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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: April 30, 2019

**HORACE MANN EDUCATORS CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware  
(State of incorporation)

1-10890  
(Commission File Number)

37-0911756  
(I.R.S. Employer Identification No.)

1 Horace Mann Plaza, Springfield, Illinois 62715-0001

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: 217-789-2500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2). \_\_\_

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. \_\_\_

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## **Forward-looking Information**

Statements included in the accompanying news release that state Horace Mann Educators Corporation's (the "Company") or its management's intentions, hopes, beliefs, expectations or predictions of future events or the Company's future financial performance are forward-looking statements and involve known and unknown risks, uncertainties and other factors. The Company is not under any obligation to (and expressly disclaims any such obligation to) update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and the Company's past and future filings and reports filed with the Securities and Exchange Commission for information concerning the important factors that could cause actual results to differ materially from those in forward-looking statements.

### **Item 2.02: Results of Operations and Financial Condition**

On April 30, 2019, the Company issued a news release reporting its financial results for the three month period ended March 31, 2019. A copy of the news release is attached as Exhibit 99.2 and is incorporated by reference herein.

The Company's Investor Supplement has been posted on the investors page of its website, [investors.horacemann.com](http://investors.horacemann.com), and the Investor Presentation is anticipated to be posted there by May 1, 2019.

### **Item 9.01: Financial Statements and Exhibits**

(d) Exhibits.

[99.1 Glossary of Selected Terms](#)

[99.2 News release dated April 30, 2019 reporting financial results for the three month period ended March 31, 2019.](#)

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HORACE MANN EDUCATORS CORPORATION

By: /s/ Kimberly A. Johnson

Name: Kimberly A. Johnson

Title: Vice President & Controller  
(Principal Accounting Officer)

Date: April 30, 2019

## Glossary of Selected Terms

The following measures are used by the Company's management to evaluate performance against historical results and establish targets on a consolidated basis. A number of these measures are components of net income or the balance sheet but, in some cases, are not based on accounting principles generally accepted in the U.S. (non-GAAP) under applicable SEC rules because they are not displayed as separate line items in the Consolidated Statements of Operations or Consolidated Balance Sheets or are not required to be disclosed in the Notes to the Consolidated Financial Statements or, in some cases, there is inclusion or exclusion of certain items not ordinarily included or excluded in accordance with accounting principles generally accepted in the United States (GAAP). In the opinion of the Company's management, a discussion of these measures is meaningful to provide investors with an understanding of the significant factors that comprise the Company's periodic results of operations and financial condition.

**Book value per share excluding the fair value adjustment for investments** - The result of dividing total shareholders' equity excluding after tax net unrealized investment gains and losses on securities, including the related effect on certain deferred policy acquisition costs, by ending shares outstanding. Book value per share is the most directly comparable GAAP measure. Management believes it is useful to consider the trend in book value per share excluding net unrealized investment gains and losses on securities in conjunction with book value per share to identify and analyze the change in net worth. Management also believes the non-GAAP measure is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period and are generally driven by economic developments, primarily financial market conditions, the magnitude and timing of which are generally not influenced by the Company's underlying insurance operations.

**Catastrophe costs** - The sum of catastrophe losses, net of reinsurance and before income tax benefits that includes allocated loss adjustment expenses and reinsurance reinstatement premiums; excluding unallocated loss adjustment expenses.

**Catastrophe losses** - In categorizing property and casualty claims as being from a catastrophe, the Company utilizes the designations of the Property Claim Services, a subsidiary of Insurance Services Office, Inc., and additionally beginning in 2007, includes losses from all such events that meet the definition of covered loss in the Company's primary catastrophe excess of loss reinsurance contract, and reports claims and claim expense amounts net of reinsurance recoverables. A catastrophe is a severe loss resulting from natural and man-made events within a particular territory, including risks such as hurricane, fire, earthquake, windstorm, explosion, terrorism and other similar events, that causes \$25 million or more in insured property and casualty losses for the industry and affects a significant number of property and casualty insurers and policyholders. Each catastrophe has unique characteristics. Catastrophes are not predictable as to timing or amount of loss in advance. Their effects are not included in earnings or claim and claim expense reserves prior to occurrence. In the opinion of the Company's management, a discussion of the impact of catastrophes is meaningful for investors to understand the variability in periodic earnings.

