

Fourth Quarter 2017 Investor Presentation

February 7, 2018



Safe Harbor Statement and Non-GAAP Measures

Certain statements made in this presentation should be considered forward-looking as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements give expectations or forecasts of future events. These statements are related to our intentions, beliefs, projections, estimations or forecasts of future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from those expressed or implied by the forward-looking statements. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe” and other words and terms of similar meaning in connection with a discussion of future operating or financial performance. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially.

Investors should consider the important risks and uncertainties that may cause such differences, including those risks discussed in our most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission. Our forward-looking statements speak only as of the date of this presentation or as of the date they were made, and we undertake no obligation to update those statements.

The historical and forward-looking financial information contained in this presentation includes measures which are based on methodologies other than U.S. Generally Accepted Accounting Principles (“GAAP”) such as core earnings, core earnings per share, pretax reporting segment income excluding DAC unlocking, and book value per share excluding some components of accumulated other comprehensive income. A reconciliation of non-GAAP measures to the closest GAAP measures is available in the Appendix of our Investor Financial Supplement.

Our Foundation: Financially sound company with strong strategy for profitable growth

Longevity

- Founded by Educators for Educators® in 1945
- Serve nearly 4,000 school districts nationwide
- NYSE listed (HMN) since 1991

Financial strength

- \$11 billion⁽¹⁾ in assets
- \$1.2 billion⁽¹⁾ in premium & contract deposits
- \$7 billion⁽¹⁾ in Retirement AUM
- \$1.8 billion⁽¹⁾ market cap

Multiline model

- Offer auto, property, retirement and life products
- Provides earnings diversification
- Ability to provide total household solutions

Niche market

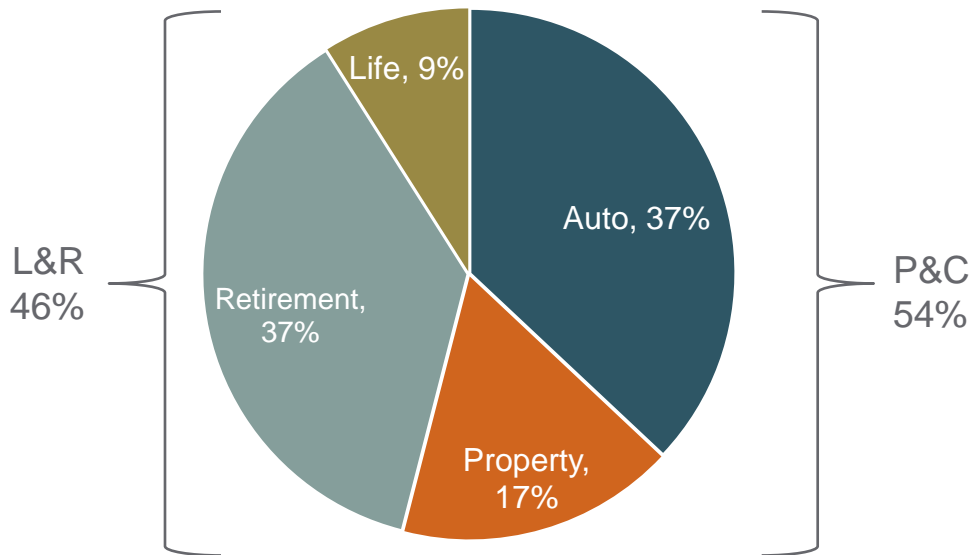
- Educators have preferred risk profile
- Homogenous customer set
- Loyal customer base with above-average cross-sell and retention numbers

⁽¹⁾As of 12/31/2017

The largest multiline financial services company focused on America's educators

Multiline business model provides earnings diversity

2017 Premium & Contract Deposits (\$1.2B)



Balanced earnings and revenues between P&C and L&R business

Provides stability throughout multiple earnings cycles and market conditions

Provides opportunity to increase customer loyalty by providing more products

Industry leading cross-line penetration | Strong retention | Multi-faceted market access strategy

Focus on K-12 educator niche market creates homogenous customer set

Educators have an attractive risk profile

Conservative & loyal

- Usually buy higher insurance limits
- Tend to bundle auto & home insurance
- Loyalty results in strong retention

Work close to home

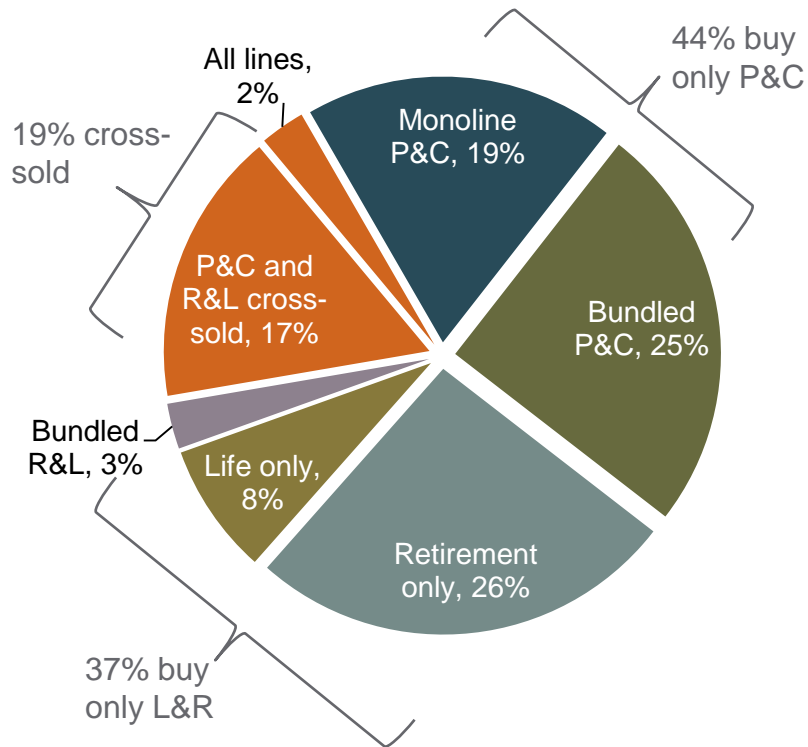
- Generally live close to school with short commutes
- Off-hour commutes with light traffic
- Tend to be off during adverse weather conditions

Fiscally responsible

- Focused on achieving goals
- Strong desire for guidance and education
- Open to reallocating savings to retirement needs

Multiline model in niche market leads to industry-leading cross-sell penetration

Educator household distribution by product⁽¹⁾



19% cross-line penetration far exceeds industry average of 11%⁽²⁾

Significant additional cross-sell opportunities

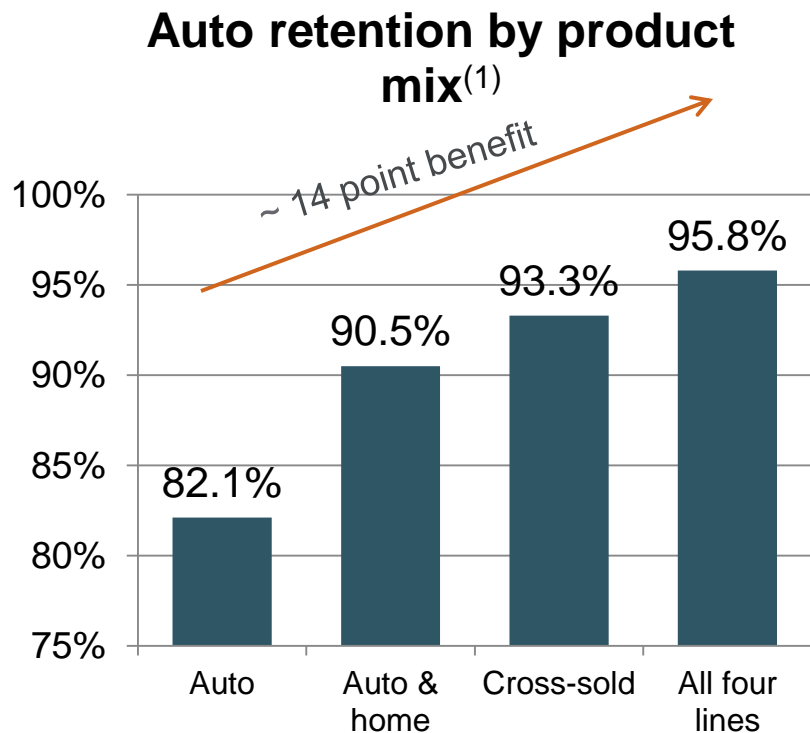
- 44% buying only P&C products
- 37% buying only L&R products

