

KBW Insurance Conference

Marita Zuraitis, President and CEO

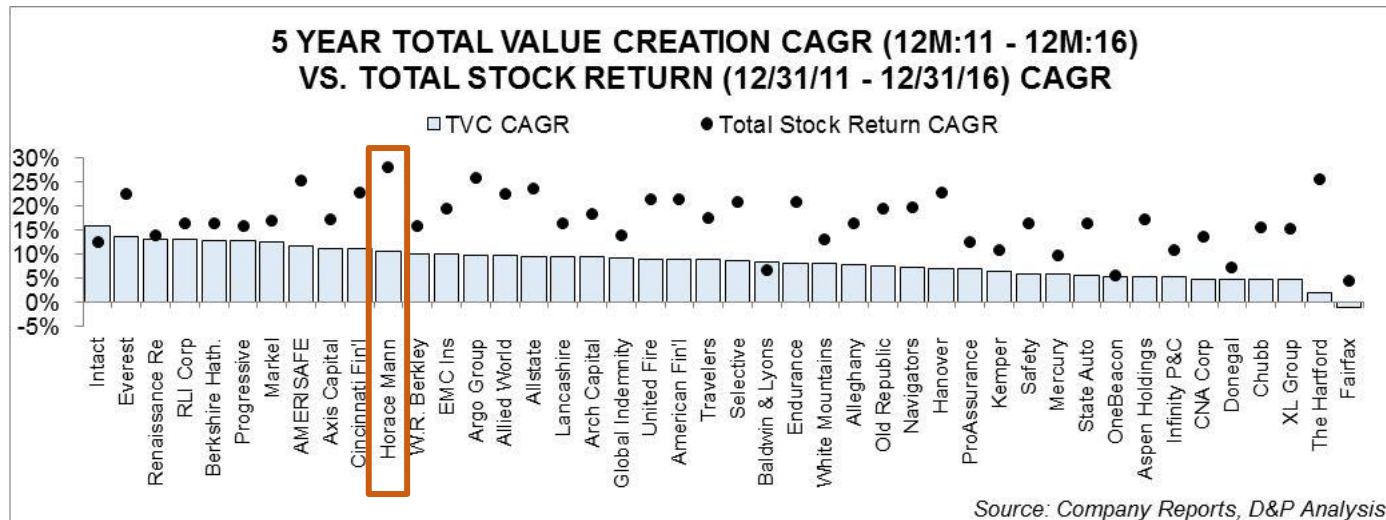


Our strategy is sound; execution continues

We aspire to be the company of choice to provide financial solutions for all educators to help them protect what they have today and prepare for a successful tomorrow.

