



**Horace Mann<sup>®</sup>**

*Founded by Educators for Educators*

**INVESTOR FINANCIAL SUPPLEMENT**

**JUNE 30, 2014**

# HORACE MANN EDUCATORS CORPORATION

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

# HORACE MANN EDUCATORS CORPORATION

## CONSOLIDATED FINANCIAL HIGHLIGHTS

<b>For Period Ended</b>	<b>Three Months Ended</b>					<b>Year to Date</b>	
	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2013</b>	<b>Sept. 30, 2013</b>	<b>Jun. 30, 2013</b>	<b>Jun. 30, 2014</b>	<b>Jun. 30, 2013</b>
<i>(\$ in millions, except per share data)</i>							
Earned Premiums	\$ 179.1	\$ 175.4	\$ 176.4	\$ 173.8	\$ 171.5	\$ 354.5	\$ 340.7
Net Investment Income	81.4	83.0	80.4	78.4	77.4	164.4	154.8
Net Realized Investment Gains (Losses)	3.5	1.7	1.3	(1.4)	15.4	5.2	22.3
Other Income	0.8	1.1	1.0	1.1	1.3	1.9	2.4
<b>Total Revenues</b>	<b>\$ 264.8</b>	<b>\$ 261.2</b>	<b>\$ 259.1</b>	<b>\$ 251.9</b>	<b>\$ 265.6</b>	<b>\$ 526.0</b>	<b>\$ 520.2</b>
Net Income	\$ 20.4	\$ 28.4	\$ 34.3	\$ 23.6	\$ 26.0	\$ 48.8	\$ 53.0
Operating Income	18.2	27.3	33.4	24.5	16.0	45.5	38.6
<b>At Period End</b>							
Total Assets	\$ 9,446.2	\$ 9,083.5	\$ 8,826.7	\$ 8,522.7	\$ 8,355.8	\$ 9,446.2	\$ 8,355.8
Total Policy Liabilities	5,163.3	5,082.3	5,029.2	4,969.8	4,870.1	5,163.3	4,870.1
Debt	237.9	237.9	237.9	237.9	237.8	237.9	237.8
Shareholders' Equity	1,283.1	1,197.8	1,099.3	1,089.3	1,106.3	1,283.1	1,106.3
<b>Per Share and Shares Data</b>							
Net Income per share	\$ 0.49	\$ 0.69	\$ 0.84	\$ 0.59	\$ 0.65	\$ 1.18	\$ 1.34
Operating Income per share	0.44	0.66	0.82	0.61	0.40	1.10	0.97
Net Income per diluted share	\$ 0.48	\$ 0.67	\$ 0.81	\$ 0.57	\$ 0.63	\$ 1.16	\$ 1.29
Operating Income per diluted share	0.43	0.65	0.79	0.59	0.39	1.08	0.94
Weighted average common shares	41.4	41.2	40.8	40.0	39.8	41.3	39.6
Dilutive effect of stock equivalents	0.9	1.1	1.4	1.7	1.6	0.9	1.6
<b>Weighted average diluted shares</b>	<b>42.3</b>	<b>42.3</b>	<b>42.2</b>	<b>41.7</b>	<b>41.4</b>	<b>42.2</b>	<b>41.2</b>
Book value per share	\$ 31.40	\$ 29.47	\$ 27.14	\$ 27.15	\$ 27.72	\$ 31.40	\$ 27.72
Per share impact of unrealized gain (loss) on fixed maturities and equity securities	6.89	5.20	3.31	4.00	4.93	6.89	4.93
Book value per share excluding unrealized gain (loss) on fixed maturities and equity securities	\$ 24.51	\$ 24.27	\$ 23.83	\$ 23.15	\$ 22.79	\$ 24.51	\$ 22.79
Dividends paid per share	\$ 0.23	\$ 0.230	\$ 0.195	\$ 0.195	\$ 0.195	\$ 0.46	\$ 0.39
<b>Financial Ratios</b>							
Net Income ROE	9.2%	9.8%	9.6%	9.1%	9.8%	9.2%	9.8%
Net Income ROE excluding unrealized on investments	11.1%	12.0%	12.2%	12.3%	13.6%	11.1%	13.6%
Operating Income ROE	9.0%	8.8%	8.3%	7.7%	7.7%	9.0%	7.7%
Operating Income ROE excluding unrealized on investments	10.8%	10.8%	10.6%	10.3%	10.7%	10.8%	10.7%
Debt to total capitalization	15.6%	16.6%	17.8%	17.9%	17.7%	15.6%	17.7%
Debt to total capitalization excluding unrealized on investments	19.2%	19.4%	19.8%	20.4%	20.7%	19.2%	20.7%
Annualized Investment yield, after tax	3.61%	3.67%	3.61%	3.61%	3.64%	3.61%	3.64%

