

Investor Financial Supplement

June 30, 2017



AUTO | HOME | LIFE | RETIREMENT

HORACE MANN EDUCATORS CORPORATION

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Note: The information contained in this document includes measures which are based on methodologies other than accounting principles generally accepted in the United States ("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

<u>For Period Ended</u>	<u>Three Months Ended</u>					<u>Six Months Ended</u>	
	<u>Jun. 30,</u>	<u>Mar. 31,</u>	<u>Dec. 31,</u>	<u>Sept. 30,</u>	<u>Jun. 30,</u>	<u>Jun. 30,</u>	<u>Jun. 30,</u>
	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<i>(\$ in millions, except per share data)</i>							
Earned Premiums	\$ 195.7	\$ 195.7	\$ 194.2	\$ 191.1	\$ 188.3	\$ 391.4	\$ 373.8
Net Investment Income	92.0	90.7	90.5	94.9	91.1	182.7	175.8
Net Realized Investment Gains (Losses)	2.0	(0.2)	(2.8)	4.0	3.1	1.8	2.9
Other Income	1.7	1.1	0.9	1.3	1.0	2.8	2.3
Total Revenues	<u>\$ 291.4</u>	<u>\$ 287.3</u>	<u>\$ 282.8</u>	<u>\$ 291.3</u>	<u>\$ 283.5</u>	<u>\$ 578.7</u>	<u>\$ 554.8</u>
Net Income	\$ 2.3	\$ 15.3	\$ 19.9	\$ 26.9	\$ 11.8	\$ 17.6	\$ 37.0
Operating Income	0.8	15.4	21.4	24.2	10.3	16.2	35.9
<u>At Period End</u>							
Total Assets	\$ 10,876.1	\$ 10,779.5	\$ 10,576.8	\$ 10,691.1	\$ 10,466.3	\$ 10,876.1	\$ 10,466.3
Total Policy Liabilities	6,081.5	6,083.8	6,024.1	5,966.0	5,852.3	6,081.5	5,852.3
Debt	247.3	247.3	247.2	247.1	247.1	247.3	247.1
Shareholders' Equity	1,362.1	1,321.8	1,294.0	1,444.1	1,417.3	1,362.1	1,417.3
<u>Per Share and Shares Data</u>							
Net Income per share (basic)	\$ 0.05	\$ 0.37	\$ 0.48	\$ 0.66	\$ 0.29	\$ 0.43	\$ 0.90
Operating Income per share (basic)	0.02	0.38	0.52	0.59	0.25	0.39	0.87
Net Income per diluted share	\$ 0.05	\$ 0.37	\$ 0.48	\$ 0.65	\$ 0.29	\$ 0.42	\$ 0.89
Operating Income per diluted share	0.02	0.37	0.52	0.58	0.25	0.39	0.87
Weighted average common shares (basic)	41.4	41.1	41.1	41.1	41.1	41.3	41.2
Dilutive effect of stock equivalents	0.1	0.2	0.4	0.2	0.2	0.1	0.2
Weighted average diluted shares	<u>41.5</u>	<u>41.3</u>	<u>41.5</u>	<u>41.3</u>	<u>41.3</u>	<u>41.4</u>	<u>41.4</u>
Book value per share	\$ 33.49	\$ 32.60	\$ 32.15	\$ 35.94	\$ 35.31	\$ 33.49	\$ 35.31
Per share impact of unrealized gain (loss) on fixed maturity and equity securities	5.98	4.89	4.36	8.40	8.21	5.98	8.21
Book value per share excluding unrealized gain (loss) on fixed maturity and equity securities	\$ 27.51	\$ 27.71	\$ 27.79	\$ 27.54	\$ 27.10	\$ 27.51	\$ 27.10
Dividends paid per share	\$ 0.275	\$ 0.275	\$ 0.265	\$ 0.265	\$ 0.265	\$ 0.550	\$ 0.53
<u>Financial Ratios</u>							
Net Income ROE	4.7%	5.4%	6.2%	6.3%	6.0%	4.7%	6.0%
Net Income ROE excluding unrealized on investments	5.8%	6.7%	7.6%	7.8%	7.4%	5.8%	7.4%
Operating Income ROE	4.5%	5.2%	6.0%	5.8%	5.7%	4.5%	5.7%
Operating Income ROE excluding unrealized on investments	5.6%	6.5%	7.4%	7.2%	6.9%	5.6%	6.9%
Debt to total capitalization	15.4%	15.8%	16.0%	14.6%	14.8%	15.4%	14.8%
Debt to total capitalization excluding unrealized on investments	18.1%	18.0%	18.1%	18.3%	18.5%	18.1%	18.5%
Annualized Investment yield, after tax	3.39%	3.38%	3.47%	3.50%	3.43%	3.39%	3.43%

