

# The Destination Fixed Indexed Annuity has three accounts available to you

Horace Mann Life Insurance Company's (Horace Mann's) Destination Fixed Indexed Annuity currently offers three different account options to you.

1. **General Fixed Account** – currently crediting 1.15 percent interest
2. **S&P 500 Annual Point-to-Point Indexed Account** – currently with a 100 percent participation rate and 2.50 percent cap rate
3. **Dow Jones Industrial Average (DJIA) Annual Monthly Average Indexed Account** – currently with a 40 percent participation rate and unlimited cap rate

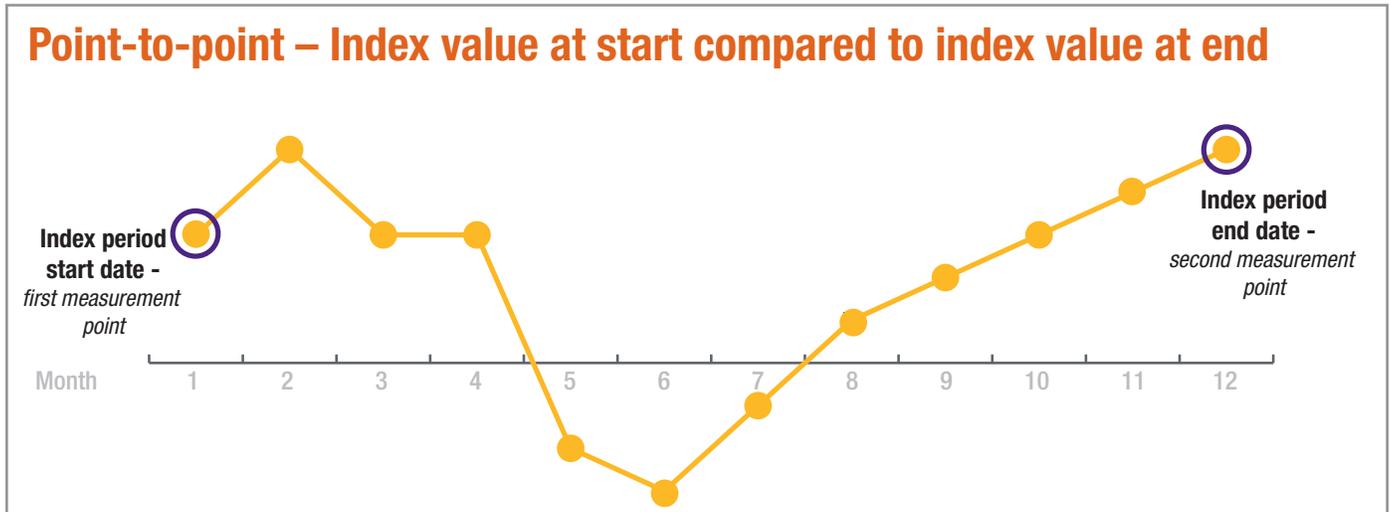
## Account information

Horace Mann's Destination Fixed Indexed Annuity offers three different accounts in which to place premiums:

The **General Fixed Account** credits an interest rate declared by Horace Mann from time to time that will not be less than the General Fixed Account's guaranteed minimum interest rate. This guaranteed minimum rate will be specified in your contract. We may pay interest in excess of the guaranteed amount.

The **S&P 500 Annual Point-to-Point Indexed Account**, measured point-to-point with a participation rate and a cap rate. The participation rate for this option is currently 100 percent. The cap rate and the participation rate can be adjusted at each index date, but will never be lower than the minimums listed below.

- Index period: one year
- Minimum cap rate: 1.5 percent
- Minimum participation rate: 20 percent



The index value at the beginning of the index period is compared to the index value at the end of the index period to determine the percentage change. Because this method only looks at two points in time, index movement month to month does not impact interest credited. Only the initial index value and the ending index value factor in. A positive change will result in crediting of indexed interest, subject to the cap rate and participation rate. A negative change, or no change, will result in crediting of 0 percent indexed interest.