## HORACE MANN EDUCATORS CORPORATION

### CONSOLIDATED STATEMENT OF OPERATIONS

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					<b>Year to Date</b>	
	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2013</b>	<b>Sept. 30, 2013</b>	<b>Jun. 30, 2013</b>	<b>Jun. 30, 2014</b>	<b>Jun. 30, 2013</b>
<b>Revenues</b>							
Insurance premiums and contract charges earned	\$ 179.1	\$ 175.4	\$ 176.4	\$ 173.8	\$ 171.5	\$ 354.5	\$ 340.7
Net investment income	81.4	83.0	80.4	78.4	77.4	164.4	154.8
Net realized investment gains (losses)	3.5	1.7	1.3	(1.4)	15.4	5.2	22.3
Other income	0.8	1.1	1.0	1.1	1.3	1.9	2.4
<b>Total revenues</b>	<b>264.8</b>	<b>261.2</b>	<b>259.1</b>	<b>251.9</b>	<b>265.6</b>	<b>526.0</b>	<b>520.2</b>
<b>Benefits, losses and expenses</b>							
Benefits, claims and settlement expenses	127.2	112.0	102.1	112.7	120.8	239.2	233.5
Interest credited	43.7	43.1	43.5	42.9	42.1	86.8	83.5
DAC amortization expense, excluding unlocking	23.0	22.9	22.4	22.2	21.9	45.9	43.6
DAC unlocking	(0.5)	0.1	(1.8)	(1.3)	1.1	(0.4)	(0.5)
Operating expenses	39.3	39.9	40.9	41.4	39.0	79.2	77.8
Interest expense	3.6	3.5	3.5	3.6	3.5	7.1	7.1
<b>Total benefits, losses and expenses</b>	<b>236.3</b>	<b>221.5</b>	<b>210.6</b>	<b>221.5</b>	<b>228.4</b>	<b>457.8</b>	<b>445.0</b>
Income before income taxes	28.5	39.7	48.5	30.4	37.2	68.2	75.2
Income tax expense	8.1	11.3	14.2	6.8	11.2	19.4	22.2
<b>Net income</b>	<b>\$ 20.4</b>	<b>\$ 28.4</b>	<b>\$ 34.3</b>	<b>\$ 23.6</b>	<b>\$ 26.0</b>	<b>\$ 48.8</b>	<b>\$ 53.0</b>
Less: Net realized investment gains (losses), after tax	2.2	1.1	0.9	(0.9)	10.0	3.3	14.4
<b>Operating income</b>	<b>\$ 18.2</b>	<b>\$ 27.3</b>	<b>\$ 33.4</b>	<b>\$ 24.5</b>	<b>\$ 16.0</b>	<b>\$ 45.5</b>	<b>\$ 38.6</b>
<b>Other Statistics</b>							
Effective tax rate on net investment income	32.8%	32.9%	33.0%	32.8%	32.7%	32.8%	32.7%
Net investment income, after tax	\$ 54.7	\$ 55.7	\$ 53.9	\$ 52.7	\$ 52.1	\$ 110.4	\$ 104.2
Catastrophes, net of reinsurance, pre-tax	23.5	6.3	2.9	9.1	22.5	29.8	28.2
Catastrophes, net of reinsurance, after tax	15.3	4.1	1.9	5.9	14.6	19.4	18.3
Other-than-temporary impairment losses on securities [1]	(0.5)	-	(0.5)	-	(1.0)	(0.5)	(1.0)
<b>Agent Information</b>							
Exclusive agencies	620	629	654	620	615	620	615
Employee agents	87	93	105	116	121	87	121
<b>Total</b>	<b>707</b>	<b>722</b>	<b>759</b>	<b>736</b>	<b>736</b>	<b>707</b>	<b>736</b>

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

# HORACE MANN EDUCATORS CORPORATION

## CONSOLIDATED BALANCE SHEET

	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013	Sept. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
<i>(\$ in millions, except per share data)</i>						
<b>ASSETS</b>						
Investments						
Fixed maturities, available for sale, at fair value	\$ 6,676.3	\$ 6,398.4	\$ 6,009.6	\$ 5,940.5	\$ 5,930.6	\$ 6,143.7
Equity securities, available for sale, at fair value	109.5	94.2	91.9	86.6	83.0	58.7
Short-term and other investments	303.9	308.7	438.0	313.7	283.7	223.8
<b>Total investments</b>	<b>7,089.7</b>	<b>6,801.3</b>	<b>6,539.5</b>	<b>6,340.8</b>	<b>6,297.3</b>	<b>6,426.1</b>
Cash	44.7	34.9	18.2	45.8	37.9	49.9
Deferred policy acquisition costs	210.0	222.6	245.3	233.1	220.8	199.0
Goodwill	47.4	47.4	47.4	47.4	47.4	47.4
Other assets	240.3	232.3	228.3	227.9	226.9	226.7
Separate account assets	1,814.1	1,745.0	1,748.0	1,627.7	1,525.5	1,508.3
<b>Total assets</b>	<b>\$ 9,446.2</b>	<b>\$ 9,083.5</b>	<b>\$ 8,826.7</b>	<b>\$ 8,522.7</b>	<b>\$ 8,355.8</b>	<b>\$ 8,457.4</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Policy liabilities						
Fixed annuity contract liabilities	\$ 3,629.1	\$ 3,567.2	\$ 3,515.9	\$ 3,454.3	\$ 3,366.5	\$ 3,311.0
Interest-sensitive life contract liabilities	785.3	781.1	777.3	773.8	769.7	765.7
Unpaid claims and claim expenses	302.6	295.2	291.6	297.0	303.4	300.9
Future policy benefits	228.6	224.6	223.3	221.4	218.8	217.0
Unearned premiums	217.7	214.2	221.1	223.3	211.7	207.1
<b>Total policy liabilities</b>	<b>5,163.3</b>	<b>5,082.3</b>	<b>5,029.2</b>	<b>4,969.8</b>	<b>4,870.1</b>	<b>4,801.6</b>
Other policyholder funds	347.1	344.8	346.3	97.8	99.9	101.0
Other liabilities	600.7	475.7	366.0	500.2	516.2	546.9
Short-term debt	38.0	38.0	38.0	38.0	38.0	38.0
Long-term debt	199.9	199.9	199.9	199.9	199.8	199.8
Separate account liabilities	1,814.1	1,745.0	1,748.0	1,627.7	1,525.5	1,508.3
<b>Total liabilities</b>	<b>8,163.1</b>	<b>7,885.7</b>	<b>7,727.4</b>	<b>7,433.4</b>	<b>7,249.5</b>	<b>7,195.7</b>
Common stock, \$0.001 par value	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	418.0	413.4	407.0	400.1	396.2	390.2
Retained earnings	1,029.5	1,018.9	1,000.3	974.2	958.8	940.9
Accumulated other comprehensive income (loss), net of taxes:						
Net unrealized gains and losses on fixed maturities and equity securities	281.5	211.4	134.0	160.5	196.8	374.1
Net funded status of pension and other post-retirement benefit obligations	(11.8)	(11.8)	(11.8)	(15.3)	(15.3)	(15.3)
Treasury stock, at cost	(434.2)	(434.2)	(430.3)	(430.3)	(430.3)	(428.3)
<b>Total shareholders' equity</b>	<b>1,283.1</b>	<b>1,197.8</b>	<b>1,099.3</b>	<b>1,089.3</b>	<b>1,106.3</b>	<b>1,261.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 9,446.2</b>	<b>\$ 9,083.5</b>	<b>\$ 8,826.7</b>	<b>\$ 8,522.7</b>	<b>\$ 8,355.8</b>	<b>\$ 8,457.4</b>

