



**Horace Mann<sup>®</sup>**

*Founded by Educators for Educators*

**INVESTOR FINANCIAL SUPPLEMENT**

**SEPTEMBER 30, 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>Nine Months Ended</b>	
	<b>Sept. 30, 2015</b>	<b>Jun. 30, 2015</b>	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Sept. 30, 2015</b>	<b>Sept. 30, 2014</b>
<i>(\$ in millions, except per share data)</i>							
Earned Premiums	\$ 182.8	\$ 182.4	\$ 179.7	\$ 182.2	\$ 179.1	\$ 544.9	\$ 533.6
Net Investment Income	81.0	84.0	83.3	82.8	82.6	248.3	247.0
Net Realized Investment Gains (Losses)	1.3	1.4	6.1	2.2	3.5	8.8	8.7
Other Income	0.6	0.7	1.0	1.9	0.4	2.3	2.3
<b>Total Revenues</b>	<b>\$ 265.7</b>	<b>\$ 268.5</b>	<b>\$ 270.1</b>	<b>\$ 269.1</b>	<b>\$ 265.6</b>	<b>\$ 804.3</b>	<b>\$ 791.6</b>
Net Income	\$ 21.9	\$ 16.2	\$ 34.3	\$ 30.0	\$ 25.4	\$ 72.4	\$ 74.2
Operating Income	21.2	15.4	30.3	28.7	23.1	66.9	68.6
<b>At Period End</b>							
Total Assets	\$ 9,903.5	\$ 9,969.5	\$ 10,074.4	\$ 9,768.5	\$ 9,643.0	\$ 9,903.5	\$ 9,643.0
Total Policy Liabilities	5,623.7	5,531.1	5,438.7	5,351.5	5,269.5	5,623.7	5,269.5
Debt	238.0	238.0	238.0	237.9	237.9	238.0	237.9
Shareholders' Equity	1,307.2	1,306.7	1,409.8	1,336.5	1,288.3	1,307.2	1,288.3
<b>Per Share and Shares Data</b>							
Net Income per share (basic)	\$ 0.53	\$ 0.39	\$ 0.82	\$ 0.72	\$ 0.61	\$ 1.73	\$ 1.79
Operating Income per share (basic)	0.51	0.38	0.72	0.69	0.56	1.59	1.66
Net Income per diluted share	\$ 0.52	\$ 0.38	\$ 0.81	\$ 0.71	\$ 0.60	\$ 1.71	\$ 1.76
Operating Income per diluted share	0.50	0.36	0.72	0.68	0.55	1.58	1.63
Weighted average common shares (basic)	41.9	42.0	42.0	41.7	41.5	42.0	41.4
Dilutive effect of stock equivalents	0.4	0.4	0.3	0.7	0.8	0.4	0.8
<b>Weighted average diluted shares</b>	<b>42.3</b>	<b>42.4</b>	<b>42.3</b>	<b>42.4</b>	<b>42.3</b>	<b>42.4</b>	<b>42.2</b>
Book value per share	\$ 32.09	\$ 31.73	\$ 34.28	\$ 32.65	\$ 31.51	\$ 32.09	\$ 31.51
Per share impact of unrealized gain (loss) on fixed maturities and equity securities	5.57	5.43	8.15	7.27	6.60	5.57	6.60
Book value per share excluding unrealized gain (loss) on fixed maturities and equity securities	\$ 26.52	\$ 26.30	\$ 26.13	\$ 25.38	\$ 24.91	\$ 26.52	\$ 24.91
Dividends paid per share	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.23	\$ 0.23	\$ 0.75	\$ 0.69
<b>Financial Ratios</b>							
Net Income ROE	7.7%	8.0%	8.4%	8.4%	9.1%	7.7%	9.1%
Net Income ROE excluding unrealized on investments	9.7%	10.1%	10.8%	10.4%	11.1%	9.7%	11.1%
Operating Income ROE	7.2%	7.4%	7.7%	7.8%	8.6%	7.2%	8.6%
Operating Income ROE excluding unrealized on investments	9.0%	9.3%	9.8%	9.7%	10.4%	9.0%	10.4%
Debt to total capitalization	15.4%	15.4%	14.4%	15.1%	15.6%	15.4%	15.6%
Debt to total capitalization excluding unrealized on investments	18.0%	18.0%	18.1%	18.6%	18.9%	18.0%	18.9%
Annualized Investment yield, after tax	3.41%	3.49%	3.47%	3.57%	3.58%	3.41%	3.58%

