



**Horace Mann<sup>®</sup>**

*Founded by Educators for Educators*

**INVESTOR FINANCIAL SUPPLEMENT**

**MARCH 31, 2015**

# 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

<b>For Period Ended</b>	<b>Three Months Ended</b>					<b>Year Ended</b>	
	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<i>(\$ in millions, except per share data)</i>							
Earned Premiums	\$ 179.7	\$ 182.2	\$ 179.1	\$ 179.1	\$ 175.4	\$ 715.8	\$ 690.9
Net Investment Income	83.3	82.8	82.6	81.4	83.0	329.8	313.6
Net Realized Investment Gains (Losses)	6.1	2.2	3.5	3.5	1.7	10.9	22.2
Other Income	1.0	1.9	0.4	0.8	1.1	4.2	4.5
<b>Total Revenues</b>	<b>\$ 270.1</b>	<b>\$ 269.1</b>	<b>\$ 265.6</b>	<b>\$ 264.8</b>	<b>\$ 261.2</b>	<b>\$ 1,060.7</b>	<b>\$ 1,031.2</b>
Net Income	\$ 34.3	\$ 30.0	\$ 25.4	\$ 20.4	\$ 28.4	\$ 104.2	\$ 110.9
Operating Income	30.3	28.7	23.1	18.2	27.3	97.3	96.5
<b>At Period End</b>							
Total Assets	\$ 10,074.4	\$ 9,768.5	\$ 9,643.0	\$ 9,446.2	\$ 9,083.5	\$ 9,768.5	\$ 8,826.7
Total Policy Liabilities	5,438.7	5,351.5	5,269.5	5,163.3	5,082.3	5,351.5	5,029.2
Debt	238.0	237.9	237.9	237.9	237.9	237.9	237.9
Shareholders' Equity	1,409.8	1,336.5	1,288.3	1,283.1	1,197.8	1,336.5	1,099.3
<b>Per Share and Shares Data</b>							
Net Income per share (basic)	\$ 0.82	\$ 0.72	\$ 0.61	\$ 0.49	\$ 0.69	\$ 2.50	\$ 2.75
Operating Income per share (basic)	0.72	0.69	0.56	0.44	0.66	2.34	2.39
Net Income per diluted share	\$ 0.81	\$ 0.71	\$ 0.60	\$ 0.48	\$ 0.67	\$ 2.47	\$ 2.66
Operating Income per diluted share	0.72	0.68	0.55	0.43	0.65	2.30	2.32
Weighted average common shares (basic)	42.0	41.7	41.5	41.4	41.2	41.6	40.4
Dilutive effect of stock equivalents	0.3	0.7	0.8	0.9	1.1	0.6	1.2
<b>Weighted average diluted shares</b>	<b>42.3</b>	<b>42.4</b>	<b>42.3</b>	<b>42.3</b>	<b>42.3</b>	<b>42.2</b>	<b>41.6</b>
Book value per share	\$ 34.28	\$ 32.65	\$ 31.51	\$ 31.40	\$ 29.47	\$ 32.65	\$ 27.14
Per share impact of unrealized gain (loss) on fixed maturities and equity securities	8.15	7.27	6.60	6.89	5.20	7.27	3.31
Book value per share excluding unrealized gain (loss) on fixed maturities and equity securities	\$ 26.13	\$ 25.38	\$ 24.91	\$ 24.51	\$ 24.27	\$ 25.38	\$ 23.83
Dividends paid per share	\$ 0.25	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.92	\$ 0.78
<b>Financial Ratios</b>							
Net Income ROE	8.4%	8.4%	9.1%	9.2%	9.8%	8.4%	9.6%
Net Income ROE excluding unrealized on investments	10.8%	10.4%	11.1%	11.1%	12.0%	10.4%	12.2%
Operating Income ROE	7.7%	7.8%	8.6%	9.0%	8.8%	7.8%	8.3%
Operating Income ROE excluding unrealized on investments	9.8%	9.7%	10.4%	10.8%	10.8%	9.7%	10.6%
Debt to total capitalization	14.4%	15.1%	15.6%	15.6%	16.6%	15.1%	17.8%
Debt to total capitalization excluding unrealized on investments	18.1%	18.6%	18.9%	19.2%	19.4%	18.6%	19.8%
Annualized Investment yield, after tax	3.47%	3.57%	3.58%	3.61%	3.67%	3.57%	3.61%