## HORACE MANN EDUCATORS CORPORATION

### CAPITAL METRICS

<b>For Period Ended</b>	<b>Three Months Ended</b>					<b>Year to Date</b>	
	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2013</b>	<b>Sept. 30, 2013</b>	<b>Jun. 30, 2013</b>	<b>Jun. 30, 2014</b>	<b>Jun. 30, 2013</b>
<i>(\$ in millions, except per share data)</i>							
<b><u>Book Value Per Share</u></b>							
<b>Numerator</b>							
Shareholders' Equity	\$ 1,283.1	\$ 1,197.8	\$ 1,099.3	\$ 1,089.3	\$ 1,106.3	\$ 1,283.1	\$ 1,106.3
Less: Unrealized Gains and Losses on Fixed Maturities and Equity Securities [1]	281.5	211.4	134.0	160.5	196.8	281.5	196.8
<b>Shareholders' Equity Excluding Unrealized Gains and Losses on Fixed Maturities and Equity Securities</b>	<b>\$ 1,001.6</b>	<b>\$ 986.4</b>	<b>\$ 965.3</b>	<b>\$ 928.8</b>	<b>\$ 909.5</b>	<b>\$ 1,001.6</b>	<b>\$ 909.5</b>
<b>Denominator</b>							
Common Shares Issued and Outstanding, at period end	40.9	40.6	40.5	40.1	39.9	40.9	39.9
<b>Book Value Per Share</b>	<b>\$ 31.40</b>	<b>\$ 29.47</b>	<b>\$ 27.14</b>	<b>\$ 27.15</b>	<b>\$ 27.72</b>	<b>\$ 31.40</b>	<b>\$ 27.72</b>
<b>Book Value Per Share Excluding Unrealized on Fixed Maturities and Equity Securities</b>	<b>\$ 24.51</b>	<b>\$ 24.27</b>	<b>\$ 23.83</b>	<b>\$ 23.15</b>	<b>\$ 22.79</b>	<b>\$ 24.51</b>	<b>\$ 22.79</b>
<b><u>Return on Shareholders' Equity</u></b>							
<b>Numerator</b>							
Trailing 12 Months Net Income	\$ 106.7	\$ 112.3	\$ 110.9	\$ 108.5	\$ 117.1	\$ 106.7	\$ 117.1
Trailing 12 Months Operating Income	103.4	101.2	96.5	91.0	91.8	103.4	91.8
<b>Denominator (5-point Average)</b>							
5-point Average Shareholders' Equity	\$ 1,155.2	\$ 1,150.9	\$ 1,160.5	\$ 1,187.1	\$ 1,197.9	\$ 1,155.2	\$ 1,197.9
Trailing 12 Months Net Income on Average Shareholders' Equity (5-point Average)	9.2%	9.8%	9.6%	9.1%	9.8%	9.2%	9.8%
Trailing 12 Months Operating Income on Average Shareholders' Equity (5-point Average)	9.0%	8.8%	8.3%	7.7%	7.7%	9.0%	7.7%
<b><u>Debt and Total Capitalization</u></b>							
Short Term Debt, Due Under Revolving Credit Agreement, Expires On 10/6/15, At Libor +125 bps	\$ 38.0	\$ 38.0	\$ 38.0	\$ 38.0	\$ 38.0	\$ 38.0	\$ 38.0
<b>Senior Debt:</b>							
6.05% Senior Notes Due June 15, 2015	75.0	75.0	75.0	75.0	74.9	75.0	74.9
6.85% Senior Notes Due April 15, 2016	124.9	124.9	124.9	124.9	124.9	124.9	124.9
<b>Total Debt</b>	<b>237.9</b>	<b>237.9</b>	<b>237.9</b>	<b>237.9</b>	<b>237.8</b>	<b>237.9</b>	<b>237.8</b>
<b>Shareholders' Equity</b>	<b>1,283.1</b>	<b>1,197.8</b>	<b>1,099.3</b>	<b>1,089.3</b>	<b>1,106.3</b>	<b>1,283.1</b>	<b>1,106.3</b>
<b>Total Capitalization</b>	<b>\$ 1,521.0</b>	<b>\$ 1,435.7</b>	<b>\$ 1,337.2</b>	<b>\$ 1,327.2</b>	<b>\$ 1,344.1</b>	<b>\$ 1,521.0</b>	<b>\$ 1,344.1</b>
Ratio of Debt to Shareholders' Equity	18.5%	19.9%	21.7%	21.8%	21.5%	18.5%	21.5%
Ratio of Debt to Total Capitalization	15.6%	16.6%	17.8%	17.9%	17.7%	15.6%	17.7%
<b><u>Capital Returned to Shareholders</u></b>							
Common Stock Repurchased	\$ -	\$ 3.9	\$ -	\$ -	\$ 2.1	\$ 3.9	\$ 3.9
Cash Dividends Paid	9.8	9.8	8.3	8.1	8.1	19.6	16.2
<b>Total Capital Returned to Shareholders</b>	<b>\$ 9.8</b>	<b>\$ 13.7</b>	<b>\$ 8.3</b>	<b>\$ 8.1</b>	<b>\$ 10.2</b>	<b>\$ 23.5</b>	<b>\$ 20.1</b>