# HORACE MANN EDUCATORS CORPORATION

## CONSOLIDATED STATEMENT OF OPERATIONS

<b>For Period Ended</b>	<b>Three Months Ended</b>					<b>Nine Months Ended</b>	
	<b>Sept. 30, 2015</b>	<b>Jun. 30, 2015</b>	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Sept. 30, 2015</b>	<b>Sept. 30, 2014</b>
<i>(\$ in millions)</i>							
<b>Revenues</b>							
Insurance premiums and contract charges earned	\$ 182.8	\$ 182.4	\$ 179.7	\$ 182.2	\$ 179.1	\$ 544.9	\$ 533.6
Net investment income	81.0	84.0	83.3	82.8	82.6	248.3	247.0
Net realized investment gains (losses)	1.3	1.4	6.1	2.2	3.5	8.8	8.7
Other income	0.6	0.7	1.0	1.9	0.4	2.3	2.3
<b>Total revenues</b>	<b>265.7</b>	<b>268.5</b>	<b>270.1</b>	<b>269.1</b>	<b>265.6</b>	<b>804.3</b>	<b>791.6</b>
<b>Benefits, losses and expenses</b>							
Benefits, claims and settlement expenses	121.1	133.0	114.0	111.8	117.4	368.1	356.6
Interest credited	46.2	45.4	44.5	44.8	44.5	136.1	131.3
DAC amortization expense, excluding unlocking	23.8	23.9	23.9	23.6	23.2	71.6	69.1
DAC unlocking	1.9	0.1	(0.2)	0.2	1.3	1.8	0.9
Operating expenses	39.7	40.0	35.9	43.0	39.9	115.6	119.1
Interest expense	2.6	3.4	3.6	3.6	3.5	9.6	10.6
<b>Total benefits, losses and expenses</b>	<b>235.3</b>	<b>245.8</b>	<b>221.7</b>	<b>227.0</b>	<b>229.8</b>	<b>702.8</b>	<b>687.6</b>
Income before income taxes	30.4	22.7	48.4	42.1	35.8	101.5	104.0
Income tax expense	8.5	6.5	14.1	12.1	10.4	29.1	29.8
<b>Net income</b>	<b>\$ 21.9</b>	<b>\$ 16.2</b>	<b>\$ 34.3</b>	<b>\$ 30.0</b>	<b>\$ 25.4</b>	<b>\$ 72.4</b>	<b>\$ 74.2</b>
Less: Net realized investment gains (losses), after tax	0.7	0.8	4.0	1.3	2.3	5.5	5.6
<b>Operating income</b>	<b>\$ 21.2</b>	<b>\$ 15.4</b>	<b>\$ 30.3</b>	<b>\$ 28.7</b>	<b>\$ 23.1</b>	<b>\$ 66.9</b>	<b>\$ 68.6</b>
<b>Other Statistics</b>							
Effective tax rate on net investment income	33.0%	33.0%	32.9%	32.9%	32.9%	32.9%	32.9%
Net investment income, after tax	\$ 54.3	\$ 56.3	\$ 55.9	\$ 55.6	\$ 55.4	\$ 166.5	\$ 165.8
Catastrophes, net of reinsurance, pre-tax	5.0	21.3	10.5	2.0	5.7	36.8	35.5
Catastrophes, net of reinsurance, after tax	3.3	13.8	6.8	1.3	3.7	23.9	23.1
Other-than-temporary impairment losses on securities [1]	(3.6)	(10.7)	(2.3)	(5.8)	(0.1)	(16.6)	(0.6)
<b>Agent Information</b>							
Exclusive agencies	653	653	668	682	640	653	640
Employee agents	48	50	61	73	79	48	79
<b>Total</b>	<b>701</b>	<b>703</b>	<b>729</b>	<b>755</b>	<b>719</b>	<b>701</b>	<b>719</b>

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

# HORACE MANN EDUCATORS CORPORATION

## CONSOLIDATED BALANCE SHEET

	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014
<i>(\$ in millions, except per share data)</i>						
<b>ASSETS</b>						
Investments						
Fixed maturities, available for sale, at fair value	\$ 7,078.7	\$ 6,897.1	\$ 7,065.8	\$ 6,893.1	\$ 6,793.5	\$ 6,676.3
Equity securities, available for sale, at fair value	96.1	99.3	105.1	110.6	106.8	109.5
Short-term and other investments	366.4	388.7	450.3	399.8	406.2	303.9
Total investments	7,541.2	7,385.1	7,621.2	7,403.5	7,306.5	7,089.7
Cash	49.9	46.0	43.9	11.7	41.2	44.7
Deferred policy acquisition costs	237.4	236.2	211.5	215.1	217.7	210.0
Goodwill	47.4	47.4	47.4	47.4	47.4	47.4
Other assets	285.6	349.5	285.2	277.2	243.8	240.3
Separate account assets	1,742.0	1,905.3	1,865.2	1,813.6	1,786.4	1,814.1
<b>Total assets</b>	<b>\$ 9,903.5</b>	<b>\$ 9,969.5</b>	<b>\$ 10,074.4</b>	<b>\$ 9,768.5</b>	<b>\$ 9,643.0</b>	<b>\$ 9,446.2</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Policy liabilities						
Fixed annuity contract liabilities	\$ 4,016.4	\$ 3,928.4	\$ 3,847.7	\$ 3,774.5	\$ 3,717.3	\$ 3,629.1
Interest-sensitive life contract liabilities	801.2	798.4	794.6	792.0	788.3	785.3
Unpaid claims and claim expenses	324.4	338.7	340.1	325.8	305.1	302.6
Future policy benefits	247.2	243.8	239.2	235.8	232.1	228.6
Unearned premiums	234.5	221.8	217.1	223.4	226.7	217.7
Total policy liabilities	5,623.7	5,531.1	5,438.7	5,351.5	5,269.5	5,163.3
Other policyholder funds	612.6	609.3	607.6	606.7	601.6	347.1
Other liabilities	380.0	379.1	515.1	422.3	459.3	600.7
Short-term debt	113.0	113.0	38.0	38.0	38.0	38.0
Long-term debt, current and noncurrent	125.0	125.0	200.0	199.9	199.9	199.9
Separate account liabilities	1,742.0	1,905.3	1,865.2	1,813.6	1,786.4	1,814.1
Total liabilities	8,596.3	8,662.8	8,664.6	8,432.0	8,354.7	8,163.1
Common stock, \$0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	439.2	437.8	435.1	422.2	420.7	418.0
Retained earnings	1,105.8	1,094.4	1,088.9	1,065.3	1,045.1	1,029.5
Accumulated other comprehensive income (loss), net of taxes:						
Net unrealized gains and losses on fixed maturities and equity securities	226.6	223.8	335.1	297.6	270.0	281.5
Net funded status of pension and other post-retirement benefit obligations	(13.0)	(13.0)	(13.0)	(13.0)	(11.8)	(11.8)
Treasury stock, at cost	(451.5)	(436.4)	(436.4)	(435.7)	(435.8)	(434.2)
Total shareholders' equity	1,307.2	1,306.7	1,409.8	1,336.5	1,288.3	1,283.1
<b>Total liabilities and shareholders' equity</b>	<b>\$ 9,903.5</b>	<b>\$ 9,969.5</b>	<b>\$ 10,074.4</b>	<b>\$ 9,768.5</b>	<b>\$ 9,643.0</b>	<b>\$ 9,446.2</b>

