobile							
Loss and loss adjustment expense ratio	73.7	72.5	70.2	74.5	71.8	72.3	74.0
Expense ratio	27.9	28.3	27.2	26.7	27.0	27.3	26.1
Combined ratio	101.6	100.8	97.4	101.2	98.8	99.6	100.1
Prior years' reserve development [1]	(3.6)	(5.9)	(2.7)	(3.8)	(3.7)	(4.0)	(1.6)
Catastrophes	0.4	0.4	1.3	3.4	0.5	1.4	1.8
Combined ratio before catastrophes and prior years' development	104.8	106.3	98.8	101.6	102.0	102.2	99.9
Property							
Loss and loss adjustment expense ratio	61.6	47.3	57.1	107.9	63.1	68.6	94.3
Expense ratio	26.3	28.1	26.1	27.4	24.1	26.4	25.4
Combined ratio	87.9	75.4	83.2	135.3	87.2	95.0	119.7
Prior years' reserve development [1]	0.0	(0.8)	(1.3)	(2.4)	(1.4)	(1.5)	(2.6)
Catastrophes	11.4	5.1	9.1	57.1	11.9	20.6	44.0
Combined ratio before catastrophes and prior years' development	76.5	71.1	75.4	80.6	76.7	75.9	78.3
STATISTICAL PREMIUM INFORMATION							
Policy Count Retention (12 month)							
Voluntary Automobile	85.0%	84.7%	84.3%	83.7%	83.2%	84.7%	83.0%
Property	89.7%	89.6%	89.3%	88.6%	87.7%	89.6%	86.9%
Policies in force (in thousands)							
Voluntary Automobile	721	721	722	723	723	721	725
Property	483	484	485	485	485	484	486
Property	238	237	237	238	238	237	239

[1] (Favorable) unfavorable.

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

<u>For Period Ended</u> (\$ in millions)	Three Months Ended					Year Ended	
	Mar. 31, 2013	Dec. 31, 2012	Sept. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2012	Dec. 31, 2011
Contract deposits	\$ 90.2	\$ 114.7	\$ 114.5	\$ 96.4	\$ 92.0	\$ 417.6	\$ 433.9
Revenues							
Contract charges earned	\$ 5.1	\$ 5.8	\$ 5.5	\$ 5.5	\$ 5.0	\$ 21.8	\$ 18.9
Net investment income	51.3	50.8	50.7	49.8	49.5	200.8	182.8
Other income	0.7	0.3	0.9	0.8	0.7	2.7	2.3
Total revenues	57.1	56.9	57.1	56.1	55.2	225.3	204.0
Benefits and Expenses							
Interest credited	30.7	31.1	30.8	29.9	29.6	121.4	113.6
Mortality loss and other reserve changes	0.3	1.0	1.2	1.3	(0.2)	3.3	1.9
DAC amortization expense, excluding unlocking	2.9	2.6	2.8	2.6	2.7	10.7	9.8
DAC unlocking	(1.6)	(2.5)	(0.5)	1.8	(2.6)	(3.8)	2.5
Operating expenses	8.3	9.1	7.9	8.7	8.4	34.1	31.8
Total benefits and expenses	40.6	41.3	42.2	44.3	37.9	165.7	159.6
Income before income taxes	16.5	15.6	14.9	11.8	17.3	59.6	44.4
Income tax expense	5.4	4.5	5.0	3.9	5.7	19.1	13.5
Net income [1]	\$ 11.1	\$ 11.1	\$ 9.9	\$ 7.9	\$ 11.6	\$ 40.5	\$ 30.9
Less: DAC unlocking, after tax	1.0	1.6	0.3	(1.2)	1.7	2.5	(1.6)
Net income excluding DAC unlocking	\$ 10.1	\$ 9.5	\$ 9.6	\$ 9.1	\$ 9.9	\$ 38.0	\$ 32.5
RETURN ON ASSETS (Before-tax bps)							
Net income ROA (12 month) [2]	119	122	123	119	117	122	112
INTEREST SPREAD (Before-tax bps)	201	211	211	211	211	211	202
Annuity Contracts in force (in thousands)	190	189	186	186	185	189	184
Persistency (12 month)							
Fixed Annuities	95.5%	95.4%	95.3%	95.1%	95.0%	95.4%	94.9%
Variable Annuities	94.3%	94.3%	94.5%	94.0%	93.7%	94.3%	93.5%

[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.