**Core earnings (loss)** - Consolidated net income (loss) excluding the after-tax impact of net investment gains (losses), discontinued operations, the effect of a change in tax laws and tax rates at enactment date, and cumulative effect of changes in accounting principles when applicable. Net income is the most comparable GAAP measure.

- **Pretax core earnings (loss)** - Pretax net income (loss) excluding pretax impact of net investment gains (losses), discontinued operations, and cumulative effect of changes in accounting principles when applicable. Income before income taxes is the most comparable GAAP measure.
- **Segment core earnings** - Determined in the same manner as core earnings on a consolidated basis. Management uses segment core earnings to analyze each segment's performance and as a tool in making business decisions. Financial statement users also consider core earnings when analyzing the results and trends of insurance companies.

**Core earnings (loss) per share** - Core earnings on a per common share basis. Earnings per share is the most comparable GAAP measure.

**Exclusive distributor** - A licensed representative of Horace Mann. Horace Mann utilizes multiple points of distribution, including, but not limited to, direct sales, employee agents and exclusive agents.

**Insurance premiums written and contract deposits** - Premiums written represent (1) the amount charged for policies issued during a fiscal period for property and casualty business, such amounts may be earned and included in financial results over future fiscal periods, and (2) the amount charged for policies in force during a fiscal period for traditional life and group life business. Amounts are reported net of reinsurance, unless otherwise specified. Contract deposits include amounts received from customers on deposit-type contracts, such as investment contracts (annuities) and life products with account values, including deposit amounts and any related contract or policy fees. Management utilizes this non-GAAP measure, which is based on statutory accounting principles, in analyzing and evaluating the business growth of its operating segments. Insurance premiums and contract charges earned is the most directly comparable GAAP measure.

**Net income return on equity - LTM:** The ratio of (1) trailing 12 month net income to (2) the average of ending shareholders' equity for the current quarter end and the preceding four quarter ends - referred to as 5 quarter average shareholder's equity.

- **Core return on equity - LTM:** The ratio of (1) trailing 12 month core earnings to (2) 5 quarter average shareholders' equity excluding net unrealized investment gains and losses on securities and the effect of a change in tax laws and tax rates at enactment date. Net income return on equity - LTM is the most comparable GAAP measure.
- **Net income return on equity - Annualized:** The ratio of (1) annualized net income to (2) to 2 quarter average shareholders' equity (but the year-end measures are still based on a 5 quarter average).
- **Core return on equity - Annualized:** The ratio of (1) annualized core earnings to (2) the 2 quarter average shareholders' equity excluding net unrealized investment gains and losses on securities and the effect of a change in tax laws and tax rates at enactment date (but the year-end measures are still based on a 5 quarter average). Net income return on equity - Annualized is the most comparable GAAP measure.

**Net reserves** - Property and casualty unpaid claim and claim expense reserves net of anticipated reinsurance recoverables.

**Prior years' reserve development** - A measure which the Company reports for its Property and Casualty segment which identifies the increase or decrease in net incurred claim and claim expense reserves at successive valuation dates for claims which occurred in previous calendar years. In the opinion of the Company's management, a discussion of prior years' loss reserve development is useful to investors as it allows them to assess the impact on current period earnings of incurred claims experience from the current calendar year and previous calendar years.

**Property and casualty operating statistics** - Operating measures utilized by the Company and the insurance industry regarding the relative profitability of property and casualty underwriting results.

- **Loss ratio or loss and loss adjustment expense ratio** - The ratio of (1) the sum of net incurred losses and loss adjustment expenses to (2) net earned premiums.
- **Underlying loss ratio** - The sum of the Loss Ratio adjusted to remove the effect of catastrophe costs and prior years' reserve development. The Loss Ratio is the most directly comparable GAAP measure. Management believes this ratio provides a valuable measure of the Company's underlying underwriting performance that may be obscured by the effects of catastrophe costs and prior years' reserve development, the amounts of which may be significant and may vary significantly between periods.
- **Expense ratio** - The ratio of (1) the sum of operating expenses and the amortization of policy acquisition costs to (2) net earned premiums.
- **Combined ratio** - The sum of the Loss Ratio and the Expense Ratio. A Combined Ratio less than 100% generally indicates profitable underwriting prior to the consideration of net investment income.
- **Underlying combined ratio or combined ratio excluding catastrophe costs and prior years' reserve development** - The sum of the Loss Ratio and the Expense Ratio adjusted to remove the effect of catastrophe costs and prior years' reserve development. The Combined Ratio is the most directly comparable GAAP measure. Management believes this ratio provides a valuable measure of the Company's underlying underwriting performance that may be obscured by the effects of catastrophe costs and prior years' reserve development, the amounts of which may be significant and may vary significantly between periods.

