Risk Factors Comparison 2024-02-27 to 2023-02-28 Form: 10-K

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In addition to these enumerated risks, we face numerous other strategic, operational and emerging risks that could in the aggregate lead to shortfalls to our long- term goals or add to short- term volatility in our earnings. Additionally, many risk factors are correlated, which could exacerbate the financial impact. The following review of important risk factors should not be construed as exhaustive and should be read in conjunction with the Forward- looking Information section located in Part I- Item 1 of this Annual Report on Form 10- K as well as Part II- Item 8, " Financial Statements and Supplementary Data " of this Annual Report on Form 10- K and other reports and materials we submit to the SEC. The words or phrases believe, anticipate, estimate, project, plan, expect, intend, hope, forecast, evaluate, will likely result or will continue or words or phrases of similar import generally involve forward- looking statements. All of the risks that may affect our financial or operating performance may not be material at this time but may become material in the future. Horace Mann Educators CorporationAnnual Report on Form 10- K ~~21~~ **23** Volatile financial markets and adverse economic environments can affect financial market risk as well as our financial condition and results of operations. ~~Financial~~ **Our business and results of operations are materially affected by conditions in the capital** markets ~~in~~ **and** the U. S. ~~and elsewhere can experience extreme~~ **economy, as well as by the global economy to the extent it affects the U. S. economy. Actual or perceived stressed conditions,** volatility and ~~disruption~~ **disruptions in financial** ~~for uncertain periods of time. During such times, stresses affecting the global banking system can lead to economic volatility, which can exert significant downward pressure on prices of equity securities and many other investment~~ asset classes **or various** ~~and result in severely constrained credit and~~ capital markets ~~, particularly for financial institutions, and an overall loss of investor confidence. Many states and local governments~~ can ~~also be impacted by adverse economic conditions, which could have an impact on both our niche market and our investment portfolio. Like other financial institutions that face significant financial market risk in their operations, we have been adversely affected by these conditions and could be adversely impacted by similar circumstances in the future. Our ability to access the capital markets to refinance outstanding indebtedness or raise capital could be impaired during significant financial market disruptions. As discussed further in subsequent risk factors, in addition to the effects of financial markets volatility, a prolonged economic recession may have other adverse impacts on our financial condition and results of operations. If our investment strategy is not successful, we could suffer unexpected losses. The success of our investment strategy is crucial to the success of our business. Specifically, our fixed maturity securities portfolio is subject to a number of risks including: • interest rate risk, which is the risk that interest rates may decline and funds reinvested would earn less than expected; • market value risk, which is the risk that invested assets will decrease in value due to changes in yields realized on the assets and prevailing market yields for similar assets, an unfavorable change in the liquidity of the asset or an unfavorable change in the financial prospects or a downgrade in the credit rating of the issuer of the asset that would result in realized losses on funds disposed before their maturity; • credit risk, which is the risk that the value of certain investments become impaired due to deterioration in the financial condition of one or more issuers of those instruments or the deterioration in performance or credit quality of the underlying collateral of certain structured securities and, ultimately, the risk of permanent loss in the event of default by an issuer or underlying credit; • market fundamentals risk, which is the risk that there are changes in the market that can have an unfavorable impact on securities valuation such as availability of credit in the capital markets, re-pricing of credit risk, reduced market liquidity due to broker- dealers' unwillingness to hold inventory, and increased market volatility; • concentration risk, which is the risk that the portfolio may be too heavily concentrated in the securities of one or more issuers, sectors or industries, which could result in a significant decrease in the value of the portfolio in the event of deterioration in the financial condition of those issuers or the market value of their securities; • liquidity risk, which is the risk that liabilities are surrendered or mature sooner than anticipated requiring the sale of assets at an undesirable time to provide for policyholder surrenders, withdrawals or claims; and, • regulatory risk, which is the risk that regulatory bodies or governments, in the U. S. or in other countries, may make substantial investments or take significant ownership positions in, or ultimately nationalize, financial institutions or other issuers of securities held in our investment portfolio, which could adversely impact the seniority or contractual terms of the securities. Regulatory risk could also come from changes in tax laws or bankruptcy laws that could adversely impact the valuation and / or after tax yields of certain invested assets. 22 Annual Report on Form 10-KHorace Mann Educators Corporation Although our defined benefit pension plan has been frozen since 2002, declining financial markets could also cause, and in the past have caused, the value of the investments in this plan to decrease, resulting in additional pension expense, a reduction in other comprehensive income and an increase in required contributions to this plan, which could~~ have an adverse effect on **us, both because we have a large investment** ~~our financial condition and results of operations. The determination of fair value of our fixed maturity securities~~ portfolio ~~includes methodologies, estimations~~ and ~~assumptions that~~ **our benefit and claim liabilities** are ~~subject~~ **sensitive** to **changing** ~~differing interpretations and could result in changes to investment valuations that may materially affect our financial condition and results of operations. The determination~~

~~of fair value is made at a specific point in time, based on available~~ market **factors** ~~information and judgments about financial instruments~~ , including **interest rates** ~~estimates of the timing and amounts of expected future cash flows and the credit standing of the issuer or counterparty. The use of different methodologies and assumptions may have a material effect on the estimated fair value amounts. During periods of market disruption~~ , ~~including periods of rapidly widening~~ credit spreads **, derivative prices and availability, and volatility of capital markets. In an economic downturn characterized by higher unemployment and lower family income, the demand** ~~or~~ **for** ~~illiquidity~~ **our products could be adversely affected as customers are unwilling or unable to purchase them. In addition** , ~~it~~ **we** may **experience** ~~be difficult to value certain securities if trading becomes less frequent and~~ **an** ~~/~~ **elevated incidence of claims, adverse utilization of benefits relative to** ~~or~~ **our best estimate assumptions, and increased** ~~market data becomes less observable. There may be certain asset classes~~ **lapses or surrenders of policies** ~~that were in active markets with significant observable data that become illiquid due to the financial environment~~ . ~~In such~~ **Such adverse changes in** ~~cases, fair value determination may require more subjectivity and management judgment and those~~ -- **the economy** ~~fair values may differ materially from the value at which the investments~~ could **negatively affect our earnings** ~~ultimately be sold. Further, rapidly changing~~ and ~~unprecedented credit and equity market conditions could materially impact the valuation of securities and the period- to- period changes in fair value could vary significantly. The difference between fair value and amortized cost, net of applicable deferred income taxes and the related impact on DAC associated with annuity contracts and life insurance products with account values is reflected as a component of AOCI within shareholders' equity. Decreases in the fair value of investments could~~ have a material adverse effect on our financial condition ~~and~~ **,** results of operations ~~. Equity method adjustments on investments in limited partnership interests as well as fair value accounting for equity securities~~ and ~~derivatives~~ **our ability to receive dividends from our insurance subsidiaries. Significant market volatility in reaction to geopolitical risks, changing monetary policy, and uncertain fiscal policy** may **exacerbate some** ~~reduce profitability and / or cause volatility in our results~~ of ~~operations. We invest in limited partnership interests, which are accounted for using the equity method of accounting. This means that our proportionate share of the changes in fair value of the underlying net asset values are reported in net investment income in the Consolidated Statements of Operations and Comprehensive Income (Loss). As a result, the amount of net investment income recognized from these~~ -- **the risks we face** ~~investments can vary substantially from period to period~~ . Equity and credit market volatility may reduce net investment income from **limited partnership interests accounted for using** ~~these~~ -- **the** ~~types~~ **equity method** of ~~investments and~~ **accounting,** negatively ~~impact~~ **impacting** the results of operations. **Declining** ~~Changes in fair value from applying fair value accounting to~~ equity **markets** ~~securities, which are reported in net investment gains (losses) in the Consolidated Statements of Operations and Comprehensive (Loss),~~ may **also decrease separate account** ~~cause