



Horace Mann[®]

Founded by Educators for Educators

**INVESTOR FINANCIAL SUPPLEMENT
DECEMBER 31, 2015**

HORACE MANN EDUCATORS CORPORATION

TABLE OF CONTENTS

	<u>Page</u>
Consolidated Financial Highlights	3
Consolidated Statement of Operations	4
Consolidated Balance Sheet	5
Capital Metrics	6
Property & Casualty Segment	
Statement of Operations	7
Underwriting Results	8
Annuity Segment	
Statement of Operations and Supplemental Data	9
Account Value Rollforward	10
Life Segment	
Statement of Operations and Supplemental Data	11
Corporate & Other Segment	
Statement of Operations	12
Investment Earnings	13
Composition of Invested Assets	14
Ratings and Contact Information	15

Note: The information contained in this document includes financial measures which are based on methodologies other than United States generally accepted accounting principles ("GAAP"). Reconciliations of non-GAAP measures to the closest GAAP measures are contained in the supplemental numerical pages of HMEC's quarterly earnings releases (and related Form 8-K filings), and additional descriptions of the non-GAAP measures are contained in the Glossary of Selected Terms included as an exhibit to HMEC's SEC filings.

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED FINANCIAL HIGHLIGHTS

For Period Ended	Three Months Ended					Year Ended	
	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
<i>(\$ in millions, except per share data)</i>							
Earned Premiums	\$ 187.0	\$ 182.8	\$ 182.4	\$ 179.7	\$ 182.2	\$ 731.9	\$ 715.8
Net Investment Income	84.3	81.0	84.0	83.3	82.8	332.6	329.8
Net Realized Investment Gains (Losses)	3.9	1.3	1.4	6.1	2.2	12.7	10.9
Other Income	0.9	0.6	0.7	1.0	1.9	3.2	4.2
Total Revenues	\$ 276.1	\$ 265.7	\$ 268.5	\$ 270.1	\$ 269.1	\$ 1,080.4	\$ 1,060.7
Net Income	\$ 21.1	\$ 21.9	\$ 16.2	\$ 34.3	\$ 30.0	\$ 93.5	\$ 104.2
Operating Income	18.0	21.2	15.4	30.3	28.7	84.9	97.3
At Period End							
Total Assets	\$ 10,059.3	\$ 9,903.5	\$ 9,969.5	\$ 10,074.4	\$ 9,768.5	\$ 10,059.3	\$ 9,768.5
Total Policy Liabilities	5,683.4	5,623.7	5,531.1	5,438.7	5,351.5	5,683.4	5,351.5
Debt	249.3	238.0	238.0	238.0	237.9	249.3	237.9
Shareholders' Equity	1,264.7	1,307.2	1,306.7	1,409.8	1,336.5	1,264.7	1,336.5
Per Share and Shares Data							
Net Income per share (basic)	\$ 0.51	\$ 0.53	\$ 0.39	\$ 0.82	\$ 0.72	\$ 2.23	\$ 2.50
Operating Income per share (basic)	0.43	0.51	0.38	0.72	0.69	2.03	2.34
Net Income per diluted share	\$ 0.50	\$ 0.52	\$ 0.38	\$ 0.81	\$ 0.71	\$ 2.20	\$ 2.47
Operating Income per diluted share	0.43	0.50	0.36	0.72	0.68	2.00	2.30
Weighted average common shares (basic)	41.6	41.9	42.0	42.0	41.7	41.9	41.6
Dilutive effect of stock equivalents	0.5	0.4	0.4	0.3	0.7	0.5	0.6
Weighted average diluted shares	42.1	42.3	42.4	42.3	42.4	42.4	42.2
Book value per share	\$ 31.18	\$ 32.09	\$ 31.73	\$ 34.28	\$ 32.65	\$ 31.18	\$ 32.65
Per share impact of unrealized gain (loss) on fixed maturities and equity securities	4.32	5.57	5.43	8.15	7.27	4.32	7.27
Book value per share excluding unrealized gain (loss) on fixed maturities and equity securities	\$ 26.86	\$ 26.52	\$ 26.30	\$ 26.13	\$ 25.38	\$ 26.86	\$ 25.38
Dividends paid per share	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.23	\$ 1.00	\$ 0.92
Financial Ratios							
Net Income ROE	7.1%	7.7%	8.0%	8.4%	8.4%	7.1%	8.4%
Net Income ROE excluding unrealized on investments	8.7%	9.7%	10.1%	10.8%	10.4%	8.7%	10.4%
Operating Income ROE	6.4%	7.2%	7.4%	7.7%	7.8%	6.4%	7.8%
Operating Income ROE excluding unrealized on investments	7.9%	9.0%	9.3%	9.8%	9.7%	7.9%	9.7%
Debt to total capitalization	16.5%	15.4%	15.4%	14.4%	15.1%	16.5%	15.1%
Debt to total capitalization excluding unrealized on investments	18.6%	18.0%	18.0%	18.1%	18.6%	18.6%	18.6%
Annualized Investment yield, after tax	3.39%	3.41%	3.49%	3.47%	3.57%	3.39%	3.57%