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Six Months Ended	
	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
Revenues							
Insurance premiums and contract charges earned	\$ 195.7	\$ 195.7	\$ 194.2	\$ 191.1	\$ 188.3	\$ 391.4	\$ 373.8
Net investment income	92.0	90.7	90.5	94.9	91.1	182.7	175.8
Net realized investment gains (losses)	2.0	(0.2)	(2.8)	4.0	3.1	1.8	2.9
Other income	1.7	1.1	0.9	1.3	1.0	2.8	2.3
Total revenues	291.4	287.3	282.8	291.3	283.5	578.7	554.8
Benefits, losses and expenses							
Benefits, claims and settlement expenses	165.9	144.1	137.5	135.7	148.4	310.0	267.9
Interest credited	49.3	48.8	49.1	48.6	47.6	98.1	94.3
DAC amortization expense, excluding unlocking	24.6	24.7	24.7	24.6	24.1	49.3	48.1
DAC unlocking	0.2	0.2	(1.1)	(0.1)	0.4	0.4	0.5
Operating expenses	46.2	48.7	42.5	44.5	43.3	94.9	86.1
Interest expense	2.9	3.0	2.9	3.0	3.0	5.9	5.9
Total benefits, losses and expenses	289.1	269.5	255.6	256.3	266.8	558.6	502.8
Income before income taxes	2.3	17.8	27.2	35.0	16.7	20.1	52.0
Income tax expense	-	2.5	7.3	8.1	4.9	2.5	15.0
Net income	\$ 2.3	\$ 15.3	\$ 19.9	\$ 26.9	\$ 11.8	\$ 17.6	\$ 37.0
Less: Net realized investment gains (losses), after tax	1.5	(0.1)	(1.5)	2.7	1.5	1.4	1.1
Operating income	\$ 0.8	\$ 15.4	\$ 21.4	\$ 24.2	\$ 10.3	\$ 16.2	\$ 35.9
Other Statistics							
Effective tax rate on net investment income	33.7%	33.4%	33.4%	33.6%	33.3%	33.5%	33.3%
Net investment income, after tax	\$ 61.0	\$ 60.4	\$ 60.3	\$ 63.0	\$ 60.8	\$ 121.4	\$ 117.3
Catastrophes, net of reinsurance, pre-tax	32.4	17.2	11.6	8.4	27.3	49.6	40.0
Catastrophes, net of reinsurance, after tax	21.1	11.1	7.6	5.5	17.7	32.2	26.0
Other-than-temporary impairment losses on securities [1]	(3.6)	(2.8)	(3.7)	(0.2)	(3.5)	(6.4)	(7.2)
Exclusive Distributors [2]	703	697	683	681	699	703	699

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

[2] Represents licensed agents and employed licensed producers.

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED BALANCE SHEET

	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun. 30, 2016	Mar. 31, 2016
<i>(\$ in millions, except per share data)</i>						
ASSETS						
Investments						
Fixed maturities, available for sale, at fair value	\$ 7,578.6	\$ 7,510.7	\$ 7,456.7	\$ 7,494.1	\$ 7,481.7	\$ 7,216.5
Equity securities, available for sale, at fair value	156.9	156.9	141.6	137.6	123.2	104.0
Short-term and other investments	502.4	456.6	401.0	537.5	466.1	504.1
Total investments	8,237.9	8,124.2	7,999.3	8,169.2	8,071.0	7,824.6
Cash	16.0	6.6	16.7	53.6	50.4	50.5
Deferred policy acquisition costs	256.9	265.6	267.6	225.8	223.0	239.2
Goodwill	47.4	47.4	47.4	47.4	47.4	47.4
Other assets	341.7	324.2	321.9	321.5	305.9	301.8
Separate account assets	1,976.2	2,011.5	1,923.9	1,873.6	1,768.6	1,767.9
Total assets	\$ 10,876.1	\$ 10,779.5	\$ 10,576.8	\$ 10,691.1	\$ 10,466.3	\$ 10,231.4
LIABILITIES AND SHAREHOLDERS' EQUITY						
Policy liabilities						
Investment contract and life policy reserves	\$ 5,480.9	\$ 5,503.0	\$ 5,448.0	\$ 5,385.9	\$ 5,274.2	\$ 5,189.5
Unpaid claims and claim expenses	352.5	340.0	329.9	332.8	344.7	344.3
Unearned premiums	248.1	240.8	246.2	247.3	233.4	227.3
Total policy liabilities	6,081.5	6,083.8	6,024.1	5,966.0	5,852.3	5,761.1
Other policyholder funds	713.0	711.4	709.0	706.4	698.7	693.9
Other liabilities	496.0	403.7	378.6	453.9	482.3	425.5
Long-term debt, current and noncurrent	247.3	247.3	247.2	247.1	247.1	247.0
Separate account liabilities	1,976.2	2,011.5	1,923.9	1,873.6	1,768.6	1,767.9
Total liabilities	9,514.0	9,457.7	9,282.8	9,247.0	9,049.0	8,895.4
Common stock, \$0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	459.3	454.9	453.5	450.7	447.5	444.9
Retained earnings	1,150.2	1,159.5	1,155.7	1,147.0	1,131.1	1,130.3
Accumulated other comprehensive income (loss), net of taxes:						
Net unrealized gains and losses on fixed maturities and equity securities	243.5	198.3	175.7	337.3	329.6	244.7
Net funded status of pension and other post-retirement benefit obligations	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)
Treasury stock, at cost	(479.2)	(479.2)	(479.2)	(479.2)	(479.2)	(472.2)
Total shareholders' equity	1,362.1	1,321.8	1,294.0	1,444.1	1,417.3	1,336.0
Total liabilities and shareholders' equity	\$ 10,876.1	\$ 10,779.5	\$ 10,576.8	\$ 10,691.1	\$ 10,466.3	\$ 10,231.4