volatility in our results of operations. The application of fair value~~ **values** ~~accounting for derivatives and derivatives embedded in FIA and IUL products may cause volatility in our results of operations. Catastrophe events,~~ as well as ~~significant weather events not designated as catastrophes~~ **fixed account values of our retirement products** , ~~can~~ **reducing certain fees generated by these products. Recent increases in interest rates** have ~~a material adverse affect~~ **increased our cost of borrowing and volatility in U. S. financial markets could impact our access to, or further increase the cost of, financing. Past disruptions in the U. S. credit and equity markets made it more difficult for many businesses to obtain financing** on **acceptable terms** ~~our financial condition and results of operations~~ . **These** ~~Underwriting results of property and casualty insurers are subject to weather and other~~ conditions ~~prevailing in~~ **tended to increase the cost of borrowing** ~~an~~ **and** ~~accident year. While one year~~ **if they recur, our cost of borrowing could increase and it** may be **more difficult to obtain financing** ~~relatively free of major weather or other disasters — not all of which are designated by the insurance industry as a catastrophe, another year may have numerous such events causing results~~ for ~~such a year to be materially worse than for previous years. Our Property & Casualty insurance subsidiaries have experienced, and we anticipate that in the future they will continue to experience, catastrophe losses. A catastrophe event, a series of multiple catastrophe events or~~ **our operations. Changes in interest rates** ~~a series of non-catastrophe severe weather events~~ could have a material adverse effect on ~~the~~ **our** financial condition and results of operations ~~of our insurance subsidiaries~~ . **Some** ~~Various events can cause catastrophes, including hurricanes, windstorms, hail, severe winter weather, wildfires, earthquakes, explosions and terrorism. The frequency and severity~~ of **our products and investments** ~~these catastrophes are inherently Horace Mann Educators CorporationAnnual Report on Form 10- K 23 unpredictable. The extent of losses from a catastrophe is a function of both the total amount of insured exposures~~ --- **expose us** ~~in the area affected by the event and the severity of the event. Although catastrophes can cause losses in a variety of property and casualty lines, most of the catastrophe- related claims of our insurance subsidiaries are related~~ to **interest** ~~property coverages. Our ability to provide accurate estimates of ultimate catastrophe losses is based on several factors, including: • the proximity of the catastrophe occurrence date~~ **rate risks** ~~to the date of our estimate; • potential inflation of property repair costs in the affected area; • supply chain interruptions resulting in cost increases, including availability of services and materials; • the occurrence of multiple catastrophes in a geographic area over a relatively short period of time; and • the outcome of litigation~~ which may **reduce our investment spread and net income or increase our capital requirements. Low interest rates may reduce income from our investment portfolio and increase our future policy benefit reserves. In addition, during periods of sustained lower interest rates, we may need to reinvest proceeds from certain investments at a lower yield, reducing our investment income. Moreover, borrowers may prepay or redeem the fixed income securities and loans in our investment portfolio with greater frequency. Although we may** be ~~filed against us~~ **able to lower interest crediting rates to help offset decreases in spread on Retirement products, our ability to lower these rates is limited to our products that have adjustable interest crediting rates, which could be limited** by ~~policyholders, state attorneys general~~ **competition or contractually guaranteed minimum rates** and **may not match** ~~other~~ -- **the timing or magnitude of changes in asset yields** ~~parties relative to loss coverage disputes and loss settlement payments~~ . ~~Based~~ **As a result, our investment spread** on **Retirement products may decrease** ~~2022 direct premiums earned, 58. 1 % of the total annual premiums for~~ - **or become**

negative. During periods of declining interest rates, life ~~our Property & Casualty business were for policies issued in the ten largest states in which the~~ insurance ~~subsidiaries write property~~ and **annuity products may** ~~casualty coverage. Included in this top ten group are certain states which are considered to~~ be more ~~prone~~ **attractive investments** to **consumers** ~~catastrophe occurrences: California~~ , ~~Texas~~ **resulting in increased premium payments on certain products** , **repayment of policy loans** ~~North Carolina, Minnesota, South Carolina, Georgia,~~ and ~~Louisiana~~ **increased persistency, while our new investments carry lower returns** . ~~Our property and casualty loss~~ **During periods of declining interest rates, our future policy benefit** reserves **would increase due to the impact on discount rates. Interest rate increases may also harm our profitability. During periods of rapidly increasing interest rates, we** may not be **able** ~~adequate. Our Property & Casualty insurance subsidiaries maintain loss reserves~~ to **replace** ~~provide for their~~ -- **the investments in our general account** ~~estimated ultimate liability for losses and loss adjustment expenses~~ with respect to reported and unreported claims incurred...... period, or increase from these high **higher yielding investments needed** ~~levels, which could in turn lead~~ to **fund** ~~further increases in our loss costs. The impact of inflation on loss costs could be more pronounced for those lines of business that are considered " longer tail, " such as auto liability, as they~~ - **the higher crediting rates** ~~require~~ **required** ~~a relatively long period of time~~ to **stay competitive** ~~finalize and settle claims for a given accident year~~ . **This** ~~Recent changes in the macroeconomic environment have impacted medical labor and materials costs, the potential persistency of which~~ could result in ~~future~~ **a lower spread, lower profitability, and decreased sales. In addition, policy loans, surrenders and withdrawals may increase as policyholders seek investments with higher perceived returns. This may result in cash outflows requiring the sale of investments on less favorable terms, resulting in investment** ~~loss~~ **losses** ~~costs~~ **. Interest rate increases may harm the value of our investment portfolio, for example by decreasing the estimated fair values of fixed income securities. Furthermore, if interest rates rise, our unrealized gains on fixed income securities will decrease and our unrealized losses may increase. In addition, our investment borrowings from the Federal Home Loan Bank are secured by collateral, the fair value of** which **can** ~~are higher than our current expectations. The estimation of loss reserves may also~~ be **significantly impacted by general market** ~~more difficult during extreme events, such as a pandemic, or during volatile or uncertain economic~~ conditions ~~, due to unexpected changes in behavior of claimants and policyholders, including an increase in fraudulent reporting of exposures and / or losses, reduced maintenance of insured properties, increased frequency of small claims or delays in the reporting or adjudication of claims~~ . **If** ~~Due to~~ the **fair value** ~~inherent uncertainty in estimating reserves for losses and loss adjustment expenses, we cannot be certain that the ultimate liability will not exceed amounts reserved, with a resulting adverse effect on our financial condition and results~~ of ~~operations.~~ **pledged collateral falls** 24 Annual Report on Form 10- KHorace Mann Educators Corporation ~~A sustained period of low~~ **below specific levels, we** ~~interest rates or interest rate fluctuations could~~ **would** ~~negatively affect net interest margin derived from~~ **be required to pledge additional eligible collateral or repay all or a portion of** the ~~difference between interest earned on investments~~ - **investment borrowings, resulting** ~~and interest paid under fixed annuity and life insurance products with account values. Significant changes~~ in **reduced investment** ~~interest rates expose us to the risk of not earning the appropriate level of~~ income **. Finally,** ~~or experiencing losses based on the differences between the interest earned on investments and~~ - **an increase** ~~the credited interest paid on outstanding fixed annuity and life insurance products with account values. Significant changes~~ in interest rates may ~~affect: •~~ **decrease fee income associated with** the **decline in** ~~ability to maintain appropriate interest rate spreads over~~ the ~~rates guaranteed~~ **value of variable annuity account balances invested** in fixed **income funds. Our** ~~annuity and life products with account values; • the book yield of the~~ investment ~~portfolio~~ **portfolios** ~~; and •~~ **are subject to** the ~~net unrealized~~ **risk of loss. The success of our** investment **strategy is crucial to** ~~gains (losses) in~~ the **success** ~~portfolio and the related after tax effect on shareholders' equity and total capital. Both rising and declining interest rates can negatively affect the income derived from interest rate spreads on annuity and life insurance products with account values. During periods~~ of ~~falling interest rates or~~ **our business. We are exposed to** ~~a sustained period of low interest rates,~~ investment **risk through our** ~~earnings will be lower because new~~ investments ~~in~~ **, which primarily consist of public and private** fixed maturity securities ~~likely will bear lower~~ **, equity securities and alternative assets including private equity, commercial mortgage loan and real estate funds. Investment risk may result from (1) economic conditions, (2) adverse capital market conditions, including disruptions in individual market sectors or a lack of buyers in the marketplace, (3) volatility, (4) credit