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

<u>For Period Ended</u> (\$ in millions)	<u>Three Months Ended</u>					<u>Year Ended</u>	
	<u>Dec. 31,</u> <u>2015</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>Dec. 31,</u> <u>2015</u>	<u>Dec. 31,</u> <u>2014</u>
Revenues							
Insurance premiums and contract charges earned	\$ 187.0	\$ 182.8	\$ 182.4	\$ 179.7	\$ 182.2	\$ 731.9	\$ 715.8
Net investment income	84.3	81.0	84.0	83.3	82.8	332.6	329.8
Net realized investment gains (losses)	3.9	1.3	1.4	6.1	2.2	12.7	10.9
Other income	0.9	0.6	0.7	1.0	1.9	3.2	4.2
Total revenues	276.1	265.7	268.5	270.1	269.1	1,080.4	1,060.7
Benefits, losses and expenses							
Benefits, claims and settlement expenses	128.3	121.1	133.0	114.0	111.8	496.4	468.4
Interest credited	46.7	46.2	45.4	44.5	44.8	182.8	176.1
DAC amortization expense, excluding unlocking	23.9	23.8	23.9	23.9	23.6	95.5	92.7
DAC unlocking	1.6	1.9	0.1	(0.2)	0.2	3.4	1.1
Operating expenses	41.8	39.7	40.0	35.9	43.0	157.4	162.1
Interest expense	3.5	2.6	3.4	3.6	3.6	13.1	14.2
Debt retirement costs	2.3	-	-	-	-	2.3	-
Total benefits, losses and expenses	248.1	235.3	245.8	221.7	227.0	950.9	914.6
Income before income taxes	28.0	30.4	22.7	48.4	42.1	129.5	146.1
Income tax expense	6.9	8.5	6.5	14.1	12.1	36.0	41.9
Net income	\$ 21.1	\$ 21.9	\$ 16.2	\$ 34.3	\$ 30.0	\$ 93.5	\$ 104.2
Less: Net realized investment gains (losses), after tax	3.1	0.7	0.8	4.0	1.3	8.6	6.9
Operating income	\$ 18.0	\$ 21.2	\$ 15.4	\$ 30.3	\$ 28.7	\$ 84.9	\$ 97.3
Other Statistics							
Effective tax rate on net investment income	33.1%	33.0%	33.0%	32.9%	32.9%	33.0%	32.9%
Net investment income, after tax	\$ 56.4	\$ 54.3	\$ 56.3	\$ 55.9	\$ 55.6	\$ 222.9	\$ 221.4
Catastrophes, net of reinsurance, pre-tax	7.6	5.0	21.3	10.5	2.0	44.4	37.5
Catastrophes, net of reinsurance, after tax	5.0	3.3	13.8	6.8	1.3	28.9	24.4
Other-than-temporary impairment losses on securities [1]	(2.9)	(3.6)	(10.7)	(2.3)	(5.8)	(19.5)	(6.4)
Agent Information							
Exclusive agencies	689	653	653	668	682	689	682
Employee agents	46	48	50	61	73	46	73
Total	735	701	703	729	755	735	755

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

HORACE MANN EDUCATORS CORPORATION

CONSOLIDATED BALANCE SHEET

	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014
<i>(\$ in millions, except per share data)</i>						
ASSETS						
Investments						
Fixed maturities, available for sale, at fair value	\$ 7,091.3	\$ 7,078.7	\$ 6,897.1	\$ 7,065.8	\$ 6,893.1	\$ 6,793.5
Equity securities, available for sale, at fair value	99.8	96.1	99.3	105.1	110.6	106.8
Short-term and other investments	456.9	366.4	388.7	450.3	399.8	406.2
Total investments	7,648.0	7,541.2	7,385.1	7,621.2	7,403.5	7,306.5
Cash	15.5	49.9	46.0	43.9	11.7	41.2
Deferred policy acquisition costs	253.2	237.4	236.2	211.5	215.1	217.7
Goodwill	47.4	47.4	47.4	47.4	47.4	47.4
Other assets	294.5	285.6	349.5	285.2	277.2	243.8
Separate account assets	1,800.7	1,742.0	1,905.3	1,865.2	1,813.6	1,786.4
Total assets	\$ 10,059.3	\$ 9,903.5	\$ 9,969.5	\$ 10,074.4	\$ 9,768.5	\$ 9,643.0
LIABILITIES AND SHAREHOLDERS' EQUITY						
Policy liabilities						
Investment contract and life policy reserves	\$ 5,126.8	\$ 5,064.8	\$ 4,970.6	\$ 4,881.5	\$ 4,802.3	\$ 4,737.7
Unpaid claims and claim expenses	323.7	324.4	338.7	340.1	325.8	305.1
Unearned premiums	232.9	234.5	221.8	217.1	223.4	226.7
Total policy liabilities	5,683.4	5,623.7	5,531.1	5,438.7	5,351.5	5,269.5
Other policyholder funds	692.7	612.6	609.3	607.6	606.7	601.6
Other liabilities	368.5	380.0	379.1	515.1	422.3	459.3
Short-term debt	-	113.0	113.0	38.0	38.0	38.0
Long-term debt, current and noncurrent	249.3	125.0	125.0	200.0	199.9	199.9
Separate account liabilities	1,800.7	1,742.0	1,905.3	1,865.2	1,813.6	1,786.4
Total liabilities	8,794.6	8,596.3	8,662.8	8,664.6	8,432.0	8,354.7
Common stock, \$0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	442.6	439.2	437.8	435.1	422.2	420.7
Retained earnings	1,116.3	1,105.8	1,094.4	1,088.9	1,065.3	1,045.1
Accumulated other comprehensive income (loss), net of taxes:						
Net unrealized gains and losses on fixed maturities and equity securities	175.2	226.6	223.8	335.1	297.6	270.0
Net funded status of pension and other post-retirement benefit obligations	(11.8)	(13.0)	(13.0)	(13.0)	(13.0)	(11.8)
Treasury stock, at cost	(457.7)	(451.5)	(436.4)	(436.4)	(435.7)	(435.8)
Total shareholders' equity	1,264.7	1,307.2	1,306.7	1,409.8	1,336.5	1,288.3
Total liabilities and shareholders' equity	\$ 10,059.3	\$ 9,903.5	\$ 9,969.5	\$ 10,074.4	\$ 9,768.5	\$ 9,643.0

