



Horace Mann Pathfinder Indexed Universal Life

Insurance protection and the opportunity for value accumulation

Horace Mann Life Insurance Company
IM-003796 (11-19)

horacemann.com

Are you prepared for the unexpected?

You move through life expecting to stay on a path to achieve your financial goals. Life insurance plays an important role in your overall financial plans, because it protects your family in case something happens to you.

There are many different types of life insurance products. We can help you decide what's best for your unique situation.

While protection is the primary goal of life insurance, some policies provide the opportunity for value accumulation as well.



Traditional term life insurance

Provides coverage for a specified period of time, or term, which varies depending on the product you select. The death benefit pays only if you die during the term of coverage.

Term insurance offers the lowest initial premium and is fixed for the original term period, but increases rapidly when the original level term period ends.

Whole life insurance

Provides coverage for a lifetime and, as long as you pay the guaranteed level premiums, your beneficiary will receive a death benefit when you die.

Whole life insurance includes cash value accumulation and is, therefore, initially more expensive than term life insurance.

Indexed Universal Life (IUL) insurance

Indexed Universal Life (IUL) combines monthly term-like charges for life insurance protection with an option for cash accumulation in a flexible life insurance policy that can be tailored to your family's needs. You may set your own premium payments within prescribed minimum and maximum limits and adjust the face amount of your coverage as your family's needs change.*

Premium payments in excess of the monthly charges for expenses and insurance costs will build contract values that earn interest based on a declared fixed rate, a rate linked to changes in an equity index, or a combination of those rates.

The initial minimum premium for IUL will be higher than term, but in the end you control the amount you choose to pay, which in turn governs how long your coverage lasts – up to your entire lifetime.

** Increases in the policy face amount are subject to satisfactory evidence of insurability*

Protection

- Final expenses
- Emergency funds
- Debts
- Mortgage
- Education
- Income replacement



Accumulation

- College education
- Mortgage payoff
- Supplemental retirement income

How would your family be impacted financially if something happened to you?

The Horace Mann Pathfinder Indexed Universal Life (Pathfinder IUL) insurance policy can help you find your way along life's path by offering the power of insurance protection for your family. As an added benefit, it offers the potential of long-term contract value accumulation.

What separates an IUL policy from other life insurance is its flexibility and other special features that help you prepare for the unexpected. You still get the firm footing of life insurance, but the policy contract value can help fund other financial goals — side trips from the main path.

During your life journey, your IUL policy provides protection as long as you keep paying a base level of premium — covering the cost of insurance and the administrative fees associated with your life insurance policy.

But you also can elect to pay more than it takes to fund your life insurance (subject to Internal Revenue Code (IRC) restrictions) and accumulate contract value. Down the road, you can use that contract value for emergencies or future needs. You can take a loan or partial surrender while maintaining your policy and getting back on the path toward fulfilling your long-term goals. And like the death benefit, these loans or partial surrenders may be tax-advantaged.¹

Policy funding

Your premiums must be enough to keep the policy in force. If at any time and for any reason, there are insufficient funds in the policy, the policy terminates without value.

Before your premiums are applied to your choice of accounts, a percentage-of-premium expense charge is assessed. In addition, there are monthly fees and insurance costs, which are disclosed in the policy.

Cash surrender value

As long as your policy has cash surrender value, you can access it via a loan, partial surrender or total surrender. If you request all of it via a total surrender, the policy terminates, you will have no more death benefit and you may incur surrender charges depending on how long you have owned the policy.*

Death benefit

If you die, your beneficiary gets the death benefit. The death benefit could be the face amount or face amount plus the contract value, depending on which death benefit option you choose.

** There is a 14-year surrender charge on the policy at issue based on the face amount of the policy. A new 14-year surrender charge will begin on any increases in the face amount of the policy. The charge varies by issue age, underwriting rate class and how long you've had your policy. The policy explains surrender charges in detail.*



Pathfinder Indexed Universal Life insurance offers:

- 1 Protection** — Pathfinder IUL offers an income tax-free death benefit that is available to your family immediately.²
- 2 Flexibility** — You can choose between two death benefit options: a level death benefit or an increasing death benefit (face amount plus the policy's contract value) over time. You can also vary your premium payments to fit your budget (within limits). Premiums must be sufficient to keep the policy in force.
- 3 Death benefits** — The face amount can be increased (subject to underwriting) or decreased to meet your needs.