## HORACE MANN EDUCATORS CORPORATION

### CAPITAL METRICS

<b>For Period Ended</b>	<b>Three Months Ended</b>					<b>Nine Months Ended</b>	
	<b>Sept. 30, 2015</b>	<b>Jun. 30, 2015</b>	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Sept. 30, 2015</b>	<b>Sept. 30, 2014</b>
<i>(\$ in millions, except per share data)</i>							
<b>Book Value Per Share</b>							
<u>Numerator</u>							
Shareholders' Equity	\$ 1,307.2	\$ 1,306.7	\$ 1,409.8	\$ 1,336.5	\$ 1,288.3	\$ 1,307.2	\$ 1,288.3
Less: Unrealized Gains and Losses on Fixed Maturities and Equity Securities [1]	226.6	223.8	335.1	297.6	270.0	226.6	270.0
<b>Shareholders' Equity Excluding Unrealized Gains and Losses on Fixed Maturities and Equity Securities</b>	<b>\$ 1,080.6</b>	<b>\$ 1,082.9</b>	<b>\$ 1,074.7</b>	<b>\$ 1,038.9</b>	<b>\$ 1,018.3</b>	<b>\$ 1,080.6</b>	<b>\$ 1,018.3</b>
<u>Denominator</u>							
Common Shares Issued and Outstanding, at period end	40.7	41.2	41.1	40.9	40.9	40.7	40.9
<b>Book Value Per Share</b>	<b>\$ 32.09</b>	<b>\$ 31.73</b>	<b>\$ 34.28</b>	<b>\$ 32.65</b>	<b>\$ 31.51</b>	<b>\$ 32.09</b>	<b>\$ 31.51</b>
<b>Book Value Per Share Excluding Unrealized on Fixed Maturities and Equity Securities</b>	<b>\$ 26.52</b>	<b>\$ 26.30</b>	<b>\$ 26.13</b>	<b>\$ 25.38</b>	<b>\$ 24.91</b>	<b>\$ 26.52</b>	<b>\$ 24.91</b>
<b>Return on Shareholders' Equity</b>							
<u>Numerator</u>							
Trailing 12 Months Net Income	\$ 102.4	\$ 105.9	\$ 110.1	\$ 104.2	\$ 108.5	\$ 102.4	\$ 108.5
Trailing 12 Months Operating Income	95.6	97.5	100.3	97.3	102.0	95.6	102.0
<u>Denominator (5-point Average)</u>							
5-point Average Shareholders' Equity	\$ 1,329.7	\$ 1,324.9	\$ 1,303.1	\$ 1,241.0	\$ 1,191.6	\$ 1,329.7	\$ 1,191.6
Trailing 12 Months Net Income on Average Shareholders' Equity (5-point Average)	7.7%	8.0%	8.4%	8.4%	9.1%	7.7%	9.1%
Trailing 12 Months Operating Income on Average Shareholders' Equity (5-point Average)	7.2%	7.4%	7.7%	7.8%	8.6%	7.2%	8.6%
<b>Debt and Total Capitalization</b>							
Short Term Debt, Due Under Revolving Credit Agreement, Expires On 7/30/19, At Libor +125 bps	\$ 113.0	\$ 113.0	\$ 38.0	\$ 38.0	\$ 38.0	\$ 113.0	\$ 38.0
Senior Debt:							
6.05% Senior Notes Due June 15, 2015	-	-	75.0	75.0	75.0	-	75.0
6.85% Senior Notes Due April 15, 2016	125.0	125.0	125.0	124.9	124.9	125.0	124.9
<b>Total Debt</b>	<b>238.0</b>	<b>238.0</b>	<b>238.0</b>	<b>237.9</b>	<b>237.9</b>	<b>238.0</b>	<b>237.9</b>
<b>Shareholders' Equity</b>	<b>1,307.2</b>	<b>1,306.7</b>	<b>1,409.8</b>	<b>1,336.5</b>	<b>1,288.3</b>	<b>1,307.2</b>	<b>1,288.3</b>
<b>Total Capitalization</b>	<b>\$ 1,545.2</b>	<b>\$ 1,544.7</b>	<b>\$ 1,647.8</b>	<b>\$ 1,574.4</b>	<b>\$ 1,526.2</b>	<b>\$ 1,545.2</b>	<b>\$ 1,526.2</b>
Ratio of Debt to Shareholders' Equity	18.2%	18.2%	16.9%	17.8%	18.5%	18.2%	18.5%
Ratio of Debt to Total Capitalization	15.4%	15.4%	14.4%	15.1%	15.6%	15.4%	15.6%
<b>Capital Returned to Shareholders</b>							
Common Stock Repurchased [2]	\$ 15.1	\$ -	\$ 0.7	\$ -	\$ 1.5	\$ 15.8	\$ 5.4
Cash Dividends Paid	10.6	10.7	10.7	9.8	9.8	32.0	29.4
<b>Total Capital Returned to Shareholders</b>	<b>\$ 25.7</b>	<b>\$ 10.7</b>	<b>\$ 11.4</b>	<b>\$ 9.8</b>	<b>\$ 11.3</b>	<b>\$ 47.8</b>	<b>\$ 34.8</b>