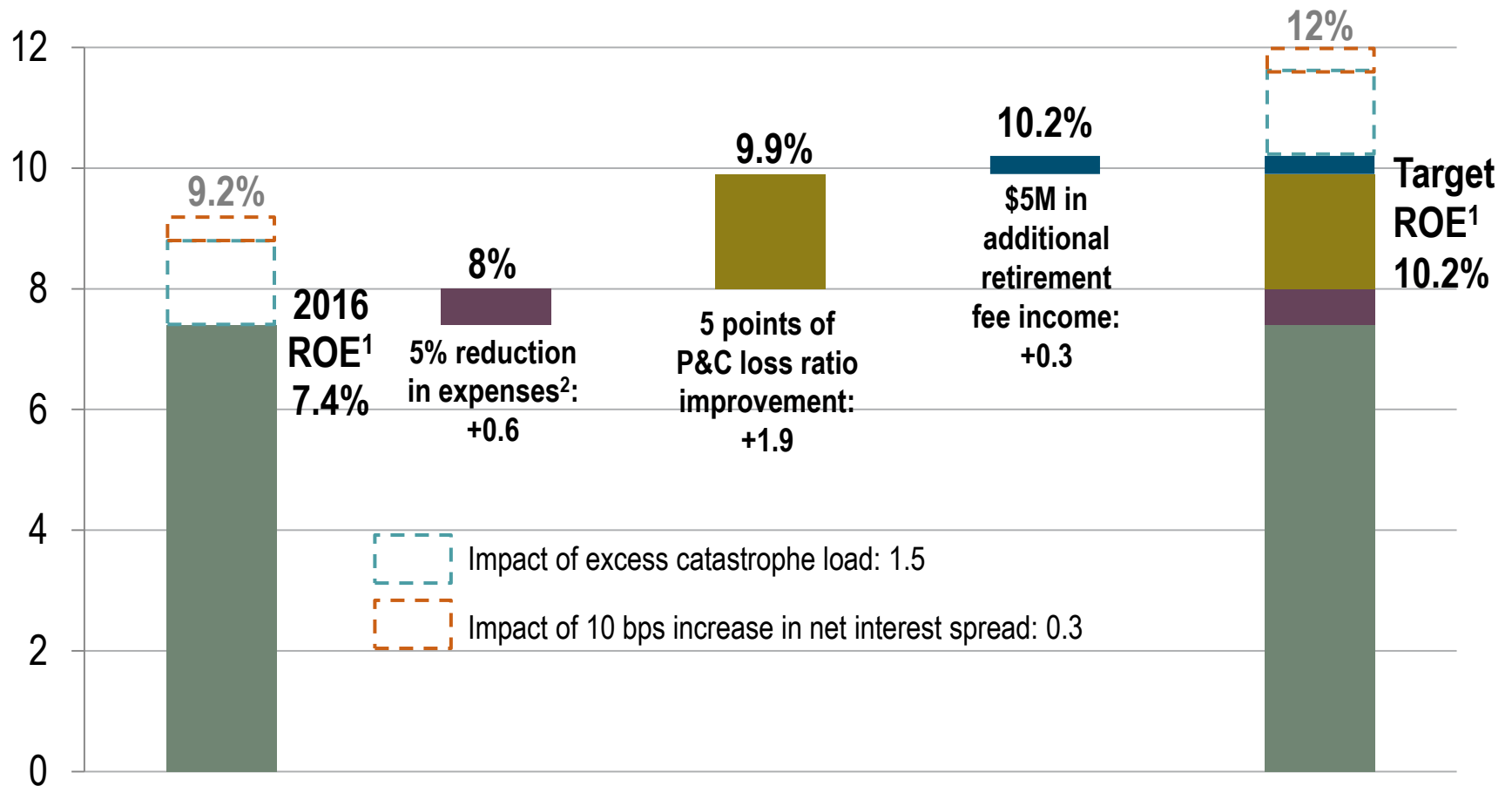
Product	Distribution	Infrastructure
<ul style="list-style-type: none">• New retirement product suite• Updated life products• Improved P&C pricing segmentation• Increased partnerships through Horace Mann General Agency	<ul style="list-style-type: none">• Defined and implemented agency quality standards• Improved agent productivity• Added complementary direct sales• Enhanced digital capabilities	<ul style="list-style-type: none">• New Life and Retirement system nearing implementation completion• New P&C system in process• Improvements in customer experience/NPS
Strategy ✓	Strategy ✓	Strategy ✓
Execution ✓	Execution ongoing	Execution ongoing

Strong track record of shareholder value creation



- Consistent earnings and conservative bias have resulted in strong capital ratios and high marks from rating agencies:
 - A.M. Best: A for both P&C and Life (P&C upgraded Q1 2016)
 - S&P: A
 - Fitch: A (upgraded Q2 2014)
 - Moody's: A3 (Positive outlook upgraded Q4 2016)
- Conservative balance sheet and excess capital to fund growth and return capital to shareholders via strong dividend and opportunistic share repurchases

Despite a challenging macroeconomic backdrop, we have a clear path to achieve a double-digit ROE over time