HORACE MANN EDUCATORS CORPORATION

CAPITAL METRICS

For Period Ended	Three Months Ended					Year Ended	
	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
<i>(\$ in millions, except per share data)</i>							
Book Value Per Share							
<u>Numerator</u>							
Shareholders' Equity	\$ 1,264.7	\$ 1,307.2	\$ 1,306.7	\$ 1,409.8	\$ 1,336.5	\$ 1,264.7	\$ 1,336.5
Less: Unrealized Gains and Losses on Fixed Maturities and Equity Securities [1]	175.2	226.6	223.8	335.1	297.6	175.2	297.6
Shareholders' Equity Excluding Unrealized Gains and Losses on Fixed Maturities and Equity Securities	\$ 1,089.5	\$ 1,080.6	\$ 1,082.9	\$ 1,074.7	\$ 1,038.9	\$ 1,089.5	\$ 1,038.9
<u>Denominator</u>							
Common Shares Issued and Outstanding, at period end	40.6	40.7	41.2	41.1	40.9	40.6	40.9
Book Value Per Share	\$ 31.18	\$ 32.09	\$ 31.73	\$ 34.28	\$ 32.65	\$ 31.18	\$ 32.65
Book Value Per Share Excluding Unrealized on Fixed Maturities and Equity Securities	\$ 26.86	\$ 26.52	\$ 26.30	\$ 26.13	\$ 25.38	\$ 26.86	\$ 25.38
Return on Shareholders' Equity							
<u>Numerator</u>							
Trailing 12 Months Net Income	\$ 93.5	\$ 102.4	\$ 105.9	\$ 110.1	\$ 104.2	\$ 93.5	\$ 104.2
Trailing 12 Months Operating Income	84.9	95.6	97.5	100.3	97.3	84.9	97.3
<u>Denominator (5-point Average)</u>							
5-point Average Shareholders' Equity	\$ 1,325.0	\$ 1,329.7	\$ 1,324.9	\$ 1,303.1	\$ 1,241.0	\$ 1,325.0	\$ 1,241.0
Trailing 12 Months Net Income on Average Shareholders' Equity (5-point Average)	7.1%	7.7%	8.0%	8.4%	8.4%	7.1%	8.4%
Trailing 12 Months Operating Income on Average Shareholders' Equity (5-point Average)	6.4%	7.2%	7.4%	7.7%	7.8%	6.4%	7.8%
Debt and Total Capitalization							
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
Senior Debt:							
4.50% Senior Notes Due December 1, 2025	249.3	-	-	-	-	249.3	-
6.05% Senior Notes Due June 15, 2015	-	-	-	75.0	75.0	-	75.0
6.85% Senior Notes Due April 15, 2016	-	125.0	125.0	125.0	124.9	-	124.9
Total Debt	249.3	238.0	238.0	238.0	237.9	249.3	237.9
Shareholders' Equity	1,264.7	1,307.2	1,306.7	1,409.8	1,336.5	1,264.7	1,336.5
Total Capitalization	\$ 1,514.0	\$ 1,545.2	\$ 1,544.7	\$ 1,647.8	\$ 1,574.4	\$ 1,514.0	\$ 1,574.4
Ratio of Debt to Shareholders' Equity	19.7%	18.2%	18.2%	16.9%	17.8%	19.7%	17.8%
Ratio of Debt to Total Capitalization	16.5%	15.4%	15.4%	14.4%	15.1%	16.5%	15.1%
Capital Returned to Shareholders							
Common Stock Repurchased [2]	\$ 6.2	\$ 15.1	\$ -	\$ 0.7	\$ -	\$ 22.0	\$ 5.4
Cash Dividends Paid	10.5	10.6	10.7	10.7	9.8	42.5	39.2
Total Capital Returned to Shareholders	\$ 16.7	\$ 25.7	\$ 10.7	\$ 11.4	\$ 9.8	\$ 64.5	\$ 44.6

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

[2] As of December 31, 2015, the Company's two programs had a remaining combined authorization of \$51.0 million.