**Sales** - Sales are measured by the Company as premiums and deposits to be collected over the 12 months following the sale of a new policy for automobile, homeowners and life business, as well as increases in contributions to certain life business. In addition, the Company may disclose new policy count (units) information for automobile and homeowners business. Sales data pertains to Horace Mann products and excludes authorized products sold by Exclusive Distributors that are underwritten by third-party vendors. The Retirement segment's annuity sales deposits are measured by the Company based on total recurring deposits as well as single deposits/rollovers. Sales should not be viewed as a substitute for any GAAP measure, including "sales" as it relates to non-insurance companies, and the Company's definition of sales, sales deposits or new annualized sales might differ from that used by other companies. The Company utilizes sales information as a performance measure that indicates the productivity of its agency force. Sales are also a leading indicator of future revenue trends.



**News release** for immediate release

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**HORACE MANN REPORTS FIRST-QUARTER 2019 NET INCOME OF \$0.77 PER SHARE  
 AND CORE EARNINGS\* OF \$0.63 PER SHARE**

- 60% increase in net income per share; 24% increase in core earnings per share over prior year quarter, benefiting from compounding progress on strategic initiatives
- 95.5% Property and Casualty combined ratio reflected significant improvement in underlying auto and property loss ratios
- Continued sales momentum in Retirement and Life; annuity sales deposits up 9%
- Annualized ROE based on net income was 9.5% in first quarter vs. 5.6% in last year's quarter; annualized core ROE\* was 8.8% vs. 7.1%

SPRINGFIELD, Ill., April 30, 2019 — Horace Mann Educators Corporation (NYSE:HMN) today reported financial results for the quarter ended March 31, 2019:

**Horace Mann Consolidated Financial Highlights**

(\$ in millions, except per share amounts)	Three Months Ended March 31,		
	2019	2018	Change
Total revenues	\$ 313.2	\$ 295.5	6.0%
Net income	32.2	20.2	59.4%
Net investment gains (losses) after tax	5.8	(1.3)	N.M.
Core earnings*	26.4	21.5	22.8%
Per diluted share:			
Net income	0.77	0.48	60.4%
Net investment gains (losses) after tax	0.14	(0.03)	N.M.
Core earnings per diluted share*	0.63	0.51	23.5%
Book value per share	34.60	34.35	0.7%
Book value per share excluding net unrealized investment gains on securities*	29.47	30.00	-1.8%

N.M. - Not meaningful.

\* These measures are not based on accounting principles generally accepted in the United States (non-GAAP). They are reconciled to the most directly comparable GAAP measures in the Appendix to the Investor Supplement. An explanation of these measures is contained in the Glossary of Selected Terms included as an exhibit in the Company's reports filed with the Securities and Exchange Commission.

“We had a strong start to 2019, with quarterly results that reflected the progress we've made on strategic initiatives that will drive our return to a long-term, sustainable double-digit return on equity,” said President and CEO Marita Zuraitis. “In our Property and Casualty business, the cumulative benefit of rate increases and underwriting initiatives delivered a 4.6 point improvement in the underlying auto loss ratio. Retirement and Life sales remained solid, with educators responding to our suite of solutions to meet their unique needs.

"In addition, our pending acquisition of National Teachers Associates (NTA) will enhance our offerings for educators. NTA specializes in developing, marketing and underwriting supplemental insurance products, including cancer and heart," Zuraitis said. "Our full-year guidance of \$2.00 to \$2.20 in core earnings per share doesn't reflect any contribution from NTA, pending mid-year completion of that transaction."