HORACE MANN EDUCATORS CORPORATION

CAPITAL METRICS

For Period Ended	Three Months Ended					Six Months Ended	
	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
<i>(\$ in millions, except per share data)</i>							
Book Value Per Share							
<u>Numerator</u>							
Shareholders' Equity	\$ 1,362.1	\$ 1,321.8	\$ 1,294.0	\$ 1,444.1	\$ 1,417.3	\$ 1,362.1	\$ 1,417.3
Less: Unrealized Gains and Losses on Fixed Maturity and Equity Securities [1]	243.5	198.3	175.7	337.3	329.6	243.5	329.6
Shareholders' Equity Excluding Unrealized Gains and Losses on Fixed Maturity and Equity Securities	\$ 1,118.6	\$ 1,123.5	\$ 1,118.3	\$ 1,106.8	\$ 1,087.7	\$ 1,118.6	\$ 1,087.7
<u>Denominator</u>							
Common Shares Issued and Outstanding, at period end	40.7	40.5	40.2	40.2	40.1	40.7	40.1
Book Value Per Share	\$ 33.49	\$ 32.60	\$ 32.15	\$ 35.94	\$ 35.31	\$ 33.49	\$ 35.31
Book Value Per Share Excluding Unrealized on Fixed Maturity and Equity Securities	\$ 27.51	\$ 27.71	\$ 27.79	\$ 27.54	\$ 27.10	\$ 27.51	\$ 27.10
Return on Shareholders' Equity							
<u>Numerator</u>							
Trailing 12 Months Net Income	\$ 64.4	\$ 73.9	\$ 83.8	\$ 85.0	\$ 80.0	\$ 64.4	\$ 80.0
Trailing 12 Months Operating Income	61.8	71.3	81.5	78.1	75.1	61.8	75.1
<u>Denominator (5-point Average)</u>							
5-point Average Shareholders' Equity	\$ 1,367.9	\$ 1,362.6	\$ 1,351.2	\$ 1,353.9	\$ 1,326.4	\$ 1,367.9	\$ 1,326.4
Trailing 12 Months Net Income on Average Shareholders' Equity (5-point Average)	4.7%	5.4%	6.2%	6.3%	6.0%	4.7%	6.0%
Trailing 12 Months Operating Income on Average Shareholders' Equity (5-point Average)	4.5%	5.2%	6.0%	5.8%	5.7%	4.5%	5.7%
Debt and Total Capitalization							
Short Term Debt Due Under Revolving Credit Agreement [2]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Debt:							
4.50% Senior Notes Due December 1, 2025	247.3	247.3	247.2	247.1	247.1	247.3	247.1
Total Debt	247.3	247.3	247.2	247.1	247.1	247.3	247.1
Shareholders' Equity	1,362.1	1,321.8	1,294.0	1,444.1	1,417.3	1,362.1	1,417.3
Total Capitalization	\$ 1,609.4	\$ 1,569.1	\$ 1,541.2	\$ 1,691.2	\$ 1,664.4	\$ 1,609.4	\$ 1,664.4
Ratio of Debt to Shareholders' Equity	18.2%	18.7%	19.1%	17.1%	17.4%	18.2%	17.4%
Ratio of Debt to Total Capitalization	15.4%	15.8%	16.0%	14.6%	14.8%	15.4%	14.8%
Capital Returned to Shareholders							
Common Stock Repurchased [3]	\$ -	\$ -	\$ -	\$ -	\$ 7.1	\$ -	\$ 21.6
Cash Dividends Paid	11.2	11.5	10.7	11.0	11.1	21.9	22.2
Total Capital Returned to Shareholders	\$ 11.2	\$ 11.5	\$ 10.7	\$ 11.0	\$ 18.2	\$ 21.9	\$ 43.8

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

[2] Amount available for borrowing is \$150.0 million; At Libor +115 bps; Expires on 7/30/19

[3] As of June 30, 2017, the Company's program had a remaining authorization of \$29.5 million.