# HORACE MANN EDUCATORS CORPORATION

## CONSOLIDATED STATEMENT OF OPERATIONS

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					<b>Year Ended</b>	
	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<b>Revenues</b>							
Insurance premiums and contract charges earned	\$ 179.7	\$ 182.2	\$ 179.1	\$ 179.1	\$ 175.4	\$ 715.8	\$ 690.9
Net investment income	83.3	82.8	82.6	81.4	83.0	329.8	313.6
Net realized investment gains (losses)	6.1	2.2	3.5	3.5	1.7	10.9	22.2
Other income	1.0	1.9	0.4	0.8	1.1	4.2	4.5
<b>Total revenues</b>	<b>270.1</b>	<b>269.1</b>	<b>265.6</b>	<b>264.8</b>	<b>261.2</b>	<b>1,060.7</b>	<b>1,031.2</b>
<b>Benefits, losses and expenses</b>							
Benefits, claims and settlement expenses	114.0	111.8	117.4	127.2	112.0	468.4	448.3
Interest credited	44.5	44.8	44.5	43.7	43.1	176.1	169.9
DAC amortization expense, excluding unlocking	23.9	23.6	23.2	23.0	22.9	92.7	88.2
DAC unlocking	(0.2)	0.2	1.3	(0.5)	0.1	1.1	(3.6)
Operating expenses	35.9	43.0	39.9	39.3	39.9	162.1	160.1
Interest expense	3.6	3.6	3.5	3.6	3.5	14.2	14.2
<b>Total benefits, losses and expenses</b>	<b>221.7</b>	<b>227.0</b>	<b>229.8</b>	<b>236.3</b>	<b>221.5</b>	<b>914.6</b>	<b>877.1</b>
<b>Income before income taxes</b>	<b>48.4</b>	<b>42.1</b>	<b>35.8</b>	<b>28.5</b>	<b>39.7</b>	<b>146.1</b>	<b>154.1</b>
<b>Income tax expense</b>	<b>14.1</b>	<b>12.1</b>	<b>10.4</b>	<b>8.1</b>	<b>11.3</b>	<b>41.9</b>	<b>43.2</b>
<b>Net income</b>	<b>\$ 34.3</b>	<b>\$ 30.0</b>	<b>\$ 25.4</b>	<b>\$ 20.4</b>	<b>\$ 28.4</b>	<b>\$ 104.2</b>	<b>\$ 110.9</b>
<b>Less: Net realized investment gains (losses), after tax</b>	<b>4.0</b>	<b>1.3</b>	<b>2.3</b>	<b>2.2</b>	<b>1.1</b>	<b>6.9</b>	<b>14.4</b>
<b>Operating income</b>	<b>\$ 30.3</b>	<b>\$ 28.7</b>	<b>\$ 23.1</b>	<b>\$ 18.2</b>	<b>\$ 27.3</b>	<b>\$ 97.3</b>	<b>\$ 96.5</b>
<b>Other Statistics</b>							
Effective tax rate on net investment income	32.9%	32.9%	32.9%	32.8%	32.9%	32.9%	32.8%
Net investment income, after tax	\$ 55.9	\$ 55.6	\$ 55.4	\$ 54.7	\$ 55.7	\$ 221.4	\$ 210.8
Catastrophes, net of reinsurance, pre-tax	10.5	2.0	5.7	23.5	6.3	37.5	40.2
Catastrophes, net of reinsurance, after tax	6.8	1.3	3.7	15.3	4.1	24.4	26.1
Other-than-temporary impairment losses on securities [1]	(2.3)	(5.8)	(0.1)	(0.5)	-	(6.4)	(1.5)
<b>Agent Information</b>							
Exclusive agencies	668	682	640	620	629	682	654
Employee agents	61	73	79	87	93	73	105
<b>Total</b>	<b>729</b>	<b>755</b>	<b>719</b>	<b>707</b>	<b>722</b>	<b>755</b>	<b>759</b>

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

# HORACE MANN EDUCATORS CORPORATION

## CONSOLIDATED BALANCE SHEET

	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013
<i>(\$ in millions, except per share data)</i>						
<b>ASSETS</b>						
Investments						
Fixed maturities, available for sale, at fair value	\$ 7,065.8	\$ 6,893.1	\$ 6,793.5	\$ 6,676.3	\$ 6,398.4	\$ 6,009.6
Equity securities, available for sale, at fair value	105.1	110.6	106.8	109.5	94.2	91.9
Short-term and other investments	450.3	399.8	406.2	303.9	308.7	438.0
<b>Total investments</b>	<b>7,621.2</b>	<b>7,403.5</b>	<b>7,306.5</b>	<b>7,089.7</b>	<b>6,801.3</b>	<b>6,539.5</b>
Cash	43.9	11.7	41.2	44.7	34.9	18.2
Deferred policy acquisition costs	211.5	215.1	217.7	210.0	222.6	245.3
Goodwill	47.4	47.4	47.4	47.4	47.4	47.4
Other assets	285.2	277.2	243.8	240.3	232.3	228.3
Separate account assets	1,865.2	1,813.6	1,786.4	1,814.1	1,745.0	1,748.0
<b>Total assets</b>	<b>\$ 10,074.4</b>	<b>\$ 9,768.5</b>	<b>\$ 9,643.0</b>	<b>\$ 9,446.2</b>	<b>\$ 9,083.5</b>	<b>\$ 8,826.7</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Policy liabilities						
Fixed annuity contract liabilities	\$ 3,847.7	\$ 3,774.5	\$ 3,717.3	\$ 3,629.1	\$ 3,567.2	\$ 3,515.9
Interest-sensitive life contract liabilities	794.6	792.0	788.3	785.3	781.1	777.3
Unpaid claims and claim expenses	340.1	325.8	305.1	302.6	295.2	291.6
Future policy benefits	239.2	235.8	232.1	228.6	224.6	223.3
Unearned premiums	217.1	223.4	226.7	217.7	214.2	221.1
<b>Total policy liabilities</b>	<b>5,438.7</b>	<b>5,351.5</b>	<b>5,269.5</b>	<b>5,163.3</b>	<b>5,082.3</b>	<b>5,029.2</b>
Other policyholder funds	607.6	606.7	601.6	347.1	344.8	346.3
Other liabilities	515.1	422.3	459.3	600.7	475.7	366.0
Short-term debt	38.0	38.0	38.0	38.0	38.0	38.0
Long-term debt, current and noncurrent	200.0	199.9	199.9	199.9	199.9	199.9
Separate account liabilities	1,865.2	1,813.6	1,786.4	1,814.1	1,745.0	1,748.0
<b>Total liabilities</b>	<b>8,664.6</b>	<b>8,432.0</b>	<b>8,354.7</b>	<b>8,163.1</b>	<b>7,885.7</b>	<b>7,727.4</b>
Common stock, \$0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	435.1	422.2	420.7	418.0	413.4	407.0
Retained earnings	1,088.9	1,065.3	1,045.1	1,029.5	1,018.9	1,000.3
Accumulated other comprehensive income (loss), net of taxes:						
Net unrealized gains and losses on fixed maturities and equity securities	335.1	297.6	270.0	281.5	211.4	134.0
Net funded status of pension and other post-retirement benefit obligations	(13.0)	(13.0)	(11.8)	(11.8)	(11.8)	(11.8)
Treasury stock, at cost	(436.4)	(435.7)	(435.8)	(434.2)	(434.2)	(430.3)
<b>Total shareholders' equity</b>	<b>1,409.8</b>	<b>1,336.5</b>	<b>1,288.3</b>	<b>1,283.1</b>	<b>1,197.8</b>	<b>1,099.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 10,074.4</b>	<b>\$ 9,768.5</b>	<b>\$ 9,643.0</b>	<b>\$ 9,446.2</b>	<b>\$ 9,083.5</b>	<b>\$ 8,826.7</b>