Targeted marketing efforts underway to drive more cross-line sales

(1) HMN data: ~360,000 educator households as of December 2017; Cross-line households defined as Auto and/or Property plus Retirement, Life and/or Group

(2) Industry data per LIMRA, 2011 multiline exclusive agent average

Cross-sold customer base leads to higher retention numbers



Policy retention & persistency exceeds industry averages and improves with cross-sell efforts

- 83% Auto
- 88% Property
- 95% Life
- 92% Retirement

Minimal impact to auto retention despite high single-digit rate increases

Multi-faceted market access strategy

1

Superior customer experience delivered through nearly 700 exclusive distributors

- Strong relationships with local school districts
- In the schools presenting workshops, supporting school projects
- Community partners

2

Buildout of complementary distribution channels to address educator preferences

- Online quoting of auto, property, life
- Direct sales team
- Alternate channels funnel back to trusted advisor for annual review

3

Strategic association relationships to build brand awareness and affinity

- Association of School Business Officials
- AASA, The School Superintendents Association
- The NEA Foundation
- Multiple state and local associations

Our vision guides our strategy

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

We can achieve this by understanding and solving the issues facing educators, helping them to achieve financial success to live better and retire happier.

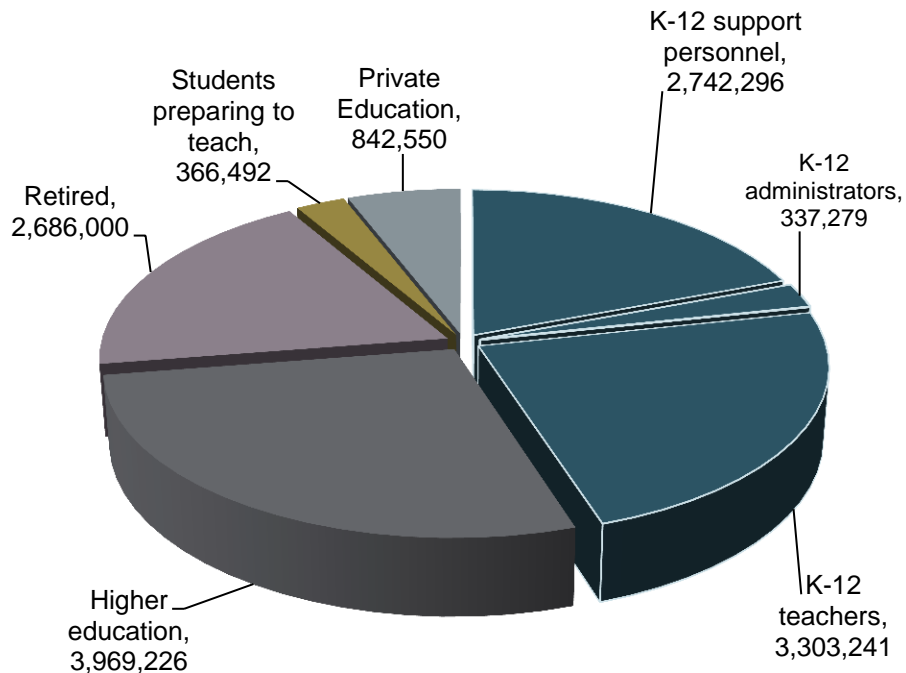
Products designed to meet educators' needs and protect their unique risks

Knowledgeable, trusted **distribution** tailored to educator preferences

Modern, scalable **infrastructure** that is easy to do business with

Sizeable opportunity within existing K-12 educator market and adjacent segments

U.S. educator market

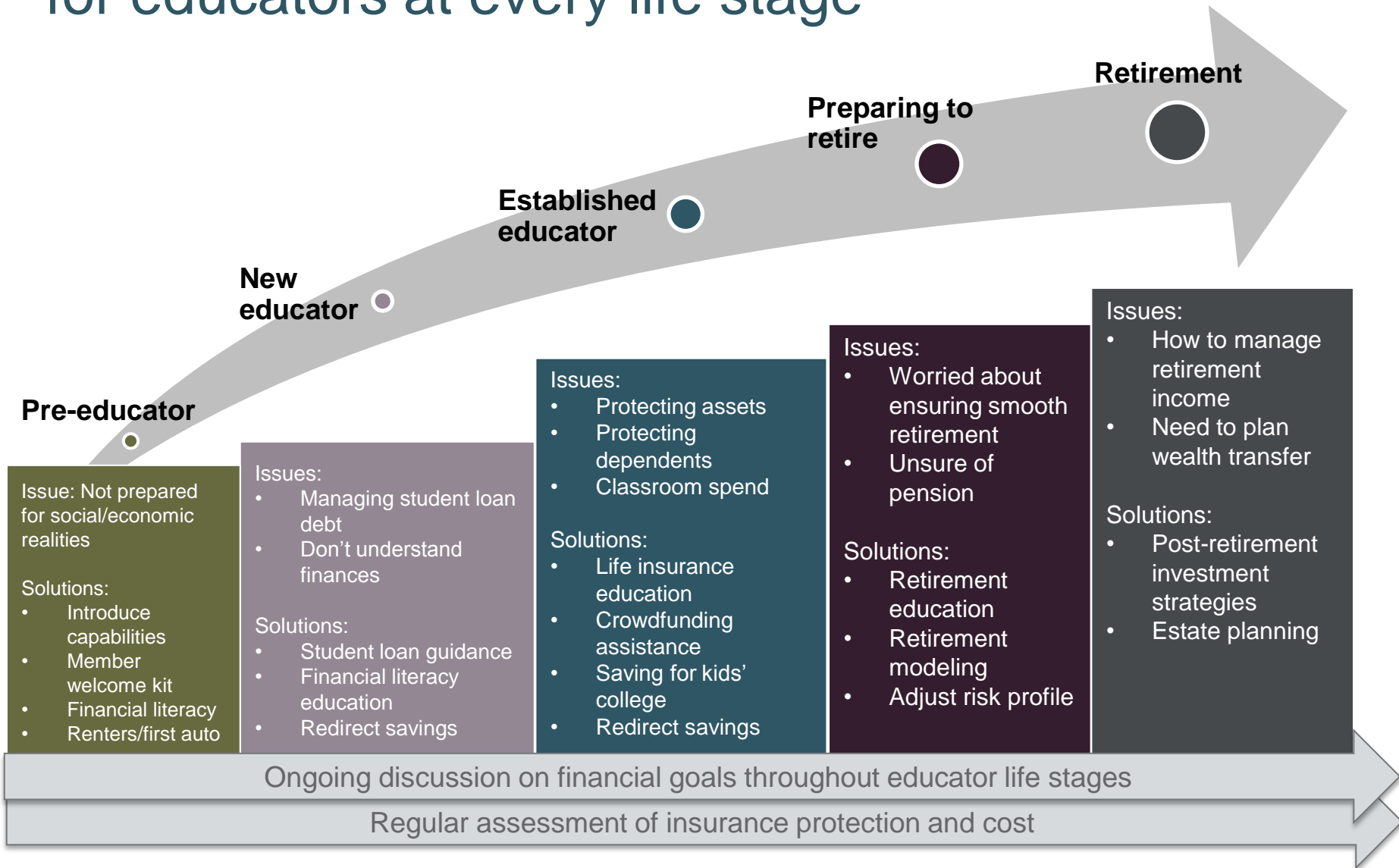


6.4 million K-12 educators nationwide

Current customer base of roughly 360,000 educator households and nearly one million customers

Sizeable demographic shift as Baby Boomers retire and Millennials make up a higher percentage of the workforce

Our strategy: Solutions tailored for educators at every life stage



Layering on institutional capabilities creates complete solution for the educator market