HORACE MANN EDUCATORS CORPORATION
PROPERTY & CASUALTY SEGMENT
STATEMENT OF OPERATIONS

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Six Months Ended	
	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
UNDERWRITING RESULTS							
Written premiums							
Voluntary Auto	\$ 109.6	\$ 109.2	\$ 106.7	\$ 108.8	\$ 103.2	\$ 218.8	\$ 206.4
Property	56.9	43.0	48.9	59.9	55.5	99.9	98.0
Involuntary & Other	1.4	0.7	2.4	1.1	1.1	2.1	2.1
Total written premiums	167.9	152.9	158.0	169.8	159.8	320.8	306.5
Earned premiums							
Voluntary Auto	\$ 107.5	\$ 105.8	\$ 104.9	\$ 103.2	\$ 101.8	\$ 213.3	\$ 202.2
Property	51.9	51.6	51.5	51.4	50.9	103.5	101.6
Involuntary & Other	1.1	0.9	2.6	1.1	1.0	2.0	2.0
Total earned premiums	160.5	158.3	159.0	155.7	153.7	318.8	305.8
Losses and loss adjustment expenses							
Current accident year before catastrophes	116.0	106.0	108.2	108.3	104.1	222.0	194.6
Current accident year catastrophes	32.4	17.2	11.6	8.4	27.3	49.6	40.0
Prior years' reserve development [1]	(0.6)	(1.0)	(2.7)	(0.7)	(1.6)	(1.6)	(3.6)
Total losses and loss adjustment expenses	147.8	122.2	117.1	116.0	129.8	270.0	231.0
Operating expenses, including DAC amortization expense	42.4	44.7	40.4	42.0	41.7	87.1	83.3
Underwriting gain (loss)	(29.7)	(8.6)	1.5	(2.3)	(17.8)	(38.3)	(8.5)
Net investment income	8.1	9.2	10.0	10.0	10.2	17.3	19.0
Other income (expense)	0.1	0.0	(0.2)	0.4	-	0.1	0.4
Income (loss) before income taxes	(21.5)	0.6	11.3	8.1	(7.6)	(20.9)	10.9
Income tax expense (benefit)	(7.6)	(2.1)	1.7	1.4	(3.1)	(9.7)	1.6
Net income (loss) [2]	\$ (13.9)	\$ 2.7	\$ 9.6	\$ 6.7	\$ (4.5)	\$ (11.2)	\$ 9.3

[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 AND SUPPLEMENTAL DATA

<u>For Period Ended</u>	<u>Three Months Ended</u>					<u>Six Months Ended</u>	
	<u>Jun. 30,</u> <u>2017</u>	<u>Mar. 31,</u> <u>2017</u>	<u>Dec. 31,</u> <u>2016</u>	<u>Sept. 30,</u> <u>2016</u>	<u>Jun. 30,</u> <u>2016</u>	<u>Jun. 30,</u> <u>2017</u>	<u>Jun. 30,</u> <u>2016</u>
UNDERWRITING RATIOS (%)							
Losses and loss adjustment expenses							
Current accident year before catastrophes	72.3	67.0	68.1	69.6	67.7	69.7	63.6
Current accident year catastrophes	20.2	10.8	7.3	5.3	17.7	15.5	13.1
Prior years' reserve development [1]	(0.4)	(0.6)	(1.7)	(0.4)	(1.0)	(0.5)	(1.2)
Total losses and loss adjustment expenses	92.1	77.2	73.7	74.5	84.4	84.7	75.5
Expense Ratio	26.4	28.3	25.4	27.0	27.2	27.3	27.3
Combined ratio	118.5	105.5	99.1	101.5	111.6	112.0	102.8
Combined ratio before catastrophes	98.3	94.7	91.8	96.2	93.9	96.5	89.7
Combined ratio before catastrophes and prior years' development	98.7	95.3	93.5	96.6	94.9	97.0	90.9
PRODUCT (%)							
Automobile							
Loss and loss adjustment expense ratio	84.2	78.3	82.6	81.1	84.9	81.2	78.4
Expense ratio	26.4	28.6	25.6	27.2	27.5	27.5	27.7
Combined ratio	110.6	106.9	108.2	108.3	112.4	108.7	106.1
Prior years' reserve development [1]	0.0	0.0	(1.3)	0.0	0.0	0.0	0.0
Catastrophes	4.4	1.6	1.3	3.4	4.5	3.0	2.6
Combined ratio before catastrophes and prior years' development	106.2	105.3	108.2	104.9	107.9	105.7	103.5
Property							
Loss and loss adjustment expense ratio	108.1	74.9	55.7	61.1	83.4	91.5	69.6
Expense ratio	26.5	27.6	25.4	26.6	26.6	27.1	26.5
Combined ratio	134.6	102.5	81.1	87.7	110.0	118.6	96.1
Prior years' reserve development [1]	(1.2)	(1.9)	(2.5)	(1.4)	(3.1)	(1.5)	(3.5)
Catastrophes	53.3	29.9	19.3	9.6	44.6	41.7	34.2
Combined ratio before catastrophes and prior years' development	82.5	74.5	64.3	79.5	68.5	78.4	65.4
SUPPLEMENTAL DATA							
Policy Count Retention (12 month)							
Voluntary Automobile	82.9%	83.0%	83.5%	83.5%	84.0%	82.9%	84.0%
Property	87.4%	87.5%	87.8%	87.8%	88.4%	87.4%	88.4%
Sales (12-month annualized premium, in millions) [2]							
Voluntary Automobile	\$ 23.4	\$ 22.6	\$ 22.2	\$ 24.3	\$ 21.9	\$ 46.0	\$ 42.6
Property	4.7	4.0	4.6	5.1	4.5	8.7	8.3
Total Sales	\$ 28.1	\$ 26.6	\$ 26.8	\$ 29.4	\$ 26.4	\$ 54.7	\$ 50.9
Policies in force (in thousands)							
Voluntary Automobile	484	484	485	486	487	484	487
Property	218	219	220	221	222	218	222
Total Policies in force	702	703	705	707	709	702	709