## HORACE MANN EDUCATORS CORPORATION

### CAPITAL METRICS

<b>For Period Ended</b>	<b>Three Months Ended</b>					<b>Year Ended</b>	
	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<i>(\$ in millions, except per share data)</i>							
<b><u>Book Value Per Share</u></b>							
<u>Numerator</u>							
Shareholders' Equity	\$ 1,409.8	\$ 1,336.5	\$ 1,288.3	\$ 1,283.1	\$ 1,197.8	\$ 1,336.5	\$ 1,099.3
Less: Unrealized Gains and Losses on Fixed Maturities and Equity Securities [1]	335.1	297.6	270.0	281.5	211.4	297.6	134.0
<b>Shareholders' Equity Excluding Unrealized Gains and Losses on Fixed Maturities and Equity Securities</b>	<b>\$ 1,074.7</b>	<b>\$ 1,038.9</b>	<b>\$ 1,018.3</b>	<b>\$ 1,001.6</b>	<b>\$ 986.4</b>	<b>\$ 1,038.9</b>	<b>\$ 965.3</b>
<u>Denominator</u>							
Common Shares Issued and Outstanding, at period end	41.1	40.9	40.9	40.9	40.6	40.9	40.5
<b>Book Value Per Share</b>	<b>\$ 34.28</b>	<b>\$ 32.65</b>	<b>\$ 31.51</b>	<b>\$ 31.40</b>	<b>\$ 29.47</b>	<b>\$ 32.65</b>	<b>\$ 27.14</b>
<b>Book Value Per Share Excluding Unrealized on Fixed Maturities and Equity Securities</b>	<b>\$ 26.13</b>	<b>\$ 25.38</b>	<b>\$ 24.91</b>	<b>\$ 24.51</b>	<b>\$ 24.27</b>	<b>\$ 25.38</b>	<b>\$ 23.83</b>
<b><u>Return on Shareholders' Equity</u></b>							
<u>Numerator</u>							
Trailing 12 Months Net Income	\$ 110.1	\$ 104.2	\$ 108.5	\$ 106.7	\$ 112.3	\$ 104.2	\$ 110.9
Trailing 12 Months Operating Income	100.3	97.3	102.0	103.4	101.2	97.3	96.5
<u>Denominator (5-point Average)</u>							
5-point Average Shareholders' Equity	\$ 1,303.1	\$ 1,241.0	\$ 1,191.6	\$ 1,155.2	\$ 1,150.9	\$ 1,241.0	\$ 1,160.5
Trailing 12 Months Net Income on Average Shareholders' Equity (5-point Average)	8.4%	8.4%	9.1%	9.2%	9.8%	8.4%	9.6%
Trailing 12 Months Operating Income on Average Shareholders' Equity (5-point Average)	7.7%	7.8%	8.6%	9.0%	8.8%	7.8%	8.3%
<b><u>Debt and Total Capitalization</u></b>							
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
<u>Senior Debt:</u>							
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	125.0	124.9	124.9	124.9	124.9	124.9	124.9
<b>Total Debt</b>	<b>238.0</b>	<b>237.9</b>	<b>237.9</b>	<b>237.9</b>	<b>237.9</b>	<b>237.9</b>	<b>237.9</b>
<b>Shareholders' Equity</b>	<b>1,409.8</b>	<b>1,336.5</b>	<b>1,288.3</b>	<b>1,283.1</b>	<b>1,197.8</b>	<b>1,336.5</b>	<b>1,099.3</b>
<b>Total Capitalization</b>	<b>\$ 1,647.8</b>	<b>\$ 1,574.4</b>	<b>\$ 1,526.2</b>	<b>\$ 1,521.0</b>	<b>\$ 1,435.7</b>	<b>\$ 1,574.4</b>	<b>\$ 1,337.2</b>
Ratio of Debt to Shareholders' Equity	16.9%	17.8%	18.5%	18.5%	19.9%	17.8%	21.7%
Ratio of Debt to Total Capitalization	14.4%	15.1%	15.6%	15.6%	16.6%	15.1%	17.8%
<b><u>Capital Returned to Shareholders</u></b>							
Common Stock Repurchased [2]	\$ 0.7	\$ -	\$ 1.5	\$ -	\$ 3.9	\$ 5.4	\$ 3.9
Cash Dividends Paid	10.7	9.8	9.8	9.8	9.8	39.2	32.6
<b>Total Capital Returned to Shareholders</b>	<b>\$ 11.4</b>	<b>\$ 9.8</b>	<b>\$ 11.3</b>	<b>\$ 9.8</b>	<b>\$ 13.7</b>	<b>\$ 44.6</b>	<b>\$ 36.5</b>

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

[2] As of March 31, 2015, the program had a remaining authorization of \$22.2 million.