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

[2] As of September 30, 2015, the Company's two programs had a remaining combined authorization of \$57.2 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>Nine Months Ended</b>	
	<b>Sept. 30, 2015</b>	<b>Jun. 30, 2015</b>	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Sept. 30, 2015</b>	<b>Sept. 30, 2014</b>
<b>UNDERWRITING RESULTS</b>							
Written premiums							
Voluntary Auto	\$ 102.2	\$ 97.4	\$ 98.2	\$ 95.4	\$ 97.0	\$ 297.8	\$ 285.1
Property	58.6	54.1	41.5	47.0	56.9	154.2	152.8
Involuntary & Other	1.2	1.0	0.8	2.0	0.7	3.0	2.1
Total written premiums	162.0	152.5	140.5	144.4	154.6	455.0	440.0
Earned premiums							
Voluntary Auto	\$ 97.8	\$ 96.8	\$ 95.8	\$ 95.3	\$ 94.6	\$ 290.4	\$ 282.7
Property	50.4	50.0	50.2	50.1	50.2	150.6	149.6
Involuntary & Other	1.0	0.9	0.7	2.3	0.8	2.6	1.8
Total earned premiums	149.2	147.7	146.7	147.7	145.6	443.6	434.1
Losses and loss adjustment expenses							
Current accident year before catastrophes	100.5	95.4	88.7	98.3	98.6	284.6	280.7
Current accident year catastrophes	5.0	21.3	10.5	2.0	5.7	36.8	35.5
Prior years' reserve development [1]	(2.8)	(3.2)	(4.0)	(5.6)	(4.4)	(10.0)	(11.4)
Total losses and loss adjustment expenses	102.7	113.5	95.2	94.7	99.9	311.4	304.8
Operating expenses, including DAC amortization expense	39.8	39.5	37.4	41.2	40.2	116.7	118.5
<b>Underwriting gain (loss)</b>	<b>6.7</b>	<b>(5.3)</b>	<b>14.1</b>	<b>11.8</b>	<b>5.5</b>	<b>15.5</b>	<b>10.8</b>
Net investment income	7.4	9.0	9.4	9.2	8.9	25.8	27.6
Other income (expense)	-	-	0.2	1.2	-	0.2	0.2
<b>Income before income taxes</b>	<b>14.1</b>	<b>3.7</b>	<b>23.7</b>	<b>22.2</b>	<b>14.4</b>	<b>41.5</b>	<b>38.6</b>
Income tax expense (benefit)	2.9	0.4	6.1	6.0	2.6	9.4	7.9
<b>Net Income [2]</b>	<b>\$ 11.2</b>	<b>\$ 3.3</b>	<b>\$ 17.6</b>	<b>\$ 16.2</b>	<b>\$ 11.8</b>	<b>\$ 32.1</b>	<b>\$ 30.7</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>Nine Months Ended</u>	
	<u>Sept. 30,</u> <u>2015</u>	<u>Jun. 30,</u> <u>2015</u>	<u>Mar. 31,</u> <u>2015</u>	<u>Dec. 31,</u> <u>2014</u>	<u>Sept. 30,</u> <u>2014</u>	<u>Sept. 30,</u> <u>2015</u>	<u>Sept. 30,</u> <u>2014</u>
<b>UNDERWRITING RATIOS (%)</b>							
Losses and loss adjustment expenses							
Current accident year before catastrophes	67.3	64.6	60.5	66.6	67.7	64.2	64.7
Current accident year catastrophes	3.4	14.5	7.1	1.3	4.0	8.3	8.1
Prior years' reserve development [1]	(1.9)	(2.2)	(2.7)	(3.8)	(3.0)	(2.3)	(2.6)
Total losses and loss adjustment expenses	68.8	76.9	64.9	64.1	68.7	70.2	70.2
Expense Ratio	26.6	26.8	25.5	27.8	27.6	26.3	27.3
<b>Combined ratio</b>	<b>95.4</b>	<b>103.7</b>	<b>90.4</b>	<b>91.9</b>	<b>96.3</b>	<b>96.5</b>	<b>97.5</b>
<b>Combined ratio before catastrophes</b>	<b>92.0</b>	<b>89.2</b>	<b>83.3</b>	<b>90.6</b>	<b>92.3</b>	<b>88.2</b>	<b>89.4</b>
<b>Combined ratio before catastrophes and prior years' development</b>	<b>93.9</b>	<b>91.4</b>	<b>86.0</b>	<b>94.4</b>	<b>95.3</b>	<b>90.5</b>	<b>92.0</b>
<b>PRODUCT (%)</b>							
<b>Automobile</b>							
Loss and loss adjustment expense ratio	75.7	75.3	67.7	76.9	69.0	72.9	69.0
Expense ratio	27.0	27.3	26.3	28.3	28.3	26.9	27.8
Combined ratio	102.7	102.6	94.0	105.2	97.3	99.8	96.8
Prior years' reserve development [1]	(1.5)	(0.5)	(2.3)	(2.8)	(3.7)	(1.4)	(3.7)
Catastrophes	0.6	2.0	0.2	0.5	1.1	0.9	1.8
Combined ratio before catastrophes and prior years' development	103.6	101.1	96.1	107.5	99.9	100.3	98.7
<b>Property</b>							
Loss and loss adjustment expense ratio	55.3	82.1	59.3	41.9	68.5	65.5	72.5
Expense ratio	25.9	26.1	24.1	27.1	26.4	25.3	26.4
Combined ratio	81.2	108.2	83.4	69.0	94.9	90.8	98.9
Prior years' reserve development [1]	(2.6)	(3.0)	(3.6)	(4.3)	0.0	(3.1)	0.0
Catastrophes	8.9	38.7	20.7	2.8	9.2	22.7	20.3
Combined ratio before catastrophes and prior years' development	74.9	72.5	66.3	70.5	85.7	71.2	78.6
<b>STATISTICAL PREMIUM INFORMATION</b>							
<b>Policy Count Retention (12 month)</b>							
Voluntary Automobile	84.8%	84.9%	84.9%	84.7%	84.5%	84.8%	84.5%
Property	88.1%	87.6%	87.7%	87.9%	88.2%	88.1%	88.2%
<b>Sales (12-month annualized premium, in millions) [2]</b>							
Voluntary Automobile	\$ 23.6	\$ 20.0	\$ 18.4	\$ 20.1	\$ 22.1	\$ 62.0	\$ 58.9
Property	5.0	4.4	3.5	4.4	5.1	12.9	12.5
Total Sales	\$ 28.6	\$ 24.4	\$ 21.9	\$ 24.5	\$ 27.2	\$ 74.9	\$ 71.4
<b>Policies in force (in thousands)</b>							
Voluntary Automobile	485	483	480	481	481	485	481
Property	225	226	228	229	230	225	230
Total Policies in force	710	709	708	710	711	710	711