[1] (Favorable) unfavorable.

[2] HM products.

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

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Six Months Ended	
	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
Contract deposits	\$ 116.8	\$ 117.3	\$ 128.3	\$ 154.6	\$ 124.7	\$ 234.1	\$ 237.3
Revenues							
Contract charges earned	\$ 6.8	\$ 6.6	\$ 6.3	\$ 6.4	\$ 6.1	\$ 13.4	\$ 12.2
Net investment income	65.2	63.4	62.4	66.3	62.6	128.6	120.7
Other income	1.4	0.9	0.8	0.5	0.7	2.3	1.5
Total revenues	73.4	70.9	69.5	73.2	69.4	144.3	134.4
Benefits and Expenses							
Interest credited	38.1	37.5	37.9	37.4	36.4	75.6	72.0
Mortality loss and other reserve changes	1.3	1.1	0.8	1.4	0.8	2.4	1.7
DAC amortization expense, excluding unlocking	3.7	3.7	3.8	3.7	3.7	7.4	7.4
DAC unlocking	0.3	0.3	(0.9)	(0.1)	0.5	0.6	0.7
Operating expenses	12.9	12.1	10.7	10.5	9.5	25.0	19.1
Total benefits and expenses	56.3	54.7	52.3	52.9	50.9	111.0	100.9
Income before income taxes	17.1	16.2	17.2	20.3	18.5	33.3	33.5
Income tax expense	5.3	4.7	5.8	4.6	5.5	10.0	9.9
Net income [1]	\$ 11.8	\$ 11.5	\$ 11.4	\$ 15.7	\$ 13.0	\$ 23.3	\$ 23.6
Less: DAC unlocking, after tax	(0.2)	(0.2)	0.6	0.1	(0.3)	(0.4)	(0.5)
Net income excluding DAC unlocking	\$ 12.0	\$ 11.7	\$ 10.8	\$ 15.6	\$ 13.3	\$ 23.7	\$ 24.1
Return on Assets (Before-tax basis points)							
ROA (12 month) [2]	110	114	114	117	110	110	110
Interest Spread [3]	189	183	193	195	185	189	185
SUPPLEMENTAL DATA							
Annuity Contracts in force (in thousands)	221	220	219	215	214	221	214
Persistency (12 month)							
Fixed Annuities	92.5%	94.4%	94.6%	94.6%	94.8%	92.5%	94.8%
Variable Annuities	89.6%	94.7%	94.7%	94.6%	94.6%	89.6%	94.6%
Sales (contract deposits, in millions) [4]							
Recurring	\$ 55.4	\$ 53.4	\$ 56.0	\$ 47.9	\$ 54.8	\$ 108.8	\$ 105.7
Single Deposit/Rollover	61.4	63.9	72.3	106.8	69.9	125.3	131.6
Total Sales	\$ 116.8	\$ 117.3	\$ 128.3	\$ 154.7	\$ 124.7	\$ 234.1	\$ 237.3

[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] Historically, reported sales for HM products were determined based on annualized new recurring deposits as well as single deposits/rollovers. Effective January 1, 2017, reported sales are now determined based on total recurring deposits as well as single deposits/rollovers. All historical sales information presented has been revised to conform to the new methodology.