**HORACE MANN EDUCATORS CORPORATION**  
**PROPERTY & CASUALTY SEGMENT**  
**STATEMENT OF OPERATIONS**

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					<b>Year Ended</b>	
	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<b>UNDERWRITING RESULTS</b>							
Written premiums							
Voluntary Auto	\$ 98.2	\$ 95.4	\$ 97.0	\$ 93.3	\$ 94.8	\$ 380.5	\$ 371.7
Property	41.5	47.0	56.9	54.0	41.9	199.8	195.0
Involuntary & Other	0.8	2.0	0.7	0.9	0.5	4.1	3.7
<b>Total written premiums</b>	<b>140.5</b>	<b>144.4</b>	<b>154.6</b>	<b>148.2</b>	<b>137.2</b>	<b>584.4</b>	<b>570.4</b>
Earned premiums							
Voluntary Auto	\$ 95.8	\$ 95.3	\$ 94.6	\$ 94.2	\$ 93.9	\$ 378.0	\$ 367.5
Property	50.2	50.1	50.2	49.8	49.6	199.7	190.8
Involuntary & Other	0.7	2.3	0.8	0.6	0.4	4.1	3.6
<b>Total earned premiums</b>	<b>146.7</b>	<b>147.7</b>	<b>145.6</b>	<b>144.6</b>	<b>143.9</b>	<b>581.8</b>	<b>561.9</b>
Losses and loss adjustment expenses							
Current accident year before catastrophes	88.7	98.3	98.6	89.4	92.7	379.0	363.4
Current accident year catastrophes	10.5	2.0	5.7	23.5	6.3	37.5	40.2
Prior years' reserve development [1]	(4.0)	(5.6)	(4.4)	(3.0)	(4.0)	(17.0)	(18.0)
<b>Total losses and loss adjustment expenses</b>	<b>95.2</b>	<b>94.7</b>	<b>99.9</b>	<b>109.9</b>	<b>95.0</b>	<b>399.5</b>	<b>385.6</b>
Operating expenses, including DAC amortization expense	37.4	41.2	40.2	38.5	39.8	159.7	155.5
<b>Underwriting gain (loss)</b>	<b>14.1</b>	<b>11.8</b>	<b>5.5</b>	<b>(3.8)</b>	<b>9.1</b>	<b>22.6</b>	<b>20.8</b>
Net investment income	9.4	9.2	8.9	9.4	9.3	36.8	36.2
Other income (expense)	0.2	1.2	-	-	0.2	1.4	0.2
<b>Income before income taxes</b>	<b>23.7</b>	<b>22.2</b>	<b>14.4</b>	<b>5.6</b>	<b>18.6</b>	<b>60.8</b>	<b>57.2</b>
Income tax expense (benefit)	6.1	6.0	2.6	0.7	4.6	13.9	12.8
<b>Net Income [2]</b>	<b>\$ 17.6</b>	<b>\$ 16.2</b>	<b>\$ 11.8</b>	<b>\$ 4.9</b>	<b>\$ 14.0</b>	<b>\$ 46.9</b>	<b>\$ 44.4</b>

[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>2015</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>2014</u>	<u>Dec. 31,</u> <u>2013</u>
<b>UNDERWRITING RATIOS (%)</b>							
Losses and loss adjustment expenses							
Current accident year before catastrophes	60.5	66.6	67.7	61.8	64.4	65.1	64.7
Current accident year catastrophes	7.1	1.3	4.0	16.3	4.4	6.5	7.2
Prior years' reserve development [1]	(2.7)	(3.8)	(3.0)	(2.1)	(2.8)	(2.9)	(3.3)
Total losses and loss adjustment expenses	64.9	64.1	68.7	76.0	66.0	68.7	68.6
Expense Ratio	25.5	27.8	27.6	26.7	27.7	27.4	27.7
<b>Combined ratio</b>	<b>90.4</b>	<b>91.9</b>	<b>96.3</b>	<b>102.7</b>	<b>93.7</b>	<b>96.1</b>	<b>96.3</b>
<b>Combined ratio before catastrophes</b>	<b>83.3</b>	<b>90.6</b>	<b>92.3</b>	<b>86.4</b>	<b>89.3</b>	<b>89.6</b>	<b>89.1</b>
<b>Combined ratio before catastrophes and prior years' development</b>	<b>86.0</b>	<b>94.4</b>	<b>95.3</b>	<b>88.5</b>	<b>92.1</b>	<b>92.5</b>	<b>92.4</b>
<b>PRODUCT (%)</b>							
<b>Automobile</b>							
Loss and loss adjustment expense ratio	67.7	76.9	69.0	70.3	67.7	71.0	70.5
Expense ratio	26.3	28.3	28.3	27.0	28.3	28.0	28.1
Combined ratio	94.0	105.2	97.3	97.3	96.0	99.0	98.6
Prior years' reserve development [1]	(2.3)	(2.8)	(3.7)	(3.2)	(4.2)	(3.5)	(4.7)
Catastrophes	0.2	0.5	1.1	4.2	0.1	1.5	1.2
Combined ratio before catastrophes and prior years' development	96.1	107.5	99.9	96.3	100.1	101.0	102.1
<b>Property</b>							
Loss and loss adjustment expense ratio	59.3	41.9	68.5	86.7	62.4	64.6	64.3
Expense ratio	24.1	27.1	26.4	26.2	26.7	26.6	27.0
Combined ratio	83.4	69.0	94.9	112.9	89.1	91.2	91.3
Prior years' reserve development [1]	(3.6)	(4.3)	0.0	0.0	0.0	(1.1)	(0.4)
Catastrophes	20.7	2.8	9.2	39.4	12.5	15.8	18.7
Combined ratio before catastrophes and prior years' development	66.3	70.5	85.7	73.5	76.6	76.5	73.0
<b>STATISTICAL PREMIUM INFORMATION</b>							
<b>Policy Count Retention (12 month)</b>							
Voluntary Automobile	84.9%	84.7%	84.5%	84.5%	84.6%	84.7%	84.8%
Property	87.7%	87.9%	88.2%	88.8%	88.9%	87.9%	89.0%
<b>Sales (12-month annualized premium, in millions) [2]</b>							
Voluntary Automobile	\$ 18.4	\$ 20.1	\$ 22.1	\$ 19.6	\$ 17.2	\$ 79.0	\$ 74.8
Property	3.5	4.4	5.1	3.9	3.5	16.9	17.9
Total Sales	\$ 21.9	\$ 24.5	\$ 27.2	\$ 23.5	\$ 20.7	\$ 95.9	\$ 92.7
<b>Policies in force (in thousands)</b>							
Voluntary Automobile	480	481	481	480	480	481	482
Property	228	229	230	232	234	229	235
Total Policies in force	708	710	711	712	714	710	717