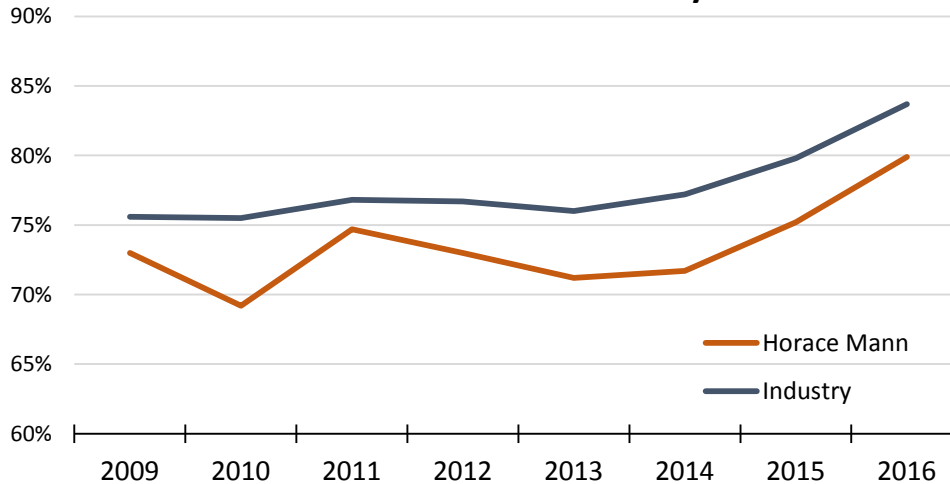


(1) Operating ROE excluding net unrealized investment gains and losses.

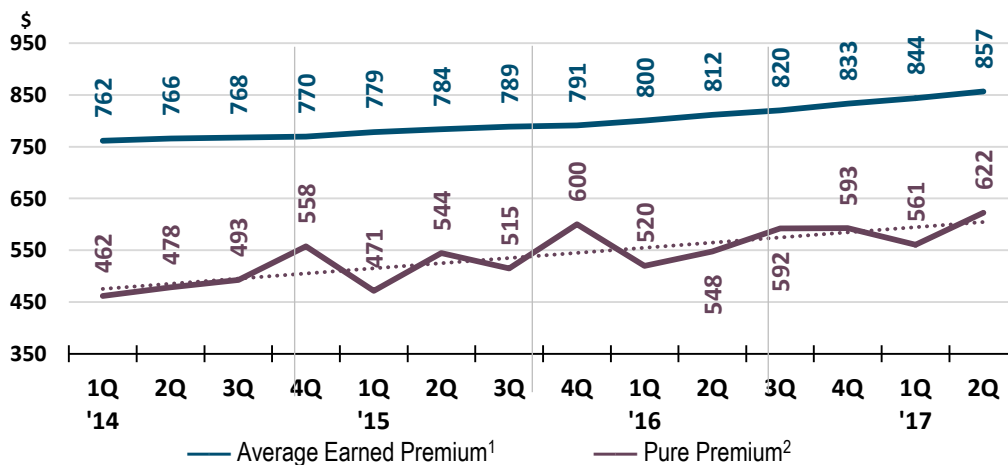
(2) Annual operating expenses are approximately \$250M; every 5% reduction results in a 0.6% increase in ROE. Many targeted reductions are a result of operational efficiencies gained from strategic investments.

Our loss ratio is better than the industry, and recent rate actions will drive sizable improvement