HORACE MANN EDUCATORS CORPORATION
RETIREMENT SEGMENT
ACCOUNT VALUE ROLLFORWARD

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					
	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun. 30, 2016	Mar. 31, 2016
FIXED ACCOUNT ANNUITIES [1]						
Beginning balance	\$ 4,233.2	\$ 4,201.0	\$ 4,166.2	\$ 4,086.7	\$ 4,026.0	\$ 3,984.4
Deposits	55.7	52.6	61.3	84.6	60.1	55.1
Withdrawals	(143.5) ^[4]	(72.7)	(81.9)	(69.7)	(64.0)	(64.3)
Net Transfers	7.1	15.6	16.1	28.0	26.9	14.9
Interest Credited	38.1	37.5	37.9	37.4	36.4	35.6
Other	(6.4)	(0.8)	1.4	(0.8)	1.3	0.3
Ending balance	\$ 4,184.2	\$ 4,233.2	\$ 4,201.0	\$ 4,166.2	\$ 4,086.7	\$ 4,026.0
FIXED INDEXED ACCOUNT ANNUITIES [2]						
Beginning balance	\$ 320.7	\$ 302.1	\$ 283.0	\$ 251.4	\$ 230.3	\$ 212.6
Deposits	17.4	19.3	21.0	32.3	22.6	19.6
Withdrawals	(2.1)	(2.3)	(1.8)	(2.0)	(1.3)	(2.2)
Net Transfers	(0.7)	(1.0)	(1.3)	(1.5)	(1.3)	(0.5)
Index Credits	2.9	2.3	0.5	1.7	-	-
Other	3.9	0.3	0.7	1.1	1.1	0.8
Ending balance	\$ 342.1	\$ 320.7	\$ 302.1	\$ 283.0	\$ 251.4	\$ 230.3
VARIABLE ACCOUNT ANNUITIES [3]						
Beginning balance	\$ 2,011.5	\$ 1,923.9	\$ 1,873.6	\$ 1,768.6	\$ 1,767.9	\$ 1,800.7
Deposits	43.7	45.4	46.0	37.7	42.0	37.9
Withdrawals	(127.0) ^[4]	(26.1)	(23.6)	(28.4)	(26.2)	(21.8)
Net Transfers	(6.4)	(14.6)	(14.7)	(26.5)	(25.6)	(14.4)
Fees & Charges	(7.8)	(7.5)	(7.3)	(7.1)	(7.0)	(6.6)
Market Appreciation	62.1	90.3	49.8	129.1	17.4	(28.0)
Other	0.1	0.1	0.1	0.2	0.1	0.1
Ending balance	\$ 1,976.2	\$ 2,011.5	\$ 1,923.9	\$ 1,873.6	\$ 1,768.6	\$ 1,767.9

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

[4] Includes fixed account withdrawals of approximately \$78 and variable account withdrawals of approximately \$97 due to the transfer of the Company's 401(k) assets to a third-party provider.

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

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Six Months Ended	
	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
Premiums and contract deposits	\$ 26.9	\$ 26.5	\$ 29.6	\$ 27.2	\$ 27.3	\$ 53.4	\$ 51.2
Revenues							
Premiums and contract charges earned	\$ 28.5	\$ 30.8	\$ 28.9	\$ 29.0	\$ 28.5	\$ 59.3	\$ 55.8
Net investment income	18.9	18.3	18.3	18.8	18.5	37.2	36.5
Other income	0.1	0.1	0.2	0.3	0.2	0.2	0.3
Total revenues	47.5	49.2	47.4	48.1	47.2	96.7	92.6
Benefits and Expenses							
Death benefits / mortality cost [1]	7.2	8.8	8.0	8.4	8.1	16.0	16.7
Interest credited	11.3	11.2	11.2	11.2	11.2	22.5	22.3
Change in reserves	9.6	12.0	11.6	9.9	9.7	21.6	18.5
DAC amortization expense, excluding unlocking	1.9	1.9	1.7	1.9	2.0	3.8	3.9
DAC unlocking	(0.1)	(0.1)	(0.2)	-	(0.1)	(0.2)	(0.2)
Operating expenses	8.9	10.0	9.1	9.6	9.1	18.9	18.2
Total benefits and expenses	38.8	43.8	41.4	41.0	40.0	82.6	79.4
Income before income taxes	8.7	5.4	6.0	7.1	7.2	14.1	13.2
Income tax expense	3.1	1.5	2.5	2.5	2.6	4.6	4.7
Net income [2]	\$ 5.6	\$ 3.9	\$ 3.5	\$ 4.6	\$ 4.6	\$ 9.5	\$ 8.5
Less: DAC unlocking, after tax	0.1	0.1	0.1	-	0.1	0.1	0.1
Net income excluding DAC unlocking	\$ 5.5	\$ 3.8	\$ 3.4	\$ 4.6	\$ 4.5	\$ 9.4	\$ 8.4
Earnings margin (Before tax)							
Return On Premium (12 month) [3]	22.9%	21.7%	22.8%	23.5%	22.5%	22.9%	22.5%
SUPPLEMENTAL DATA							
Lapse Ratio (12 month) [4]	4.7%	4.5%	4.3%	4.1%	4.1%	4.7%	4.1%
Sales (12-month premium, in millions) [5]							
Recurring	\$ 1.9	\$ 1.7	\$ 2.0	\$ 2.0	\$ 1.9	\$ 3.6	\$ 3.7
Single Premium	1.8	3.0	2.9	1.6	2.2	4.8	3.4
Total Sales	\$ 3.7	\$ 4.7	\$ 4.9	\$ 3.6	\$ 4.1	\$ 8.4	\$ 7.1
Insurance in force (in millions)	\$ 17,308	\$ 17,164	\$ 17,025	\$ 16,864	\$ 16,828	\$ 17,308	\$ 16,828
Policies in force (in thousands)	197	198	198	198	201	197	201

[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)