spread changes, (5) benchmark** interest ~~rates~~ - **rate changes, and (6) declines in the value of underlying collateral** . ~~We~~ **These factors** may **impact** ~~not be able to fully offset~~ the ~~decline in~~ **credit quality, liquidity, and value of our** ~~investment~~ **investments** ~~earnings with lower crediting rates on fixed annuity products~~ , ~~particularly~~ **potentially resulting** in **higher capital charges and unrealized or realized losses** ~~a multi- year period of low interest rates~~ . **Also** ~~During periods of rising interest rates~~ , **certain investments we hold, regardless of market conditions, are relatively illiquid and our ability to promptly sell** ~~there~~ **these assets for their full value** may be **limited. We report our** ~~competitive pressure to increase the crediting rates on~~ fixed ~~annuity products~~ **maturity securities and other financial instruments at fair value** . ~~We~~ **Valuations** may ~~not~~ **include inputs and assumptions that are less observable or require greater estimation** , ~~however~~ **particularly during periods of market disruption** , ~~immediately have~~ **resulting in values which may be higher or lower than** the ~~ability to acquire~~ **value at which the** investments ~~with interest rates sufficient to offset an increase in crediting rates under fixed annuity products. Therefore, changes in interest rates could affect interest rate spreads. Changes in interest rates~~ may **ultimately be sold** ~~also affect business in other ways~~ . **Further** ~~For example~~ , ~~a~~ rapidly changing **, and unprecedented** ~~interest rate environment may result in less competitive crediting~~ --- **credit** ~~rates on certain fixed rate products which could make those products less attractive, leading to lower sales~~ and **equity** ~~/ or increases in the level of life insurance and fixed annuity product surrenders and withdrawals. New business volume also could be negatively impacted by product or agent compensation changes which we might make to mitigate the income effect of spread compression. The Retirement business may be, and in the past has been, adversely affected by volatile or declining financial~~ market conditions ~~. Conditions in~~ **could materially impact** the ~~U. S. and international~~ **valuation of securities as reported in our** financial **statements** ~~markets affect~~

~~the sale and profitability of retirement products. In general~~ , ~~sales of fee~~ **and the period** - **to-** ~~based products decrease when financial markets are declining or experiencing a higher than normal level of volatility over an extended~~ period ~~of time~~ **changes in value could vary significantly** . **Decreases in value** ~~Therefore, weak and / or volatile financial market performance~~ may ~~adversely affect sales of fee- based products to potential customers, may cause current customers to withdraw or reduce the amounts invested in fee- based products and may reduce the market value of existing customers' investments in fee- based products, in turn reducing the amount of fee- based product revenues generated. In addition, some variable annuity products offer guaranteed minimum death benefit features, which provide for a benefit if the contractholder dies and the contract value is less than a specified amount. A decline in the financial markets could cause the contract value to fall below this specified amount, increasing exposure to losses from variable annuity products featuring guaranteed minimum death benefits. Deviations from assumptions regarding business persistency, mortality and morbidity used in calculating life and annuity reserves and DAC amortization and market risk benefits related to annuities could~~ have a material adverse effect on our **results of operations or** financial condition **. We evaluate our investment portfolio for credit losses. There can be no assurance that we have accurately assessed the level of credit losses taken. Additional credit losses may need to be taken in the future,** and **historical trends may not be indicative of future credit losses. Any event reducing the value of our securities may have a material adverse effect on our business,** results of operations **, or financial condition** . The ~~processes of calculating reserves~~ **personal lines insurance, retirement** and ~~DAC amortization insurance and retirement~~ **supplemental group benefit** markets are highly competitive and our financial condition and results of operations may be adversely affected by competitive forces.We operate in a highly competitive environment and compete with numerous insurance companies,as well as mutual fund families,independent agent companies and financial planners.In some instances and geographic locations,competitors have specifically targeted the educator marketplace with specialized products and programs.We compete in our target market with a number of national providers of personal auto and property insurance ~~and~~ **,** life insurance ~~and~~ **,** retirement products **and supplemental group benefits** .The insurance industry consists of a large number of insurance companies,some of which have substantially greater financial resources,more diversified product lines,more sophisticated product pricing,greater economies of scale and / or lower- cost marketing approaches compared to us.In our target market,we believe that the principal competitive factors in the sale of property and casualty insurance products and supplemental insurance products are overall service,worksite sales and service,price,and name recognition.We believe that ~~for our market,~~ for **our market,** the **principal competitive factors in the sale of retirement products,** life **insurance products** and ~~annuity~~ **supplemental group benefits are worksite sales and service, product features, perceived stability of the insurer, price, overall service and name recognition. Particularly in the Property & Casualty** ~~businesses~~ -- **business** ~~involve~~ **, our insurance subsidiaries have experienced pricing and profitability cycles. During these periods of intense competition,** ~~the~~ **they** ~~use of a number of assumptions~~ **may be unable to add policyholders and increase revenues without adversely impacting profit margins. With respect to these cycles, the factors having the greatest impact include significant and / or rapid changes in loss costs** , including ~~those~~ **changes in loss frequency and / or severity, prior approval and restrictions in certain states for price increases, intense price competition, less restrictive underwriting standards, aggressive marketing, and increased advertising, which have** ~~related~~ - **resulted in higher industry- wide combined loss** ~~to business persistency (how long a contract stays with us), mortality (the relative incidence of death over a given period of time)~~ and **expense ratios. Competition** ~~morbidity (the relative incidence of disability resulting~~ from **direct writers** ~~disease or physical impairment). We review,~~ and ~~if~~ **large, mass market carriers has been particularly aggressive, evidenced in part by** ~~there~~ - **their** ~~is a change, update~~ **significant national advertising expenditures.** Horace Mann Educators CorporationAnnual Report on Form 10- K 25 assumptions at least annually which could have...... by their significant national advertising expenditures. In addition, advancements in vehicle technology and safety features, such as accident prevention technologies or the development of autonomous or partially autonomous vehicles — once widely available and utilized, as well as expanded availability of usage- based insurance, could materially alter the way that auto insurance is marketed, priced and underwritten. The inability of our insurance subsidiaries to effectively anticipate the impact of these issues on our business and compete successfully in the property and casualty business could adversely affect their financial condition and results of operations and the resulting ability to distribute cash to us. In the Retirement business, there are several factors driving increased competition. First, the current IRS Section 403 (b) regulations have made the 403 (b) market similar to the 401 (k) market. These changes have increased and could continue to increase the number of competitors in the 403 (b) market, as it has become more attractive to some of the larger companies experienced in 401 (k) plans, including both insurance and mutual fund companies, ~~that~~ **which** had not previously been active competitors in this business. Further, while not yet widespread, there has been continued pressure in some states to adopt state- sponsored or mandated 403 (b) plans with single- provider or limited- provider options; this pressure has come from competitor lobbying efforts and state legislature pension reform initiatives. The inability of our insurance subsidiaries to compete successfully in these circumstances could adversely affect their financial condition and results of operations and the resulting ability to distribute cash to us. ~~Horace Mann Educators CorporationAnnual Report on Form 10- K 27~~ **The development and maintenance of our various distribution channels are critical to growth in product sales and profits. Our success in marketing and selling our products is largely dependent upon the efforts of our independent exclusive agent sales force and the success of their agency operations.** If we are ~~not able~~ **unable** to ~~effectively~~ **recruit additional agents, fail to** develop and ~~expand our marketing~~ **retain high- producing agents, are unable to maintain the productivity of those agency** operations, ~~including agents and other points of distribution~~ **or are unable to maintain market penetration in existing territories** , **sales of our products could likely decline and** our financial condition and results of operations could be adversely affected. ~~Our Retail Division agencies are owned primarily by non~~ **We also distribute group benefits under agreements with third** - **party** ~~employee, independent contractor Exclusive Distributors~~ **distribution partners** with ~~most agencies operating~~ **distribution highly concentrated** in ~~outside offices with licensed producers. The economic viability of each agency is directly dependent on~~ **one partner** ~~the productivity of the agency and the~~