[1] (Favorable) unfavorable.

[2] HM products.



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

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					<b>Year Ended</b>	
	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<b>Contract deposits</b>	\$ 142.0	\$ 118.9	\$ 143.4	\$ 118.0	\$ 100.3	\$ 480.6	\$ 423.0
<b>Revenues</b>							
Contract charges earned	\$ 6.2	\$ 6.6	\$ 6.6	\$ 6.5	\$ 5.9	\$ 25.6	\$ 22.6
Net investment income	56.4	55.9	56.0	54.4	55.8	222.1	208.4
Other income	0.6	0.5	0.2	0.5	0.6	1.8	3.0
<b>Total revenues</b>	<b>63.2</b>	<b>63.0</b>	<b>62.8</b>	<b>61.4</b>	<b>62.3</b>	<b>249.5</b>	<b>234.0</b>
<b>Benefits and Expenses</b>							
Interest credited	33.5	33.8	33.6	32.8	32.3	132.5	127.0
Mortality loss and other reserve changes	0.3	0.5	0.9	0.4	0.4	2.2	1.8
DAC amortization expense, excluding unlocking	3.6	3.5	3.5	3.3	3.3	13.6	11.7
DAC unlocking	(0.1)	0.3	1.2	(0.4)	0.1	1.2	(3.7)
Operating expenses	7.6	8.9	7.5	8.5	8.4	33.3	34.0
<b>Total benefits and expenses</b>	<b>44.9</b>	<b>47.0</b>	<b>46.7</b>	<b>44.6</b>	<b>44.5</b>	<b>182.8</b>	<b>170.8</b>
<b>Income before income taxes</b>	<b>18.3</b>	<b>16.0</b>	<b>16.1</b>	<b>16.8</b>	<b>17.8</b>	<b>66.7</b>	<b>63.2</b>
Income tax expense	5.8	4.8	5.8	5.3	5.5	21.4	18.5
<b>Net income [1]</b>	<b>\$ 12.5</b>	<b>\$ 11.2</b>	<b>\$ 10.3</b>	<b>\$ 11.5</b>	<b>\$ 12.3</b>	<b>\$ 45.3</b>	<b>\$ 44.7</b>
Less: DAC unlocking, after tax	0.1	(0.2)	(0.8)	0.3	(0.1)	(0.8)	2.4
<b>Net income excluding DAC unlocking</b>	<b>\$ 12.4</b>	<b>\$ 11.4</b>	<b>\$ 11.1</b>	<b>\$ 11.2</b>	<b>\$ 12.4</b>	<b>\$ 46.1</b>	<b>\$ 42.3</b>
<b>RETURN ON ASSETS (Before-tax basis points)</b>							
ROA (12 month) [2]	121	123	124	121	121	123	118
<b>INTEREST SPREAD [3]</b>	194	204	205	206	214	204	199
<b>Annuity Contracts in force (in thousands)</b>	204	203	199	197	196	203	195
<b>Persistency (12 month)</b>							
Fixed Annuities	94.5%	94.5%	94.8%	94.9%	95.1%	94.5%	95.2%
Variable Annuities	93.9%	94.0%	94.2%	94.1%	94.1%	94.0%	94.0%
<b>Sales (12-month annualized deposits, in millions) [4]</b>							
Recurring	\$ 10.4	\$ 16.3	\$ 10.0	\$ 10.0	\$ 8.8	\$ 45.1	\$ 37.2
Single Deposit/Rollover	72.6	68.9	102.1	69.3	55.4	295.7	242.6
Total Sales	\$ 83.0	\$ 85.2	\$ 112.1	\$ 79.3	\$ 64.2	\$ 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] Before-tax basis points. Quarterly results reflect spread earned on an adjusted annualized year-to-date basis for the fixed and fixed indexed annuity blocks of business.

[4] HM products.