[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>Nine Months Ended</b>	
	<b>Sept. 30, 2015</b>	<b>Jun. 30, 2015</b>	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Sept. 30, 2015</b>	<b>Sept. 30, 2014</b>
<b>Contract deposits</b>	\$ 139.3	\$ 140.9	\$ 142.0	\$ 118.9	\$ 143.4	\$ 422.2	\$ 361.7
<b>Revenues</b>							
Contract charges earned	\$ 6.6	\$ 6.5	\$ 6.2	\$ 6.6	\$ 6.6	\$ 19.3	\$ 19.0
Net investment income	56.2	57.2	56.4	55.9	56.0	169.8	166.2
Other income	0.4	0.5	0.6	0.5	0.2	1.5	1.3
<b>Total revenues</b>	<b>63.2</b>	<b>64.2</b>	<b>63.2</b>	<b>63.0</b>	<b>62.8</b>	<b>190.6</b>	<b>186.5</b>
<b>Benefits and Expenses</b>							
Interest credited	35.1	34.4	33.5	33.8	33.6	103.0	98.7
Mortality loss and other reserve changes	1.0	0.6	0.3	0.5	0.9	1.9	1.7
DAC amortization expense, excluding unlocking	3.6	3.7	3.6	3.5	3.5	10.9	10.1
DAC unlocking	1.9	0.1	(0.1)	0.3	1.2	1.9	0.9
Operating expenses	8.6	8.4	7.6	8.9	7.5	24.6	24.4
<b>Total benefits and expenses</b>	<b>50.2</b>	<b>47.2</b>	<b>44.9</b>	<b>47.0</b>	<b>46.7</b>	<b>142.3</b>	<b>135.8</b>
<b>Income before income taxes</b>	<b>13.0</b>	<b>17.0</b>	<b>18.3</b>	<b>16.0</b>	<b>16.1</b>	<b>48.3</b>	<b>50.7</b>
Income tax expense	4.3	5.2	5.8	4.8	5.8	15.3	16.6
<b>Net income [1]</b>	<b>\$ 8.7</b>	<b>\$ 11.8</b>	<b>\$ 12.5</b>	<b>\$ 11.2</b>	<b>\$ 10.3</b>	<b>\$ 33.0</b>	<b>\$ 34.1</b>
Less: DAC unlocking, after tax	(1.2)	(0.1)	0.1	(0.2)	(0.8)	(1.2)	(0.6)
<b>Net income excluding DAC unlocking</b>	<b>\$ 9.9</b>	<b>\$ 11.9</b>	<b>\$ 12.4</b>	<b>\$ 11.4</b>	<b>\$ 11.1</b>	<b>\$ 34.2</b>	<b>\$ 34.7</b>
<b>RETURN ON ASSETS (Before-tax basis points)</b>							
ROA (12 month) [2]	115	120	121	123	124	115	124
<b>INTEREST SPREAD [3]</b>	185	190	194	204	205	185	205
<b>Annuity Contracts in force (in thousands)</b>	207	206	204	203	199	207	199
<b>Persistency (12 month)</b>							
Fixed Annuities	94.8%	94.7%	94.5%	94.5%	94.8%	94.8%	94.8%
Variable Annuities	94.1%	94.0%	93.9%	94.0%	94.2%	94.1%	94.2%
<b>Sales (12-month annualized deposits, in millions) [4]</b>							
Recurring	\$ 11.1	\$ 10.2	\$ 10.4	\$ 16.3	\$ 10.0	\$ 31.7	\$ 28.8
Single Deposit/Rollover	94.9	80.5	72.6	68.9	102.1	248.0	226.8
<b>Total Sales</b>	<b>\$ 106.0</b>	<b>\$ 90.7</b>	<b>\$ 83.0</b>	<b>\$ 85.2</b>	<b>\$ 112.1</b>	<b>\$ 279.7</b>	<b>\$ 255.6</b>