HORACE MANN EDUCATORS CORPORATION
PROPERTY & CASUALTY SEGMENT
STATEMENT OF OPERATIONS

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Year Ended	
	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
UNDERWRITING RESULTS							
Written premiums							
Voluntary Auto	\$ 100.6	\$ 102.2	\$ 97.4	\$ 98.2	\$ 95.4	\$ 398.4	\$ 380.5
Property	47.8	58.6	54.1	41.5	47.0	202.0	199.8
Involuntary & Other	2.4	1.2	1.0	0.8	2.0	5.4	4.1
Total written premiums	150.8	162.0	152.5	140.5	144.4	605.8	584.4
Earned premiums							
Voluntary Auto	\$ 99.4	\$ 97.8	\$ 96.8	\$ 95.8	\$ 95.3	\$ 389.8	\$ 378.0
Property	50.5	50.4	50.0	50.2	50.1	201.1	199.7
Involuntary & Other	2.5	1.0	0.9	0.7	2.3	5.1	4.1
Total earned premiums	152.4	149.2	147.7	146.7	147.7	596.0	581.8
Losses and loss adjustment expenses							
Current accident year before catastrophes	103.8	100.5	95.4	88.7	98.3	388.4	379.0
Current accident year catastrophes	7.6	5.0	21.3	10.5	2.0	44.4	37.5
Prior years' reserve development [1]	(2.5)	(2.8)	(3.2)	(4.0)	(5.6)	(12.5)	(17.0)
Total losses and loss adjustment expenses	108.9	102.7	113.5	95.2	94.7	420.3	399.5
Operating expenses, including DAC amortization expense	41.4	39.8	39.5	37.4	41.2	158.1	159.7
Underwriting gain (loss)	2.1	6.7	(5.3)	14.1	11.8	17.6	22.6
Net investment income	7.7	7.4	9.0	9.4	9.2	33.5	36.8
Other income (expense)	-	-	-	0.2	1.2	0.2	1.4
Income before income taxes	9.8	14.1	3.7	23.7	22.2	51.3	60.8
Income tax expense (benefit)	1.9	2.9	0.4	6.1	6.0	11.3	13.9
Net Income [2]	\$ 7.9	\$ 11.2	\$ 3.3	\$ 17.6	\$ 16.2	\$ 40.0	\$ 46.9

[1] (Favorable) unfavorable.

[2] Net realized investment gains (losses) are not allocated by segment, therefore, net income and operating income are equivalent.

HORACE MANN EDUCATORS CORPORATION
PROPERTY & CASUALTY SEGMENT
UNDERWRITING RESULTS

<u>For Period Ended</u>	<u>Three Months Ended</u>					<u>Year Ended</u>	
	<u>Dec. 31, 2015</u>	<u>Sept. 30, 2015</u>	<u>Jun. 30, 2015</u>	<u>Mar. 31, 2015</u>	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
UNDERWRITING RATIOS (%)							
Losses and loss adjustment expenses							
Current accident year before catastrophes	68.1	67.3	64.6	60.5	66.6	65.2	65.1
Current accident year catastrophes	5.0	3.4	14.5	7.1	1.3	7.4	6.5
Prior years' reserve development [1]	(1.6)	(1.9)	(2.2)	(2.7)	(3.8)	(2.1)	(2.9)
Total losses and loss adjustment expenses	71.5	68.8	76.9	64.9	64.1	70.5	68.7
Expense Ratio	27.1	26.6	26.8	25.5	27.8	26.5	27.4
Combined ratio	98.6	95.4	103.7	90.4	91.9	97.0	96.1
Combined ratio before catastrophes	93.6	92.0	89.2	83.3	90.6	89.6	89.6
Combined ratio before catastrophes and prior years' development	95.2	93.9	91.4	86.0	94.4	91.7	92.5
PRODUCT (%)							
Automobile							
Loss and loss adjustment expense ratio	82.7	75.7	75.3	67.7	76.9	75.4	71.0
Expense ratio	27.4	27.0	27.3	26.3	28.3	27.0	28.0
Combined ratio	110.1	102.7	102.6	94.0	105.2	102.4	99.0
Prior years' reserve development [1]	(0.1)	(1.5)	(0.5)	(2.3)	(2.8)	(1.1)	(3.5)
Catastrophes	0.6	0.6	2.0	0.2	0.5	0.8	1.5
Combined ratio before catastrophes and prior years' development	109.6	103.6	101.1	96.1	107.5	102.7	101.0
Property							
Loss and loss adjustment expense ratio	49.7	55.3	82.1	59.3	41.9	61.5	64.6
Expense ratio	26.8	25.9	26.1	24.1	27.1	25.7	26.6
Combined ratio	76.5	81.2	108.2	83.4	69.0	87.2	91.2
Prior years' reserve development [1]	(4.6)	(2.6)	(3.0)	(3.6)	(4.3)	(3.5)	(1.1)
Catastrophes	13.5	8.9	38.7	20.7	2.8	20.4	15.8
Combined ratio before catastrophes and prior years' development	67.6	74.9	72.5	66.3	70.5	70.3	76.5
STATISTICAL PREMIUM INFORMATION							
Policy Count Retention (12 month)							
Voluntary Automobile	84.7%	84.8%	84.9%	84.9%	84.7%	84.7%	84.7%
Property	88.3%	88.1%	87.6%	87.7%	87.9%	88.3%	87.9%
Sales (12-month annualized premium, in millions) [2]							
Voluntary Automobile	\$ 22.3	\$ 23.6	\$ 20.0	\$ 18.4	\$ 20.1	\$ 84.3	\$ 79.0
Property	4.3	5.0	4.4	3.5	4.4	17.2	16.9
Total Sales	\$ 26.6	\$ 28.6	\$ 24.4	\$ 21.9	\$ 24.5	\$ 101.5	\$ 95.9
Policies in force (in thousands)							
Voluntary Automobile	487	485	483	480	481	487	481
Property	224	225	226	228	229	224	229
Total Policies in force	711	710	709	708	710	711	710