**HORACE MANN EDUCATORS CORPORATION**  
**ANNUITY SEGMENT**  
**ACCOUNT VALUE ROLLFORWARD**

<u>For Period Ended</u> <i>(\$ in millions)</i>	<u>Three Months Ended</u>					
	<u>Mar. 31,</u> <u>2015</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>
<b>FIXED ACCOUNT ANNUITIES [1]</b>						
Beginning balance	\$ 3,788.1	\$ 3,754.1	\$ 3,693.6	\$ 3,655.1	\$ 3,617.2	\$ 3,559.0
Deposits	71.0	56.4	74.9	58.3	56.1	71.6
Withdrawals	(58.3)	(72.8)	(58.2)	(62.0)	(56.0)	(61.4)
Net Transfers	10.3	16.5	11.6	10.9	4.6	12.1
Interest Credited	33.5	33.8	33.6	32.8	32.3	32.7
Other	(1.7)	0.1	(1.4)	(1.5)	0.9	3.2
Ending balance	<u>\$ 3,842.9</u>	<u>\$ 3,788.1</u>	<u>\$ 3,754.1</u>	<u>\$ 3,693.6</u>	<u>\$ 3,655.1</u>	<u>\$ 3,617.2</u>
<b>FIXED INDEXED ACCOUNT ANNUITIES [2]</b>						
Beginning balance	\$ 97.0	\$ 72.0	\$ 37.0	\$ 12.0	\$ -	[3]
Deposits	23.9	24.3	33.8	24.5	11.7	
Withdrawals	(0.7)	(0.2)	(0.2)	-	-	
Net Transfers	(0.3)	(0.2)	(0.1)	-	-	
Index Credits	0.1	-	-	-	-	
Other	1.0	1.1	1.5	0.5	0.3	
Ending balance	<u>\$ 121.0</u>	<u>\$ 97.0</u>	<u>\$ 72.0</u>	<u>\$ 37.0</u>	<u>\$ 12.0</u>	
<b>VARIABLE ACCOUNT ANNUITIES [4]</b>						
Beginning balance	\$ 1,813.6	\$ 1,786.4	\$ 1,814.1	\$ 1,745.0	\$ 1,748.0	\$ 1,627.7
Deposits	47.1	38.2	34.7	35.2	32.5	34.6
Withdrawals	(26.3)	(29.4)	(28.3)	(28.5)	(24.4)	(25.5)
Net Transfers	(10.0)	(16.3)	(11.5)	(10.9)	(4.6)	(12.1)
Fees & Charges	(7.0)	(7.1)	(7.0)	(6.9)	(6.6)	(7.0)
Market Appreciation	47.8	41.7	(15.8)	80.2	-	130.1
Other	-	0.1	0.2	-	0.1	0.2
Ending balance	<u>\$ 1,865.2</u>	<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>

[1] Represents account balances having a guarantee of principal and a guaranteed minimum rate of return.

[2] Represents account balances with a contingent return linked to the Standard & Poor's 500 Index and/or the Dow Jones Industrial Average.

[3] In February 2014, the Company began offering fixed indexed annuity contracts.

[4] Represents account balances invested in various mutual funds at the direction of the contractholders who bear the investment risk.

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

<u>For Period Ended</u> (\$ in millions)	<u>Three Months Ended</u>					<u>Year Ended</u>	
	<u>Mar. 31,</u> <u>2015</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>2014</u>	<u>Dec. 31,</u> <u>2013</u>
<b>Premiums and contract deposits</b>	\$ 23.2	\$ 29.0	\$ 24.7	\$ 26.2	\$ 22.8	\$ 102.7	\$ 100.8
<b>Revenues</b>							
Premiums and contract charges earned	\$ 26.8	\$ 27.9	\$ 26.9	\$ 28.0	\$ 25.6	\$ 108.4	\$ 106.4
Net investment income	17.7	17.9	17.9	17.9	18.1	71.8	69.9
Other income	0.2	0.3	0.2	0.3	0.3	1.1	1.3
<b>Total revenues</b>	<b>44.7</b>	<b>46.1</b>	<b>45.0</b>	<b>46.2</b>	<b>44.0</b>	<b>181.3</b>	<b>177.6</b>
<b>Benefits and Expenses</b>							
Death benefits / mortality cost [1]	9.7	7.7	8.4	7.3	9.2	32.6	29.7
Interest credited	11.0	11.0	10.9	10.9	10.8	43.6	42.9
Change in reserves	8.8	8.9	8.2	9.6	7.4	34.1	31.2
DAC amortization expense, excluding unlocking	2.0	2.0	1.9	2.0	1.9	7.8	8.1
DAC unlocking	(0.1)	(0.1)	0.1	(0.1)	-	(0.1)	0.1
Operating expenses	8.0	9.5	9.4	8.8	8.7	36.4	34.3
<b>Total benefits and expenses</b>	<b>39.4</b>	<b>39.0</b>	<b>38.9</b>	<b>38.5</b>	<b>38.0</b>	<b>154.4</b>	<b>146.3</b>
<b>Income before income taxes</b>	<b>5.3</b>	<b>7.1</b>	<b>6.1</b>	<b>7.7</b>	<b>6.0</b>	<b>26.9</b>	<b>31.3</b>
Income tax expense	1.9	2.4	2.2	2.7	2.1	9.4	10.9
<b>Net income [2]</b>	<b>\$ 3.4</b>	<b>\$ 4.7</b>	<b>\$ 3.9</b>	<b>\$ 5.0</b>	<b>\$ 3.9</b>	<b>\$ 17.5</b>	<b>\$ 20.4</b>
Less: DAC unlocking, after tax	0.1	0.1	(0.1)	0.1	-	0.1	(0.1)
<b>Net income excluding DAC unlocking</b>	<b>\$ 3.3</b>	<b>\$ 4.6</b>	<b>\$ 4.0</b>	<b>\$ 4.9</b>	<b>\$ 3.9</b>	<b>\$ 17.4</b>	<b>\$ 20.5</b>
<b>Earnings margin (Before tax)</b>							
Return On Premium (12 month) [3]	23.8%	24.7%	25.0%	27.4%	28.9%	24.7%	29.5%
<b>SUPPLEMENTAL DATA</b>							
Lapse Ratio (12 month) [4]	4.0%	4.0%	4.1%	4.1%	4.2%	4.0%	4.4%
Sales (12-month premium, in millions) [5]							
Recurring	\$ 1.6	\$ 2.4	\$ 1.6	\$ 1.6	\$ 1.4	\$ 7.0	\$ 5.4
Single Premium	0.3	1.4	0.7	1.7	0.3	4.1	3.1
Total Sales	\$ 1.9	\$ 3.8	\$ 2.3	\$ 3.3	\$ 1.7	\$ 11.1	\$ 8.5
Insurance in force (in millions)	\$ 15,983	\$ 15,801	\$ 15,560	\$ 15,414	\$ 15,241	\$ 15,801	\$ 15,104
Policies in force (in thousands)	201	201	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)