Improvements in product, distribution and infrastructure have built a strong foundation

P

- Full suite of Life and Retirement products:
 - Revamped and re-priced existing Life products
 - Introduced FIA and IUL products
 - New open architecture 403(b)7 platform
- Continuous improvement of P&C pricing segmentation
- Introduction of Student Loan Solutions

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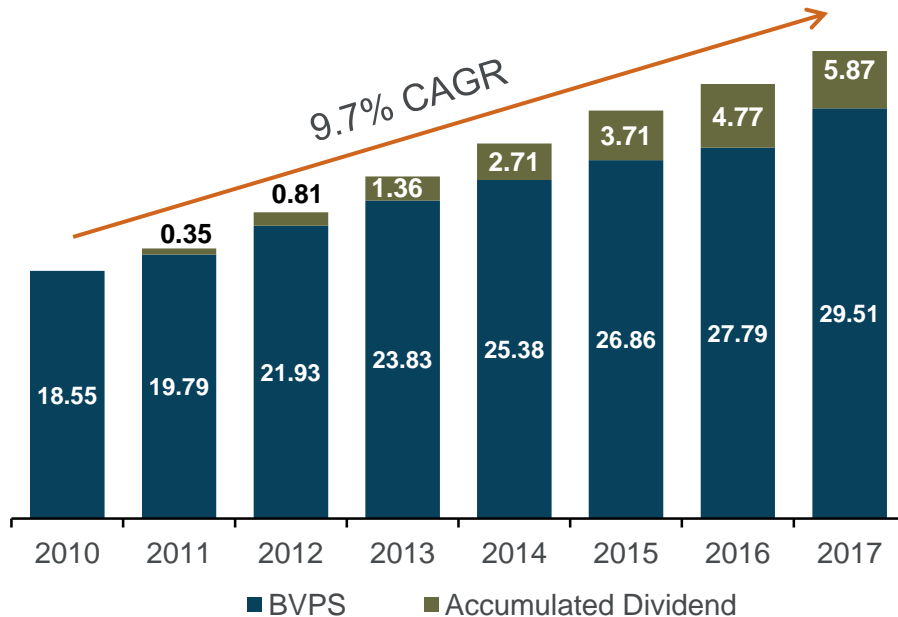
- Enhanced agent quality standards and improved agency support
- Common repeatable sales process
- Development of complementary channels will allow customers to choose access points
 - Captive Agents
 - Direct
 - Institutional

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- Life & Retirement systems modernization nearly complete
- P&C modernization in progress
- Introduced advanced planning capabilities & tools
- Improving customer and agent experience
- Widening the pipes to support greater new business volumes

Solid financial results have resulted in top quartile book value growth⁽¹⁾ and a compelling dividend yield

Book Value Plus Accumulated Dividends⁽¹⁾



- \$29.51 book value per share (excluding net unrealized investment gains/losses) as of Q4 2017, up 6.2% from a year ago
 - \$1.20 benefit related to passage of the Tax Cuts and Job Act of 2017
- Annualized 2017 shareholder dividend of \$1.10
 - Increase of 4% represents the ninth consecutive year of increases
 - Dividend yield of 2.6%⁽²⁾
 - ~65% payout ratio⁽³⁾⁽⁴⁾ above our ~ 50% target as a result of elevated FY2017 P&C catastrophe losses
- Opportunistic share buyback program
 - Repurchases of \$72.2 million since December 2011 at an average price of \$25.35 versus VWAP of \$29.22 through Q4'17
 - \$27.8 million remains under share repurchase authorization

(1) Book value per share excluding net unrealized investment gains/losses. 2010-2011 numbers have been restated to include the retrospective application of new accounting guidance for deferred policy acquisition costs. Top quartile ranking in peer group includes Large, Mid and Small cap personal lines and life insurance companies.

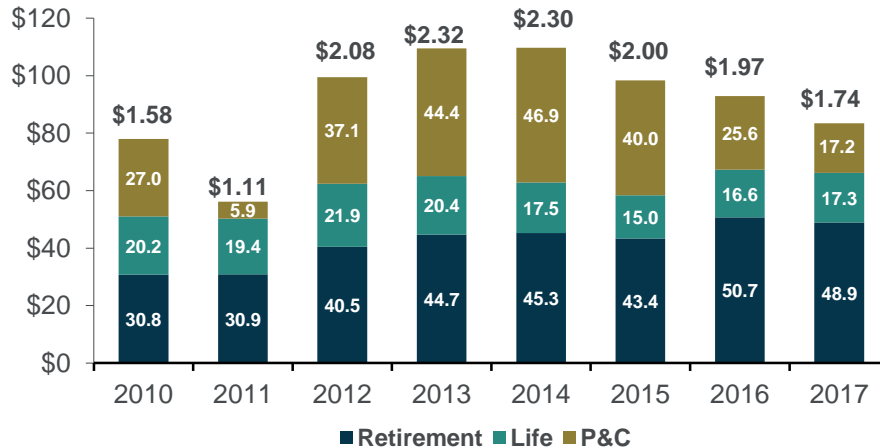
(2) Based on 12/31/17 closing stock price of \$44.10.

(3) Assuming catastrophe and weather-related losses are in line with historical experience.

(4) 2017 net income excludes the \$99.0 million re-measurement of the net deferred tax liability at 12/31/17.

Multiline business model has generated solid core earnings

Core Earnings by Segment⁽¹⁾



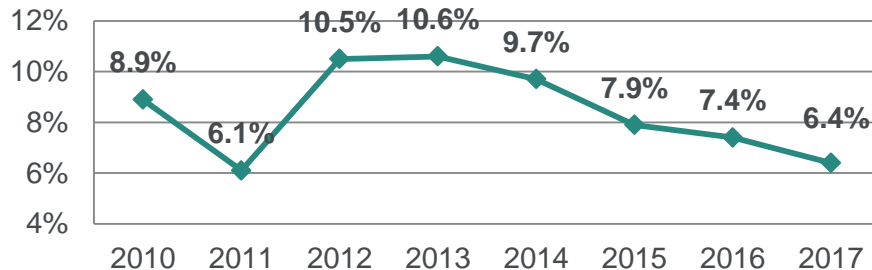
Core earnings per share⁽¹⁾ reflect diversification of multiline business model; earnings growth led by Retirement

- Continue growth of assets under management and proactive spread management have generated 8% earnings growth CAGR
- Recent P&C pressure from adverse weather; achieved ~1 point of underlying auto improvement in FY 2017 due to high-single digit rate increases and other profitability improvement actions

Strategic plan to improve ROE announced in Q3 2017

- Improve underlying P&C loss ratio
- Prudent expense discipline
- Grow fee-based Retirement business