## Property and Casualty Segment Shows Profitability Improvement

(All comparisons vs. same period in 2018, unless noted otherwise)

(\$ in millions)	Three Months Ended March 31,		
	2019	2018	Change
Property and Casualty written premiums*	\$ 161.7	\$ 159.4	1.4%
Property and Casualty net income / core earnings*	15.0	9.7	54.6%
Property and Casualty combined ratio	95.5%	98.9%	-3.4 pts
Property and Casualty underlying loss ratio*	63.3%	67.2%	-3.9 pts
Property and Casualty expense ratio	27.2%	26.0%	1.2 pts
Property and Casualty catastrophe costs	6.2%	5.9%	0.3 pts
Property and Casualty underlying combined ratio*	90.5%	93.2%	-2.7 pts
Auto combined ratio	98.0%	101.8%	-3.8 pts
Auto underlying loss ratio*	70.9%	75.5%	-4.6 pts
Property combined ratio	90.5%	93.3%	-2.8 pts
Property underlying loss ratio*	46.5%	49.6%	-3.1 pts

For the first quarter of 2019, the Property and Casualty combined ratio improved 3.4 points to 95.5% on improved underwriting results and modest favorable reserve development, with net income and core earnings up 55%. Rate actions were the primary factor in the 1.4% increase in written premiums, as well as in the 4.6 point improvement in the auto underlying loss ratio and the 3.1 point improvement in the property underlying loss ratio.

Auto and property policy retention rates for the current quarter were 81.5% and 87.8%, respectively, which are consistent with full year 2018 retention rates.

## Retirement Segment Annuity Sales Deposits up 9%

(All comparisons vs. same period in 2018, unless noted otherwise)

(\$ in millions)	Three Months Ended March 31,		
	2019	2018	Change
Annuity sales deposits*	\$ 107.3	\$ 98.8	8.6%
Annuity assets under management	6,972.7	6,769.5	3.0%
Total assets under administration <sup>(1)</sup>	10,528.4	7,052.6	49.3%
Retirement net income / core earnings*	12.2	11.4	7.0%
Retirement core earnings excluding DAC unlocking*	10.6	11.6	-8.6%

<sup>(1)</sup> Includes Annuity AUM, Brokerage and Advisory AUA, and Recordkeeping AUA



For the first quarter of 2019, annuity sales deposits\* increased 9% on higher demand from educators for the retirement savings solutions we offer. Annuity assets under management increased 3% due to the continued sales momentum and favorable market performance. Total cash value persistency remained strong at 94.3% for variable annuities and 94.1% for fixed annuities.

Total assets under administration were \$10.5 billion, up from a year ago because of the inclusion of Benefit Consultants Group's (BCG) advisory and recordkeeping assets effective January 2, 2019.

Both net income and core earnings\* increased for the quarter, largely due to favorable DAC unlocking. Core earnings excluding DAC unlocking declined slightly for the quarter. The net interest spread for the first quarter was 142 basis points on \$4.7 billion of fixed annuity assets under management, consistent with 2019 guidance.

### Life Segment Sales Remain Robust

*(All comparisons vs. same period in 2018, unless noted otherwise)*

(\$ in millions)	Three Months Ended March 31,		
	2019	2018	Change
Life sales*	\$ 4.3	\$ 4.3	—%
Life mortality costs	10.5	9.5	10.5%
Life net income / core earnings*	3.3	3.8	-13.2%

Life sales\* were consistent with the strong prior year quarter; both ranked among the top 10 quarters for Life sales in the past 20 years. Demand remains healthy in the educator market for both single and recurring premium products.

Life core earnings\* were down 13% for the quarter largely due to mortality costs, which rose in line with modeled actuarial assumptions. Life persistency of 95.4% was slightly better than the prior year period.

### Net Investment Income Up Slightly from PYQ

*(All comparisons vs. same period in 2018, unless noted otherwise)*

(\$ in millions)	Three Months Ended March 31,		
	2019	2018	Change
Total pretax net investment income	\$ 92.8	\$ 91.9	1.0%
Pretax net investment gains (losses)	7.4	(1.7)	N.M.
Pretax net unrealized investment gains (losses) on securities	310.5	261.1	18.9%

Total net investment income increased slightly on strong returns on alternative investments and higher asset balances. As anticipated, prepayment activity was below last year, and investment yields continue to be impacted by the low interest rate environment of recent years.

Net investment gains were \$7.4 million (pretax), primarily due to increases in the fair values of equity securities. Net unrealized investment gains on securities increased from last year due to a decline in interest rates, which has resulted in higher fair values of fixed maturity securities.

## **Capital Position Supports Business Investments**

At March 31, 2019, shareholders' equity was \$1.4 billion, or \$34.60 per share. Excluding net unrealized investment gains on securities, shareholders' equity was \$1.2 billion, or \$29.47 per share. The improvement in book value since year-end reflected lower interest rates and tighter credit spreads across most asset classes.