[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**

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					
	<b>Sept. 30,</b> <b>2015</b>	<b>Jun. 30,</b> <b>2015</b>	<b>Mar. 31,</b> <b>2015</b>	<b>Dec. 31,</b> <b>2014</b>	<b>Sept. 30,</b> <b>2014</b>	<b>Jun. 30,</b> <b>2014</b>
<b>FIXED ACCOUNT ANNUITIES [1]</b>						
Beginning balance	\$ 3,897.7	\$ 3,842.9	\$ 3,788.1	\$ 3,754.1	\$ 3,693.6	\$ 3,655.1
Deposits	67.6	65.9	71.0	56.4	74.9	58.3
Withdrawals	(60.3)	(56.1)	(58.3)	(72.8)	(58.2)	(62.0)
Net Transfers	14.9	12.7	10.3	16.5	11.6	10.9
Interest Credited	35.1	34.4	33.5	33.8	33.6	32.8
Other	(1.4)	(2.1)	(1.7)	0.1	(1.4)	(1.5)
Ending balance	<u>\$ 3,953.6</u>	<u>\$ 3,897.7</u>	<u>\$ 3,842.9</u>	<u>\$ 3,788.1</u>	<u>\$ 3,754.1</u>	<u>\$ 3,693.6</u>
<b>FIXED INDEXED ACCOUNT ANNUITIES [2] [3]</b>						
Beginning balance	\$ 148.5	\$ 121.0	\$ 97.0	\$ 72.0	\$ 37.0	\$ 12.0
Deposits	34.4	26.8	23.9	24.3	33.8	24.5
Withdrawals	(0.9)	(0.8)	(0.7)	(0.2)	(0.2)	-
Net Transfers	(0.4)	(0.6)	(0.3)	(0.2)	(0.1)	-
Index Credits	0.6	0.9	0.1	-	-	-
Other	1.3	1.2	1.0	1.1	1.5	0.5
Ending balance	<u>\$ 183.5</u>	<u>\$ 148.5</u>	<u>\$ 121.0</u>	<u>\$ 97.0</u>	<u>\$ 72.0</u>	<u>\$ 37.0</u>
<b>VARIABLE ACCOUNT ANNUITIES [4]</b>						
Beginning balance	\$ 1,905.3	\$ 1,865.2	\$ 1,813.6	\$ 1,786.4	\$ 1,814.1	\$ 1,745.0
Deposits	37.3	48.2	47.1	38.2	34.7	35.2
Withdrawals	(27.5)	(28.8)	(26.3)	(29.4)	(28.3)	(28.5)
Net Transfers	(14.5)	(12.1)	(10.0)	(16.3)	(11.5)	(10.9)
Fees & Charges	(7.1)	(7.3)	(7.0)	(7.1)	(7.0)	(6.9)
Market Appreciation	(151.6)	39.9	47.8	41.7	(15.8)	80.2
Other	0.1	0.2	-	0.1	0.2	-
Ending balance	<u>\$ 1,742.0</u>	<u>\$ 1,905.3</u>	<u>\$ 1,865.2</u>	<u>\$ 1,813.6</u>	<u>\$ 1,786.4</u>	<u>\$ 1,814.1</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>Nine Months Ended</u>	
	<u>Sept. 30,</u> <u>2015</u>	<u>Jun. 30,</u> <u>2015</u>	<u>Mar. 31,</u> <u>2015</u>	<u>Dec. 31,</u> <u>2014</u>	<u>Sept. 30,</u> <u>2014</u>	<u>Sept. 30,</u> <u>2015</u>	<u>Sept. 30,</u> <u>2014</u>
<b>Premiums and contract deposits</b>	\$ 24.9	\$ 26.0	\$ 23.2	\$ 29.0	\$ 24.7	\$ 74.1	\$ 73.7
<b>Revenues</b>							
Premiums and contract charges earned	\$ 27.0	\$ 28.2	\$ 26.8	\$ 27.9	\$ 26.9	\$ 82.0	\$ 80.5
Net investment income	17.7	18.0	17.7	17.9	17.9	53.4	53.9
Other income	0.1	0.2	0.2	0.3	0.2	0.5	0.8
<b>Total revenues</b>	<b>44.8</b>	<b>46.4</b>	<b>44.7</b>	<b>46.1</b>	<b>45.0</b>	<b>135.9</b>	<b>135.2</b>
<b>Benefits and Expenses</b>							
Death benefits / mortality cost [1]	8.8	9.2	9.7	7.7	8.4	27.7	24.9
Interest credited	11.1	11.0	11.0	11.0	10.9	33.1	32.6
Change in reserves	8.6	9.7	8.8	8.9	8.2	27.1	25.2
DAC amortization expense, excluding unlocking	2.0	1.9	2.0	2.0	1.9	5.9	5.8
DAC unlocking	-	-	(0.1)	(0.1)	0.1	(0.1)	-
Operating expenses	8.7	9.0	8.0	9.5	9.4	25.7	26.9
<b>Total benefits and expenses</b>	<b>39.2</b>	<b>40.8</b>	<b>39.4</b>	<b>39.0</b>	<b>38.9</b>	<b>119.4</b>	<b>115.4</b>
<b>Income before income taxes</b>	<b>5.6</b>	<b>5.6</b>	<b>5.3</b>	<b>7.1</b>	<b>6.1</b>	<b>16.5</b>	<b>19.8</b>
Income tax expense	2.0	2.0	1.9	2.4	2.2	5.9	7.0
<b>Net income [2]</b>	<b>\$ 3.6</b>	<b>\$ 3.6</b>	<b>\$ 3.4</b>	<b>\$ 4.7</b>	<b>\$ 3.9</b>	<b>\$ 10.6</b>	<b>\$ 12.8</b>
Less: DAC unlocking, after tax	-	-	0.1	0.1	(0.1)	0.1	-
<b>Net income excluding DAC unlocking</b>	<b>\$ 3.6</b>	<b>\$ 3.6</b>	<b>\$ 3.3</b>	<b>\$ 4.6</b>	<b>\$ 4.0</b>	<b>\$ 10.5</b>	<b>\$ 12.8</b>
<b>Earnings margin (Before tax)</b>							
Return On Premium (12 month) [3]	21.2%	21.9%	23.8%	24.7%	25.0%	21.2%	25.0%
<b>SUPPLEMENTAL DATA</b>							
Lapse Ratio (12 month) [4]	4.0%	4.1%	4.0%	4.0%	4.1%	4.0%	4.1%
Sales (12-month premium, in millions) [5]							
Recurring	\$ 1.6	\$ 1.5	\$ 1.6	\$ 2.4	\$ 1.6	\$ 4.7	\$ 4.6
Single Premium	1.0	1.4	0.3	1.4	0.7	2.7	2.7