[1] (Favorable) unfavorable.

[2] HM products.

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

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					Year Ended	
	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Contract deposits	\$ 125.8	\$ 139.3	\$ 140.9	\$ 142.0	\$ 118.9	\$ 548.0	\$ 480.6
Revenues							
Contract charges earned	\$ 6.1	\$ 6.6	\$ 6.5	\$ 6.2	\$ 6.6	\$ 25.4	\$ 25.6
Net investment income	58.6	56.2	57.2	56.4	55.9	228.4	222.1
Other income	0.6	0.4	0.5	0.6	0.5	2.1	1.8
Total revenues	65.3	63.2	64.2	63.2	63.0	255.9	249.5
Benefits and Expenses							
Interest credited	35.7	35.1	34.4	33.5	33.8	138.7	132.5
Mortality loss and other reserve changes	1.3	1.0	0.6	0.3	0.5	3.2	2.2
DAC amortization expense, excluding unlocking	3.8	3.6	3.7	3.6	3.5	14.7	13.6
DAC unlocking	1.5	1.9	0.1	(0.1)	0.3	3.4	1.2
Operating expenses	8.0	8.6	8.4	7.6	8.9	32.6	33.3
Total benefits and expenses	50.3	50.2	47.2	44.9	47.0	192.6	182.8
Income before income taxes	15.0	13.0	17.0	18.3	16.0	63.3	66.7
Income tax expense	4.6	4.3	5.2	5.8	4.8	19.9	21.4
Net income [1]	\$ 10.4	\$ 8.7	\$ 11.8	\$ 12.5	\$ 11.2	\$ 43.4	\$ 45.3
Less: DAC unlocking, after tax	(1.0)	(1.2)	(0.1)	0.1	(0.2)	(2.2)	(0.8)
Net income excluding DAC unlocking	\$ 11.4	\$ 9.9	\$ 11.9	\$ 12.4	\$ 11.4	\$ 45.6	\$ 46.1
RETURN ON ASSETS (Before-tax basis points)							
ROA (12 month) [2]	114	115	120	121	123	114	123
INTEREST SPREAD [3]	184	185	190	194	204	184	204
Annuity Contracts in force (in thousands)	211	207	206	204	203	211	203
Persistency (12 month)							
Fixed Annuities	94.8%	94.8%	94.7%	94.5%	94.5%	94.8%	94.5%
Variable Annuities	94.3%	94.1%	94.0%	93.9%	94.0%	94.3%	94.0%
Sales (12-month annualized deposits, in millions) [4]							
Recurring	\$ 17.7	\$ 11.1	\$ 10.2	\$ 10.4	\$ 16.3	\$ 49.4	\$ 45.1
Single Deposit/Rollover	73.3	94.9	80.5	72.6	68.9	321.3	295.7
Total Sales	\$ 91.0	\$ 106.0	\$ 90.7	\$ 83.0	\$ 85.2	\$ 370.7	\$ 340.8