Core ROE⁽²⁾

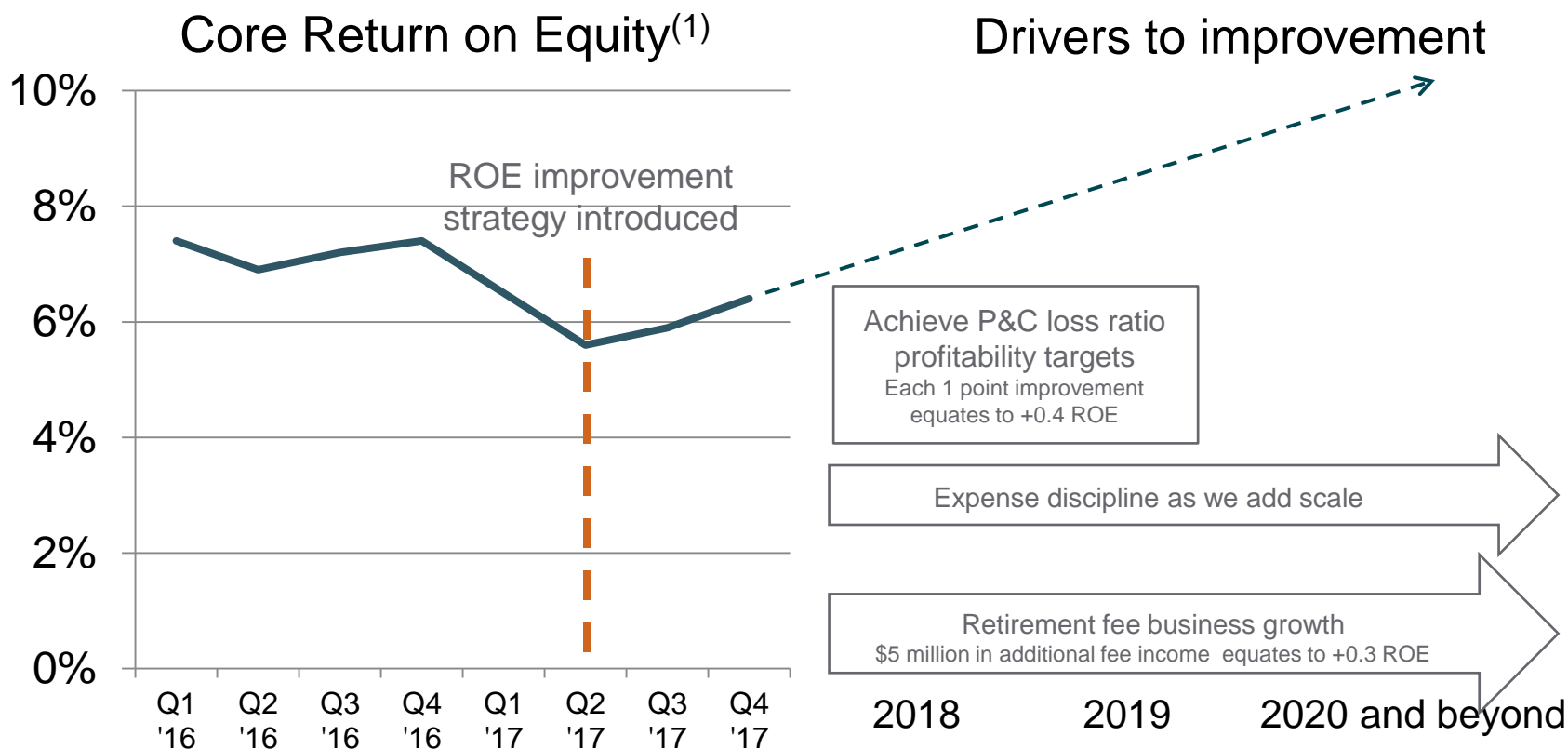


(1) Core earnings reflects net income excluding net realized investment gains and losses and the \$99.0 million re-measurement of the net deferred tax liability (DTL) that occurred on 12/31/17.

(2) Core ROE excluding net unrealized investment gains and losses and re-measurement of the DTL; 2010 is before the retroactive application of new accounting guidance for deferred policy acquisition costs.

On the right track to deliver a higher ROE

Incremental gains realized in second half of 2017



Headwind

Low interest rate environment results in spread compression
10 bps reduction in spread = -0.3 ROE

Tailwind

Solid progress on Auto loss ratio improvement in 2H 2017
+0.6 favorable impact on ROE

Wildcard

Catastrophe losses could have favorable or unfavorable impact
+/- 1 point of cat losses = 0.4 ROE

FY2018 core earnings guidance of \$2.10 to \$2.30

Core earnings	\$2.10 to \$2.30 per diluted share
Total Effective Tax Rate	15-18%
P&C net written premium	4 – 6% increase
Auto PIF	Flat
P&C rate plan	Auto: high-single digits; Property mid-single digits
P&C retention	Retention at similar levels to 2017: Auto 83%, Property 88%
Reported P&C combined ratio	High 90s
Cat load	6 to 7 points
Expense ratio	Around 27 on a full year basis
Auto underlying loss ratio	2 to 2.5 points of improvement
Property underlying loss ratio	1 to 1.5 points of improvement
Retirement ex-DAC earnings	Similar to 2017
Reinvestment rate	3.5%
Pretax annualized investment yield	20 – 30 basis points decline
Net interest spread	Around 170
Retirement AUM	Increase in the mid-single digit range
Life earnings	\$16 to \$18 million
Mortality costs	Modest increase
Life sales	Continued double-digit growth

Further capabilities planned for 2018

Laser-focused on improving ROE and achieving profitable growth

P

- Growth in fee-based retirement product sales
- Continuous improvement of P&C pricing segmentation
- Enhanced homeowners package options and benefits
- Minor enhancements to Life product suite
- Optimize Horace Mann General Agency

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- Increase points of distribution, including recruiting veteran producers
- Execution focus
- Build on B2B capabilities and support for institutional team
- Focus resources on profitable geographies
- Solidify repeatable sales process

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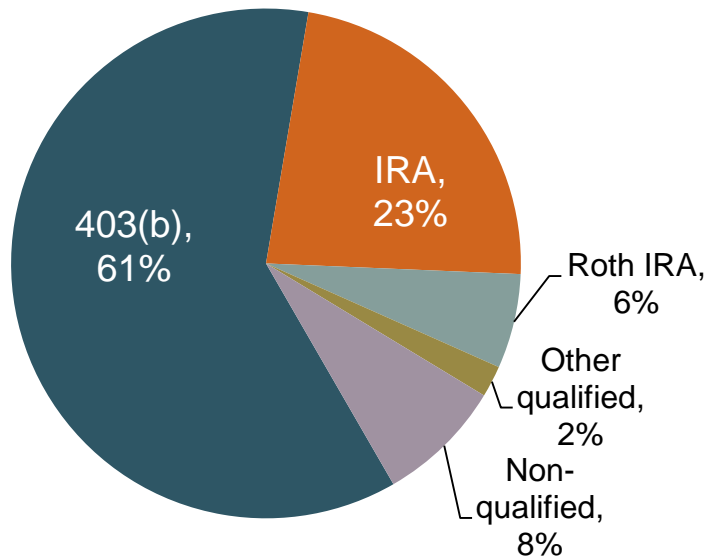
- Continue P&C and L&R systems modernization
- Further refine advanced planning capabilities & tools
- Enhanced customer experience
- Thoughtfully rationalize expense growth to drive ROE improvement

Segment strategy and results



Retirement segment: Helping educators meet their financial goals with tailored solutions

Retirement product composition⁽¹⁾



92% of Retirement assets under management are tax-qualified accounts with a retirement orientation; consistent strong persistency ~92%

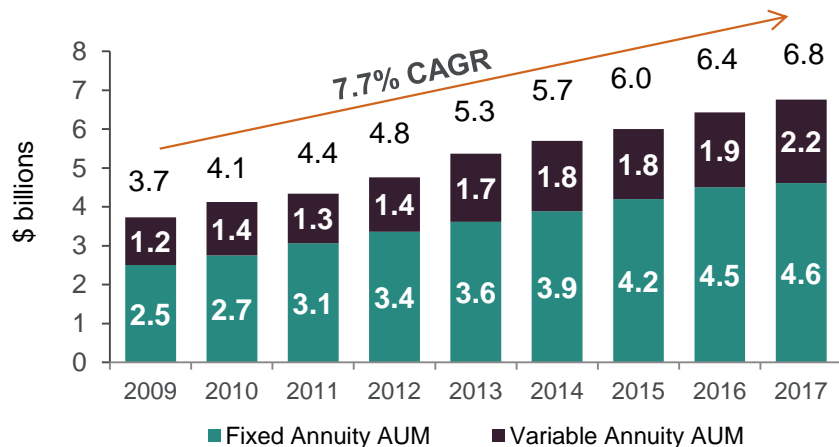
Opportunity

- Educators face complicated retirement system offerings
 - State teacher retirement systems
 - Pension uncertainty
 - Tax-deferred options
- Educators want guidance to plan for the future
 - Workshops on Student Loan Solutions, Financial Wellness, DonorsChoose.org and retirement planning
 - Encourage redirecting savings to retirement planning
 - School payroll deduction

