



Exhibit 99.1

Investor Overview

May 2021



Important Legal Information

Forward-Looking Statements

Certain statements made in this presentation should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about future results of operations and capital plans. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those included in our Quarterly Reports on Form 10-Q, our Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission. We assume no obligation to update this presentation, which speaks as of today's date.

Non-GAAP Measures

This presentation contains financial measures that differ from the comparable measures under Generally Accepted Accounting Principles (GAAP). Reconciliations between those non-GAAP measures and the comparable GAAP measures are included in the Appendix, or on the page such measure is presented.

While management believes the measures are useful to enhance understanding and comparability of our financial results, these non-GAAP measures should not be considered substitutes for the most directly comparable GAAP measures.

Additional information concerning non-GAAP measures is included in our periodic filings with the Securities and Exchange Commission that are available in the "Investors – SEC Filings" section of CNO's website, CNOinc.com.

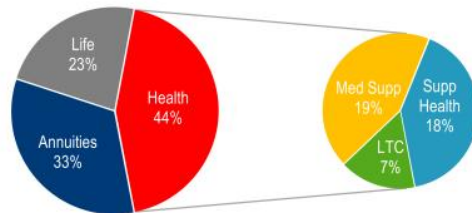
CNO Financial Group Overview

Focused on serving the protection needs of the fast-growing but underserved middle-income American market at or near retirement

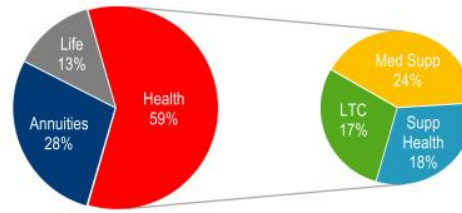
- Manufactured products include life, fixed annuities, Medicare supplement, supplemental health and limited benefit duration long-term care (LTC)
- Distribution of third party products, which primarily include Medicare Advantage and Prescription Drug Plans
- Demonstrated growth in agents, premiums, assets and third party fees