Auto Loss Ratio vs. Industry



Auto Earned Premium vs. Pure Premium

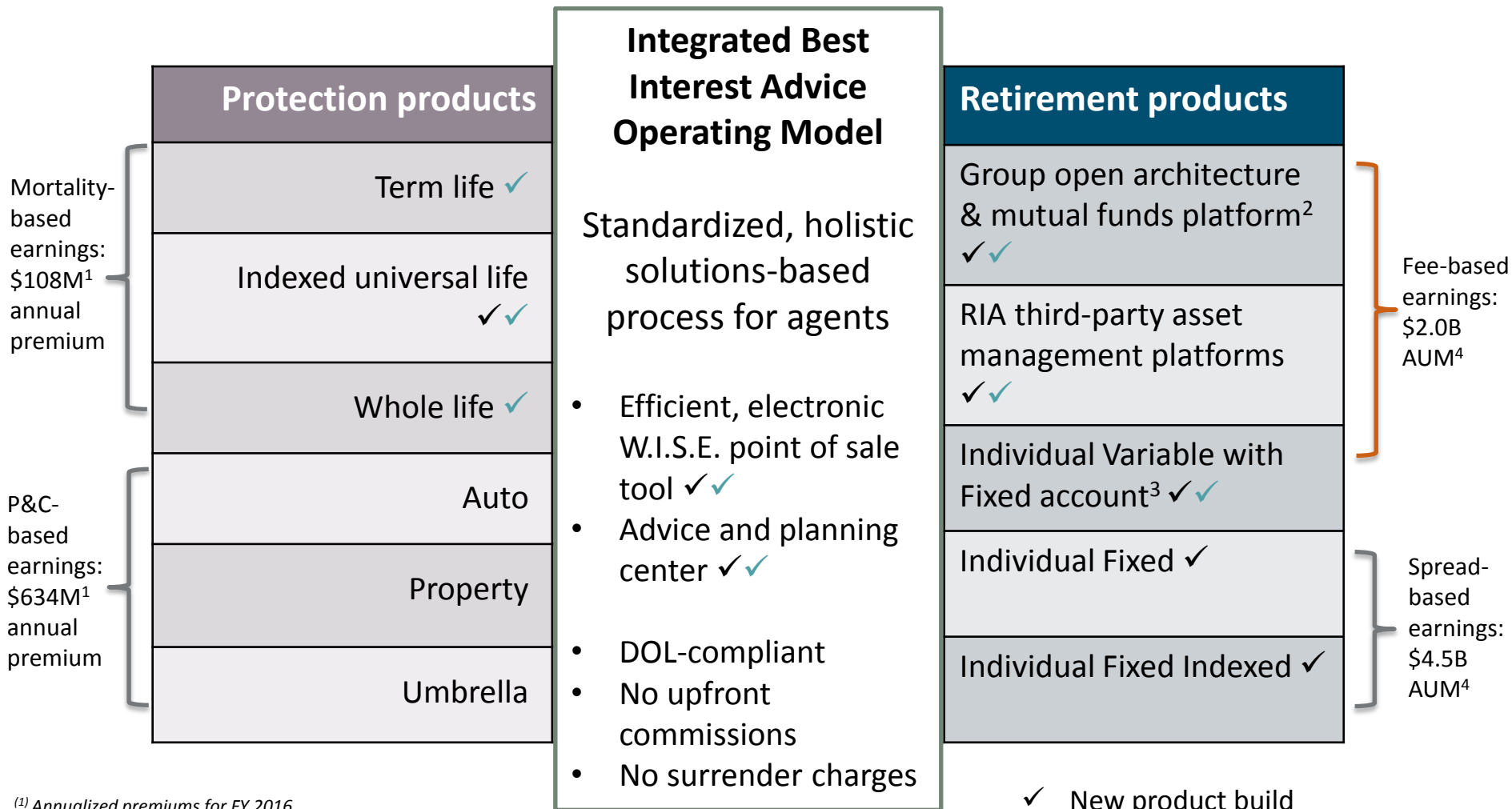


- Homogenous book of preferred educator risk
 - Retention remains very high despite recent rate activity
- Accelerated rate actions beginning in 2015 in response to elevated loss trends and adverse weather
 - Early rate actions were insufficient compared to loss trends
 - Significantly increased rate actions in 2016 and 2017
- Tighter underwriting for renewals and new business
- Innovative claims and expense initiatives
 - Increasing automation and self-service tools
 - Systems modernization

(1) Earned Premium / Earned Exposures

(2) Incurred Losses / Earned Exposures

Life and Retirement business is well-positioned for profitable growth



⁽¹⁾ Annualized premiums for FY 2016

⁽²⁾ Fund options include a Guaranteed Unallocated Fixed Account (GUFA), which is a spread-based product

⁽³⁾ Fixed account options within an Variable Annuity are a spread-based product

⁽⁴⁾ Assets under management as of June 30, 2017

- ✓ New product build
- ✓ New infrastructure



AUTO | HOME | LIFE | RETIREMENT