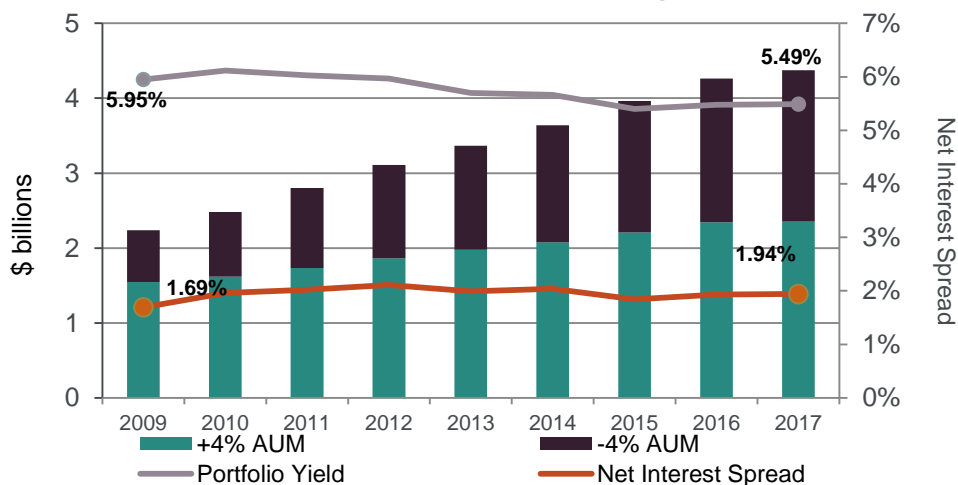
(1) Based on Assets Under Management as of December 31, 2017.

Retirement segment: Strong earnings contributor; assets under management continue to grow

Annuity Assets Under Management



Fixed Annuity Spreads by Segment



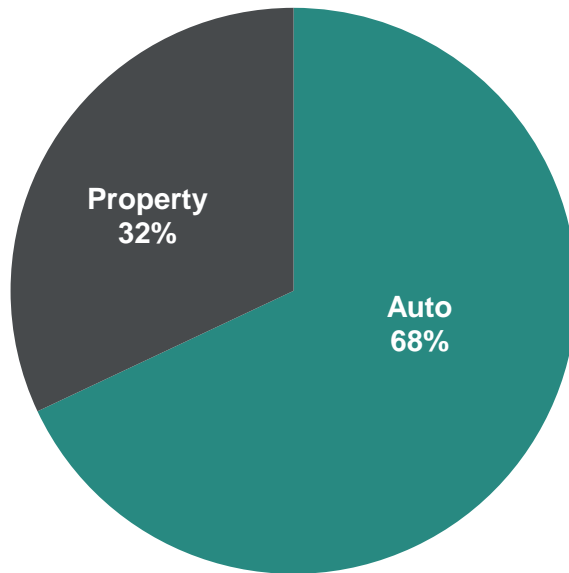
Results

- Total retirement assets under management increased 9% year over year
 - FY Annuity deposits of \$453.1 million; a 13% decrease year over year
 - Mutual fund deposits increased 105% year over year to \$80.0 million
- FY core earnings⁽¹⁾ down 2% year over year to \$49.6 million
 - Higher AUM driven by strong deposits and higher variable annuity account values
 - Strong net investment income reflected elevated prepayments
 - Expense growth related to build out of DOL compliant products and other strategic initiatives
- Business is priced to generate a low double-digit ROE at targeted spreads of 200 to 250 bps
 - New business spreads continue to exceed targets

⁽¹⁾Excluding DAC unlocking and the effect of the DTL re-measurement

P&C segment: Preferred book of educator risk with strong retention ratios

**P&C Net Written Premium
(\$663 MM)⁽¹⁾**



Opportunity

- Preferred risk profile
 - Conservative by nature
 - Short/off-hour commutes
 - Financially responsible
- Reach new educators and cross-sell to our existing Life & Retirement customers

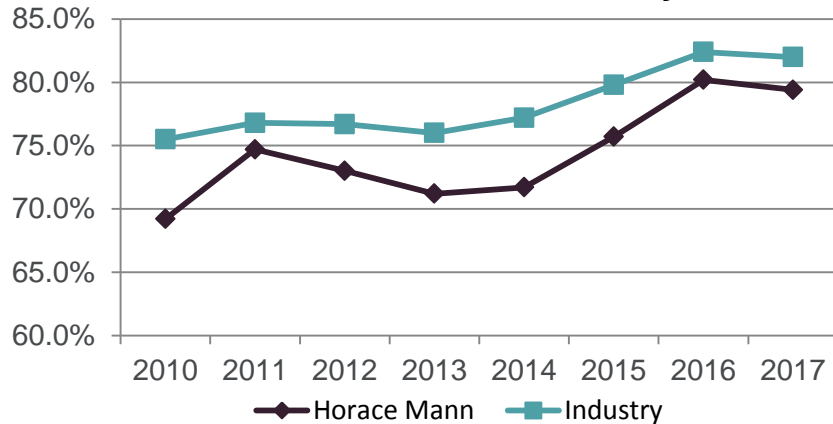
Product

- Majority of P&C business is bundled Auto and Property
- Policy retention exceeds industry averages and improves with cross-sell efforts
 - 83% Auto
 - 88% Property

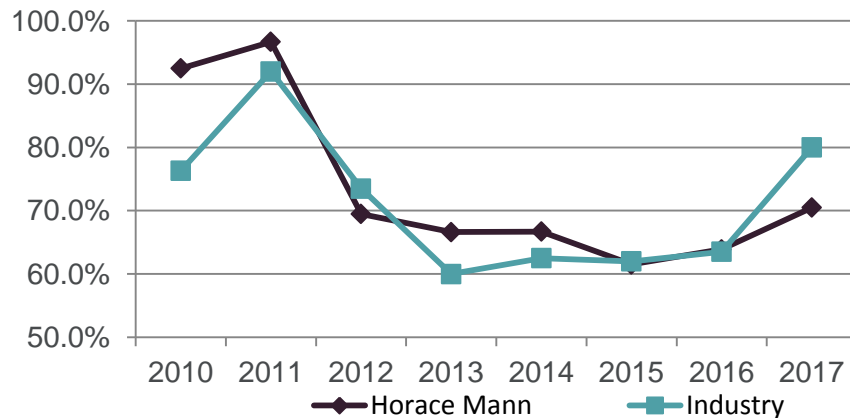
(1) Based on FY 2017

P&C segment: 2017 results reflect elevated weather related losses but auto margin expansion in the second half of the year

Auto Loss Ratio vs Industry⁽¹⁾



Property Loss Ratio vs Industry⁽¹⁾



Results

- 2017 YE combined ratio of 103.3 increase of 1.8 pts to prior year
 - Auto high single digit rate increases
 - Property mid-single digit rate increases
- 4.5% increase in net written premiums to \$663 million compared to a year ago
 - 9.5 points of catastrophe losses in line with prior year
 - Auto underlying combined ratio of 104.1, 1 pt below prior year
 - Property underlying combined ratio of 73.7, 5 pts over prior year
- Auto loss ratio continues to average nearly 4 points better than the industry
 - Profitability improvement initiatives on track
 - Underlying combined ratio improved 1 point from PY
- 2017 Property loss ratio reflects continued underwriting discipline
 - Losses related to Q3 Hurricane activity and Q4 wildfires significantly below market share
- Mid-90s combined ratio would generate low double digit ROE at 1.5x underwriting leverage

(1) A.M. Best industry composite based on statutory incurred losses. 2017 YE Conning and Co. estimate

Life segment: Sizeable opportunity in our middle-market educator niche

Individual insurance in force⁽¹⁾



Opportunity

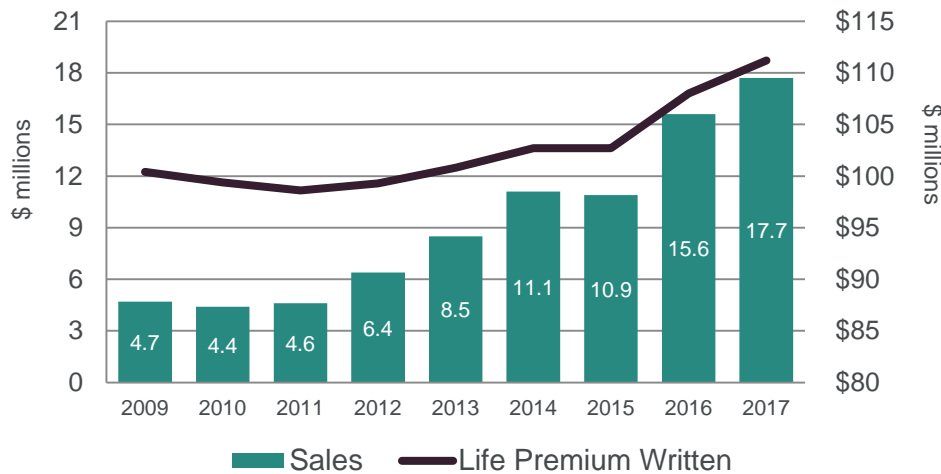
- Many educators are in uninsured or underinsured
- Tailored product suite to cross-sell to our existing P&C and Retirement customers