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					<b>Year Ended</b>	
	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<b>Revenues</b>							
Net investment income	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.3)	\$ (0.2)	\$ (0.9)	\$ (0.9)
Other income	-	(0.1)	-	-	-	(0.1)	-
<b>Total revenues</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(1.0)</b>	<b>(0.9)</b>
<b>Expenses</b>							
Interest expense	3.6	3.6	3.5	3.6	3.5	14.2	14.2
Other operating expenses	1.2	1.5	0.6	1.2	0.7	4.0	4.7
<b>Total expenses</b>	<b>4.8</b>	<b>5.1</b>	<b>4.1</b>	<b>4.8</b>	<b>4.2</b>	<b>18.2</b>	<b>18.9</b>
<b>Operating income (loss) before income tax</b>	<b>(5.0)</b>	<b>(5.4)</b>	<b>(4.3)</b>	<b>(5.1)</b>	<b>(4.4)</b>	<b>(19.2)</b>	<b>(19.8)</b>
Income tax expense (benefit)	(1.8)	(2.0)	(1.4)	(1.9)	(1.5)	(6.8)	(6.8)
<b>Operating income (loss) after tax</b>	<b>\$ (3.2)</b>	<b>\$ (3.4)</b>	<b>\$ (2.9)</b>	<b>\$ (3.2)</b>	<b>\$ (2.9)</b>	<b>\$ (12.4)</b>	<b>\$ (13.0)</b>
Realized investment gains (losses) pretax [1]	6.1	2.2	3.5	3.5	1.7	10.9	22.2
Tax on realized investment gains (losses) [1]	2.1	0.9	1.2	1.3	0.6	4.0	7.8
Realized investment gains (losses) after tax [1]	4.0	1.3	2.3	2.2	1.1	6.9	14.4
<b>Net income (loss)</b>	<b>\$ 0.8</b>	<b>\$ (2.1)</b>	<b>\$ (0.6)</b>	<b>\$ (1.0)</b>	<b>\$ (1.8)</b>	<b>\$ (5.5)</b>	<b>\$ 1.4</b>

[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 TAXES**  
**CONSOLIDATED**

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					<b>Year Ended</b>	
	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<b>Net Investment Income</b>							
Fixed maturities [1]							
Taxable	\$ 73.9	\$ 74.3	\$ 73.4	\$ 72.7	\$ 73.8	\$ 294.2	\$ 280.4
Tax-exempt	5.9	5.8	6.0	5.9	5.9	23.6	23.6
Total fixed maturities	79.8	80.1	79.4	78.6	79.7	317.8	304.0
Equity securities	1.1	1.3	1.2	1.1	1.2	4.8	3.7
Policy loans	2.0	2.1	2.0	2.1	1.9	8.1	7.9
Limited partnerships and other alternative investments	2.5	1.2	2.1	1.7	2.2	7.2	5.9
Short-term investments and other	0.1	0.3	-	-	0.1	0.4	0.4
Investment income	85.5	85.0	84.7	83.5	85.1	338.3	321.9
Investment expenses	2.2	2.2	2.1	2.1	2.1	8.5	8.3
<b>Total net investment income</b>	<b>\$ 83.3</b>	<b>\$ 82.8</b>	<b>\$ 82.6</b>	<b>\$ 81.4</b>	<b>\$ 83.0</b>	<b>\$ 329.8</b>	<b>\$ 313.6</b>
Annualized investment yield, before-tax [2]	5.16%	5.32%	5.33%	5.38%	5.47%	5.32%	5.37%
Annualized investment yield, after-tax [2]	3.47%	3.57%	3.58%	3.61%	3.67%	3.57%	3.61%
<b>Net Investment Income by Segment</b>							
Property & Casualty	\$ 9.4	\$ 9.2	\$ 8.9	\$ 9.4	\$ 9.3	\$ 36.8	\$ 36.2
Annuity	56.4	55.9	56.0	54.4	55.8	222.1	208.4
Life	17.7	17.9	17.9	17.9	18.1	71.8	69.9
Corporate, including intersegment eliminations	(0.2)	(0.2)	(0.2)	(0.3)	(0.2)	(0.9)	(0.9)
<b>Total net investment income</b>	<b>\$ 83.3</b>	<b>\$ 82.8</b>	<b>\$ 82.6</b>	<b>\$ 81.4</b>	<b>\$ 83.0</b>	<b>\$ 329.8</b>	<b>\$ 313.6</b>
<b>Net Realized Capital Gains (Losses)</b>							
Gross gains on disposals	\$ 8.9	\$ 11.6	\$ 8.2	\$ 4.3	\$ 2.6	\$ 26.7	\$ 29.5
Gross losses on disposals	(0.5)	(3.6)	(4.6)	(0.3)	(0.9)	(9.4)	(5.8)
Other-than-temporary impairment losses	(2.3)	(5.8)	(0.1)	(0.5)	-	(6.4)	(1.5)
<b>Total net realized capital gains (losses)</b>	<b>\$ 6.1</b>	<b>\$ 2.2</b>	<b>\$ 3.5</b>	<b>\$ 3.5</b>	<b>\$ 1.7</b>	<b>\$ 10.9</b>	<b>\$ 22.2</b>