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

<u>For Period Ended</u> <i>(\$ in millions)</i>	<u>Three Months Ended</u>					<u>Year Ended</u>	
	<u>Mar. 31,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Sept. 30,</u> <u>2012</u>	<u>Jun. 30,</u> <u>2012</u>	<u>Mar. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2011</u>
Premiums and contract deposits	\$ 23.0	\$ 27.6	\$ 24.2	\$ 24.4	\$ 23.1	\$ 99.3	\$ 98.6
Revenues							
Premiums and contract charges earned	\$ 26.2	\$ 26.2	\$ 25.5	\$ 25.2	\$ 25.5	\$ 102.4	\$ 100.7
Net investment income	17.3	17.2	17.2	17.5	17.5	69.4	69.6
Other income	0.4	0.6	0.4	0.8	0.8	2.6	2.6
Total revenues	43.9	44.0	43.1	43.5	43.8	174.4	172.9
Benefits and Expenses							
Death benefits / mortality cost [1]	8.1	7.3	7.1	6.3	7.6	28.3	31.4
Interest credited	10.7	10.7	10.6	10.5	10.4	42.2	41.3
Change in reserves	7.9	5.9	7.1	6.9	7.3	27.2	26.6
DAC amortization expense, excluding unlocking	2.0	2.0	2.0	2.1	2.0	8.1	8.5
DAC unlocking	-	0.5	0.1	0.1	0.1	0.8	1.2
Operating expenses	8.4	8.8	8.5	8.0	8.3	33.6	33.1
Total benefits and expenses	37.1	35.2	35.4	33.9	35.7	140.2	142.1
Income before income taxes	6.8	8.8	7.7	9.6	8.1	34.2	30.8
Income tax expense	2.5	3.1	2.8	3.5	2.9	12.3	11.4
Net income [2]	\$ 4.3	\$ 5.7	\$ 4.9	\$ 6.1	\$ 5.2	\$ 21.9	\$ 19.4
Less: DAC unlocking, after tax	-	(0.3)	(0.1)	(0.1)	(0.1)	(0.5)	(0.8)
Net income excluding DAC unlocking	\$ 4.3	\$ 6.0	\$ 5.0	\$ 6.2	\$ 5.3	\$ 22.4	\$ 20.2
Earnings margin (Before tax)							
Net income Return On Premium (12 month) [3]	32.6%	34.2%	34.4%	33.3%	32.9%	34.2%	31.7%
SUPPLEMENTAL DATA							
Insurance in force (in millions)	\$ 14,701	\$ 14,632	\$ 14,522	\$ 14,353	\$ 14,260	\$ 14,632	14,161
Policies in force (in thousands)	201	202	201	202	204	202	204
Lapse Ratio (12 month) [4]	4.3%	4.2%	4.2%	4.5%	4.6%	4.2%	4.7%

[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.

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>Mar. 31,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Sept. 30,</u> <u>2012</u>	<u>Jun. 30,</u> <u>2012</u>	<u>Mar. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2011</u>
Revenues							
Net investment income	\$ (0.2)	\$ (0.3)	\$ (0.2)	\$ (0.3)	\$ (0.2)	\$ (1.0)	\$ (1.0)
Other income	-	0.2	-	-	-	0.2	-
Total revenues	(0.2)	(0.1)	(0.2)	(0.3)	(0.2)	(0.8)	(1.0)
Expenses							
Interest expense	3.6	3.5	3.6	3.5	3.6	14.2	14.0
Other operating expenses	1.2	1.0	1.0	1.1	1.7	4.8	3.6
Total expenses	4.8	4.5	4.6	4.6	5.3	19.0	17.6
Operating income (loss) before income tax	(5.0)	(4.6)	(4.8)	(4.9)	(5.5)	(19.8)	(18.6)
Income tax expense (benefit)	(2.0)	(1.2)	(1.8)	(1.7)	(1.9)	(6.6)	(8.5)
Operating income (loss) after tax	\$ (3.0)	\$ (3.4)	\$ (3.0)	\$ (3.2)	\$ (3.6)	\$ (13.2)	\$ (10.1)
Realized investment gains (losses) pretax [1]	6.9	6.2	10.8	9.9	0.4	27.3	37.7
Tax on realized investment gains (losses) [1]	2.5	2.2	3.9	3.5	0.1	9.7	13.3
Realized investment gains (losses) after tax [1]	4.4	4.0	6.9	6.4	0.3	17.6	24.4
Net income (loss)	\$ 1.4	\$ 0.6	\$ 3.9	\$ 3.2	\$ (3.3)	\$ 4.4	\$ 14.3