On January 2, 2019, the company completed the purchase of BCG in a \$25 million transaction. The NTA transaction is expected to close in mid-2019, pending regulatory approvals and other customary closing conditions, for a purchase price of \$405 million. First-quarter expenses of \$0.5 million, after tax, related to the continued work on the pending NTA transaction, and was reported in the Corporate and Other segment.

## **Quarterly Webcast**

Horace Mann's senior management will discuss the company's first quarter financial results with investors on May 1, 2019 at 9:30 a.m. Eastern Time. The conference call will be webcast live at [investors.horacemann.com](http://investors.horacemann.com) and archived later in the day for replay.

## **About Horace Mann**

Horace Mann Educators Corporation (NYSE: HMN) is the largest financial services company focused on providing America's educators and school employees with insurance and retirement solutions. Founded by Educators for Educators® in 1945, the company is headquartered in Springfield, Illinois. For more information, visit [horacemann.com](http://horacemann.com).

## **Safe Harbor Statement and Non-GAAP Measures**

Statements included in this news release that are not historical in nature are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to certain risks and uncertainties. Horace Mann is not under any obligation to (and expressly disclaims any such obligation to) update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the company's Annual Report on Form 10-K for the period ended December 31, 2018 and the company's past and future filings and reports filed with the Securities and Exchange Commission (SEC) for information concerning important factors that could cause actual results to differ materially from those in forward-looking statements. Information contained in this news release include 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 Appendix to the Investor Supplement and additional descriptions of the non-GAAP measures are contained in the Glossary of Selected Terms included as an exhibit to the company's SEC filings.

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## HORACE MANN EDUCATORS CORPORATION

Financial Highlights (Unaudited)  
(\$ in Millions, except per share data)

	Three Months Ended March 31,		Change
	2019	2018	
<b><u>EARNINGS SUMMARY</u></b>			
Net income	\$ 32.2	\$ 20.2	59.4%
Net investment gains (losses), after tax	5.8	(1.3)	N.M.
Core earnings*	26.4	21.5	22.8%
Per diluted share:			
Net income	\$ 0.77	\$ 0.48	60.4%
Net investment gains (losses), after tax	\$ 0.14	\$ (0.03)	N.M.
Core earnings*	\$ 0.63	\$ 0.51	23.5%
Weighted average number of shares and equivalent shares (in millions) - Diluted	41.8	41.7	0.2%
<b><u>RETURN ON EQUITY</u></b>			
Net income return on equity - LTM <sup>(1)</sup>	2.2%	12.5%	
Net income return on equity - annualized	9.5%	5.6%	
Core return on equity - LTM* <sup>(2)</sup>	2.7%	6.7%	
Core return on equity - annualized*	8.8%	7.1%	
<b><u>FINANCIAL POSITION</u></b>			
Per share <sup>(3)</sup> :			
Book value	\$ 34.60	\$ 34.35	0.7%
Effect of net unrealized investment gains on securities <sup>(4)</sup>	\$ 5.13	\$ 4.35	17.9%
Dividends paid	\$ 0.2875	\$ 0.2850	0.9%
Ending number of shares outstanding (in millions) <sup>(3)</sup>	41.2	40.9	0.7%
Total assets	\$ 11,561.1	\$ 11,068.5	4.5%
Long-term debt, current and noncurrent	297.8	297.5	0.1%
Total shareholders' equity	1,423.7	1,404.7	1.4%
<b><u>ADDITIONAL INFORMATION</u></b>			
Net investment gains (losses)			
Before tax	\$ 7.4	\$ (1.7)	N.M.
After tax	5.8	(1.3)	N.M.
Per share, diluted	\$ 0.14	\$ (0.03)	N.M.

N.M.- Not meaningful.

- (1) Based on last twelve months net income and average quarter-end shareholders' equity.
- (2) Based on last twelve months core earnings and average quarter-end shareholders' equity which has been adjusted to exclude the fair value adjustment for investments, net of the related impact on deferred policy acquisition costs and applicable deferred taxes.
- (3) Ending shares outstanding were 41,150,005 at March 31, 2019 and 40,888,534 at March 31, 2018.
- (4) Net of the related impact on deferred policy acquisition costs and applicable deferred taxes.