~~success at penetrating, serving and cross- selling our educator market. Our success in marketing and selling our products is largely dependent upon the efforts of our agent sales force and the success of their agency operations. As we expand our business, we may need to expand the number of agencies marketing our products~~ . If we are unable to ~~appoint additional agents, fail to~~ retain ~~high- producing agents,~~ **our critical distribution partner or** are unable **expand** to **additional distribution partners,** ~~maintain the productivity of those agency operations or~~ **our** ~~are unable to maintain market penetration in existing territories,~~ sales ~~of our products could likely decline and our financial condition and results of operations~~ could be adversely ~~affected~~ **impacted. In addition, a failure to effectively develop new methods of reaching consumers or realize cost efficiencies could impact our ability to grow our business and generate revenues as new sales could suffer** . If we are not able to maintain secure access to educators, our financial condition and results of operations could be adversely affected. Our ability to successfully increase new business in the educator market is largely dependent on our ability to effectively access educators either in their school buildings or through other approaches. While this is especially true for the sale of 403 (b) tax- qualified retirement products via payroll deduction and worksite direct sales, any significant decrease in access, either through fewer payroll slots, increased security measures, impacts of state or federal level pension reform initiatives, ~~requirements of national and state Do Not Call registries,~~ or for other reasons, could adversely affect the sale of all lines of business and require us to change our traditional approach to worksite marketing and promotion, as well as contact with potential customers. With the current IRS regulations regarding Section 403 (b) arrangements, including retirement products, our ability to maintain and increase our share of the 403 (b) market, and the access it gives for other product lines, will depend on our ability to successfully compete in this market. Some school districts and benefit consultants have placed emphasis on the relative financial strength ratings of competing companies, as well as low **-** cost product and distribution approaches, which may put us at a competitive disadvantage relative to other more highly ~~-~~ rated insurance companies. Our ability to maintain and obtain product and corporate endorsements from, and / or marketing agreements with, local, state and national education- related associations is important to our marketing strategy. In addition to teacher organizations, we have established relationships with various other educator, principal, school administrator and school business official groups. These contacts and endorsements help to establish our brand name and presence in the educational community and to enhance access to educators. respect to reported and unreported claims incurred as of the end of each reporting date.If these loss reserves prove inadequate,a loss is recognized and measured by the amount of the shortfall and,as a result,the financial condition and results of operations of the insurance subsidiaries may be adversely affected,potentially affecting their ability to distribute cash to us. ~~Horace Mann Educators CorporationAnnual Report on Form 10- K 27~~ Reserves do not represent an exact calculation of liability.Reserves represent estimates,generally involving actuarial projections at a given time,of what the insurance subsidiaries expect the ultimate settlement and adjustment of claims will cost,net of salvage and subrogation.Estimates are based on assessments of known facts and circumstances,assumptions related to the ultimate cost to settle such claims,estimates of future trends in claims severity and frequency,changing judicial theories of liability and other factors.These variables are affected by both internal and external events,including changes in claims handling procedures,economic inflation,unpredictability of court decisions,plaintiffs' expanded theories of liability,risks inherent in major litigation and legislative changes.Many of these items are not directly quantifiable,particularly on a prospective basis.Significant reporting lags may exist between the occurrence of an insured event and the time it is **actually** reported.Our insurance subsidiaries adjust their reserve estimates regularly as experience develops and further claims are reported and settled.The rise in inflation in recent periods has significantly increased our loss costs in our auto and property businesses.It is possible that inflation could remain at elevated levels **for a prolonged period,or increase from these high** A large- scale pandemic, the occurrence of terrorism or military actions may have an adverse effect on our business. A large- scale pandemic, the occurrence of terrorism or military and other actions ~~,~~ may result in loss of life, property damage, and disruptions to commerce and reduced economic activity. Some of the assets in our investment portfolio may be adversely affected by declines in the equity markets, changes in interest rates, reduced liquidity and economic activity caused by a large- scale pandemic. Additionally, a large- scale pandemic or terrorist act could have a material effect on sales, liquidity and operating results. The effects of a global pandemic on...... hiring and retaining employees and agents; 28 Annual Report on Form 10- KHorace Mann Educators Corporation The effects of a global pandemic on the U.S.economy,our customers,our agents,our employees,our investments and our communities,as well as any preventative or protective actions that we,our employees and agency force,our third- party service providers and suppliers,or governments may take to mitigate the impact of a global pandemic could have an adverse effect on our ability to conduct business and on our financial condition and results of operations.Impacts to our business have been and could continue to be widespread and may result in the following:• employees contracting effects from a global pandemic;• increased competition in hiring and retaining employees and agents; • sustained lack of access to schools and educators that could materially impact our sales and premium volumes; • public school systems facing budget constraints due to the economic impacts of the pandemic that could result in educator layoffs; • unprecedented volatility in financial markets that could materially affect our investment portfolio valuations and returns as well as our ability to generate targeted spreads on indexed products; • regulatory mandates and / or legislative changes, including premium grace periods and premium credits; • changes in frequency and / or severity of claims; • increased credit risk; • business disruption for insurance agents who market and sell our insurance products; and, • business disruptions to third parties at which we outsource certain business functions to or on which we rely for technology. The full extent to which pandemics **or terrorist acts** could affect the global economy, the financial markets and our business, our financial condition and our results of operations will depend on future developments and factors that cannot be predicted. Climate change may adversely affect our financial position, results of operations and cash flows. Climate change presents risk to us and there are concerns that the increased frequency ~~and~~ **,** severity **and geographic spread** of weather- related catastrophes and other losses ~~is~~ **, as well as time of year of occurrence are** indicative of changing weather patterns, whether as a result of climate- warming trends (global climate change) caused by human activities or otherwise, which could cause such events to persist. Increased weather- related catastrophes could lead to

higher overall losses, which we may not be able to recoup, particularly in a highly regulated and competitive environment, and higher reinsurance costs. Certain catastrophe models assume an increase in frequency and severity of certain weather or other events, which could result in a disproportionate impact on insurers with certain geographic concentrations of risk. This could also likely increase the risks of writing property insurance in coastal areas or areas susceptible to wildfires or ~~flooding~~ **hail and wind activity** , particularly in jurisdictions that restrict pricing and underwriting flexibility. The threat of rising sea levels or other catastrophe losses as a result of global climate change may also cause property values in coastal or such other communities to decrease, reducing the total amount of insurance coverage that is required. In **the short term, extreme weather conditions cause financial impacts and disruptions in our daily Property & Casualty operations. We have experienced millions of dollars in losses from catastrophes such as hurricanes, wildfires, wind, and thunderstorms. Catastrophes can also impact a property and casualty insurance company' s claims and claim adjustment expenses incurred. In** addition, global climate change could have an impact on our fixed maturity securities and limited partnership portfolios, resulting in realized and unrealized losses in future periods that could have a material adverse effect on our financial position, results of operations and cash flows. It is not possible to foresee which, if any, assets, ~~industries or markets may be materially and adversely affected, nor is it possible to foresee the magnitude of such effect. Further, it is also possible that the legal, regulatory and social responses to climate change could have an adverse effect on our financial condition, results of operations and cash flows. Data security breaches or denial of service on our websites could have an adverse effect on our business and reputation. Unauthorized access to and unintentional dissemination of our confidential, highly- sensitive customer, employee or company data or other breaches of data security in our facilities, networks or databases, or those of our agents or third- party vendors- including information technology and software vendors, could result in loss or theft of assets or sensitive information, data corruption or operational disruption that may expose us to liability and / or regulatory action and may have an adverse impact on our customers, employees, investors, reputation and business. In addition, any compromise of the security of company data or prolonged denial of service on our websites could harm our business and reputation. Additionally, we recognize the increased external threats of data breaches in the marketplace resulting in non- public data of customers becoming increasingly available in the public domain.