[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

For Period Ended <i>(\$ in millions)</i>	Three Months Ended					
	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014
FIXED ACCOUNT ANNUITIES [1]						
Beginning balance	\$ 3,953.6	\$ 3,897.7	\$ 3,842.9	\$ 3,788.1	\$ 3,754.1	\$ 3,693.6
Deposits	54.7	67.6	65.9	71.0	56.4	74.9
Withdrawals	(74.7)	(60.3)	(56.1)	(58.3)	(72.8)	(58.2)
Net Transfers	15.7	14.9	12.7	10.3	16.5	11.6
Interest Credited	35.7	35.1	34.4	33.5	33.8	33.6
Other	(0.6)	(1.4)	(2.1)	(1.7)	0.1	(1.4)
Ending balance	\$ 3,984.4	\$ 3,953.6	\$ 3,897.7	\$ 3,842.9	\$ 3,788.1	\$ 3,754.1
FIXED INDEXED ACCOUNT ANNUITIES [2] [3]						
Beginning balance	\$ 183.5	\$ 148.5	\$ 121.0	\$ 97.0	\$ 72.0	\$ 37.0
Deposits	28.8	34.4	26.8	23.9	24.3	33.8
Withdrawals	(1.0)	(0.9)	(0.8)	(0.7)	(0.2)	(0.2)
Net Transfers	(0.2)	(0.4)	(0.6)	(0.3)	(0.2)	(0.1)
Index Credits	0.3	0.6	0.9	0.1	-	-
Other	1.2	1.3	1.2	1.0	1.1	1.5
Ending balance	\$ 212.6	\$ 183.5	\$ 148.5	\$ 121.0	\$ 97.0	\$ 72.0
VARIABLE ACCOUNT ANNUITIES [4]						
Beginning balance	\$ 1,742.0	\$ 1,905.3	\$ 1,865.2	\$ 1,813.6	\$ 1,786.4	\$ 1,814.1
Deposits	42.3	37.3	48.2	47.1	38.2	34.7
Withdrawals	(25.7)	(27.5)	(28.8)	(26.3)	(29.4)	(28.3)
Net Transfers	(15.5)	(14.5)	(12.1)	(10.0)	(16.3)	(11.5)
Fees & Charges	(7.2)	(7.1)	(7.3)	(7.0)	(7.1)	(7.0)
Market Appreciation	64.7	(151.6)	39.9	47.8	41.7	(15.8)
Other	0.1	0.1	0.2	-	0.1	0.2
Ending balance	\$ 1,800.7	\$ 1,742.0	\$ 1,905.3	\$ 1,865.2	\$ 1,813.6	\$ 1,786.4

[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>Dec. 31,</u> <u>2015</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>Dec. 31,</u> <u>2015</u>	<u>Dec. 31,</u> <u>2014</u>
Premiums and contract deposits	\$ 28.6	\$ 24.9	\$ 26.0	\$ 23.2	\$ 29.0	\$ 102.7	\$ 102.7
Revenues							
Premiums and contract charges earned	\$ 28.5	\$ 27.0	\$ 28.2	\$ 26.8	\$ 27.9	\$ 110.5	\$ 108.4
Net investment income	18.2	17.7	18.0	17.7	17.9	71.6	71.8
Other income	0.3	0.1	0.2	0.2	0.3	0.8	1.1
Total revenues	47.0	44.8	46.4	44.7	46.1	182.9	181.3
Benefits and Expenses							
Death benefits / mortality cost [1]	9.4	8.8	9.2	9.7	7.7	37.1	32.6
Interest credited	11.0	11.1	11.0	11.0	11.0	44.1	43.6
Change in reserves	8.7	8.6	9.7	8.8	8.9	35.8	34.1
DAC amortization expense, excluding unlocking	1.7	2.0	1.9	2.0	2.0	7.6	7.8
DAC unlocking	0.1	-	-	(0.1)	(0.1)	-	(0.1)
Operating expenses	9.7	8.7	9.0	8.0	9.5	35.4	36.4
Total benefits and expenses	40.6	39.2	40.8	39.4	39.0	160.0	154.4
Income before income taxes	6.4	5.6	5.6	5.3	7.1	22.9	26.9
Income tax expense	2.0	2.0	2.0	1.9	2.4	7.9	9.4
Net income [2]	\$ 4.4	\$ 3.6	\$ 3.6	\$ 3.4	\$ 4.7	\$ 15.0	\$ 17.5
Less: DAC unlocking, after tax	(0.1)	-	-	0.1	0.1	-	0.1
Net income excluding DAC unlocking	\$ 4.5	\$ 3.6	\$ 3.6	\$ 3.3	\$ 4.6	\$ 15.0	\$ 17.4
Earnings margin (Before tax)							
Return On Premium (12 month) [3]	20.7%	21.2%	21.9%	23.8%	24.7%	20.7%	24.7%
SUPPLEMENTAL DATA							
Lapse Ratio (12 month) [4]	4.1%	4.0%	4.1%	4.0%	4.0%	4.1%	4.0%
Sales (12-month premium, in millions) [5]							
Recurring	\$ 2.1	\$ 1.6	\$ 1.5	\$ 1.6	\$ 2.4	\$ 6.8	\$ 7.0
Single Premium	1.4	1.0	1.4	0.3	1.4	4.1	4.1
Total Sales	\$ 3.5	\$ 2.6	\$ 2.9	\$ 1.9	\$ 3.8	\$ 10.9	\$ 11.1
Insurance in force (in millions)	\$ 16,505	\$ 16,312	\$ 16,148	\$ 15,983	\$ 15,801	\$ 16,505	\$ 15,801
Policies in force (in thousands)	202	201	200	201	201	202	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					Year Ended	
	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Revenues							
Net investment income	\$ (0.2)	\$ (0.3)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.9)	\$ (0.9)
Other income	-	0.1	-	-	(0.1)	0.1	(0.1)
Total revenues	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.8)	(1.0)
Expenses							
Interest expense	3.5	2.6	3.4	3.6	3.6	13.1	14.2
Debt retirement costs	2.3	-	-	-	-	2.3	-
Other operating expenses	1.1	0.8	1.4	1.2	1.5	4.5	4.0
Total expenses	6.9	3.4	4.8	4.8	5.1	19.9	18.2
Operating income (loss) before income tax	(7.1)	(3.6)	(5.0)	(5.0)	(5.4)	(20.7)	(19.2)
Income tax expense (benefit)	(2.4)	(1.3)	(1.7)	(1.8)	(2.0)	(7.2)	(6.8)
Operating income (loss) after tax	\$ (4.7)	\$ (2.3)	\$ (3.3)	\$ (3.2)	\$ (3.4)	\$ (13.5)	\$ (12.4)
Realized investment gains (losses) pretax [1]	3.9	1.3	1.4	6.1	2.2	12.7	10.9
Tax on realized investment gains (losses) [1]	0.8	0.6	0.6	2.1	0.9	4.1	4.0
Realized investment gains (losses) after tax [1]	3.1	0.7	0.8	4.0	1.3	8.6	6.9
Net income (loss)	\$ (1.6)	\$ (1.6)	\$ (2.5)	\$ 0.8	\$ (2.1)	\$ (4.9)	\$ (5.5)