[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

<u>For Period Ended</u> (\$ in millions)	<u>Three Months Ended</u>					<u>Year Ended</u>	
	<u>Mar. 31,</u> <u>2013</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Sept. 30,</u> <u>2012</u>	<u>Jun. 30,</u> <u>2012</u>	<u>Mar. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2012</u>	<u>Dec. 31,</u> <u>2011</u>
Net Investment Income							
Fixed maturities [1]							
Taxable	\$ 70.0	\$ 69.1	\$ 67.9	\$ 68.3	\$ 68.1	\$ 273.4	\$ 261.5
Tax-exempt	5.9	5.9	5.9	6.0	5.8	23.6	24.3
Total fixed maturities	75.9	75.0	73.8	74.3	73.9	297.0	285.8
Equity securities	0.5	1.1	0.5	0.8	0.4	2.8	1.7
Policy loans	1.9	2.0	1.9	2.0	1.9	7.8	7.4
Limited partnerships and other alternative investments	1.2	1.3	2.3	1.1	1.2	5.9	-
Short-term investments and other	(0.0)	0.2	0.1	0.0	0.1	0.4	0.5
Investment income	79.5	79.6	78.6	78.2	77.5	313.9	295.4
Investment expenses	2.1	2.3	1.9	1.9	1.8	7.9	7.1
Total net investment income	\$ 77.4	\$ 77.3	\$ 76.7	\$ 76.3	\$ 75.7	\$ 306.0	\$ 288.3
Annualized investment yield, before-tax [2]	5.42%	5.63%	5.67%	5.72%	5.75%	5.63%	5.70%
Annualized investment yield, after-tax [2]	3.65%	3.79%	3.82%	3.85%	3.87%	3.79%	3.85%
Net Investment Income							
Property & Casualty	\$ 9.0	\$ 9.6	\$ 9.0	\$ 9.3	\$ 8.9	\$ 36.8	\$ 36.9
Annuity	51.3	50.8	50.7	49.8	49.5	200.8	182.8
Life	17.3	17.2	17.2	17.5	17.5	69.4	69.6
Corporate, including intersegment eliminations	(0.2)	(0.3)	(0.2)	(0.3)	(0.2)	(1.0)	(1.0)
Total net investment income	\$ 77.4	\$ 77.3	\$ 76.7	\$ 76.3	\$ 75.7	\$ 306.0	\$ 288.3
Net Realized Capital Gains (Losses)							
Gross gains on disposals	\$ 7.1	\$ 6.4	\$ 11.1	\$ 12.8	\$ 9.6	\$ 39.9	\$ 39.7
Gross losses on disposals	(0.2)	(0.2)	(0.3)	(2.9)	(9.2)	(12.6)	(1.9)
Other-than-temporary impairment losses	-	-	-	-	-	-	(0.1)
Total net realized capital gains (losses)	\$ 6.9	\$ 6.2	\$ 10.8	\$ 9.9	\$ 0.4	\$ 27.3	\$ 37.7