~~ Horace Mann Educators CorporationAnnual Report on Form 10- K 29 **industries or markets may be materially and adversely affected, nor is it possible to foresee the magnitude of such effect. Further, it is also possible that the legal, regulatory and social responses to climate change could have an adverse effect on our financial condition, results of operations and cash flows. In 2022, the SEC proposed a new disclosure rule that would require public companies to disclose on several climate- related factors, including climate- related risk management and greenhouse gas emissions, among others. This rule is expected to be finalized in 2024. We expect that changes in these laws, regulations and proposals could negatively impact our business, including by increasing our legal, compliance and information technology costs. For additional impacts from the regulatory environment, see Part I- Item 1A- Risk Factors-' Legal, statutory and regulatory developments could adversely impact our business by increasing costs or making our business less profitable." Cybersecurity breaches could have an adverse effect on our business and reputation. Cybersecurity threats and incidents have increased in recent years in frequency, levels of persistence, sophistication and intensity, and we may be subject to heightened cyber- related risks. Our business depends on the proper functioning and availability of our information technology platform, including communications and data processing systems, our proprietary systems, and systems of our third- party service providers. We have implemented and maintain what we believe to be reasonable security measures, but we cannot guarantee that the controls and procedures we have in place to protect or recover our respective systems and the information stored on such systems will be effective, successful or sufficiently rapid to avoid harm to our business. Moreover, while we generally perform cybersecurity due diligence on our key service providers, we cannot ensure the cybersecurity measures they take will be sufficient to protect any information we share with them. Due to applicable laws, regulations, rules, standards and contractual obligations, we may be held responsible for cyber- attacks, security breaches or other similar incidents attributed to our service providers as they relate to the information we share with them. Cybersecurity threats are evolving in nature and becoming increasingly difficult to detect, and may come from a variety of sources, including organized criminal groups, “ hacktivists, ” terrorists, and nation state- supported actors. These threats include, among other things, computer viruses, worms, malware, ransomware, denial of service attacks, defective software, credential stuffing, social engineering, phishing attacks, human error, fraud, theft, or improper access by employees or service providers, and other similar threats. Any cybersecurity incident, including system failure, cyber- attacks, security breaches, disruption by malware or other damage, with respect to our or our service providers’ information technology systems, could interrupt or delay our operations, result in a violation of applicable cybersecurity, privacy, data protection or other laws, regulations, rules, standards or contractual obligations, damage our reputation, cause a loss of customers or expose sensitive customer data, give rise to civil litigation, injunctions, damages, monetary fines or other penalties, subject us to additional regulatory scrutiny or notification obligations, and / or increase our compliance costs, any of which could adversely affect our business, financial conditions and results of operations. We may not be able to anticipate all cyber- attacks, security breaches or other similar incidents, detect or react to such incidents in a timely manner, or adequately remediate any such incident. In addition, recent disclosure requirements add additional risk that bad actors might use the information with malicious intent, exacerbating the impacts of a breach. While management is not aware of any cyber- attack, security breach or other similar incident that has had a material effect on our operations, there can be no assurances that such an incident that could have a material impact on us will not occur in the future. Further, the cybersecurity, privacy and data protection regulatory environment is evolving, and it is likely that the costs of complying with new or developing regulatory requirements will increase. For example, we operate in a number of jurisdictions with strict cybersecurity, privacy, data protection and other related laws, regulations, rules and standards, which could be violated in the event of a significant**

cyber- attack, security breach or other similar incident affecting personal, proprietary or confidential information or in the event of noncompliance by our personnel with such obligations. We cannot ensure that any limitations of liability provisions in our agreements with clients, service providers and other third parties with which we do business would be enforceable or adequate or otherwise protect us from any liabilities or damages with respect to any claim in connection with a cyber- attack, security breach or other similar incident. In addition, while we maintain insurance that would mitigate the financial loss under such scenarios, providing what we believe to be appropriate policy limits, terms and conditions, we cannot guarantee that our insurance coverage will be adequate for all financial and non- financial consequences from a 30 Annual Report on Form 10- KHorace Mann Educators Corporation cybersecurity event, that insurance will continue to be available to us on economically reasonable terms, or at all, or that our insurer will not deny coverage as to any future claim. Successful execution of our business growth strategy is dependent on effective implementation of new or enhanced technology systems and applications. Our ability to effectively execute our business growth strategy and leverage potential economies of scale is dependent on our ability to provide the requisite technology components for that strategy. **Our** ~~While we have effectively upgraded our infrastructure technologies with improvements in our data center, a new communications platform and enhancements to our disaster recovery capabilities, our~~ ability to replace or supplement dated, ~~monolithic~~ legacy business systems — such as our Life ~~,~~ **&** Retirement and Property & Casualty policy administrative systems **, as well as our financial system** — with more flexible, maintainable, and customer accessible solutions will be necessary to achieve our plans. The inherent difficulty in replacing and / or modernizing these older technologies, coupled with our limited experience in these endeavors, presents an increased risk of failing to deliver these technology solutions in a cost effective and timely manner. Our scale will require us to develop innovative solutions to address these challenges, including consideration of" software as a service" arrangements and other third- party based information technology capabilities. More modern approaches to software development and utilization of third- party vendors can augment our internal capacity for these implementations ~~,~~ but may not adequately reduce the operational risks of timely and cost **-** effective delivery. Loss of key vendor relationships could affect our operations. We increasingly rely on services and products provided by a number of vendors in the U. S. and abroad. These include, for example, vendors of computer hardware and software, including on- demand software, and vendors of services such as investment management advisement **, third- party administrators of our supplemental group benefit products** , information technology services — such as those associated with ~~the Life, Retirement and Property & Casualty~~ policy administrative systems — and delivery services for customer policy- level communications. In the event that one or more of our vendors suffers a bankruptcy or otherwise becomes unable to continue to provide products or services, we may suffer operational difficulties and financial losses. Our ability to attract, develop, engage, and retain top talent, maintain optimal staffing levels, and foster / sustain a highly inclusive and engaging culture is critical to our success. Competition from within the insurance industry and from other industries, including the technology sector, for qualified employees with highly specialized knowledge in areas such as underwriting, data and analytics, technology and e- commerce, has often been intense and we have experienced increased competition in hiring and retaining employees. Factors that affect our ability to attract and retain such employees include: • competitive total rewards; including compensation and benefits; • robust training and development programs; • reputation as a successful business with a culture of fair hiring, and of training and promoting qualified employees; and, • recognition and responsiveness to changing trends (i. e., remote / hybrid work arrangements) and other circumstances that affect employees. The unexpected loss of key personnel could have a material adverse impact on our business because of the loss of their skills, knowledge of our products and offerings and years of industry experience and, in some cases, the difficulty of promptly finding qualified replacement personnel. The risks to attracting and retaining the necessary talent may be exacerbated by recent labor constraints and