[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					Year Ended	
	Dec. 31, 2015	Sept. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Net Investment Income							
Fixed maturities [1]							
Taxable	\$ 78.6	\$ 75.0	\$ 76.1	\$ 73.9	\$ 74.3	\$ 303.6	\$ 294.2
Tax-exempt	5.4	5.5	5.8	5.9	5.8	22.6	23.6
Total fixed maturities	84.0	80.5	81.9	79.8	80.1	326.2	317.8
Equity securities	1.2	1.1	1.0	1.1	1.3	4.4	4.8
Policy loans	2.1	2.1	2.1	2.0	2.1	8.3	8.1
Limited partnerships and other alternative investments	(1.1)	(0.6)	1.2	2.5	1.2	2.0	7.2
Short-term investments and other	0.4	0.2	0.1	0.1	0.3	0.8	0.4
Investment income	86.6	83.3	86.3	85.5	85.0	341.7	338.3
Investment expenses	2.3	2.3	2.3	2.2	2.2	9.1	8.5
Total net investment income	\$ 84.3	\$ 81.0	\$ 84.0	\$ 83.3	\$ 82.8	\$ 332.6	\$ 329.8
Annualized investment yield, before-tax [2]	5.06%	5.09%	5.20%	5.16%	5.32%	5.06%	5.32%
Annualized investment yield, after-tax [2]	3.39%	3.41%	3.49%	3.47%	3.57%	3.39%	3.57%
Net Investment Income by Segment							
Property & Casualty	\$ 7.7	\$ 7.4	\$ 9.0	\$ 9.4	\$ 9.2	\$ 33.5	\$ 36.8
Annuity	58.6	56.2	57.2	56.4	55.9	228.4	222.1
Life	18.2	17.7	18.0	17.7	17.9	71.6	71.8
Corporate, including intersegment eliminations	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)	(0.9)	(0.9)
Total net investment income	\$ 84.3	\$ 81.0	\$ 84.0	\$ 83.3	\$ 82.8	\$ 332.6	\$ 329.8
Net Realized Capital Gains (Losses)							
Gross gains on disposals	\$ 7.1	\$ 8.9	\$ 14.7	\$ 8.9	\$ 11.6	\$ 39.6	\$ 26.7
Gross losses on disposals	(0.3)	(4.0)	(2.6)	(0.5)	(3.6)	(7.4)	(9.4)
Other-than-temporary impairment losses	(2.9)	(3.6)	(10.7)	(2.3)	(5.8)	(19.5)	(6.4)
Total net realized capital gains (losses)	\$ 3.9	\$ 1.3	\$ 1.4	\$ 6.1	\$ 2.2	\$ 12.7	\$ 10.9