Total Sales	\$ 2.6	\$ 2.9	\$ 1.9	\$ 3.8	\$ 2.3	\$ 7.4	\$ 7.3
Insurance in force (in millions)	\$ 16,312	\$ 16,148	\$ 15,983	\$ 15,801	\$ 15,560	\$ 16,312	\$ 15,560
Policies in force (in thousands)	201	200	201	201	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>Nine Months Ended</u>	
	<u>Sept. 30,</u> <u>2015</u>	<u>Jun. 30,</u> <u>2015</u>	<u>Mar. 31,</u> <u>2015</u>	<u>Dec. 31,</u> <u>2014</u>	<u>Sept. 30,</u> <u>2014</u>	<u>Sept. 30,</u> <u>2015</u>	<u>Sept. 30,</u> <u>2014</u>
<b>Revenues</b>							
Net investment income	\$ (0.3)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.7)	\$ (0.7)
Other income	0.1	-	-	(0.1)	-	0.1	-
<b>Total revenues</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>(0.7)</b>
<b>Expenses</b>							
Interest expense	2.6	3.4	3.6	3.6	3.5	9.6	10.6
Other operating expenses	0.8	1.4	1.2	1.5	0.6	3.4	2.5
<b>Total expenses</b>	<b>3.4</b>	<b>4.8</b>	<b>4.8</b>	<b>5.1</b>	<b>4.1</b>	<b>13.0</b>	<b>13.1</b>
<b>Operating income (loss) before income tax</b>	<b>(3.6)</b>	<b>(5.0)</b>	<b>(5.0)</b>	<b>(5.4)</b>	<b>(4.3)</b>	<b>(13.6)</b>	<b>(13.8)</b>
Income tax expense (benefit)	(1.3)	(1.7)	(1.8)	(2.0)	(1.4)	(4.8)	(4.8)
<b>Operating income (loss) after tax</b>	<b>\$ (2.3)</b>	<b>\$ (3.3)</b>	<b>\$ (3.2)</b>	<b>\$ (3.4)</b>	<b>\$ (2.9)</b>	<b>\$ (8.8)</b>	<b>\$ (9.0)</b>
Realized investment gains (losses) pretax [1]	1.3	1.4	6.1	2.2	3.5	8.8	8.7
Tax on realized investment gains (losses) [1]	0.6	0.6	2.1	0.9	1.2	3.3	3.1
Realized investment gains (losses) after tax [1]	0.7	0.8	4.0	1.3	2.3	5.5	5.6
<b>Net income (loss)</b>	<b>\$ (1.6)</b>	<b>\$ (2.5)</b>	<b>\$ 0.8</b>	<b>\$ (2.1)</b>	<b>\$ (0.6)</b>	<b>\$ (3.3)</b>	<b>\$ (3.4)</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>Nine Months Ended</b>	
	<b>Sept. 30, 2015</b>	<b>Jun. 30, 2015</b>	<b>Mar. 31, 2015</b>	<b>Dec. 31, 2014</b>	<b>Sept. 30, 2014</b>	<b>Sept. 30, 2015</b>	<b>Sept. 30, 2014</b>
<b>Net Investment Income</b>							
Fixed maturities [1]							
Taxable	\$ 75.0	\$ 76.1	\$ 73.9	\$ 74.3	\$ 73.4	\$ 225.0	\$ 219.9
Tax-exempt	5.5	5.8	5.9	5.8	6.0	17.2	17.8
Total fixed maturities	80.5	81.9	79.8	80.1	79.4	242.2	237.7
Equity securities	1.1	1.0	1.1	1.3	1.2	3.2	3.5
Policy loans	2.1	2.1	2.0	2.1	2.0	6.2	6.0
Limited partnerships and other alternative investments	(0.6)	1.2	2.5	1.2	2.1	3.1	6.0
Short-term investments and other	0.2	0.1	0.1	0.3	-	0.4	0.1
Investment income	83.3	86.3	85.5	85.0	84.7	255.1	253.3
Investment expenses	2.3	2.3	2.2	2.2	2.1	6.8	6.3
<b>Total net investment income</b>	<b>\$ 81.0</b>	<b>\$ 84.0</b>	<b>\$ 83.3</b>	<b>\$ 82.8</b>	<b>\$ 82.6</b>	<b>\$ 248.3</b>	<b>\$ 247.0</b>
Annualized investment yield, before-tax [2]	5.09%	5.20%	5.16%	5.32%	5.33%	5.09%	5.33%
Annualized investment yield, after-tax [2]	3.41%	3.49%	3.47%	3.57%	3.58%	3.41%	3.58%
<b>Net Investment Income by Segment</b>							
Property & Casualty	\$ 7.4	\$ 9.0	\$ 9.4	\$ 9.2	\$ 8.9	\$ 25.8	\$ 27.6
Annuity	56.2	57.2	56.4	55.9	56.0	169.8	166.2
Life	17.7	18.0	17.7	17.9	17.9	53.4	53.9
Corporate, including intersegment eliminations	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.7)	(0.7)
<b>Total net investment income</b>	<b>\$ 81.0</b>	<b>\$ 84.0</b>	<b>\$ 83.3</b>	<b>\$ 82.8</b>	<b>\$ 82.6</b>	<b>\$ 248.3</b>	<b>\$ 247.0</b>
<b>Net Realized Capital Gains (Losses)</b>							
Gross gains on disposals	\$ 8.9	\$ 14.7	\$ 8.9	\$ 11.6	\$ 8.2	\$ 32.5	\$ 15.1
Gross losses on disposals	(4.0)	(2.6)	(0.5)	(3.6)	(4.6)	(7.1)	(5.8)
Other-than-temporary impairment losses	(3.6)	(10.7)	(2.3)	(5.8)	(0.1)	(16.6)	(0.6)