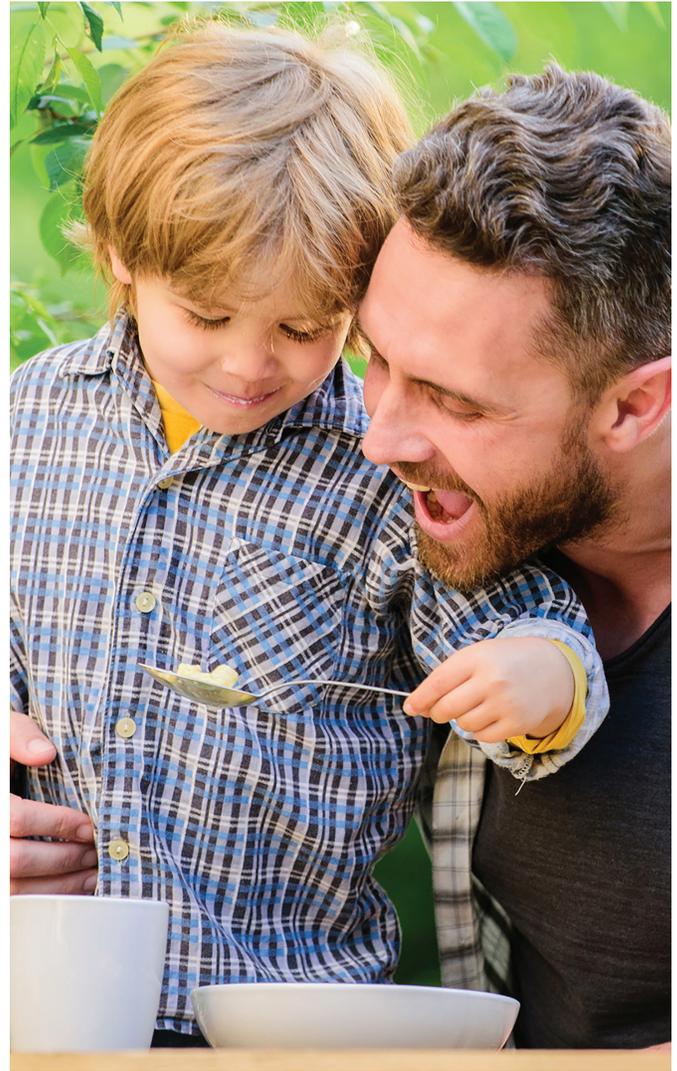
One of the special features of the Pathfinder IUL is the ability to choose how your premiums are allocated. All premiums, minus a percentage-of-premium expense charge, start out in the Short Term Holding Account. On the next premium allocation date, the balance of this account will be allocated to the account(s) you choose from the following options. (You can change these allocations in the future.)

The Long Term Fixed Account credits an interest rate declared by Horace Mann that will not be less than the guaranteed minimum interest rate of 2%.

The Standard and Poor (S&P) 500 Annual Point-to-Point Indexed Account credits interest based on the change in value of the S&P 500 Index, subject to cap and participation rates. The interest rate of this account will never be lower than 0%.

The Dow Jones Industrial Average (DJIA) Annual Monthly Average Indexed Account credits interest based on the change in value of the DJIA Index, subject to cap and participation rates. The interest rate of this account will never be lower than 0%.

You may also allocate funds to the Short Term Holding Account, which credits an interest rate declared by Horace Mann that will not be less than the guaranteed minimum interest rate of .10%. This account does not have a segment term and is the default option for unallocated funds.



	Long Term Fixed Account	S&P 500 Indexed Account	DJIA Indexed Account
Cap rate	N/A	Yes, varies	Expected, uncapped
Participation rate	N/A	Expected 100%	Yes, varies
Floor rate	N/A	0%	0%
Interest rate	Declared rate*	Varies (could be 0%)	Varies (could be 0%)
Crediting strategy	Declared current rate	Annual point-to-point with a cap rate and participation rate	Annual monthly average with a cap rate and participation rate

*Not less than guaranteed rate of 2%

The Pathfinder IUL offers more flexibility in the form of death benefit options and flexible premiums.