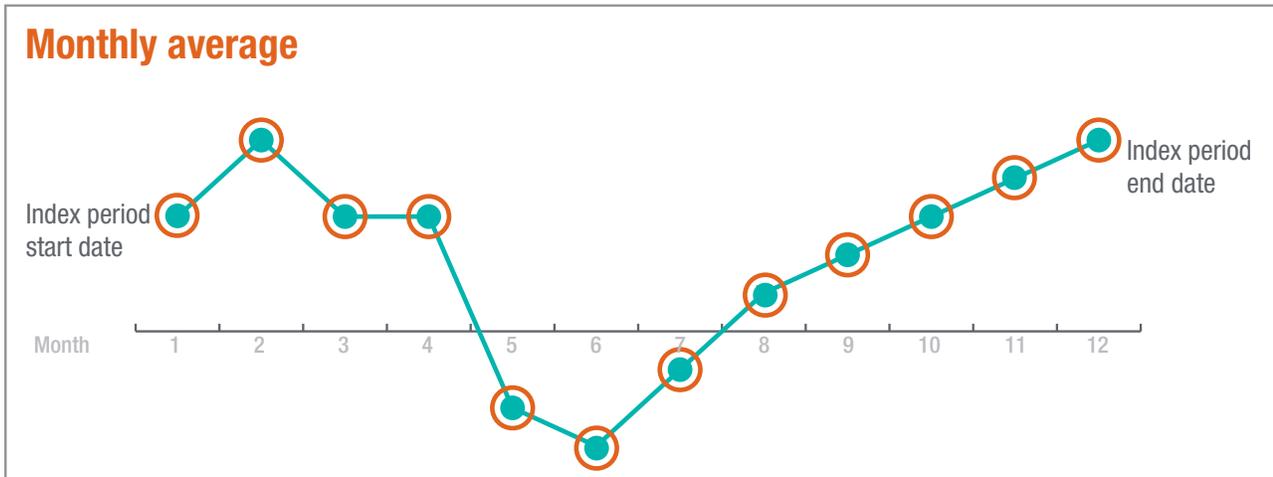
**Example of point-to-point crediting**

If the cap rate is 2.50 percent and the participation rate is 100 percent:

Index value change	Indexed interest credited
2% increase	2%
-12% (decrease)	0% (due to the floor rate)
15% increase	2.50% (due to the cap rate)

The **DJIA Annual Monthly Average Indexed Account**, measured as monthly average with a participation rate and a cap rate. Currently, the cap rate for this option is unlimited. The participation rate and the cap rate can be adjusted at each index date, but will never be lower than the minimums listed below.

- Index period: one year
- Minimum cap rate: 1.5 percent
- Minimum participation rate: 20 percent



The index value is measured at each monthly anniversary in the index period. These monthly index values are then **averaged** and the average index value is compared to the index value at the beginning of the index period. A positive change will result in crediting of indexed interest, subject to the participation rate and the cap rate. A negative change, or no change, will result in crediting of 0 percent indexed interest.

Here's how the calculation works. If the beginning value of the index is 12,151, and the monthly index values were measured as follows:

1	2	3	4	5	6	7	8	9	10	11	12
12,660	13,005	13,126	13,228	12,454	12,602	13,075	13,102	13,437	13,107	12,985	12,938

Adding together all the monthly values listed above, then dividing by 12 gives the monthly average index value of 12,976. Subtracting the beginning index value of 12,151 provides an increase in value of 825, or 6.8 percent (825/12,151). With a 40 percent participation rate and an unlimited cap rate, the interest credited would be 2.72 percent for the year (6.8 percent multiplied by the 40 percent participation rate).

### Example of monthly average crediting

If the participation rate is 40 percent with an unlimited cap rate:

Index value change	Indexed interest credited
2% increase	.80% (2% x 40% participation rate)
-10% (decrease)	0% (due to the floor rate)
10% increase	4.00% (10% x 40% participation rate)

*Horace Mann annuity products are underwritten by Horace Mann Life Insurance Company. While you can receive the benefits of tax deferral in any product used in a tax-qualified retirement plan, an annuity offers additional benefits. In order to offer these benefits, higher fees are typically charged in the annuity.*

*Horace Mann reserves the right to limit premium payments after the first contract year to a maximum of \$25,000 each contract year. The maximum cumulative premium that may be placed in the contract is \$1 million without our prior approval.*

*Annuities should be considered long-term investments. If you take money out before age 59½, you could be subject to a penalty tax of 10 percent in addition to income taxes. In addition, withdrawals on tax-qualified contracts may be restricted by the IRS or your employer's plan. You should consult with your tax advisor regarding any tax-favored products.*

*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 contract. The fixed indexed annuity 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.*

*The S&P 500 and the Dow Jones Industrial Average are products of S&P Dow Jones Indices LLC or its affiliates (SPDJI), and have been licensed for use by Horace Mann. Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC (S&P); Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Horace Mann. The Destination Fixed Indexed Annuity is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representations regarding the advisability of investing in such annuity product, nor do they have any liability for any errors, omissions or interruptions of the S&P 500 or the Dow Jones Industrial Average.*

*This information represents Horace Mann's fixed indexed annuity contracts ICC13-465 and IC-465000 plus alternate forms.*