<b>Total net realized capital gains (losses)</b>	<b>\$ 1.3</b>	<b>\$ 1.4</b>	<b>\$ 6.1</b>	<b>\$ 2.2</b>	<b>\$ 3.5</b>	<b>\$ 8.8</b>	<b>\$ 8.7</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>September 30,</b> <b>2015</b>		<b>June 30,</b> <b>2015</b>		<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>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]	\$ 7,078.7	93.9%	\$ 6,897.1	93.4%	\$ 7,065.8	92.7%	\$ 6,893.1	93.1%	\$ 6,793.5	93.0%	\$ 6,676.3	94.2%
Equity securities, at fair value	96.1	1.3%	99.3	1.3%	105.1	1.4%	110.6	1.5%	106.8	1.5%	109.5	1.5%
Policy loans, at outstanding balance	147.4	2.0%	146.9	2.0%	145.6	1.9%	145.4	2.0%	143.7	2.0%	142.2	2.0%
Limited partnerships and other alternative investments	116.3	1.5%	124.0	1.7%	123.7	1.6%	112.3	1.5%	100.3	1.4%	93.2	1.3%
Short-term investments [2]	102.7	1.4%	117.8	1.6%	181.0	2.4%	142.1	1.9%	162.2	2.2%	68.5	1.0%
Short-term investments, securities lending collateral	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total investments</b>	<b>\$ 7,541.2</b>	<b>100.0%</b>	<b>\$ 7,385.1</b>	<b>100.0%</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>
Asset-backed securities ("ABS")	\$ 551.0	7.8%	\$ 566.0	8.2%	\$ 572.4	8.1%	\$ 539.3	7.8%	\$ 507.7	7.5%	\$ 509.6	7.6%
Collateralized debt/loan obligations ("CDOs/CLOs")	588.2	8.3%	583.2	8.5%	555.1	7.9%	528.6	7.7%	522.4	7.7%	435.5	6.5%
Commercial mortgage-backed securities ("CMBS")	221.4	3.1%	213.3	3.1%	187.8	2.7%	169.2	2.5%	153.0	2.3%	125.7	1.9%
Corporate	2,836.1	40.1%	2,709.1	39.3%	2,906.2	41.1%	2,894.4	42.0%	2,914.7	42.9%	2,920.6	43.7%
Municipal	1,712.4	24.2%	1,648.4	23.9%	1,685.1	23.8%	1,647.8	23.9%	1,617.1	23.8%	1,597.9	23.9%
Residential mortgage-backed securities ("RMBS")	570.9	8.1%	574.5	8.3%	582.7	8.2%	575.6	8.4%	574.9	8.5%	610.8	9.1%
U.S. Treasuries and government agencies	598.7	8.5%	602.6	8.7%	576.5	8.2%	538.2	7.8%	503.7	7.4%	476.2	7.1%
<b>Total fixed maturities</b>	<b>\$ 7,078.7</b>	<b>100.0%</b>	<b>\$ 6,897.1</b>	<b>100.0%</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>
U.S. government/government agencies	\$ 1,125.2	15.9%	\$ 1,132.0	16.4%	\$ 1,121.2	15.9%	\$ 1,077.5	15.6%	\$ 1,042.1	15.3%	\$ 1,062.4	15.9%
AAA	489.0	6.9%	490.3	7.1%	492.4	7.0%	471.9	6.8%	484.1	7.1%	462.3	6.9%
AA	1,465.9	20.7%	1,390.9	20.2%	1,429.9	20.2%	1,435.8	20.8%	1,426.5	21.0%	1,284.9	19.2%
A	1,749.5	24.7%	1,771.6	25.7%	1,816.8	25.7%	1,689.0	24.5%	1,641.4	24.2%	1,651.2	24.7%
BBB	1,987.3	28.1%	1,885.4	27.3%	1,937.2	27.4%	1,966.3	28.5%	1,932.7	28.4%	1,938.2	29.0%
BB & below, includes securities not rated	261.8	3.7%	226.9	3.3%	268.3	3.8%	252.6	3.7%	266.7	3.9%	277.3	4.2%
<b>Total fixed maturities</b>	<b>\$ 7,078.7</b>	<b>100.0%</b>	<b>\$ 6,897.1</b>	<b>100.0%</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>INVESTMENTS BY SEGMENT</b>												
Property & Casualty	\$ 920.2	12.2%	\$ 931.0	12.6%	\$ 957.3	12.6%	\$ 938.3	12.7%	\$ 936.0	12.8%	\$ 940.0	13.3%
Annuity and Life	6,595.0	87.5%	6,417.8	86.9%	6,625.5	86.9%	6,422.1	86.7%	6,325.4	86.6%	6,110.3	86.2%
Corporate	26.0	0.3%	36.3	0.5%	38.4	0.5%	43.1	0.6%	45.1	0.6%	39.4	0.6%
<b>Total investments</b>	<b>\$ 7,541.2</b>	<b>100.0%</b>	<b>\$ 7,385.1</b>	<b>100.0%</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>

[1] Cost of \$6,676.5, \$6,505.0, \$6,479.3, \$6,375.2, \$6,323.1 and \$6,187.4 at September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively.

[2] Includes \$26.0, \$36.3, \$38.4, \$43.1, \$45.1 and \$39.4 of short-term investments in the Corporate segment at September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively.

# HORACE MANN EDUCATORS CORPORATION

## RATINGS AND CONTACT INFORMATION

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**As of September 30, 2015**

***Financial Strength Ratings:***

	A.M. Best	Standard & Poor's	Moody's	Fitch
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

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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.