Level Death Benefit

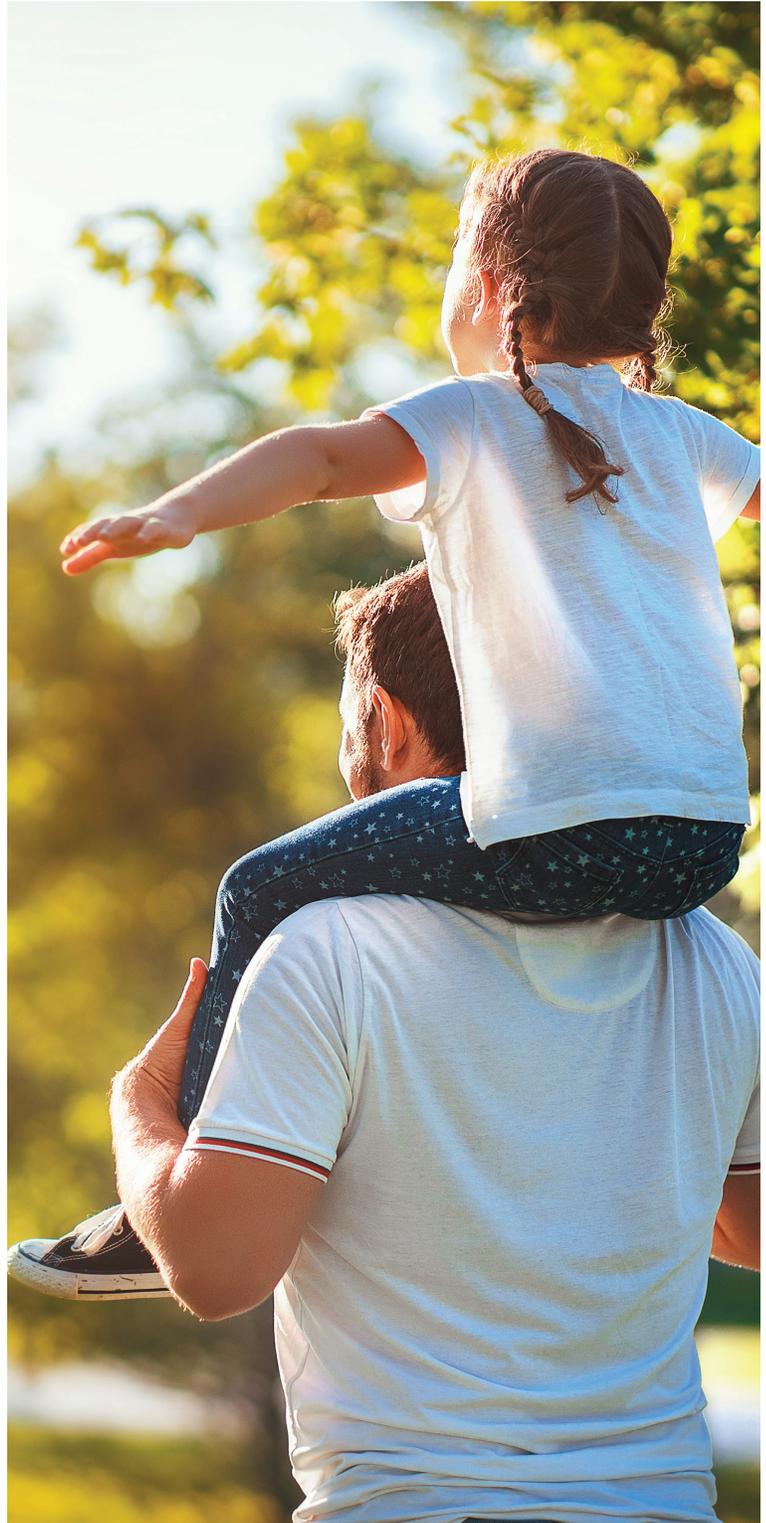
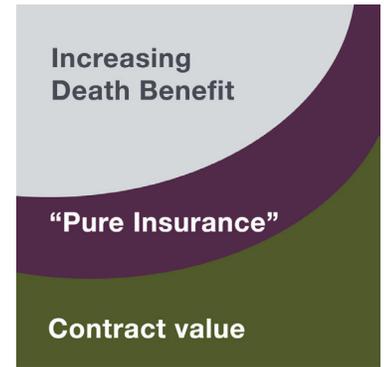
- Death benefit equal to face amount
- With the level death benefit, the contract value accumulates inside the policy and the owner of the policy only pays the cost of insurance (COI) charges on the “Pure Insurance” amount.