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Six Months Ended	
	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
Revenues							
Net investment income	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.4)	\$ (0.4)
Other income	0.1	-	0.1	0.1	0.1	0.1	0.1
Total revenues	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)
Expenses							
Interest expense	2.9	3.0	2.9	3.0	3.0	5.9	5.9
Debt retirement costs	-	-	-	-	-	-	-
Other operating expenses	1.1	1.0	1.5	1.4	1.4	2.1	2.3
Total expenses	4.0	4.0	4.4	4.4	4.4	8.0	8.2
Operating income (loss) before income tax	(4.1)	(4.2)	(4.5)	(4.5)	(4.5)	(8.3)	(8.5)
Income tax expense (benefit)	(1.4)	(1.5)	(1.4)	(1.7)	(1.7)	(2.9)	(3.0)
Operating income (loss) after tax	\$ (2.7)	\$ (2.7)	\$ (3.1)	\$ (2.8)	\$ (2.8)	\$ (5.4)	\$ (5.5)
Realized investment gains (losses) pretax [1]	2.0	(0.2)	(2.8)	4.0	3.1	1.8	2.9
Tax on realized investment gains (losses) [1]	0.5	(0.1)	(1.3)	1.3	1.6	0.4	1.8
Realized investment gains (losses) after tax [1]	1.5	(0.1)	(1.5)	2.7	1.5	1.4	1.1
Net income (loss)	\$ (1.2)	\$ (2.8)	\$ (4.6)	\$ (0.1)	\$ (1.3)	\$ (4.0)	\$ (4.4)

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

HORACE MANN EDUCATORS CORPORATION
INVESTMENT EARNINGS BEFORE TAXES
CONSOLIDATED

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Six Months Ended	
	Jun. 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
Net Investment Income							
Fixed maturities [1]							
Taxable	\$ 83.2	\$ 82.4	\$ 80.7	\$ 83.2	\$ 80.8	\$ 165.6	\$ 159.1
Tax-exempt	4.3	4.8	5.0	4.8	4.9	9.1	10.0
Total fixed maturities	87.5	87.2	85.7	88.0	85.7	174.7	169.1
Equity securities	1.6	1.5	1.2	1.3	1.1	3.1	2.2
Policy loans	2.2	2.1	2.2	2.2	2.1	4.3	4.2
Limited partnerships and other alternative investments	2.7	2.2	3.5	5.6	4.4	4.9	4.5
Short-term investments and other	0.4	0.2	0.3	0.3	0.2	0.6	0.5
Investment income	94.4	93.2	92.9	97.4	93.5	187.6	180.5
Investment expenses	2.4	2.5	2.4	2.5	2.4	4.9	4.7
Total net investment income	\$ 92.0	\$ 90.7	\$ 90.5	\$ 94.9	\$ 91.1	\$ 182.7	\$ 175.8
Annualized investment yield, before-tax [2]	5.10%	5.07%	5.21%	5.25%	5.14%	5.10%	5.14%
Annualized investment yield, after-tax [2]	3.39%	3.38%	3.47%	3.50%	3.43%	3.39%	3.43%
Net Investment Income by Segment							
Property & Casualty	\$ 8.1	\$ 9.2	\$ 10.0	\$ 10.0	\$ 10.2	\$ 17.3	\$ 19.0
Retirement	65.2	63.4	62.4	66.3	62.6	128.6	120.7
Life	18.9	18.3	18.3	18.8	18.5	37.2	36.5
Corporate, including intersegment eliminations	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.4)	(0.4)
Total net investment income	\$ 92.0	\$ 90.7	\$ 90.5	\$ 94.9	\$ 91.1	\$ 182.7	\$ 175.8
Net Realized Capital Gains (Losses)							
Gross gains	\$ 7.9	\$ 5.0	\$ 4.1	\$ 4.6	\$ 9.0	\$ 12.9	\$ 14.6
Gross losses, excluding impairment charges	(2.3)	(2.4)	(3.2)	(0.4)	(2.4)	(4.7)	(4.5)
Other-than-temporary impairment losses	(3.6)	(2.8)	(3.7)	(0.2)	(3.5)	(6.4)	(7.2)
Total net realized capital gains (losses)	\$ 2.0	\$ (0.2)	\$ (2.8)	\$ 4.0	\$ 3.1	\$ 1.8	\$ 2.9