Products

- Basic coverages appropriate for educator income levels
- Mature in-force book of whole and term life products
 - About 198,000 policies in force
 - Average individual life face amount of ~ \$103K
 - 95% retention ratio

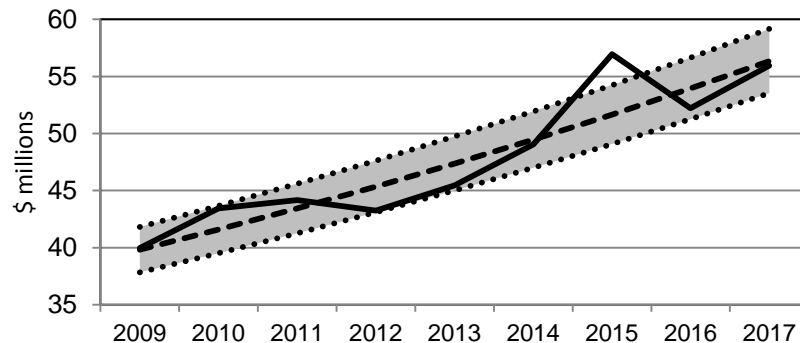
Life segment: Profitable in-force block with double digit sales growth

Sales & Premium Written



Life Statutory Claims

including regression curve & +/- 5% corridor



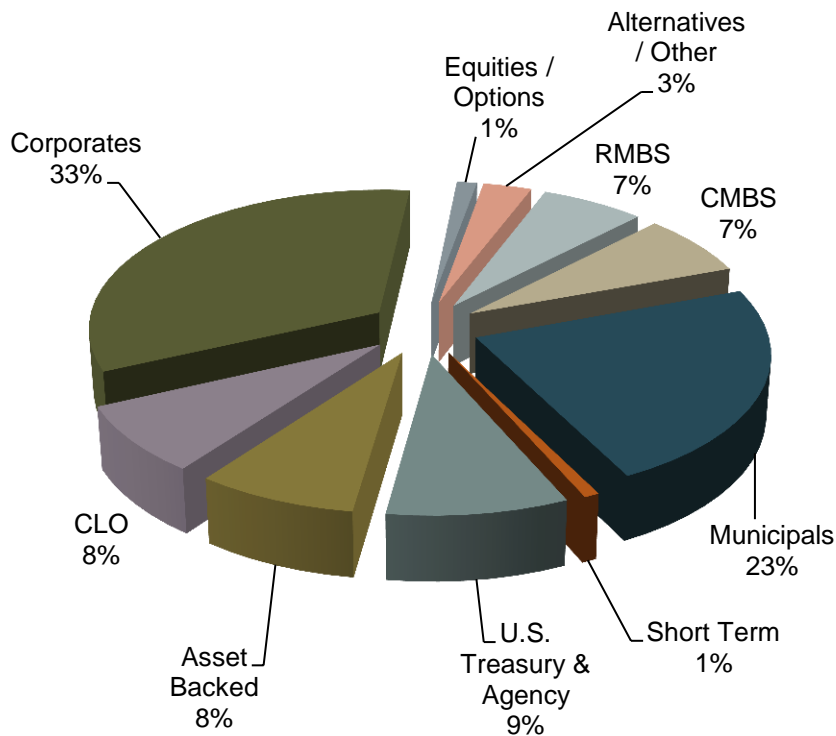
Results

- Strategic focus to grow this segment of profitable business
 - 13% increase in Life sales year over year to \$17.7 million
- YTD core earnings⁽¹⁾ up 5% year over year to \$17.1 million
 - Mortality in line with historical trends
- Business priced to generate a low double-digit ROE

Conservative and well diversified investment portfolio that is designed to support our product offerings

Portfolio Composition⁽¹⁾

\$8.2 billion MV



High quality, well diversified portfolio across fixed income sectors

- Weighted average quality: A+
- Average duration 5.9

Focused on risk and asset liability management

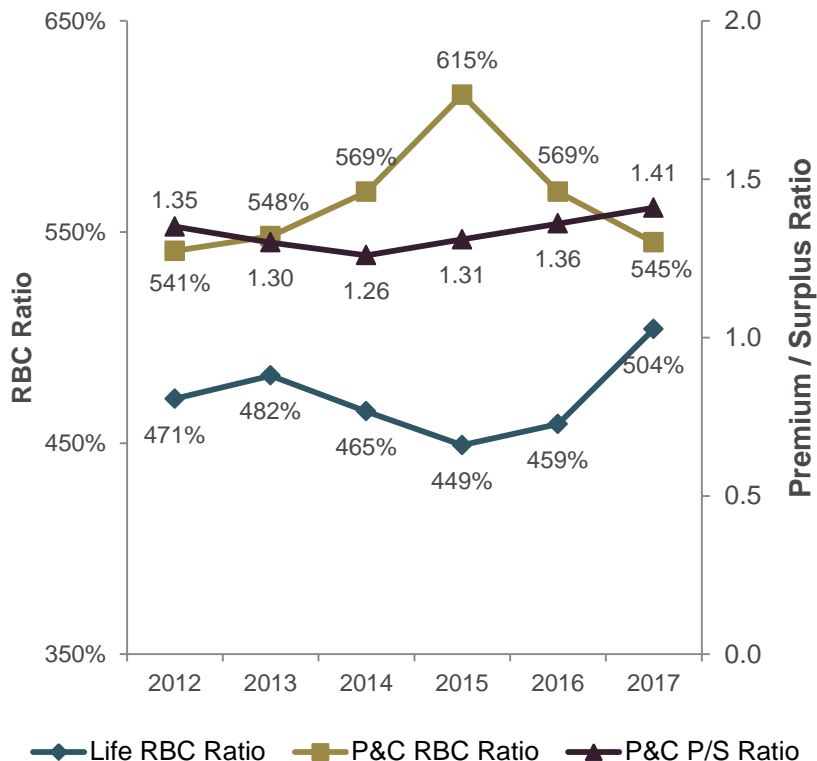
- \$7.2 billion MV portfolio supports long dated Life & Retirement liabilities
- \$1.0 billion MV portfolio supports P&C
- \$440 million net unrealized gain; majority in Life & Retirement portfolios

New purchases focused on improving portfolio quality

- New money rate of ~4% YTD

Capital ratios are strong and reflect more than adequate capital to grow our businesses

Capital Ratios⁽¹⁾



Consistent earnings, along with our conservative bias have resulted in strong capital ratios

- P&C loss reserves held at top half of independent actuarial range
- Conservative Life & Retirement product design
- Investment portfolio construction / historical loss experience
- Life RBC ratio improvement in FY17 benefitted from modestly higher credit quality in the investment portfolio

2017 debt-to-capital ratio⁽²⁾ of 19.8%

(1) 2017 RBC results are estimates. P&C RBC is shown using 2016 methodology.

(2) Excludes net unrealized investment gains on fixed maturity and equity securities.