Total: \$976.6M in 1Q 2021 Collected Premiums

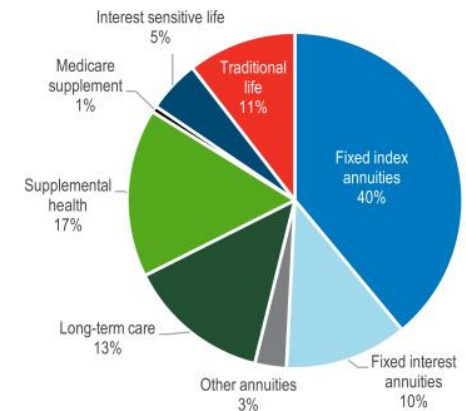
1Q 2021 Collected Premium by Product



1Q 2021 Insurance Margin by Product

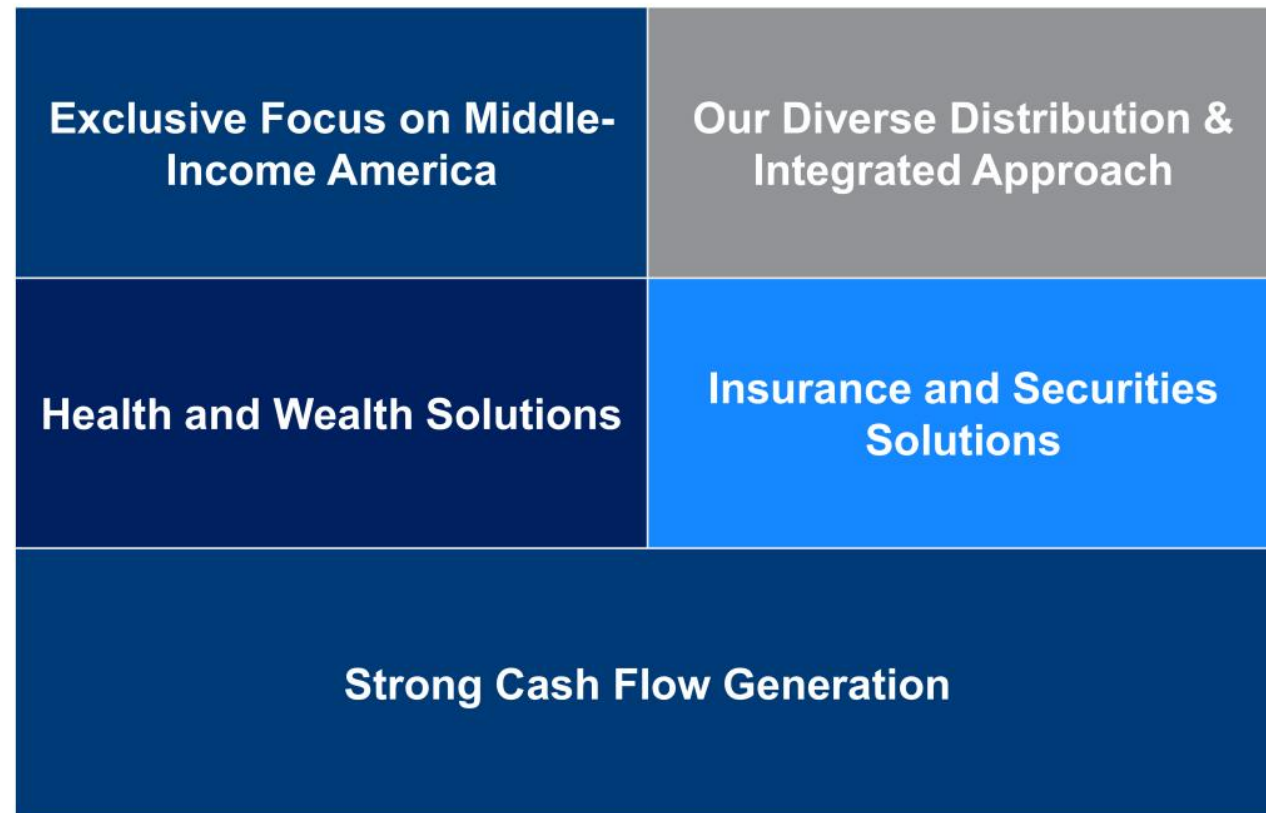


1Q 2021 Average Liabilities by Insurance Product*



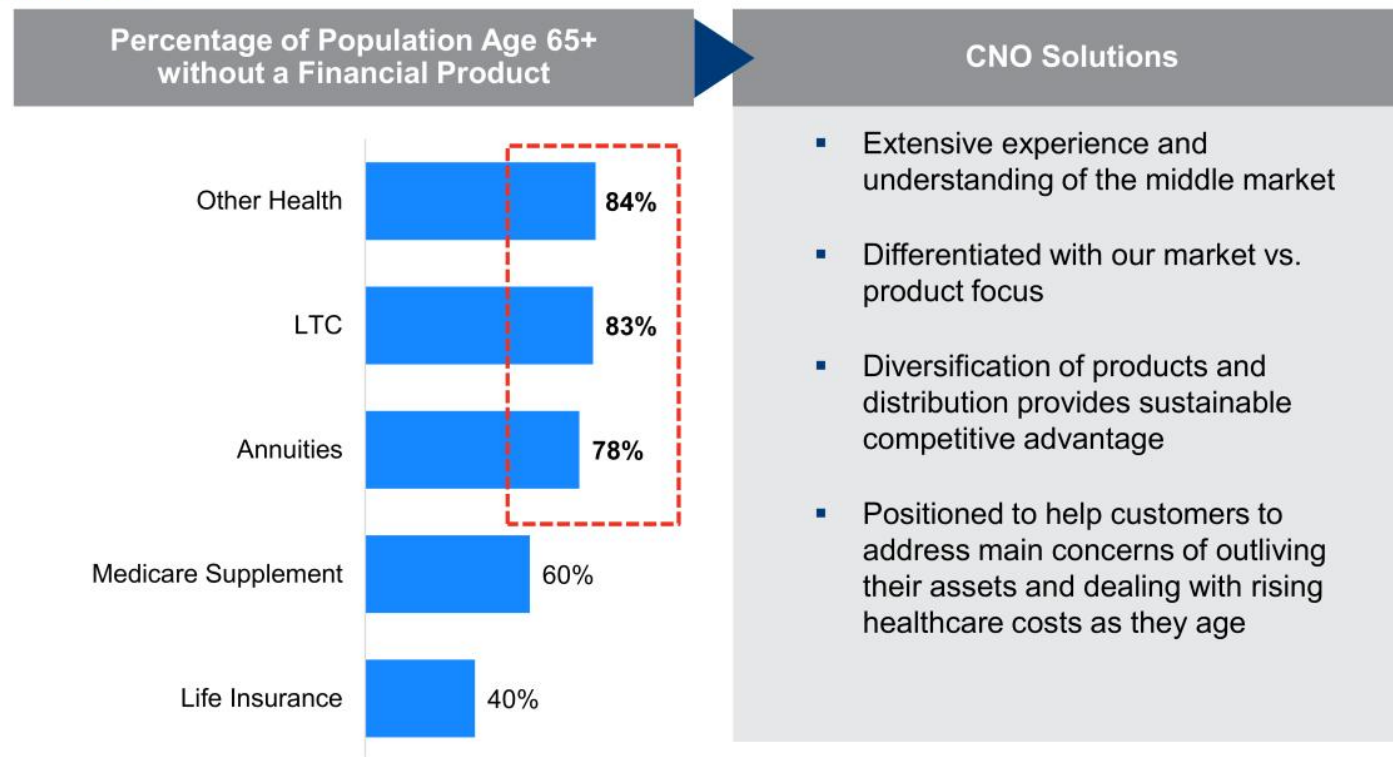
*Net insurance liabilities are equal to total insurance liabilities less: (i) amounts related to reinsured business; (ii) deferred acquisition costs; (iii) present value of future profits; and (iv) the value of unexpired options credited to insurance liabilities.