inflationary pressures on employee wages and benefits. **Horace Mann Educators CorporationAnnual Report on Form 10- K 31** Losses due to defaults by others could reduce our profitability or negatively affect the value of our investments. Third- party debtors may not pay or perform their obligations. These parties may include the issuers whose securities we hold, customers, reinsurers, borrowers under mortgage loans, trading counterparties, derivative counterparties, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties ~~30 Annual Report on Form 10- KHorace Mann Educators Corporation~~ may default on their obligations to us due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons. During or following an economic downturn, our municipal bond portfolio could be subject to a higher risk of default or impairment due to declining municipal tax bases and revenue. States are currently barred from seeking protection in federal bankruptcy court. However, federal legislation could possibly be enacted to allow states to declare bankruptcy in connection with deficit reductions or mounting unfunded pension liabilities, which could adversely impact the value of our municipal bond portfolio. The default of a major market participant could disrupt the securities markets or clearance and settlement systems in the U. S. or abroad. A failure of a major market participant could cause some clearance and settlement systems to assess members of that system, including our broker- dealer and Registered Investment Adviser regulatory entities, or could lead to a chain of defaults that could adversely affect us. A default of a major market participant could disrupt various markets, which could in turn cause market declines or volatility and negatively impact our financial condition and results of operations. Uncollectible reinsurance, as well as reinsurance availability and pricing, can have a material adverse effect on our business volume and profitability. Reinsurance is a contract by which one insurer, called a reinsurer, agrees to cover a portion of the losses incurred by a second insurer in the event a claim is made under a policy issued by the second insurer. Although a reinsurer is liable to our insurance subsidiaries according to the terms of the reinsurance policy, the insurance subsidiaries remain primarily liable as the direct insurers on all risks reinsured. As a result, reinsurance does not eliminate the obligation of our insurance subsidiaries to pay all claims, and each insurance subsidiary is subject to the risk that one or more of its reinsurers will be unable or unwilling to honor its obligations. Although we limit participation in our reinsurance programs to reinsurers with high financial strength ratings and also limit the amount of coverage from each reinsurer, our insurance subsidiaries cannot guarantee that their reinsurers will pay

in a timely fashion, if at all. Reinsurers may become financially unsound by the time that they are called upon to pay amounts due, which may not occur for many years. Additionally, the availability and cost of reinsurance are subject to prevailing market conditions beyond our control. For example, significant losses from hurricanes or terrorist attacks, an increase in capital requirements, or a future lapse of the provisions of the Terrorism Risk Insurance Act could have a significant adverse effect on the reinsurance market. If one of our insurance subsidiaries is unable to obtain adequate reinsurance at reasonable rates, that insurance subsidiary would have to increase its risk exposure and / or reduce the level of its underwriting commitments, which could have a material adverse effect upon the business volume and profitability of the subsidiary. Alternatively, the insurance subsidiary could elect to pay the higher than reasonable rates for reinsurance coverage, which could have a material adverse effect upon its profitability until policy premium rates could be raised, in some cases subject to approval by state regulators, to incorporate this additional cost. We are subject to the credit risk of our counterparties, including reinsurers who reinsure business from our insurance companies. Our insurance subsidiaries may cede certain risks to third- party insurance companies through reinsurance. **In the event of insolvency of a reinsurer, our financial condition and results of operation could be negatively impacted.** HMLIC entered into a reinsurance agreement with RGA to effectuate the reinsurance of a block of in force fixed and variable annuities on a coinsurance and modified coinsurance basis. The variable portion of the reinsured annuities is reinsured on a modified coinsurance basis and assets supporting the variable account liabilities are still held in separate accounts. Because the reinsurance agreement covers a large volume of our in **-** force annuity ~~business, the transaction exposes us to a concentration of credit risk with respect to this counterparty. RGA' s financial obligations for the general account liabilities of the reinsured annuity contracts are secured by its assets placed in a comfort trust for our sole use and benefit. Upon RGA' s material breach of the reinsurance agreement, deterioration of its risk- based capital ratio to a certain level, or certain other events, we may recapture the reinsured business. However, in the event of RGA' s insolvency, our right to use the assets in the trust account may be delayed. Also, if at the time of its insolvency the comfort trust account is not funded at a level to fully discharge all its obligations, our claims to the extent not covered by the assets in the comfort trust would be those of a general creditor. Horace Mann Educators CorporationAnnual Report on Form 10- K 31 Any downgrade in or adverse change in outlook for our claims- paying ratings, financial strength ratings or credit ratings could adversely affect our financial condition and results of operations. Claims- paying ratings and financial strength ratings have become an increasingly important factor in establishing the competitive position of insurance companies. In the evolving 403 (b) retirement market, school districts and benefit consultants have placed an emphasis on the relative financial strength ratings of competing companies. Each rating agency reviews its ratings periodically and from time to time may modify its rating criteria including, among other factors, its expectations regarding capital adequacy, profitability and revenue growth. A downgrade in the ratings or adverse change in the ratings outlook of any of our insurance subsidiaries by a major rating agency could result in substantial loss of business for that subsidiary if school districts, policyholders or independent agents move their business to other companies having higher claims- paying ratings and financial strength ratings than we have. This loss of business could have a material adverse effect on the results of operations and financial condition of that subsidiary. A downgrade of our debt rating also could adversely affect our cost and flexibility of borrowing, which could have an adverse effect on our liquidity, financial condition and results of operations. Increases in interest rates, or volatility in the U. S. financial markets could impede access to, or increase the cost of, financing our operations. Recent increases in interest rates have increased our cost of borrowing and volatility in U. S. financial markets could impact our access to, or further increase the cost of, financing. Past disruptions in the U. S. credit and equity markets made it more difficult for many businesses to obtain financing on acceptable terms. These conditions tended to increase the cost of borrowing and if they recur, our cost of borrowing could increase and it may be more difficult to obtain financing for our operations. An inability to access Federal Home Loan Bank of Chicago (FHLB) funding could adversely affect our results of operations. Any changes in requirements to retain membership in the FHLB, or changes in regulation, could impact our eligibility for continued FHLB membership or our FHLB funding capacity. Any event that adversely affects amounts received from FHLB could have an adverse effect on our results of operations. See Part II- Item 7, Financing Activities of this Annual Report on Form 10- K for more information about FHLB activities. The results of U. S. Presidential and Congressional elections may create significant changes in tax rates, laws or regulations which could adversely impact our financial results. With the change in administration, there are initiatives at the federal level to reverse the corporate tax cuts in the favorable Tax Cuts and Jobs Act of 2017 (TCJA), increasing the federal corporate income tax from the current rate of 21 %. Any future legislative action could increase our costs, the impact of which could be significant. We are unable to predict the outcome or effects of any of these potential actions or any other legislative or regulatory proposals as they relate to our businesses. For example, any proposals to make changes related to U. S. tax law, such as those involving a reduction or elimination of the tax advantages of retirement and life products as noted in Part I- Item 1A – Risk Factors, Risks Related to Life & Retirement Segments of this Annual Report on Form 10- K, may have a material adverse effect on our future business, financial condition, results of operations, and growth prospects. The insurance industry is highly regulated. We are subject to extensive regulation and supervision in the jurisdictions in which we do business. Each jurisdiction has a unique and complex set of laws and regulations. Furthermore, certain federal laws impose additional requirements on businesses, including insurers. Regulation generally is designed to protect the interests of policyholders, as opposed to stockholders and non- policyholder creditors. Such regulations, among other things, impose restrictions on the amount and type of investments our insurance subsidiaries may hold. Certain states also regulate the rates insurers may charge for certain property and casualty products. Legislation and voter initiatives have expanded, in some instances, the states' regulation of rates and have increased data reporting requirements. Consumer- related pressures to roll back rates, even if not enacted by legislation or upheld upon judicial appeal, may affect our ability to obtain timely rate increases or operate at desired levels of~~ 32 Annual Report on Form 10- KHorace Mann Educators Corporation **business, the transaction exposes us to a concentration of credit risk with respect to this counterparty. RGA' s financial obligations for the general account liabilities of the reinsured annuity contracts are secured by its assets**