[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> <i>(\$ in millions)</i>	<u>June 30,</u> <u>2017</u>		<u>March 31,</u> <u>2017</u>		<u>December 31,</u> <u>2016</u>		<u>September 30,</u> <u>2016</u>		<u>June 30,</u> <u>2016</u>		<u>March 31,</u> <u>2016</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 maturity securities, at fair value [1]	\$ 7,578.6	92.0%	\$ 7,510.7	92.4%	\$ 7,456.7	93.2%	\$ 7,494.1	91.7%	\$ 7,481.7	92.7%	\$ 7,216.5	92.2%
Equity securities, at fair value	156.9	1.9%	157.0	1.9%	141.6	1.8%	137.6	1.7%	123.2	1.5%	104.0	1.3%
Policy loans, at outstanding balance	152.9	1.9%	151.5	1.9%	151.9	1.9%	150.7	1.8%	149.8	1.9%	148.6	1.9%
Limited partnerships and other alternative investments	245.4	3.0%	223.9	2.8%	204.2	2.6%	172.6	2.1%	162.9	2.0%	139.2	1.8%
Short-term investments	104.1	1.3%	81.1	1.0%	44.9	0.6%	214.2	2.6%	153.4	1.9%	216.3	2.8%
Total investments	\$ 8,237.9	100.0%	\$ 8,124.2	100.0%	\$ 7,999.3	100.0%	\$ 8,169.2	100.0%	\$ 8,071.0	100.0%	\$ 7,824.6	100.0%
Asset-backed securities ("ABS")	\$ 664.5	8.8%	\$ 648.1	8.6%	\$ 626.9	8.4%	\$ 581.4	7.8%	\$ 581.7	7.8%	\$ 527.4	7.3%
Collateralized debt/loan obligations ("CDOs/CLOs")	525.8	6.9%	583.2	7.8%	667.7	9.0%	650.4	8.7%	657.9	8.8%	623.3	8.6%
Commercial mortgage-backed securities ("CMBS")	541.9	7.2%	528.4	7.0%	503.8	6.8%	431.5	5.8%	418.7	5.6%	344.5	4.8%
Corporate	2,927.6	38.6%	2,936.9	39.1%	2,909.0	39.0%	3,033.3	40.5%	2,966.2	39.6%	2,908.0	40.3%
Municipal	1,817.2	24.0%	1,777.4	23.7%	1,769.4	23.7%	1,778.7	23.7%	1,745.8	23.3%	1,727.3	23.9%
Residential mortgage-backed securities ("RMBS")	495.3	6.5%	505.4	6.7%	512.8	6.9%	530.7	7.1%	562.9	7.5%	545.9	7.6%
U.S. Treasuries and government agencies	606.3	8.0%	531.3	7.1%	467.1	6.3%	488.1	6.5%	548.5	7.3%	540.1	7.5%
Total fixed maturity securities	\$ 7,578.6	100.0%	\$ 7,510.7	100.0%	\$ 7,456.7	100.0%	\$ 7,494.1	100.0%	\$ 7,481.7	100.0%	\$ 7,216.5	100.0%
U.S. government/government agencies	\$ 1,229.4	16.2%	\$ 1,141.1	15.2%	\$ 1,082.0	14.5%	\$ 1,009.0	13.5%	\$ 1,127.1	15.1%	\$ 1,078.6	14.9%
AAA	586.6	7.7%	623.4	8.3%	610.7	8.2%	584.5	7.8%	566.6	7.6%	541.8	7.5%
AA	1,587.7	20.9%	1,605.6	21.4%	1,658.3	22.2%	1,630.0	21.8%	1,590.2	21.3%	1,503.7	20.8%
A	1,757.7	23.2%	1,724.6	23.0%	1,698.6	22.8%	1,776.4	23.7%	1,750.9	23.4%	1,726.1	23.9%
BBB	2,121.4	28.0%	2,102.8	28.0%	2,097.9	28.1%	2,201.0	29.4%	2,167.4	29.0%	2,094.8	29.0%
BB & below, includes securities not rated	295.8	3.9%	313.2	4.2%	309.2	4.1%	293.2	3.9%	279.5	3.7%	271.5	3.8%
Total fixed maturity securities	\$ 7,578.6	100.0%	\$ 7,510.7	100.0%	\$ 7,456.7	100.0%	\$ 7,494.1	100.0%	\$ 7,481.7	100.0%	\$ 7,216.5	100.0%
<u>INVESTMENTS BY SEGMENT</u>												
Property & Casualty	\$ 920.2	11.2%	\$ 908.0	11.2%	\$ 903.3	11.3%	\$ 933.9	11.4%	\$ 932.7	11.6%	\$ 925.9	11.8%
Annuity and Life	7,315.9	88.8%	7,200.4	88.6%	7,072.0	88.4%	7,201.8	88.2%	7,120.6	88.2%	6,886.4	88.0%
Corporate [2]	1.8	0.0%	15.8	0.2%	24.0	0.3%	33.5	0.4%	17.7	0.2%	12.3	0.2%
Total investments	\$ 8,237.9	100.0%	\$ 8,124.2	100.0%	\$ 7,999.3	100.0%	\$ 8,169.2	100.0%	\$ 8,071.0	100.0%	\$ 7,824.6	100.0%

[1] Cost of \$7,161.9, \$7,173.2, \$7,152.1, \$6,907.6, \$6,910.2, and \$6,791.3 at June 30, 2017, March 31, 2017, December 31, 2016, September 30, 2016, June 30, 2016, and March 31, 2016 respectively.

[2] Corporate segment assets are comprised entirely of Short-term investments.

HORACE MANN EDUCATORS CORPORATION

RATINGS AND CONTACT INFORMATION

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As of June 30, 2017

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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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.