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

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

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					<b>Year to Date</b>	
	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2013</b>	<b>Sept. 30, 2013</b>	<b>Jun. 30, 2013</b>	<b>Jun. 30, 2014</b>	<b>Jun. 30, 2013</b>
<b>UNDERWRITING RESULTS</b>							
Written premiums							
Voluntary Auto	\$ 93.3	\$ 94.8	\$ 93.6	\$ 94.4	\$ 91.4	\$ 188.1	\$ 183.7
Property	54.0	41.9	46.8	57.3	51.7	95.9	90.9
Involuntary & Other	0.9	0.5	1.4	0.8	1.1	1.4	1.5
<b>Total written premiums</b>	<b>148.2</b>	<b>137.2</b>	<b>141.8</b>	<b>152.5</b>	<b>144.2</b>	<b>285.4</b>	<b>276.1</b>
Earned premiums							
Voluntary Auto	\$ 94.2	\$ 93.9	\$ 93.3	\$ 91.8	\$ 91.5	\$ 188.1	\$ 182.4
Property	49.8	49.6	48.6	48.2	47.3	99.4	94.0
Involuntary & Other	0.6	0.4	1.8	0.8	0.7	1.0	1.0
<b>Total earned premiums</b>	<b>144.6</b>	<b>143.9</b>	<b>143.7</b>	<b>140.8</b>	<b>139.5</b>	<b>288.5</b>	<b>277.4</b>
Losses and loss adjustment expenses							
Current accident year before catastrophes	89.4	92.7	90.7	92.5	86.2	182.1	180.2
Current accident year catastrophes	23.5	6.3	2.9	9.1	22.5	29.8	28.2
Prior years' reserve development [1]	(3.0)	(4.0)	(8.1)	(4.0)	(2.6)	(7.0)	(5.9)
<b>Total losses and loss adjustment expenses</b>	<b>109.9</b>	<b>95.0</b>	<b>85.5</b>	<b>97.6</b>	<b>106.1</b>	<b>204.9</b>	<b>202.5</b>
Operating expenses, including DAC amortization expense	38.5	39.8	40.0	39.8	38.0	78.3	75.7
<b>Underwriting gain (loss)</b>	<b>(3.8)</b>	<b>9.1</b>	<b>18.2</b>	<b>3.4</b>	<b>(4.6)</b>	<b>5.3</b>	<b>(0.8)</b>
Net investment income	9.4	9.3	9.3	8.8	9.1	18.7	18.1
Other income (expense)	-	0.2	-	0.2	-	0.2	-
<b>Income before income taxes</b>	<b>5.6</b>	<b>18.6</b>	<b>27.5</b>	<b>12.4</b>	<b>4.5</b>	<b>24.2</b>	<b>17.3</b>
Income tax expense (benefit)	0.7	4.6	8.5	1.3	0.4	5.3	3.0
<b>Net Income [2]</b>	<b>\$ 4.9</b>	<b>\$ 14.0</b>	<b>\$ 19.0</b>	<b>\$ 11.1</b>	<b>\$ 4.1</b>	<b>\$ 18.9</b>	<b>\$ 14.3</b>

[1] (Favorable) unfavorable.

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

**HORACE MANN EDUCATORS CORPORATION**  
**PROPERTY & CASUALTY SEGMENT**  
**UNDERWRITING RESULTS**

<u>For Period Ended</u>	<u>Three Months Ended</u>					<u>Year to Date</u>	
	<u>Jun. 30,</u> <u>2014</u>	<u>Mar. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>	<u>Sept. 30,</u> <u>2013</u>	<u>Jun. 30,</u> <u>2013</u>	<u>Jun. 30,</u> <u>2014</u>	<u>Jun. 30,</u> <u>2013</u>
<b>UNDERWRITING RATIOS (%)</b>							
Losses and loss adjustment expenses							
Current accident year before catastrophes	61.8	64.4	63.1	65.7	61.8	63.1	65.0
Current accident year catastrophes	16.3	4.4	2.1	6.4	16.1	10.3	10.2
Prior years' reserve development [1]	(2.1)	(2.8)	(5.7)	(2.8)	(1.8)	(2.4)	(2.2)
Total losses and loss adjustment expenses	76.0	66.0	59.5	69.3	76.1	71.0	73.0
Expense Ratio	26.7	27.7	27.9	28.3	27.2	27.2	27.3
<b>Combined ratio</b>	<b>102.7</b>	<b>93.7</b>	<b>87.4</b>	<b>97.6</b>	<b>103.3</b>	<b>98.2</b>	<b>100.3</b>
<b>Combined ratio before catastrophes</b>	<b>86.4</b>	<b>89.3</b>	<b>85.3</b>	<b>91.2</b>	<b>87.2</b>	<b>87.9</b>	<b>90.1</b>
<b>Combined ratio before catastrophes and prior years' development</b>	<b>88.5</b>	<b>92.1</b>	<b>91.0</b>	<b>94.0</b>	<b>89.0</b>	<b>90.3</b>	<b>92.3</b>
<b>PRODUCT (%)</b>							
<b>Voluntary Automobile</b>							
Loss and loss adjustment expense ratio	70.3	67.7	68.4	71.0	69.0	69.0	71.3
Expense ratio	27.0	28.3	28.1	28.9	27.5	27.6	27.7
Combined ratio	97.3	96.0	96.5	99.9	96.5	96.6	99.0
Prior years' reserve development [1]	(3.2)	(4.2)	(8.1)	(4.2)	(2.8)	(3.7)	(3.3)
Catastrophes	4.2	0.1	0.4	2.0	2.2	2.2	1.3
Combined ratio before catastrophes and prior years' development	96.3	100.1	104.2	102.1	97.1	98.1	101.0
<b>Property</b>							
Loss and loss adjustment expense ratio	86.7	62.4	42.1	65.0	89.7	74.5	75.7
Expense ratio	26.2	26.7	27.7	27.3	26.8	26.4	26.5
Combined ratio	112.9	89.1	69.8	92.3	116.5	100.9	102.2
Prior years' reserve development [1]	0.0	0.0	(1.3)	(0.5)	0.0	0.0	0.0
Catastrophes	39.4	12.5	5.3	15.1	43.7	25.9	27.6
Combined ratio before catastrophes and prior years' development	73.5	76.6	65.8	77.7	72.8	75.0	74.6
<b>STATISTICAL PREMIUM INFORMATION</b>							
<b>Policy Count Retention (12 month)</b>							
Voluntary Automobile	84.5%	84.6%	84.8%	85.0%	85.1%	84.5%	85.1%
Property	88.8%	88.9%	89.0%	89.2%	89.5%	88.8%	89.5%
<b>Sales (12-month annualized premium, in millions) [2]</b>							
Voluntary Automobile	\$ 19.6	\$ 17.2	\$ 17.8	\$ 20.6	\$ 18.8	\$ 36.8	\$ 36.4
Property	3.9	3.5	4.2	5.4	4.3	7.4	8.3
Total Sales	\$ 23.5	\$ 20.7	\$ 22.0	\$ 26.0	\$ 23.1	\$ 44.2	\$ 44.7
<b>Policies in force (in thousands)</b>							
Voluntary Automobile	480	480	482	486	487	480	487
Property	232	234	235	236	237	232	237
Total Policies in force	712	714	717	722	724	712	724

[1] (Favorable) unfavorable.