Alignment of PDI and solutions orientation will accelerate efforts to profitably grow

Product

Robust/Complete Product Suite

- Full suite of Life and Retirement products:
 - Revamped and re-priced existing Life products
 - Introduced FIA and IUL products
 - New Retirement Product Suite
- Continuous improvement of P&C pricing segmentation
- Introduction of Student Loan Solutions
- Increased partnerships through Horace Mann General Agency

Distribution

Strengthening the model

- Enhanced agent quality standards and improved agency support
- Common repeatable sales process
- Development of complementary channels will allow customers to choose access points
 - Direct
 - Institutional
 - Captive Agents
- Enhanced digital capabilities

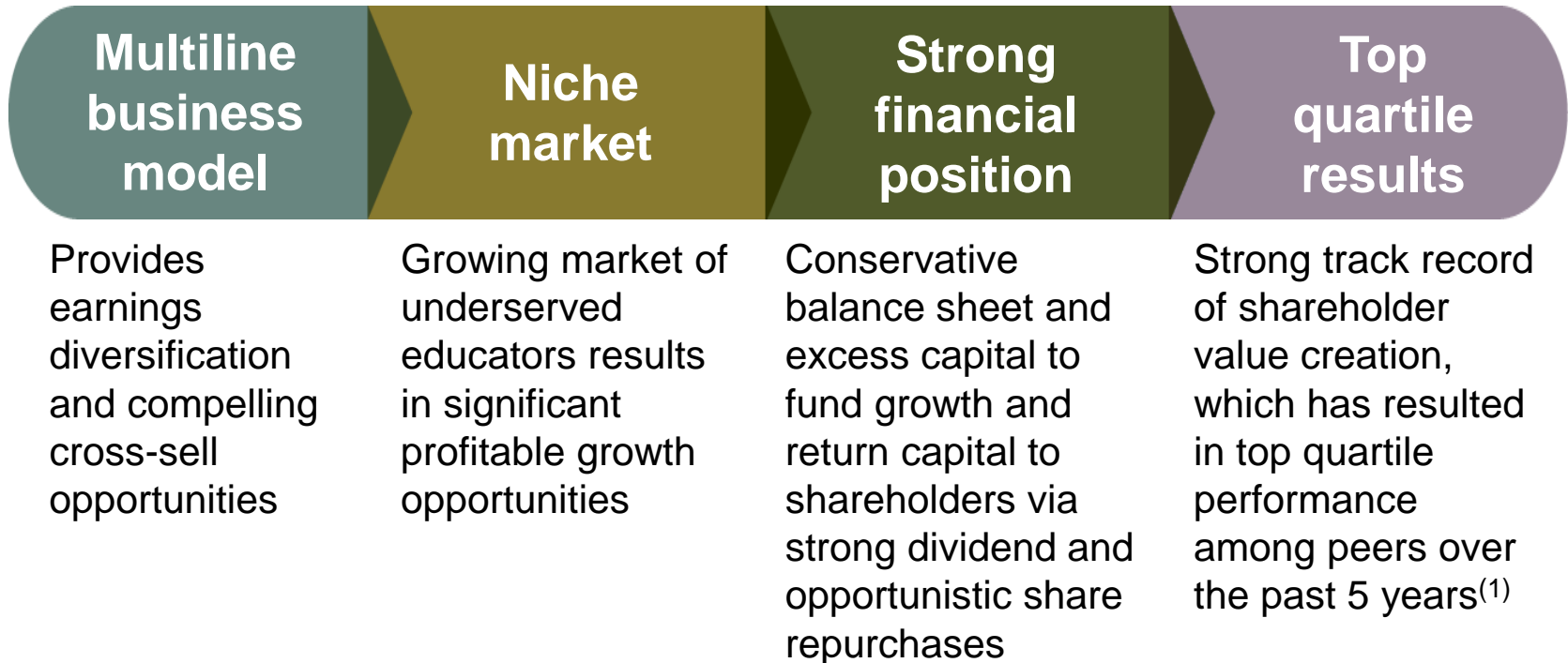
Infrastructure

Modernizing the experience

- Life & Retirement systems modernization nearing completion
- P&C modernization in progress
- Introduce advanced planning capabilities and standardized product selection tool
- Improving customer experience and Net Promoter Score
- Widening the pipes to support greater new business volumes

- **More educator households**
 - **Sales momentum across all business lines**
 - **Improve our already industry-leading cross-sell ratio**

Unique value proposition results in a differentiated investment opportunity



(1) Book value per share excluding net unrealized investment gains/losses on fixed maturity and equity securities. As of 12/31/2017, top quartile ranking in peer group reflects book value growth and dividend growth includes Large, Mid and Small cap personal lines and life insurance companies, over past 5 years. Source: SNL Financial

Appendix



Founded by Educators for Educators®

- | | |
|-------|---|
| 1945 | Founded by two teachers in Springfield, IL as the Illinois Education Association Mutual Insurance Company to provide automobile insurance to IEA members |
| 1949 | Company began offering life insurance products to the educational community |
| 1961 | Introduced 403(b) tax-qualified retirement annuities; the year Congress created this option for educators |
| 1975 | Company acquired by INA Corporation |
| 1989 | Company acquired from CIGNA through a management led LBO |
| 1991 | Completed initial public offering; stock trades on NYSE under the symbol "HMN" |
| 2000 | With less than 50% of new P&C business represented by educators, company refocuses on the educator market |
| 2006 | Began transitioning employee agency force to new business model |
| 2009 | Exclusive Agent (EA) contract introduced |
| 2010 | Re-introduced State Teacher Retirement Seminars, and began strategic relationship with DonorsChoose.org |
| 2015 | Introduction of Fixed Indexed Annuity and Indexed Universal Life round out product offerings |
| Today | Building on a solid foundation to accelerate our growth momentum and increase our penetration in the K-12 educator niche <ul style="list-style-type: none">• Largest national, multiline insurance company focused on serving the nation's K-12 educator market• Current book ~ 80% educator• Agency force transition largely complete; now focused on productivity improvement initiatives• Life & Retirement product line enhancements and infrastructure improvements• Enhanced P&C pricing segmentation and underwriting and claims initiatives to further improve underwriting results |
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Retirement sales in line with PY, in contrast to broader industry's lower sales, on strong recurring deposit flows

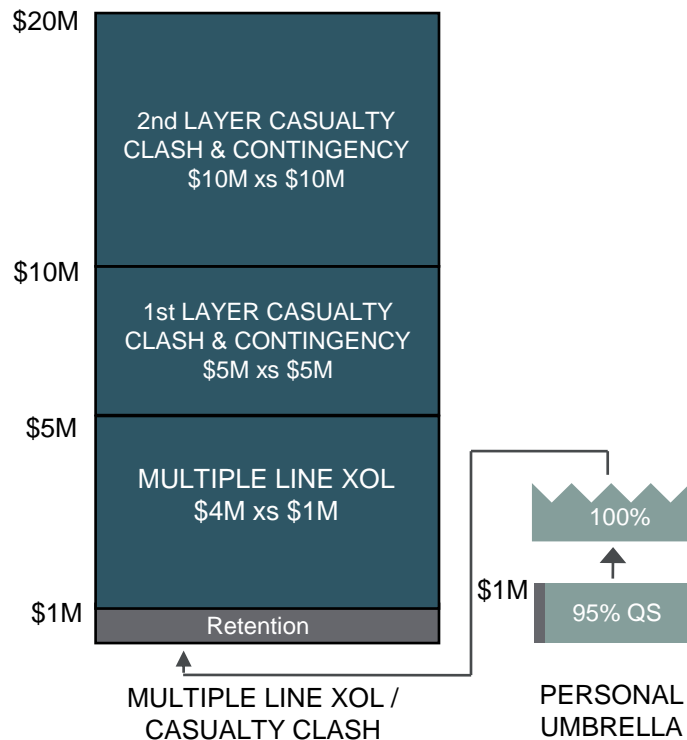
	Sales			AUM		
	YTD 2017	YTD 2016	% Change	Q4 17	Q4 16	% Change
Fee Based						
Variable Annuity*	\$ 169.4	\$ 150.1	13%	\$ 2,152	\$ 1,832	17%
Retirement Adv / Mng'd Acct	44.6	12.2	266%	68	19	258%
Other TPV	35.4	26.8	32%	198	158	25%
Total	\$ 249.4	\$ 189.1	32%	\$ 2,418	\$ 2,009	20%
Spread Based						
Fixed Annuity*	\$ 271.3	\$ 343.8	-21%	\$ 4,600	\$ 4,420	4%
GUFA (Retirement Adv)**	6.5	2.5	160%	8	2	300%
Total	\$ 277.8	\$ 346.3	-20%	\$ 4,608	\$ 4,422	4%
Total Retirement	\$ 527.2	\$ 535.4	-2%	\$ 7,026	\$ 6,431	9%