[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

For Period Ended <i>(\$ in millions)</i>	December 31, 2015		September 30, 2015		June 30, 2015		March 31, 2015		December 31, 2014		September 30, 2014	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Fixed maturities, at fair value [1]	\$ 7,091.3	92.7%	\$ 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%
Equity securities, at fair value	99.8	1.3%	96.1	1.3%	99.3	1.3%	105.1	1.4%	110.6	1.5%	106.8	1.5%
Policy loans, at outstanding balance	148.7	1.9%	147.4	2.0%	146.9	2.0%	145.6	1.9%	145.4	2.0%	143.7	2.0%
Limited partnerships and other alternative investments	134.1	1.8%	116.3	1.5%	124.0	1.7%	123.7	1.6%	112.3	1.5%	100.3	1.4%
Short-term investments [2]	174.1	2.3%	102.7	1.4%	117.8	1.6%	181.0	2.4%	142.1	1.9%	162.2	2.2%
Short-term investments, securities lending collateral	-	-	-	-	-	-	-	-	-	-	-	-
Total investments	\$ 7,648.0	100.0%	\$ 7,541.2	100.0%	\$ 7,385.1	100.0%	\$ 7,621.2	100.0%	\$ 7,403.5	100.0%	\$ 7,306.5	100.0%
Asset-backed securities ("ABS")	\$ 534.1	7.5%	\$ 551.0	7.8%	\$ 566.0	8.2%	\$ 572.4	8.1%	\$ 539.3	7.8%	\$ 507.7	7.5%
Collateralized debt/loan obligations ("CDOs/CLOs")	608.2	8.6%	588.2	8.3%	583.2	8.5%	555.1	7.9%	528.6	7.7%	522.4	7.7%
Commercial mortgage-backed securities ("CMBS")	286.5	4.0%	221.4	3.1%	213.3	3.1%	187.8	2.7%	169.2	2.5%	153.0	2.3%
Corporate	2,853.1	40.2%	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%
Municipal	1,708.9	24.1%	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%
Residential mortgage-backed securities ("RMBS")	554.4	7.8%	570.9	8.1%	574.5	8.3%	582.7	8.2%	575.6	8.4%	574.9	8.5%
U.S. Treasuries and government agencies	546.1	7.7%	598.7	8.5%	602.6	8.7%	576.5	8.2%	538.2	7.8%	503.7	7.4%
Total fixed maturities	\$ 7,091.3	100.0%	\$ 7,078.7	100.0%	\$ 6,897.1	100.0%	\$ 7,065.8	100.0%	\$ 6,893.1	100.0%	\$ 6,793.5	100.0%
U.S. government/government agencies	\$ 1,080.1	15.2%	\$ 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%
AAA	493.1	7.0%	489.0	6.9%	490.3	7.1%	492.4	7.0%	471.9	6.8%	484.1	7.1%
AA	1,479.2	20.9%	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%
A	1,693.1	23.9%	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%
BBB	2,091.7	29.5%	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%
BB & below, includes securities not rated	254.1	3.6%	261.8	3.7%	226.9	3.3%	268.3	3.8%	252.6	3.7%	266.7	3.9%
Total fixed maturities	\$ 7,091.3	100.0%	\$ 7,078.7	100.0%	\$ 6,897.1	100.0%	\$ 7,065.8	100.0%	\$ 6,893.1	100.0%	\$ 6,793.5	100.0%
INVESTMENTS BY SEGMENT												
Property & Casualty	\$ 916.0	12.0%	\$ 920.2	12.2%	\$ 931.0	12.6%	\$ 957.3	12.6%	\$ 938.3	12.7%	\$ 936.0	12.8%
Annuity and Life	6,709.1	87.7%	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%
Corporate	22.9	0.3%	26.0	0.3%	36.3	0.5%	38.4	0.5%	43.1	0.6%	45.1	0.6%
Total investments	\$ 7,648.0	100.0%	\$ 7,541.2	100.0%	\$ 7,385.1	100.0%	\$ 7,621.2	100.0%	\$ 7,403.5	100.0%	\$ 7,306.5	100.0%

[1] Cost of \$6,785.6, \$6,676.5, \$6,505.0, \$6,479.3, \$6,375.2 and \$6,323.1 at December 31, 2015, September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, respectively.

[2] Includes \$22.9, \$26.0, \$36.3, \$38.4, \$43.1 and \$45.1 of short-term investments in the Corporate segment at December 31, 2015, September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, respectively.

HORACE MANN EDUCATORS CORPORATION

RATINGS AND CONTACT INFORMATION

Address:
1 Horace Mann Plaza
Springfield, IL 62715

Corporate Website:
www.horacemann.com

Contact:
Ryan E. Greenier
Vice President
Investor Relations
Phone: 217-788-5738
Ryan.Greenier@horacemann.com

Kristi E. Niles
Assistant Vice President
Investor Relations
Phone: 217-788-5160
Kristi.Niles@horacemann.com

As of December 31, 2015

	A.M. Best	Standard & Poor's	Moody's	Fitch
Financial Strength Ratings:				
Horace Mann Life Insurance Company	A	A	A3	A
Horace Mann Property and Casualty Insurance Company	A-	A	A3	A
Horace Mann Insurance Company	A-	A	A3	A
Teachers Insurance Company	A-	A	A3	A
Horace Mann Lloyds	A-	NR	NR	A
Other Ratings:				
Horace Mann Educators Corporation:				
Senior debt	bbb	BBB	Baa3	BBB
NR - not rated				

TRANSFER AGENT

American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219
Phone: 800-937-5449
E-mail: info@amstock.com
Corporate Website: www.amstock.com/shareholder/sh_general_info.asp

COMMON STOCK

Common stock of Horace Mann Educators Corporation is traded on the New York Stock Exchange under the symbol "HMN".

This report is for information purposes only. It should be read in conjunction with documents filed by Horace Mann Educators Corporation with the U.S. Securities and Exchange Commission, including the most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.