Increasing Death Benefit

- Death benefit equal to face amount plus the contract value
- With an increasing death benefit, as the contract value accumulates inside the policy, the “Pure Insurance” amount remains the same while the death benefit rises.

Premium structure – Flexible premium for the duration of the policy

- Minimum No-Lapse Premium — At issue, you must make minimum premium payments, called limited grace protection premium, at least as great as the minimum premium stated in your policy. If your cumulative paid premiums less loans and partial withdrawals are not less than the cumulative limited grace protection premiums, the policy is guaranteed to remain in force during the limited no-lapse guarantee period – which is 10 years for issue ages 0-70 and five years for issue ages 71 and above. Thereafter, your coverage will remain in force as long as the policy’s cash surrender value can cover the monthly charges.
- Target Premium — This premium is simply a suggested premium, designed to maintain your coverage for a lifetime based on current monthly charges and an assumed interest rate of 5%.
- Maximum Premiums — The Internal Revenue Code regulates the maximum amount you can pay for a given death benefit and still receive certain favorable tax treatment for your death benefit and cash surrender values. We will apply these limits as we administer your policy and help insure your policy remains in compliance.



Policy details

Issue ages

- 0-80 (may vary by state)

Minimum face amount

- \$25,000

Death benefit options

- Level Death Benefit: You get a death benefit equal to the face amount that stays the same over time.
- Increasing Death Benefit: You get an increasing death benefit equal to the face amount plus the contract value.
- Accessing your money: You can take partial surrenders and loans from the contract value.

Interest crediting options

- Short Term Holding Account: Interest accumulates at an interest rate that can change from time to time. The rate is guaranteed to be at least 0.10%.
- Long Term Fixed Account: Interest accumulates at an interest rate that can change from time to time. The rate is guaranteed to be at least 2%.
- S&P 500 Annual Point-to-Point Indexed Account: The interest rate is based on changes in the value of the Standard & Poor's 500 index. The cap rate and participation rate are subject to change on new segment creation dates. The credited interest rate in any segment term will not be less than the floor rate of 0%.
- Dow Jones Industrial Average Annual Monthly Average Indexed Account: This interest rate is tied to positive changes in the monthly average of the Dow Jones Industrial Average. The cap rate and participation rate is subject to change on new segment creation dates. The credited interest rate in any segment term could be 0%.

Included riders

- Charitable Giving Benefit Rider — This rider provides the qualifying charity of the owner's choice a benefit of 1% of the policy's face amount at the insured's death, up to a maximum benefit of \$10,000. (The owner can change the charity of choice at any time while the policy is in force.) There is no cost for this rider. The rider must be selected at the time of application.
- Accelerated Death Benefit Rider* – Terminal Illness: This rider can provide for an advance of a portion of the death benefit while you are still living if you are diagnosed with a terminal illness. If your doctor certifies you have 12 months or less to live, you can ask to receive as little as \$5,000 or as much as the lesser of 80% of your death benefit at the time of your request or \$250,000. The accelerated death benefit is reduced by a \$100 administrative charge and a 12-month interest discount representing an estimate of the cost of providing the death benefit early.
- Accelerated Death Benefit Rider* – Chronic Illness: This rider can provide for an advance of a portion of the death benefit while you are still living if you are diagnosed with a chronic illness. If your doctor certifies that you are chronically ill, you can ask to receive as little as \$5,000 or as much as the lesser of 80% of your death benefit at the time of your request or \$250,000. The accelerated death benefit is reduced by a \$100 administrative charge and an actuarial discount factor. This benefit can be accelerated over three (3) payments each at least one year apart. (This benefit rider is not available to policy holders in the state of California.)
- Over-Loan Protection Rider* — This rider can prevent loans from causing the policy to lapse and potentially triggering a taxable event. The owner may exercise the provision of the rider after the policy anniversary date following the insured's age 75 provided the policy has been in force for 15 policy years.

**This rider is automatically included with eligible policies. Issuance of this rider is subject to underwriting approval.*

The Pathfinder IUL offers flexibility and other special features that help you prepare for the unexpected.