[2] HM products.



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

<u>For Period Ended</u> <i>(\$ in millions)</i>	<u>Three Months Ended</u>					<u>Year to Date</u>	
	<u>Jun. 30,</u> <u>2014</u>	<u>Mar. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>	<u>Sept. 30,</u> <u>2013</u>	<u>Jun. 30,</u> <u>2013</u>	<u>Jun. 30,</u> <u>2014</u>	<u>Jun. 30,</u> <u>2013</u>
<b>Contract deposits</b>	\$ 118.0	\$ 100.3	\$ 106.2	\$ 128.2	\$ 98.4	\$ 218.3	\$ 188.6
<b>Revenues</b>							
Contract charges earned	\$ 6.5	\$ 5.9	\$ 5.9	\$ 5.9	\$ 5.7	\$ 12.4	\$ 10.8
Net investment income	54.4	55.8	53.6	52.1	51.4	110.2	102.7
Other income	0.5	0.6	0.7	0.6	1.0	1.1	1.7
<b>Total revenues</b>	<b>61.4</b>	<b>62.3</b>	<b>60.2</b>	<b>58.6</b>	<b>58.1</b>	<b>123.7</b>	<b>115.2</b>
<b>Benefits and Expenses</b>							
Interest credited	32.8	32.3	32.7	32.2	31.4	65.1	62.1
Mortality loss and other reserve changes	0.4	0.4	0.4	0.4	0.7	0.8	1.0
DAC amortization expense, excluding unlocking	3.3	3.3	3.0	2.9	2.9	6.6	5.8
DAC unlocking	(0.4)	0.1	(1.8)	(1.3)	1.0	(0.3)	(0.6)
Operating expenses	8.5	8.4	8.6	8.6	8.5	16.9	16.8
<b>Total benefits and expenses</b>	<b>44.6</b>	<b>44.5</b>	<b>42.9</b>	<b>42.8</b>	<b>44.5</b>	<b>89.1</b>	<b>85.1</b>
<b>Income before income taxes</b>	<b>16.8</b>	<b>17.8</b>	<b>17.3</b>	<b>15.8</b>	<b>13.6</b>	<b>34.6</b>	<b>30.1</b>
Income tax expense	5.3	5.5	4.5	4.2	4.4	10.8	9.8
<b>Net income [1]</b>	<b>\$ 11.5</b>	<b>\$ 12.3</b>	<b>\$ 12.8</b>	<b>\$ 11.6</b>	<b>\$ 9.2</b>	<b>\$ 23.8</b>	<b>\$ 20.3</b>
Less: DAC unlocking, after tax	0.3	(0.1)	1.2	0.8	(0.6)	0.2	0.4
<b>Net income excluding DAC unlocking</b>	<b>\$ 11.2</b>	<b>\$ 12.4</b>	<b>\$ 11.6</b>	<b>\$ 10.8</b>	<b>\$ 9.8</b>	<b>\$ 23.6</b>	<b>\$ 19.9</b>
<b>RETURN ON ASSETS (Before-tax bps)</b>							
ROA (12 month) [2]	121	121	118	116	119	121	119
<b>INTEREST SPREAD (Before-tax bps, YTD annualized)</b>	205	214	199	198	198	205	198
<b>Annuity Contracts in force (in thousands)</b>	197	196	195	192	191	197	191
<b>Persistence (12 month)</b>							
Fixed Annuities	94.9%	95.1%	95.2%	95.3%	95.4%	94.9%	95.4%
Variable Annuities	94.1%	94.1%	94.0%	93.9%	94.1%	94.1%	94.1%
<b>Sales (12-month annualized deposits, in millions) [3]</b>							
Recurring	\$ 10.0	\$ 8.8	\$ 12.6	\$ 7.9	\$ 8.8	\$ 18.8	\$ 16.7
Single Deposit/Rollover	69.3	55.4	57.7	88.2	50.6	124.7	96.7
Total Sales	\$ 79.3	\$ 64.2	\$ 70.3	\$ 96.1	\$ 59.4	\$ 143.5	\$ 113.4

[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] HM products.

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

<u>For Period Ended</u> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					
	<u>Jun. 30,</u> <u>2014</u>	<u>Mar. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>	<u>Sept. 30,</u> <u>2013</u>	<u>Jun. 30,</u> <u>2013</u>	<u>Mar. 31,</u> <u>2013</u>
<b>FIXED ANNUITIES</b>						
Beginning balance	\$ 3,667.1	\$ 3,617.2	\$ 3,559.0	\$ 3,471.7	\$ 3,419.0	\$ 3,364.2
Deposits	82.8	67.8	71.6	96.7	63.1	59.9
Withdrawals	(62.0)	(56.0)	(61.4)	(53.8)	(53.6)	(49.5)
Net Transfers	10.9	4.6	12.1	13.3	11.0	13.6
Interest Credited	32.8	32.3	32.7	32.2	31.4	30.7
Other	(1.0)	1.2	3.2	(1.1)	0.8	0.1
Ending balance	<u>\$ 3,730.6</u>	<u>\$ 3,667.1</u>	<u>\$ 3,617.2</u>	<u>\$ 3,559.0</u>	<u>\$ 3,471.7</u>	<u>\$ 3,419.0</u>
<b>VARIABLE ANNUITIES</b>						
Beginning balance	\$ 1,745.0	\$ 1,748.0	\$ 1,627.7	\$ 1,525.5	\$ 1,508.3	\$ 1,398.3
Deposits	35.2	32.5	34.6	31.5	35.3	30.3
Withdrawals	(28.5)	(24.4)	(25.5)	(25.2)	(24.2)	(21.6)
Net Transfers	(10.9)	(4.6)	(12.1)	(13.3)	(11.0)	(13.6)
Fees & Charges	(6.9)	(6.6)	(7.0)	(6.1)	(5.9)	(5.3)
Market Appreciation	80.2	-	130.1	115.2	22.9	120.0
Other	-	0.1	0.2	0.1	0.1	0.2
Ending balance	<u>\$ 1,814.1</u>	<u>\$ 1,745.0</u>	<u>\$ 1,748.0</u>	<u>\$ 1,627.7</u>	<u>\$ 1,525.5</u>	<u>\$ 1,508.3</u>