**HORACE MANN EDUCATORS CORPORATION**  
**Statements of Operations and Supplemental Consolidated Data (Unaudited)**  
(\$ in Millions)

	Three Months Ended March 31,		Change
	2019	2018	
<b><u>STATEMENTS OF OPERATIONS</u></b>			
Insurance premiums and contract charges earned	\$ 209.8	\$ 203.0	3.3%
Net investment income	92.8	91.9	1.0%
Net investment gains (losses)	7.4	(1.7)	N.M.
Other income	3.2	2.3	39.1%
Total revenues	313.2	295.5	6.0%
Benefits, claims and settlement expenses	139.4	143.6	-2.9%
Interest credited	52.9	50.0	5.8%
Policy acquisition expenses amortized	25.0	26.7	-6.4%
Operating expenses	54.0	48.2	12.0%
Interest expense	3.3	3.2	3.1%
Total benefits, losses and expenses	274.6	271.7	1.1%
Income before income taxes	38.6	23.8	62.2%
Income tax expense	6.4	3.6	77.8%
Net income	\$ 32.2	\$ 20.2	59.4%
<b><u>PREMIUMS WRITTEN AND CONTRACT DEPOSITS</u></b>			
Property and Casualty	\$ 161.7	\$ 159.4	1.4%
Annuity deposits	107.3	98.8	8.6%
Life	26.4	25.8	2.3%
Total	\$ 295.4	\$ 284.0	4.0%
<b><u>SEGMENT NET INCOME (LOSS)</u></b>			
Property and Casualty	\$ 15.0	\$ 9.7	54.6%
Retirement	12.2	11.4	7.0%
Life	3.3	3.8	-13.2%
Corporate and Other <sup>(1)</sup>	1.7	(4.7)	N.M.
Net income	\$ 32.2	\$ 20.2	59.4%

N.M.- Not meaningful.

- <sup>(1)</sup> Corporate and Other includes interest expense on debt and the impact of net investment gains and losses and other Corporate level items. The Company does not allocate the impact of corporate level transactions to the insurance segments consistent with how management evaluates the results of those segments. See detail for this segment on page 4.

**HORACE MANN EDUCATORS CORPORATION**  
Supplemental Business Segment Overview (Unaudited)  
(\$ in Millions)

	Three Months Ended March 31,		Change
	2019	2018	
<b><u>PROPERTY &amp; CASUALTY</u></b>			
Premiums written	\$ 161.7	\$ 159.4	1.4%
Premiums earned	170.8	165.5	3.2%
Net investment income	10.2	9.5	7.4%
Other income	0.4	0.2	100.0%
Losses and loss adjustment expenses (LAE)	116.8	120.7	-3.2%
Operating expenses (includes policy acquisition expenses amortized)	46.5	43.1	7.9%
Interest expense	0.3	0.2	50.0%
Income before tax	17.8	11.2	58.9%
Net income	15.0	9.7	54.6%
Net investment income, after tax	8.7	7.8	11.5%
Catastrophe costs <sup>(1)</sup>			
After tax	8.5	7.7	10.4%
Before tax	10.8	9.8	10.2%
Prior years' reserves favorable (adverse) development, before tax			
Automobile	1.0	—	—%
Property & other	1.0	0.3	N.M.
Total	2.0	0.3	N.M.
Operating statistics:			
Loss and loss adjustment expense ratio	68.3%	72.9%	-4.6 pts
Expense ratio	27.2%	26.0%	1.2 pts
Combined ratio	95.5%	98.9%	-3.4 pts
Effect on the combined ratio of:			
Catastrophe costs <sup>(1)</sup>	6.2%	5.9%	0.3 pts
Prior years' (favorable) adverse reserve development	-1.2%	-0.2%	-1.0 pts
Combined ratio excluding the effects of catastrophe costs and prior years' reserve development (underlying combined ratio)*	90.5%	93.2%	-2.7 pts
Policies in force (in thousands)			
Automobile <sup>(2)</sup>	454	475	-4.4%
Property	200	204	-2.0%
Policy renewal rate - 12 months			
Automobile	81.5%	82.9%	-1.4 pts
Property	87.8%	87.9%	-0.1 pts

N.M.- Not meaningful.

<sup>(1)</sup> Includes allocated loss adjustment expenses and, when applicable, catastrophe reinsurance reinstatement premiums.

<sup>(2)</sup> March 31, 2019 includes assumed policies in force of 4.