placed in a comfort trust for our sole use and benefit. Upon RGA' s material breach of the reinsurance agreement, deterioration of its risk- based capital ratio to a certain level, or certain other events, we may recapture the reinsured business. However, in the event of RGA' s insolvency, our right to use the assets in the trust account may be delayed. Also, if at the time of its insolvency the comfort trust account is not funded at a level to fully discharge all its obligations, our claims to the extent not covered by the assets in the comfort trust would be those of a general creditor. Any downgrade in or adverse change in outlook for our claims- paying ratings, financial strength ratings or credit ratings could adversely affect our financial condition and results of operations. Claims- paying ratings and financial strength ratings have become an increasingly important factor in establishing the competitive position of insurance companies. In the evolving 403 (b) retirement market, school districts and benefit consultants have placed an emphasis on the relative financial strength ratings of competing companies. Each rating agency reviews its ratings periodically and from time to time may modify its rating criteria including, among other factors, its expectations regarding capital adequacy, profitability and revenue growth. A downgrade in the ratings or adverse change in the ratings outlook of any of our insurance subsidiaries by a major rating agency could result in substantial loss of business for that subsidiary if school districts, policyholders, distribution partners or independent agents move their business to other companies having higher claims- paying ratings and financial strength ratings than we have. This loss of business could have a material adverse effect on the results of operations and financial condition of that subsidiary. A downgrade of our debt rating also could adversely affect our cost and flexibility of borrowing, which could have an adverse effect on our liquidity, financial condition and results of operations. Changes in tax rates, laws or regulations could adversely impact our financial results. A significant part of our retirement business involves fixed and variable 403 (b) tax- qualified products, which are purchased voluntarily by individuals employed by public school systems or other tax- exempt organizations. Our financial condition and results of operations could be adversely affected by changes in federal and state laws and regulations that affect the relative tax and other advantages of our retirement products to clients or the tax benefits of programs utilized by our customers. As a result of persisting economic conditions, revenue challenges exist at federal, state, and local government levels. These challenges could increase the risk of future adverse impacts on current tax-advantaged products or result in notable reforms to educator pension programs. Current federal income tax laws generally permit the tax- deferred accumulation of earnings on the premiums paid by holders of retirement and life insurance products. Taxes, if any, are generally payable on income attributable to a distribution under the contract for the year in which the distribution is made. From time to time, Congress has considered legislation that would reduce or eliminate the benefit of such deferral of taxation on the accretion of value within life insurance and non- qualified annuity contracts. Enactment of this legislation, or other tax reform efforts could result in fewer sales of life insurance and retirement products. Changes in administration could result in initiatives at the federal level increasing the federal corporate income tax from the current rate of 21 %. Any future legislative action could increase our costs, the impact of which could be significant. We are unable to predict the outcome or effects of any of these potential actions or any other legislative or regulatory proposals as they relate to our businesses. Our business is subject to extensive regulation, which limits our operating flexibility and could negatively impact our financial results. We are subject to extensive regulation and supervision in the jurisdictions in which we do business. Each jurisdiction has a unique and complex set of laws and regulations. Furthermore, certain federal laws impose additional requirements on businesses, including insurers. Regulation generally is designed to protect the interests of policyholders, as opposed to stockholders and non-policyholder creditors. Such regulations, among other things, impose restrictions on the amount and type of investments our insurance subsidiaries may hold. Horace Mann Educators CorporationAnnual Report on Form 10- K 33 Dodd-Frank created the Federal Insurance Office (FIO) within the U. S. Department of the Treasury. FIO studies the current insurance regulatory system and is charged with monitoring and providing specific reports on various aspects of the insurance industry. However, FIO does not have general supervisory or regulatory authority over the business of insurance. FIO has suggested an expanded federal role in some circumstances. Additional federal regulations could adversely affect the efficiency and effectiveness of business processes, financial condition and results of operations of us, insurers of similar size and / or the insurance industry as a whole. Our insurance subsidiaries are regulated by a department of insurance in each state and territory in which we do business. Certain states have established minimum capital requirements for insurance companies licensed to do business in their state. These regulators have the discretionary authority through licensing to limit or prohibit writing new business within the jurisdiction when, in the state’ s judgment, the insurance subsidiary is not maintaining adequate statutory surplus or capital. States also regulate the rates insurers may charge for certain property and casualty products. Legislation and voter initiatives have expanded, in some instances, the states' regulation of rates and have increased data reporting requirements. Consumer-related pressures to roll back rates, even if not enacted by legislation or upheld upon judicial appeal, may affect our ability to obtain timely rate increases or operate at desired levels of profitability. Changes in insurance regulations, including those affecting the ability of our insurance subsidiaries to distribute cash to us and those affecting the ability of our insurance subsidiaries to write profitable property and casualty insurance policies in one or more states, may adversely affect the financial condition and results of operations of the insurance subsidiaries. ~~In addition, consumer privacy requirements may increase our cost of processing business.~~ Our ~~ability~~ **insurance subsidiaries are subject** to ~~comply with laws and regulations, at a reasonable cost, and to obtain necessary regulatory action in a timely manner, is and will continue to be critical to our success. The NAIC has adopted~~ a system of assessing minimum capital adequacy ~~that is applicable to our insurance subsidiaries. This system~~ , known as risk- based capital ~~,~~ **(RBC). RBC** is used to identify companies that may merit further regulatory action by analyzing the adequacy of the insurer' s surplus in relation to statutory requirements. Our insurance subsidiaries could be adversely affected by regulations that change statutory surplus and **RBC** ~~risk- based capital~~ requirements. **If** ~~Insurance~~

~~companies write business based, in part, upon guidelines including capital ratios considered by the NAIC and various rating agencies. Some of these ratios include risk- based capital ratios for property and casualty insurance companies, supplemental insurance companies and life insurance companies, as well as a ratio of premiums to surplus for property and casualty insurance companies. Risk- based capital ratios measure~~ an insurer ~~'~~**'** s **ratio falls below specified levels** ~~capital adequacy and consider various risks such as underwriting~~ , ~~investment, credit, asset concentration and interest rate. If our insurance subsidiaries cannot maintain profitability in the future or if significant investment valuation losses are incurred, they~~ - **the** ~~may be required~~ **insurer is subject** to ~~draw~~ **different degrees of regulatory action depending** on ~~their~~ -- **the magnitude of** ~~surplus, thereby reducing capital adequacy, in order to pay dividends to us to enable us to meet our financial obligations. As their~~ -- **the deficiency** ~~surplus is reduced by the payment of dividends, continuing losses or both, our insurance subsidiaries' ability to write business and maintain acceptable financial strength ratings could also be reduced~~ . This could have a material adverse effect upon the business volume and profitability of the insurance subsidiaries as well as result in increased regulatory scrutiny or action by state regulatory authorities **. Our broker- dealer and investment advisor subsidiaries are subject to regulation and supervision by the SEC, FINRA and certain state regulatory bodies. The SEC, FINRA and other governmental agencies, as well as state securities commissions, may examine or investigate the activities of broker- dealers and investment advisors. It is possible that any examination or investigation could lead to enforcement action by the regulator and / or may result in payment of fines and penalties, payments to customer or both, which could have an adverse effect on the Company' s financial condition or results of operations. In the event of insolvency, liquidation or other reorganization of any of our insurance subsidiaries, our creditors and stockholders would have no right to proceed against any such insurance