[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**

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>March 31,</b> <b>2015</b>		<b>December 31,</b> <b>2014</b>		<b>September 30,</b> <b>2014</b>		<b>June 30,</b> <b>2014</b>		<b>March 31,</b> <b>2014</b>		<b>December 31,</b> <b>2013</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
Fixed maturities, at fair value [1]	\$ 7,065.8	92.7%	\$ 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%
Equity securities, at fair value	105.1	1.4%	110.6	1.5%	106.8	1.5%	109.5	1.5%	94.2	1.4%	91.9	1.4%
Policy loans, at outstanding balance	145.6	1.9%	145.4	2.0%	143.7	2.0%	142.2	2.0%	140.7	2.1%	140.6	2.2%
Limited partnerships and other alternative investments	123.7	1.6%	112.3	1.5%	100.3	1.4%	93.2	1.3%	92.5	1.4%	90.6	1.4%
Short-term investments [2]	181.0	2.4%	142.1	1.9%	162.2	2.2%	68.5	1.0%	75.5	1.1%	206.8	3.2%
Short-term investments, securities lending collateral	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total investments</b>	<b>\$ 7,621.2</b>	<b>100.0%</b>	<b>\$ 7,403.5</b>	<b>100.0%</b>	<b>\$ 7,306.5</b>	<b>100.0%</b>	<b>\$ 7,089.7</b>	<b>100.0%</b>	<b>\$ 6,801.3</b>	<b>100.0%</b>	<b>\$ 6,539.5</b>	<b>100.0%</b>
Asset-backed securities ("ABS")	\$ 572.4	8.1%	\$ 539.3	7.8%	\$ 507.7	7.5%	\$ 509.6	7.6%	\$ 507.5	7.9%	\$ 514.1	8.6%
Collateralized debt/loan obligations ("CDOs/CLOs")	555.1	7.9%	528.6	7.7%	522.4	7.7%	435.5	6.5%	325.4	5.1%	223.4	3.7%
Commercial mortgage-backed securities ("CMBS")	187.8	2.7%	169.2	2.5%	153.0	2.3%	125.7	1.9%	114.4	1.8%	104.2	1.7%
Corporate	2,906.2	41.1%	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%
Municipal	1,685.1	23.8%	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%
Residential mortgage-backed securities ("RMBS")	582.7	8.2%	575.6	8.4%	574.9	8.5%	610.8	9.1%	597.4	9.3%	591.4	9.8%
U.S. Treasuries and government agencies	576.5	8.2%	538.2	7.8%	503.7	7.4%	476.2	7.1%	467.0	7.3%	435.6	7.2%
<b>Total fixed maturities</b>	<b>\$ 7,065.8</b>	<b>100.0%</b>	<b>\$ 6,893.1</b>	<b>100.0%</b>	<b>\$ 6,793.5</b>	<b>100.0%</b>	<b>\$ 6,676.3</b>	<b>100.0%</b>	<b>\$ 6,398.4</b>	<b>100.0%</b>	<b>\$ 6,009.6</b>	<b>100.0%</b>
U.S. government/government agencies	\$ 1,121.2	15.9%	\$ 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%
AAA	492.4	7.0%	471.9	6.8%	484.1	7.1%	462.3	6.9%	418.2	6.5%	367.7	6.1%
AA	1,429.9	20.2%	1,435.8	20.8%	1,426.5	21.0%	1,284.9	19.2%	1,162.0	18.2%	995.5	16.6%
A	1,816.8	25.7%	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%
BBB	1,937.2	27.4%	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%
BB & below, includes securities not rated	268.3	3.8%	252.6	3.7%	266.7	3.9%	277.3	4.2%	280.1	4.4%	272.1	4.5%
<b>Total fixed maturities</b>	<b>\$ 7,065.8</b>	<b>100.0%</b>	<b>\$ 6,893.1</b>	<b>100.0%</b>	<b>\$ 6,793.5</b>	<b>100.0%</b>	<b>\$ 6,676.3</b>	<b>100.0%</b>	<b>\$ 6,398.4</b>	<b>100.0%</b>	<b>\$ 6,009.6</b>	<b>100.0%</b>
<b>INVESTMENTS BY SEGMENT</b>												
Property & Casualty	\$ 957.3	12.6%	\$ 938.3	12.7%	\$ 936.0	12.8%	\$ 940.0	13.3%	\$ 907.5	13.3%	\$ 870.1	13.3%
Annuity and Life	6,625.5	86.9%	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%
Corporate	38.4	0.5%	43.1	0.6%	45.1	0.6%	39.4	0.6%	36.2	0.5%	40.3	0.6%
<b>Total investments</b>	<b>\$ 7,621.2</b>	<b>100.0%</b>	<b>\$ 7,403.5</b>	<b>100.0%</b>	<b>\$ 7,306.5</b>	<b>100.0%</b>	<b>\$ 7,089.7</b>	<b>100.0%</b>	<b>\$ 6,801.3</b>	<b>100.0%</b>	<b>\$ 6,539.5</b>	<b>100.0%</b>

[1] Cost of \$6,479.3, \$6,375.2, \$6,323.1, \$6,187.4, \$6,031.0 and \$5,784.2 at March 31, 2015, December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, respectively.

[2] Includes \$38.4, \$43.1, \$45.1, \$39.4, \$36.2 and \$40.3 of short-term investments in the Corporate segment at March 31, 2015, December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, respectively.

# HORACE MANN EDUCATORS CORPORATION

## RATINGS AND CONTACT INFORMATION

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As of March 31, 2015				
	A.M. Best	Standard & Poor's	Moody's	Fitch
<b>Financial Strength Ratings:</b>				
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
<b>Other Ratings:</b>				
Horace Mann Educators Corporation:				
Senior debt	bbb	BBB	Baa3	BBB
NR - not rated				

### TRANSFER AGENT

American Stock Transfer & Trust Company  
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E-mail: [info@amstock.com](mailto:info@amstock.com)  
Corporate Website: [www.amstock.com/shareholder/sh\\_general\\_info.asp](http://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.