



Horace Mann Educators Corporation



HMN NYSE

Insurance - Property / Casualty

Market Capitalization USD:

\$455.47 mm

CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Peter H. Heckman

Age: 66

CEO Since: 2010

	2009	2010	2011
Base Salary	\$640,008	\$441,441	\$587,500
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$471,615	\$401,711	\$420,339
Benefits and Perquisites	\$41,194	\$42,475	\$38,395
TOTAL ANNUAL COMPENSATION	\$1,152,817	\$885,627	\$1,046,234
Increase in Post-Retirement Benefits	\$531,951	\$101,266	\$0
Stock Option Awards	\$310,736	\$420,000	\$385,000
Stock Awards	\$725,550	\$780,000	\$715,000
TOTAL COMPENSATION	\$2,721,054	\$2,186,893	\$2,146,234
Median of Other Named Executive Officers Total Compensation	\$978,937	\$987,261	\$865,397
Value Realized on Exercise of Stock Option	\$0	\$355,973	\$0
Value Realized on Vesting of Stock	\$47,443	\$882,612	\$0
TOTAL REALIZED EQUITY COMPENSATION	\$47,443	\$1,238,585	\$0

Proxy Date: 9 Apr 2012

Annual Meeting Date: 23 May 2012

Equity Reserves: 19.44%

Stock Option Run Rate: 0.97%

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Performance Comparison

■ S&P500 ■ Industry ■ HMN



Peer Comparisons (TRBC) = Insurance - Property / Casualty

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
HMN	Horace Mann Educators Corporation	\$2,721,054	\$2,186,893	\$2,146,234	\$455,472,446
FAF	First American Financial Corporation		\$6,255,043	\$4,579,426	\$1,348,456,601
RLI	RLI Corp.	\$3,038,292	\$3,417,875	\$3,911,763	\$1,339,785,353
AFSI	AmTrust Financial Services, Inc.	\$2,232,715	\$3,930,787		\$1,334,051,861
OB	OneBeacon Insurance Group, Ltd.	\$5,203,054	\$4,242,809	\$13,276,840	\$1,296,733,753
TWGP	Tower Group, Inc.	\$4,437,698	\$3,636,031	\$5,532,788	\$942,451,231
AGII	Argo Group International Holdings, Ltd.	\$4,370,212	\$7,195,685	\$3,971,522	\$886,841,008

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

State Auto Financial Corporation, The Hanover Insurance Group, Inc., Mercury General Corporation, The Allstate Corporation, The Progressive Corporation, The Travelers Companies, Inc., The Chubb Corporation, American Financial Group, Inc., Cincinnati Financial Corporation, The Hartford Financial Services Group, Inc., Infinity Property and Casualty Corporation and Kemper Corporation.

Performance Peer Group

State Auto Financial Corporation, The Hanover Insurance Group, Inc., Mercury General Corporation, The Allstate Corporation, The Progressive Corporation, The Travelers Companies, Inc., The Chubb Corporation, American Financial Group, Inc., Cincinnati Financial Corporation, The Hartford Financial Services Group, Inc., Infinity Property and Casualty Corporation and Kemper Corporation.

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Charles R. Wright	Chairman	70	Male	5	Outside
Gabriel L. Shaheen	Member	58	Male	5	Outside
Marv H. Futrell	Member	71	Female	11	Outside Related
Stephen J. Hasenmiller	Member	62	Male	8	Outside