* Excludes employee 401(k) and pension flows, which totaled \$6.0mm for 2017 and \$23.8mm for 2016

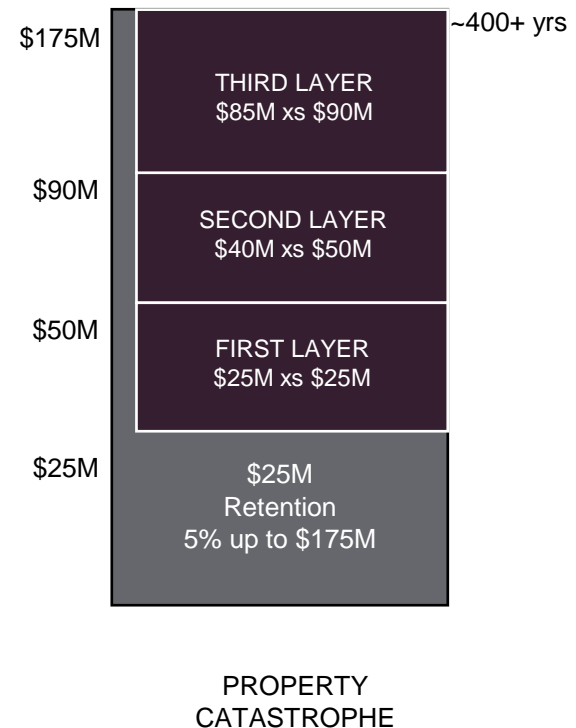
** GUFA (Guaranteed Unallocated Fixed Account) is a traditional fixed crediting rate product, managed in the same manner as Fixed Annuities; therefore it is reported as part of our Fixed Annuity flows in our Account Rollforward in the Investor Financial Supplement; this product is sold as part of our new Retirement Advantage product suite

Current single-event catastrophe reinsurance provides PML coverage of approximately 400+ years

Multiple Line XOL / Casualty⁽¹⁾



Property⁽¹⁾



Strong and stable P&C reserves further reduce potential earnings volatility

Net P&C Reserve Position			
	Independent Actuary		HMN
(\$M)	Low	High	Held
2017	\$234.1	\$277.0	\$261.8
2016	\$219.8	\$260.0	\$246.6
2015	\$214.3	\$257.7	\$251.2

Appropriate conservatism

- Disciplined reserving practices
- Recent favorable reserve development consistent with independent observations

Strong claims organization/capabilities

- Centralized claim offices
- Technology/infrastructure
- Implementation of best practices and procedures

Highly rated by all rating agencies

Educator market focus, earnings diversification and capital strength cited

Current Financial Strength Ratings

Agency	Rating (affirmed/reviewed)	Outlook
S&P	A (2/13/17)	Stable
Moody's	A3 (3/10/17)	Positive
A.M. Best	A (5/16/17)	Stable
Fitch	A (7/27/17)	Stable

Recent Ratings Upgrades

- In Q4 2016, Moody's upgraded our P&C outlook to Positive from Stable
- In Q1 2016, AM Best upgraded our P&C rating to "A" from "A-"
- In Q2 2015, Moody's upgraded our Life outlook to Positive from Stable

Consolidated GAAP Income Statement

(\$ Millions, except EPS and BV / Share)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Written premium and contract deposits	\$1,094.2	\$1,167.7	\$1,256.5	\$1,262.5	\$1,227.1
Earned premium and contract charges	\$690.9	\$715.8	\$731.9	\$759.1	\$794.7
Investment income	313.6	329.8	332.6	361.2	373.6
Other income	4.5	4.2	3.2	4.5	6.6
Benefits, claims and settlement expenses	618.2	644.5	679.2	733.1	780.9
Total other expenses and taxes	294.3	308.0	303.6	310.2	321.9
Net income before net realized investment gains / losses and DTL re-measurement	\$96.5	\$97.3	\$84.9	\$81.5	\$72.1
Core earnings per diluted share	\$2.32	\$2.30	\$2.00	\$1.97	\$1.74
Core ROE (ex. net unrealized investment gains/losses and DTL re-measurement)	10.6%	9.7%	7.9%	7.4%	6.4%
DTL re-measurement and net realized investment gains/losses after tax	14.4	6.9	8.6	2.3	97.3
Net income	\$110.9	\$104.2	\$93.5	\$83.8	\$169.4
BV/Share (ex. net unrealized investment gains/losses)	\$22.83	\$25.38	\$26.86	\$27.79	\$29.51

Consolidated GAAP Balance Sheet

(\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assets					
Investments	\$6,539.5	\$7,403.5	\$7,648.0	\$7,999.3	\$8,352.3
Cash	18.2	11.7	15.5	16.7	7.6
Separate Account Assets	1,748.0	1,813.6	1,800.7	1,923.9	2,152.0
DAC	245.3	215.1	253.2	267.6	257.8
Goodwill	47.4	47.4	47.4	47.4	47.4
Other Assets	228.3	277.2	292.2	321.9	381.2
Total Assets	<u>\$8,826.7</u>	<u>\$9,768.5</u>	<u>\$10,057.0</u>	<u>\$10,576.8</u>	<u>\$11,198.3</u>
Liabilities					
Policy Liabilities & Other Policyholder Funds	\$5,375.5	\$5,958.2	\$6,376.1	\$6,733.1	\$6,906.3
Separate Acct. Liabilities	1,748.0	1,813.6	1,800.7	1,923.9	2,152.0
Long Term Debt	199.9	199.9	247.0	247.2	297.5
Short Term Debt	38.0	38.0	0.0	0.0	0.0
Other Liabilities	366.0	422.3	368.5	378.6	340.9
Total Liabilities	<u>7,727.4</u>	<u>8,432.0</u>	<u>8,792.3</u>	<u>9,282.8</u>	<u>9,696.7</u>
Shareholders' Equity	<u>1,099.3</u>	<u>1,336.5</u>	<u>1,264.7</u>	<u>1,294.0</u>	<u>1,501.6</u>
Total Liabilities & Equity	<u>\$8,826.7</u>	<u>\$9,768.5</u>	<u>\$10,057.0</u>	<u>\$10,576.8</u>	<u>\$11,198.3</u>

Tax Cuts and Jobs Act of 2017 has favorable impacts on book value and ongoing net income

2017		
	WITHOUT TAX-DEFERRED LIABILITY REMEASUREMENT	WITH TAX-DEFERRED LIABILITY REMEASUREMENT
Net income benefit	-	\$99M
Book value ⁽¹⁾	\$28.31	\$29.51
Core ROE	6.4%	15.0%

2018	
	IMPACTS OF TAX RATE CHANGES
Earnings benefit due to lower income tax expenses	\$11M / \$0.25 per diluted share
Consolidated effective tax rate	15% – 18%
P&C effective tax rate	13% – 16%
Retirement effective tax rate	17% – 20%
Life effective tax rate	18% – 21%
Corporate effective tax rate	20% – 21%

Horace Mann at a glance

Exchange ticker symbol	NYSE:HMN
Share Price	\$44.10 ⁽¹⁾
Shares Outstanding	40.7 million ⁽¹⁾⁽²⁾
Market Capitalization	\$1.8 billion ⁽¹⁾
Annualized Dividend Per Share	\$1.10 ⁽¹⁾
Dividend Yield Per Share	2.6% ⁽¹⁾
Average Daily Volume	160K shares (52-week average daily volume as of 12/31/17)
Book Value Per Share	\$29.51 ⁽¹⁾⁽³⁾
Analyst Coverage	Dowling & Partners: Gary Ransom Janney Montgomery Scott: Robert Glasspiegel JMP Securities: Matt Carletti Keefe, Bruyette & Woods: Christopher Campbell

(1) As of 12/31/2017

(2) 41.7 million weighted average diluted shares for Q4 '17

(3) Excluding net unrealized investment gains and losses on fixed maturity and equity securities

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