Optional riders

- **Waiver of Monthly Deduction Benefit Rider:** This rider waives the monthly deduction for the policy if the insured has a qualifying total disability that lasts longer than 6 months. If the insured has a continuous total disability beginning prior to age 60, monthly deductions will be waived for the life of the policy. For a continuous total disability occurring between ages 60 and 65, monthly deductions will be waived only until age 65. The rider will end on the rider anniversary date following the insured's age 65.
- **Automatic Increase Benefit Rider:** This rider will automatically increase the face amount on each policy anniversary by the lesser of 3% of the original face amount or \$10,000. The planned premium payment will be increased by 3% with each face amount increase. The increases will continue until the policy anniversary following the insured's age 55 (or following two automatic increases if the insured's issue age is 53-55), until (1) the sum of the automatic increases equals the original face amount, (2) the owner provides a written request to refuse an increase or (3) the owner requests a decrease in the policy's face amount.
- **Children's Level Term Life Insurance Rider:** This rider provides level term life insurance for each covered child until the earlier of the rider anniversary date following the child's age 25 or the rider anniversary date following the insured's age 70 (when the rider ends). Upon the insured's death, the term insurance on each covered child becomes paid-up to age 25. On each child's coverage expiration date, the owner has the right to convert up to five times the amount of insurance provided by the rider to a permanent policy insuring that child and issued by Horace Mann Life Insurance Company.
- **Owner's Disability or Death Waiver of Monthly Deduction Benefit Rider:** This rider (only available on juvenile policies) waives the monthly deductions for the policy for death or disability of the owner of the policy. We will waive the monthly deduction on each monthly due date when the owner has a total disability that begins before the age of 60 and continues for at least six consecutive months. We will continue to waive the monthly deductions for the owner's continuous total disability until the insured attains age 25. When we receive proof that owner is no longer living, we will waive the monthly deductions on each monthly due date after the date of death until the insured attains age 25.
- **Accidental Death Benefit Rider:** This rider provides an additional benefit if the insured dies within 180 days as the result of a covered accident while the rider is in force. The rider will end on the rider anniversary date following the insured's age 70.



¹Loans or surrenders will reduce the policy's contract value and death benefit, and can increase the possibility of policy lapse. Generally, amounts received are not subject to income tax to the extent of premiums paid and loans are not considered taxable at the time of the loan. Surrender or lapse of a policy with an outstanding loan may result in a tax liability. If the policy is classified as a modified endowment contract (MEC), when you surrender, take a partial withdrawal or loan, any gain in the policy (cash value in excess of premiums paid) is treated as distributed first and taxed as ordinary income. In a MEC policy the gain may also be subject to a 10% federal penalty tax if you are under age 59½. You should consult with your tax adviser for more information and your specific situation.

²Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes.

Horace Mann Life Insurance Company underwrites Horace Mann life insurance products. Horace Mann Pathfinder Indexed Universal Life is a flexible premium life insurance policy that offers a death benefit to the beneficiaries of the policy. Products and features may not be available in all states. Policy issuance is subject to availability and the outcome of the underwriting process. The policy has exclusions, limitations, and terms that may affect coverage, renewal, cancellation, termination or other contractual rights and benefits. This is a summary only.

Interest credited to indexed accounts is affected by the value of outside indexes. You may not be credited with any interest in the indexed accounts due to the method used to calculate and credit interest. Current cap rates and participation rates are not guaranteed and may change, subject to the minimum rates specified in the policy. The indexed universal life insurance policy is not an investment in the market or in an index. It is not possible to invest in an index. An index does not include the payment or reinvestment of dividends in the calculation of its performance. Horace Mann reserves the right to add or remove any indexed account or indexed interest crediting options. If any index is discontinued, or if the calculation of any index is changed substantially, Horace Mann reserves the right to substitute a comparable indexed account.

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This information represents Horace Mann Pathfinder Indexed Universal Life Insurance contract ICC15-152 and alternate forms.

Included benefit rider form numbers; Charitable Giving Benefit Rider ICC19-764 and alternates; Accelerated Death Benefit Rider - Terminal Illness ICC15-750 and alternates; Accelerated Death Benefit Rider - Chronic Illness ICC15-749 and alternates; and Overloan Protection Rider ICC15-754 and alternates. Optional benefit rider form numbers; Waiver of Monthly Deduction Rider ICC15-752 and alternates; Automatic Increase Benefit Rider ICC15-755 and alternates; Children's Level Term Life Insurance Rider ICC15-857 and alternates; Owner's Disability and Death Waiver Rider ICC15-753 and alternates; and Accidental Death Benefit Rider ICC15-751 and alternates.