**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 to Date</u>	
	<u>Jun. 30,</u> <u>2014</u>	<u>Mar. 31,</u> <u>2014</u>	<u>Dec. 31,</u> <u>2013</u>	<u>Sept. 30,</u> <u>2013</u>	<u>Jun. 30,</u> <u>2013</u>	<u>Jun. 30,</u> <u>2014</u>	<u>Jun. 30,</u> <u>2013</u>
<b>Premiums and contract deposits</b>	\$ 26.2	\$ 22.8	\$ 27.4	\$ 25.3	\$ 25.1	\$ 49.0	\$ 48.1
<b>Revenues</b>							
Premiums and contract charges earned	\$ 28.0	\$ 25.6	\$ 26.8	\$ 27.1	\$ 26.3	\$ 53.6	\$ 52.5
Net investment income	17.9	18.1	17.7	17.7	17.2	36.0	34.5
Other income	0.3	0.3	0.3	0.3	0.3	0.6	0.7
<b>Total revenues</b>	<b>46.2</b>	<b>44.0</b>	<b>44.8</b>	<b>45.1</b>	<b>43.8</b>	<b>90.2</b>	<b>87.7</b>
<b>Benefits and Expenses</b>							
Death benefits / mortality cost [1]	7.3	9.2	8.6	6.6	6.4	16.5	14.5
Interest credited	10.9	10.8	10.8	10.7	10.7	21.7	21.4
Change in reserves	9.6	7.4	7.6	8.1	7.6	17.0	15.5
DAC amortization expense, excluding unlocking	2.0	1.9	2.0	2.0	2.1	3.9	4.1
DAC unlocking	(0.1)	-	-	-	0.1	(0.1)	0.1
Operating expenses	8.8	8.7	8.8	8.8	8.3	17.5	16.7
<b>Total benefits and expenses</b>	<b>38.5</b>	<b>38.0</b>	<b>37.8</b>	<b>36.2</b>	<b>35.2</b>	<b>76.5</b>	<b>72.3</b>
<b>Income before income taxes</b>	<b>7.7</b>	<b>6.0</b>	<b>7.0</b>	<b>8.9</b>	<b>8.6</b>	<b>13.7</b>	<b>15.4</b>
Income tax expense	2.7	2.1	2.3	3.1	3.0	4.8	5.5
<b>Net income [2]</b>	<b>\$ 5.0</b>	<b>\$ 3.9</b>	<b>\$ 4.7</b>	<b>\$ 5.8</b>	<b>\$ 5.6</b>	<b>\$ 8.9</b>	<b>\$ 9.9</b>
Less: DAC unlocking, after tax	0.1	-	-	-	(0.1)	0.1	(0.1)
<b>Net income excluding DAC unlocking</b>	<b>\$ 4.9</b>	<b>\$ 3.9</b>	<b>\$ 4.7</b>	<b>\$ 5.8</b>	<b>\$ 5.7</b>	<b>\$ 8.8</b>	<b>\$ 10.0</b>
<b>Earnings margin (Before tax)</b>							
Return On Premium (12 month) [3]	27.4%	28.9%	29.5%	31.8%	31.4%	27.4%	31.4%
<b>SUPPLEMENTAL DATA</b>							
Lapse Ratio (12 month) [4]	4.1%	4.2%	4.4%	4.4%	4.4%	4.1%	4.4%
Sales (12-month premium, in millions) [5]							
Recurring	\$ 1.6	\$ 1.4	\$ 1.6	\$ 1.4	\$ 1.2	\$ 3.0	\$ 2.4
Single Premium	1.7	0.3	0.6	1.4	0.7	2.0	1.1
Total Sales	\$ 3.3	\$ 1.7	\$ 2.2	\$ 2.8	\$ 1.9	\$ 5.0	\$ 3.5
Insurance in force (in millions)	\$ 15,414	\$ 15,241	\$ 15,104	\$ 14,940	\$ 14,837	\$ 15,414	\$ 14,837
Policies in force (in thousands)	200	200	200	199	200	200	200

[1] Ordinary life insurance.

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

[3] Trailing 12 months adjusted earnings (income before income taxes adjusted to remove the impact of DAC unlocking) divided by trailing 12 months premiums and contract charges earned.

[4] Based on ordinary life insurance in force.

[5] HM products.

**HORACE MANN EDUCATORS CORPORATION**  
**CORPORATE & OTHER SEGMENT**  
**STATEMENT OF OPERATIONS**  
(Amounts are net of consolidating eliminations)