subsidiary or cause the liquidation or bankruptcy of any such insurance subsidiary under federal or state bankruptcy laws. The insurance laws of the domiciliary state would govern such proceedings and the relevant insurance commissioner would act as liquidator or rehabilitator for the insurance subsidiary. Creditors and policyholders of any such insurance subsidiary would be entitled to full payment from the assets of the insurance subsidiary before we, as a stockholder, would be entitled to receive any distribution** . Because state legislatures remain concerned about the availability and affordability of property and casualty insurance and the protection of policyholders, our insurance subsidiaries expect that they will continue to face ~~efforts by those legislatures to expand~~ **expanded** regulations to address these concerns. ~~Resulting new~~ **In addition,** ~~legislation~~ **legislative and regulatory restrictions are constantly evolving and are subject to then- current political pressures. For example, following major events, states have considered, and in some cases have adopted, proposals such as homeowner' s' Bill of Rights" restrictions on storm deductibles, additional mandatory claim handling guidelines, and mandatory coverages. Environmental, Social, and Governance standards (ESG) and sustainability have become major topics encompassing a wide range of issues, including climate change, which are subject to public policy debates and** could ~~adversely~~ **lead to regulations that increase our cost of doing** business **.In addition to increased costs** ~~cannot now be anticipated or planned for~~ , ~~and~~ **the regulatory environment** may ~~have further adverse impacts on~~ **not allow us to fully incorporate potential future climate change into** our **pricing actions** ~~products and services,and the results of our operations~~ .Further,the Dodd- Frank Act enacted wide- ranging changes in the supervision and regulation of the financial industry providing greater oversight of financial industry participants,enhanced public company corporate **34 Annual Report on Form 10- KHorace Mann Educators Corporation** governance practices and executive compensation disclosures,and greater protections to individual consumers and investors.Certain elements of the Dodd- Frank Act remain subject to implementing regulations that are yet to be adopted by the applicable regulatory agencies.Compliance with adopted regulations could ~~affect the products and services we choose to offer and would likely result in increased compliance costs.Our~~ affect the **products** ~~financial condition~~ and **services we choose to offer** ~~results of operations of our insurance subsidiaries. In the event of insolvency, liquidation or other reorganization of any of our insurance subsidiaries, our creditors~~ and ~~stockholders~~ would **likely result in increased compliance costs** ~~have no right to proceed against any such insurance subsidiary or cause the liquidation or bankruptcy of any such insurance subsidiary under federal or state bankruptcy laws. The insurance laws of the domiciliary state would govern such proceedings and the relevant insurance commissioner would act as liquidator or rehabilitator for the insurance subsidiary. Creditors and policyholders of any such insurance subsidiary would be entitled to full payment from the assets of the insurance subsidiary before we, as a stockholder, would be entitled to receive any distribution~~ . The financial position of our insurance subsidiaries also may be affected by court decisions that expand insurance coverage beyond the intention of the insurer at the time it originally issued an insurance policy. ~~Dodd- Frank created FIO within the U. S. Department of the Treasury. FIO studies the current insurance regulatory system and is charged with monitoring and providing specific reports on various aspects of the insurance industry. However, FIO does not have general supervisory or regulatory authority over the business of insurance. FIO has suggested an expanded federal role in some circumstances. Additional regulations could adversely affect the efficiency and effectiveness of business processes, financial condition and results of operations of us, insurers of similar size and / or the insurance industry as a whole. Statutory and regulatory developments could adversely impact our business by increasing costs or making our business less profitable. The costs of running our business and its profitability could be adversely impacted by laws, rules and regulations that affect the business and financial communities, including changes to the interpretation or enforcement of laws governing standards of care applicable to broker- dealers and investment advisors. New laws, rules and regulations, or changes to the interpretation or enforcement of existing laws, rules or regulations, could also result in limitations on the products and services we offer or plan to offer to clients, modifications to our current or future business practices, compressed margins, increased capital requirements, and additional costs. The DOL recently adopted its final rule regarding ERISA fiduciary investment advice, which focuses on, among other things, the fiduciary status of rollover recommendations made by financial professionals to retirement investors.~~ We expect that **changes in** these laws, regulations and proposals could negatively impact our business, including by increasing our legal, compliance and information technology costs, and potentially other costs, including greater ~~Horace Mann Educators CorporationAnnual Report on Form 10-~~

~~K 33~~ risks of client lawsuits and enforcement activity by regulators. These changes may also affect the products and services we choose to offer to clients, as well as the compensation that we and our financial professionals receive in connection with such products and services, which could adversely impact our **profitability or** ability to recruit and retain **agents** ~~key personnel. It is also unclear how and whether other regulators, such as other state securities and insurance regulators may respond to, or enforce elements of, these new laws and regulations, or develop their own similar laws and regulations. The impacts, degree and timing of the effect of these laws and regulations on our~~ **or distribution partners** business cannot now be anticipated or planned...... regulatory organizations to which we are subject . Litigation may harm our financial strength or reduce our profitability. Companies in the insurance industry have been subject to substantial litigation resulting from claims, disputes and other matters. Most recently, they have faced expensive claims, including class action lawsuits, alleging, among other things, improper sales practices and improper claims settlement procedures. Negotiated settlements of certain such actions have had a material adverse effect on many insurance companies. The resolution of similar future claims against any of our insurance subsidiaries, including the potential adverse effect on our reputation and charges against the earnings of our insurance subsidiaries as a result of legal defense costs, a settlement agreement or an adverse finding or findings against our insurance subsidiaries in such a claim, could have a material adverse effect on the financial condition and results of operations of our insurance subsidiaries **. See also Part II- Item 8, Note 14 of the Consolidated Financial Statements of this Annual Report on Form 10- K** . Events, including those external to our operations, could damage our reputation. There are many events which may harm our reputation, including, but not limited to, those discussed in this Item 1A regarding regulatory investigations, legal proceedings, and cyber or other information security incidents. Any negative public perception, founded or otherwise, can be widely and rapidly shared over social media or other means, and could cause damage to our reputation. Damage to our reputation could reduce demand for our insurance products, reduce our ability to recruit and retain employees, or lead to greater regulatory scrutiny of our operations. As an insurance company, we are paid to accept certain risks. Those who conduct our business, including executive officers and members of management, employees and independent agents, do so in part by making decisions that involve exposing us to risk. These include decisions such as maintaining effective underwriting and pricing discipline, maintaining effective claims management and customer service performance, managing our investment portfolio, delivering effective technology solutions, complying with established sales practices, executing our capital management strategy, exiting a line of business and / or pursuing strategic growth initiatives, and other decisions. Although we employ controls and procedures designed to monitor business decisions and prevent us from taking excessive risks or unintentionally failing to comply with internal policies and practices, there can be no assurance that these controls and procedures will be effective. If our employees and independent agents take excessive risks and / or fail to comply with internal policies and practices, the impact of those events may damage our market position and reputation. ~~Individual states may impose additional cybersecurity regulations, increasing the complexity of compliance. Our businesses must comply with regulations to control the privacy of customer, employee and third party data. State and federal regulations regarding data privacy, including the California Consumer Privacy Act, are becoming increasingly more onerous. A misuse or mishandling of confidential or proprietary information could result in legal liability, regulatory action and reputational harm. Third parties, including third party administrators 34 Annual Report on Form 10- KHorace Mann Educators Corporation and cloud- based systems, are also subject to cyber- breaches of confidential information, along with the other risks outlined above, any one of which may result in us incurring substantial remediation costs and other negative consequences, including a material adverse effect on our business, reputation, financial condition, results of operations and liquidity.~~