[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

<u>For Period Ended</u> (\$ in millions)	<u>March 31,</u> <u>2013</u>		<u>December 31,</u> <u>2012</u>		<u>September 30,</u> <u>2012</u>		<u>June 30,</u> <u>2012</u>		<u>March 31,</u> <u>2012</u>		<u>December 31,</u> <u>2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Fixed maturities, at fair value [1]	\$ 6,143.7	95.6%	\$ 5,962.2	94.8%	\$ 5,782.1	93.6%	\$ 5,694.7	95.7%	\$ 5,500.1	95.5%	\$ 5,421.8	95.5%
Equity securities, at fair value	58.7	0.9%	53.5	0.9%	39.2	0.6%	38.0	0.6%	27.8	0.5%	26.8	0.5%
Policy loans, at outstanding balance	135.7	2.1%	135.0	2.1%	133.1	2.2%	131.1	2.2%	129.2	2.2%	128.5	2.3%
Limited partnerships and other alternative investments	53.6	0.8%	53.8	0.9%	52.5	0.9%	52.3	0.9%	26.2	0.5%	-	-
Short-term investments [2]	34.4	0.5%	87.6	1.4%	167.9	2.7%	33.5	0.6%	74.2	1.3%	100.4	1.8%
Short-term investments, securities lending collateral	-	-	-	-	-	-	-	-	-	-	-	-
Total investments	\$ 6,426.1	100.0%	\$ 6,292.1	100.0%	\$ 6,174.8	100.0%	\$ 5,949.6	100.0%	\$ 5,757.5	100.0%	\$ 5,677.5	100.0%
Asset-backed securities ("ABS")	\$ 492.3	8.0%	\$ 517.1	8.7%	\$ 493.5	8.5%	\$ 489.1	8.6%	\$ 471.7	8.6%	\$ 466.0	8.6%
Collateralized debt/loan obligations ("CDOs/CLOs")	143.5	2.3%	115.1	1.9%	68.9	1.2%	41.8	0.7%	43.8	0.8%	44.5	0.8%
Commercial mortgage-backed securities ("CMBS")	99.9	1.6%	74.7	1.3%	53.2	0.9%	51.3	0.9%	56.9	1.0%	70.8	1.3%
Corporate	2,708.9	44.1%	2,624.9	44.0%	2,501.1	43.3%	2,470.1	43.4%	2,343.3	42.6%	2,206.2	40.7%
Municipal	1,604.2	26.1%	1,586.0	26.6%	1,559.2	27.0%	1,509.5	26.5%	1,451.7	26.4%	1,413.1	26.1%
Residential mortgage-backed securities ("RMBS")	646.4	10.5%	634.9	10.6%	642.5	11.1%	643.9	11.3%	600.6	10.9%	617.5	11.4%
U.S. Treasuries and government agencies	448.5	7.3%	409.4	6.9%	463.6	8.0%	489.0	8.6%	531.9	9.7%	603.7	11.1%
Total fixed maturities	\$ 6,143.7	100.0%	\$ 5,962.2	100.0%	\$ 5,782.1	100.0%	\$ 5,694.7	100.0%	\$ 5,500.1	100.0%	\$ 5,421.8	100.0%
U.S. government/government agencies	\$ 1,085.6	17.7%	\$ 1,034.9	17.4%	\$ 1,096.8	19.0%	\$ 1,129.2	19.8%	\$ 1,124.8	20.5%	\$ 1,215.1	22.4%
AAA	300.6	4.9%	249.6	4.2%	210.8	3.6%	235.6	4.1%	229.1	4.2%	240.6	4.4%
AA	985.5	16.0%	999.4	16.8%	967.3	16.7%	967.0	17.0%	968.2	17.6%	971.2	17.9%
A	1,579.7	25.7%	1,506.7	25.3%	1,475.0	25.5%	1,420.3	24.9%	1,363.1	24.8%	1,330.8	24.5%
BBB	1,886.1	30.7%	1,863.5	31.3%	1,723.5	29.8%	1,656.6	29.1%	1,537.2	27.9%	1,382.5	25.5%
BB & below, includes securities not rated	306.2	5.0%	308.2	5.2%	308.7	5.3%	286.0	5.0%	277.8	5.1%	281.5	5.2%
Total fixed maturities	\$ 6,143.7	100.0%	\$ 5,962.2	100.0%	\$ 5,782.1	100.0%	\$ 5,694.7	100.0%	\$ 5,500.1	100.0%	\$ 5,421.8	100.0%

[1] Cost of \$5,509.9, \$5,311.4, \$5,136.3, \$5,146.8, \$5,041.5 and \$4,984.4 at March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, respectively.

[2] Includes \$14.1, \$29.4, \$14.2, \$11.4, \$20.2 and \$18.6 of short-term investments in the Corporate segment at March 31, 2013, December 31, 2012, September 30, 2012, June 30, 2012, March 31, 2012 and December 31, 2011, 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

As of March 31, 2013	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.