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					<b>Year to Date</b>	
	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2013</b>	<b>Sept. 30, 2013</b>	<b>Jun. 30, 2013</b>	<b>Jun. 30, 2014</b>	<b>Jun. 30, 2013</b>
<b>Revenues</b>							
Net investment income	\$ (0.3)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.3)	\$ (0.5)	\$ (0.5)
Other income	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.3)</b>	<b>(0.5)</b>	<b>(0.5)</b>
<b>Expenses</b>							
Interest expense	3.6	3.5	3.5	3.6	3.5	7.1	7.1
Other operating expenses	1.2	0.7	0.9	1.5	1.1	1.9	2.3
<b>Total expenses</b>	<b>4.8</b>	<b>4.2</b>	<b>4.4</b>	<b>5.1</b>	<b>4.6</b>	<b>9.0</b>	<b>9.4</b>
<b>Operating income (loss) before income tax</b>	<b>(5.1)</b>	<b>(4.4)</b>	<b>(4.6)</b>	<b>(5.3)</b>	<b>(4.9)</b>	<b>(9.5)</b>	<b>(9.9)</b>
Income tax expense (benefit)	(1.9)	(1.5)	(1.5)	(1.3)	(2.0)	(3.4)	(4.0)
<b>Operating income (loss) after tax</b>	<b>\$ (3.2)</b>	<b>\$ (2.9)</b>	<b>\$ (3.1)</b>	<b>\$ (4.0)</b>	<b>\$ (2.9)</b>	<b>\$ (6.1)</b>	<b>\$ (5.9)</b>
Realized investment gains (losses) pretax [1]	3.5	1.7	1.3	(1.4)	15.4	5.2	22.3
Tax on realized investment gains (losses) [1]	1.3	0.6	0.4	(0.5)	5.4	1.9	7.9
Realized investment gains (losses) after tax [1]	2.2	1.1	0.9	(0.9)	10.0	3.3	14.4
<b>Net income (loss)</b>	<b>\$ (1.0)</b>	<b>\$ (1.8)</b>	<b>\$ (2.2)</b>	<b>\$ (4.9)</b>	<b>\$ 7.1</b>	<b>\$ (2.8)</b>	<b>\$ 8.5</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-TAX**  
**CONSOLIDATED**

<b>For Period Ended</b> <i>(\$ in millions)</i>	<b>Three Months Ended</b>					<b>Year to Date</b>	
	<b>Jun. 30, 2014</b>	<b>Mar. 31, 2014</b>	<b>Dec. 31, 2013</b>	<b>Sept. 30, 2013</b>	<b>Jun. 30, 2013</b>	<b>Jun. 30, 2014</b>	<b>Jun. 30, 2013</b>
<b>Net Investment Income</b>							
Fixed maturities [1]							
Taxable	\$ 72.7	\$ 73.8	\$ 71.2	\$ 69.9	\$ 69.3	\$ 146.5	\$ 139.3
Tax-exempt	5.9	5.9	5.8	6.0	5.9	11.8	11.8
Total fixed maturities	78.6	79.7	77.0	75.9	75.2	158.3	151.1
Equity securities	1.1	1.2	1.2	1.1	0.9	2.3	1.4
Policy loans	2.1	1.9	2.1	1.9	2.0	4.0	3.9
Limited partnerships and other alternative investments	1.7	2.2	2.0	1.4	1.3	3.9	2.5
Short-term investments and other	-	0.1	0.2	0.1	0.1	0.1	0.1
Investment income	83.5	85.1	82.5	80.4	79.5	168.6	159.0
Investment expenses	2.1	2.1	2.1	2.0	2.1	4.2	4.2
<b>Total net investment income</b>	<b>\$ 81.4</b>	<b>\$ 83.0</b>	<b>\$ 80.4</b>	<b>\$ 78.4</b>	<b>\$ 77.4</b>	<b>\$ 164.4</b>	<b>\$ 154.8</b>
Annualized investment yield, before-tax [2]	5.38%	5.47%	5.37%	5.37%	5.40%	5.38%	5.40%
Annualized investment yield, after-tax [2]	3.61%	3.67%	3.61%	3.61%	3.64%	3.61%	3.64%
<b>Net Investment Income by Segment</b>							
Property & Casualty	\$ 9.4	\$ 9.3	\$ 9.3	\$ 8.8	\$ 9.1	\$ 18.7	\$ 18.1
Annuity	54.4	55.8	53.6	52.1	51.4	110.2	102.7
Life	17.9	18.1	17.7	17.7	17.2	36.0	34.5
Corporate, including intersegment eliminations	(0.3)	(0.2)	(0.2)	(0.2)	(0.3)	(0.5)	(0.5)
<b>Total net investment income</b>	<b>\$ 81.4</b>	<b>\$ 83.0</b>	<b>\$ 80.4</b>	<b>\$ 78.4</b>	<b>\$ 77.4</b>	<b>\$ 164.4</b>	<b>\$ 154.8</b>
<b>Net Realized Capital Gains (Losses)</b>							
Gross gains on disposals	\$ 4.3	\$ 2.6	\$ 2.4	\$ 2.8	\$ 17.2	\$ 6.9	\$ 24.3
Gross losses on disposals	(0.3)	(0.9)	(0.6)	(4.2)	(0.8)	(1.2)	(1.0)
Other-than-temporary impairment losses	(0.5)	-	(0.5)	-	(1.0)	(0.5)	(1.0)
<b>Total net realized capital gains (losses)</b>	<b>\$ 3.5</b>	<b>\$ 1.7</b>	<b>\$ 1.3</b>	<b>\$ (1.4)</b>	<b>\$ 15.4</b>	<b>\$ 5.2</b>	<b>\$ 22.3</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**