**HORACE MANN EDUCATORS CORPORATION**  
**Supplemental Business Segment Overview (Unaudited)**  
(\$ in Millions)

	Three Months Ended March 31,		Change
	2019	2018	
<b><u>RETIREMENT</u></b>			
Contract deposits	\$ 107.3	\$ 98.8	8.6%
Variable	48.8	46.8	4.3%
Fixed	58.5	52.0	12.5%
Contract charges earned	8.6	8.0	7.5%
Net investment income	64.7	64.2	0.8%
Interest credited	41.7	38.7	7.8%
Net interest margin (without net investment gains/losses)	23.0	25.5	-9.8%
Other income	2.4	1.8	33.3%
Mortality loss and other reserve changes	(0.6)	(1.9)	-68.4%
Operating expenses (includes policy acquisition expenses amortized)	18.8	19.4	-3.1%
Income before tax	14.6	14.0	4.3%
Net income	12.2	11.4	7.0%
Pretax income increase (decrease) due to evaluation of:			
Deferred policy acquisition costs	\$ 2.0	\$ (0.2)	N.M.
Guaranteed minimum death benefit reserve	0.1	—	—%
Retirement contracts in force (in thousands)	226	223	1.3%
Annuity accumulated account value on deposit / Assets under management	\$ 6,972.7	\$ 6,769.5	3.0%
Variable	2,224.1	2,139.6	3.9%
Fixed	4,748.6	4,629.9	2.6%
Annuity accumulated value retention - 12 months			
Variable accumulations	94.3%	94.6%	-0.3 pts
Fixed accumulations	94.1%	94.4%	-0.3 pts
<b><u>LIFE</u></b>			
Premiums and contract deposits	\$ 26.4	\$ 25.8	2.3%
Premiums and contract charges earned	30.4	29.5	3.1%
Net investment income	18.1	18.3	-1.1%
Other income	0.1	0.1	—%
Death benefits/mortality cost/change in reserves	22.0	21.0	4.8%
Interest credited	11.2	11.3	-0.9%
Operating expenses (includes policy acquisition expenses amortized)	11.4	10.9	4.6%
Income before tax	4.0	4.7	-14.9%
Net income	3.3	3.8	-13.2%
Pretax income increase (decrease) due to evaluation of:			
Deferred policy acquisition costs	\$ —	\$ (0.1)	N.M.
Life policies in force (in thousands)	198	197	0.5%
Life insurance in force	\$ 18,409	\$ 17,665	4.2%
Lapse ratio - 12 months (Ordinary life insurance)	4.6%	4.9%	-0.3 pts
<b><u>CORPORATE AND OTHER</u></b> <sup>(1)</sup>			
Components of income (loss) before tax:			
Net investment gains (losses)	\$ 7.4	\$ (1.7)	N.M.
Interest expense	(3.0)	(3.0)	—%
Other operating expenses, net investment income and other income	(2.2)	(1.4)	57.1%
Income (loss) before tax	2.2	(6.1)	-136.1%
Net income (loss)	1.7	(4.7)	136.2%

N.M.- Not meaningful.

<sup>(1)</sup> The Corporate and Other segment includes interest expense on debt and the impact of investment gains and losses and other corporate level items. The Company does not allocate the impact of corporate level transactions to the insurance segments consistent with how management evaluates the results of those segments.

**HORACE MANN EDUCATORS CORPORATION**  
Supplemental Business Segment Overview (Unaudited)  
(\$ in Millions)

	Three Months Ended March 31,		Change
	2019	2018	
<b><u>INVESTMENTS</u></b>			
Retirement and Life			
Fixed maturity securities, at fair value (amortized cost 2019, \$6,656.9; 2018, \$6,551.1)	\$ 6,940.1	\$ 6,792.7	2.2%
Equity securities, at fair value	77.6	77.5	0.1%
Short-term investments	121.2	10.6	N.M.
Policy loans	153.4	152.8	0.4%
Other investments	280.6	211.0	33.0%
Total Retirement and Life investments	7,572.9	7,244.6	4.5%
Property & Casualty			
Fixed maturity securities, at fair value (amortized cost 2019, \$830.5; 2018, \$822.4)	857.9	842.0	1.9%
Equity securities, at fair value	27.9	53.5	-47.9%
Short-term investments	15.2	9.0	68.9%
Other investments	76.8	73.0	5.2%
Total Property & Casualty investments	977.8	977.5	—%
Corporate investments	7.1	2.6	N.M.
Total investments	8,557.8	8,224.7	4.0%
Net investment income			
Before tax	\$ 92.8	\$ 91.9	1.0%
After tax	74.0	72.8	1.6%

N.M.- Not meaningful.