<u>For Period Ended</u> (\$ in millions)	<u>June 30,</u> <u>2014</u>		<u>March 31,</u> <u>2014</u>		<u>December 31,</u> <u>2013</u>		<u>September 30,</u> <u>2013</u>		<u>June 30,</u> <u>2013</u>		<u>March 31,</u> <u>2013</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 maturities, at fair value [1]	\$ 6,676.3	94.2%	\$ 6,398.4	94.1%	\$ 6,009.6	91.9%	\$ 5,940.5	93.7%	\$ 5,930.6	94.2%	\$ 6,143.7	95.6%
Equity securities, at fair value	109.5	1.5%	94.2	1.4%	91.9	1.4%	86.6	1.4%	83.0	1.3%	58.7	0.9%
Policy loans, at outstanding balance	142.2	2.0%	140.7	2.1%	140.6	2.2%	139.0	2.2%	136.7	2.2%	135.7	2.1%
Limited partnerships and other alternative investments	93.2	1.3%	92.5	1.4%	90.6	1.4%	80.3	1.3%	64.9	1.0%	53.6	0.8%
Short-term investments [2]	68.5	1.0%	75.5	1.1%	206.8	3.2%	94.4	1.5%	82.1	1.3%	34.4	0.5%
Short-term investments, securities lending collateral	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total investments</b>	<b>\$ 7,089.7</b>	<b>100.0%</b>	<b>\$ 6,801.3</b>	<b>100.0%</b>	<b>\$ 6,539.5</b>	<b>100.0%</b>	<b>\$ 6,340.8</b>	<b>100.0%</b>	<b>\$ 6,297.3</b>	<b>100.0%</b>	<b>\$ 6,426.1</b>	<b>100.0%</b>
Asset-backed securities ("ABS")	\$ 509.6	7.6%	\$ 507.5	7.9%	\$ 514.1	8.6%	\$ 513.1	8.6%	\$ 508.4	8.6%	\$ 492.3	8.0%
Collateralized debt/loan obligations ("CDOs/CLOs")	435.5	6.5%	325.4	5.1%	223.4	3.7%	188.2	3.2%	162.4	2.7%	143.5	2.3%
Commercial mortgage-backed securities ("CMBS")	125.7	1.9%	114.4	1.8%	104.2	1.7%	107.3	1.8%	107.6	1.8%	99.9	1.6%
Corporate	2,920.6	43.7%	2,840.5	44.4%	2,669.4	44.4%	2,607.6	43.9%	2,569.1	43.3%	2,708.9	44.1%
Municipal	1,597.9	23.9%	1,546.2	24.2%	1,471.5	24.5%	1,459.6	24.6%	1,508.1	25.4%	1,604.2	26.1%
Residential mortgage-backed securities ("RMBS")	610.8	9.1%	597.4	9.3%	591.4	9.8%	609.6	10.3%	636.7	10.7%	646.4	10.5%
U.S. Treasuries and government agencies	476.2	7.1%	467.0	7.3%	435.6	7.2%	455.1	7.7%	438.3	7.4%	448.5	7.3%
<b>Total fixed maturities</b>	<b>\$ 6,676.3</b>	<b>100.0%</b>	<b>\$ 6,398.4</b>	<b>100.0%</b>	<b>\$ 6,009.6</b>	<b>100.0%</b>	<b>\$ 5,940.5</b>	<b>100.0%</b>	<b>\$ 5,930.6</b>	<b>100.0%</b>	<b>\$ 6,143.7</b>	<b>100.0%</b>
U.S. government/government agencies	\$ 1,062.4	15.9%	\$ 1,048.6	16.4%	\$ 1,009.8	16.8%	\$ 1,047.3	17.6%	\$ 1,057.3	17.8%	\$ 1,085.6	17.7%
AAA	462.3	6.9%	418.2	6.5%	367.7	6.1%	335.7	5.7%	328.8	5.5%	300.6	4.9%
AA	1,284.9	19.2%	1,162.0	18.2%	995.5	16.6%	958.8	16.1%	940.0	15.9%	985.5	16.0%
A	1,651.2	24.7%	1,590.6	24.9%	1,543.8	25.7%	1,517.0	25.5%	1,542.2	26.0%	1,579.7	25.7%
BBB	1,938.2	29.0%	1,898.9	29.7%	1,820.7	30.3%	1,797.1	30.3%	1,767.0	29.8%	1,886.1	30.7%
BB & below, includes securities not rated	277.3	4.2%	280.1	4.4%	272.1	4.5%	284.6	4.8%	295.3	5.0%	306.2	5.0%
<b>Total fixed maturities</b>	<b>\$ 6,676.3</b>	<b>100.0%</b>	<b>\$ 6,398.4</b>	<b>100.0%</b>	<b>\$ 6,009.6</b>	<b>100.0%</b>	<b>\$ 5,940.5</b>	<b>100.0%</b>	<b>\$ 5,930.6</b>	<b>100.0%</b>	<b>\$ 6,143.7</b>	<b>100.0%</b>
<b>INVESTMENTS BY SEGMENT</b>												
Property & Casualty	\$ 940.0	13.3%	\$ 907.5	13.3%	\$ 870.1	13.3%	\$ 865.9	13.7%	\$ 865.0	13.7%	\$ 885.9	13.8%
Annuity and Life	6,110.3	86.2%	5,857.6	86.1%	5,629.1	86.1%	5,453.7	86.0%	5,406.7	85.9%	5,526.1	86.0%
Corporate	39.4	0.6%	36.2	0.5%	40.3	0.6%	21.2	0.3%	25.6	0.4%	14.1	0.2%
<b>Total investments</b>	<b>\$ 7,089.7</b>	<b>100.0%</b>	<b>\$ 6,801.3</b>	<b>100.0%</b>	<b>\$ 6,539.5</b>	<b>100.0%</b>	<b>\$ 6,340.8</b>	<b>100.0%</b>	<b>\$ 6,297.3</b>	<b>100.0%</b>	<b>\$ 6,426.1</b>	<b>100.0%</b>

[1] Cost of \$6,187.4, \$6,031.0, \$5,784.2, \$5,662.7, \$5,591.1 and \$5,509.9 at June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.

[2] Includes \$39.4, \$36.2, \$40.3, \$21.2, \$25.6 and \$14.1 of short-term investments in the Corporate segment at June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.

# HORACE MANN EDUCATORS CORPORATION

## RATINGS AND CONTACT INFORMATION

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As of June 30, 2014				
	A.M. Best	Standard & Poor's	Moody's	Fitch
<b>Financial Strength Ratings:</b>				
Horace Mann Life Insurance Company	A	A	A3	A
Horace Mann Property and Casualty Insurance Company	A-	A	A3	A
Horace Mann Insurance Company	A-	A	A3	A
Teachers Insurance Company	A-	A	A3	A
Horace Mann Lloyds	A-	NR	NR	A
<b>Other Ratings:</b>				
Horace Mann Educators Corporation:				
Senior debt	bbb	BBB	Baa3	BBB
NR - not rated				

### TRANSFER AGENT

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E-mail: [info@amstock.com](mailto:info@amstock.com)  
Corporate Website: [www.amstock.com/shareholder/sh\\_general\\_info.asp](http://www.amstock.com/shareholder/sh_general_info.asp)

### COMMON STOCK

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

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