What Makes CNO Different



Well-Positioned in the Attractive Senior Middle Market

63% of middle-income households are underinsured; ~60% of baby boomers lack financial advisors¹



(1) Bankers Life Center for a Secure Retirement 2017

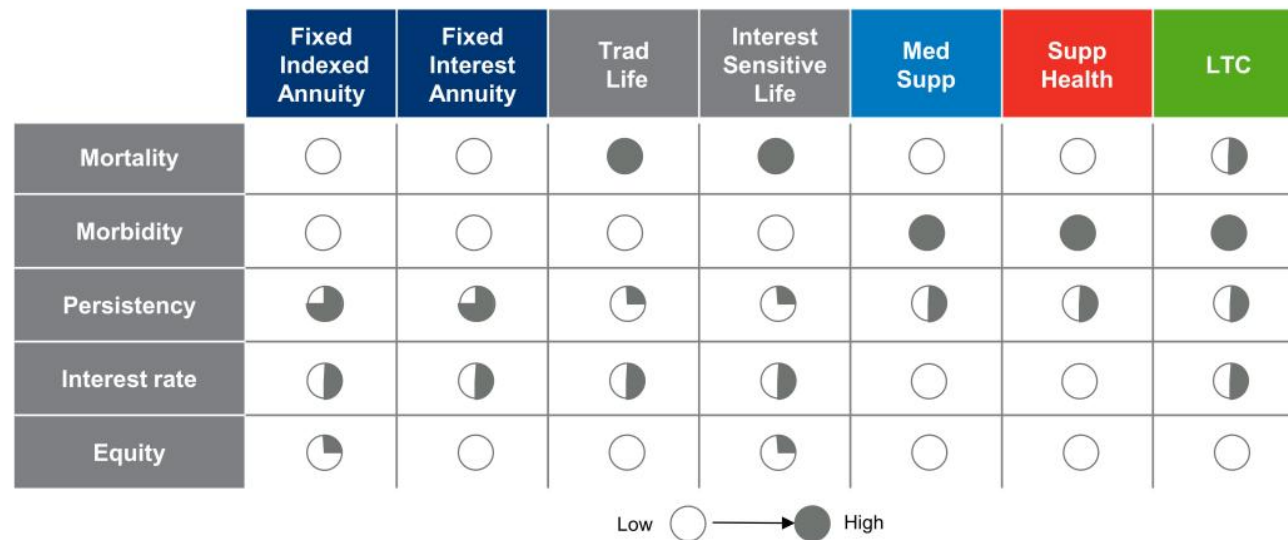
Highly Diversified Product Mix

Broad & balanced portfolio focused on protection needs

Product Offering	Key Points
1 Life Insurance	▪ Protection-oriented products with low face amounts and few bells and whistles
2 Annuities	▪ Mix of protection and accumulation products to serve varied customer needs
3 Medicare	▪ Basic products that meet the insurance needs of the middle market
4 Supplemental Health	▪ Attractive and predictable return characteristics
5 Long-Term Care	▪ Low risk long-term care products with short-duration benefit period
6 Third Party Products / Services	▪ Capital-light distribution-only fee revenue

Risk Management via Diversification and Natural Hedges

Relative degree of risk present (before mitigation) within each product



Unique Multi-Channel Operating Model

January 2020 realignment removes barriers between brand and channels

▪ Consumer Division

- Strong exclusive agent franchise
 - Top distributor of health/wealth protection products through ~5,000 exclusive producing agents and financial representatives
 - More than 260 locations nationwide
 - "Kitchen-table" sales model
- Top 5 direct-to-consumer distribution
- Broker-dealer and RIA offer investment and annuity products and support agent income

▪ Worksite Division

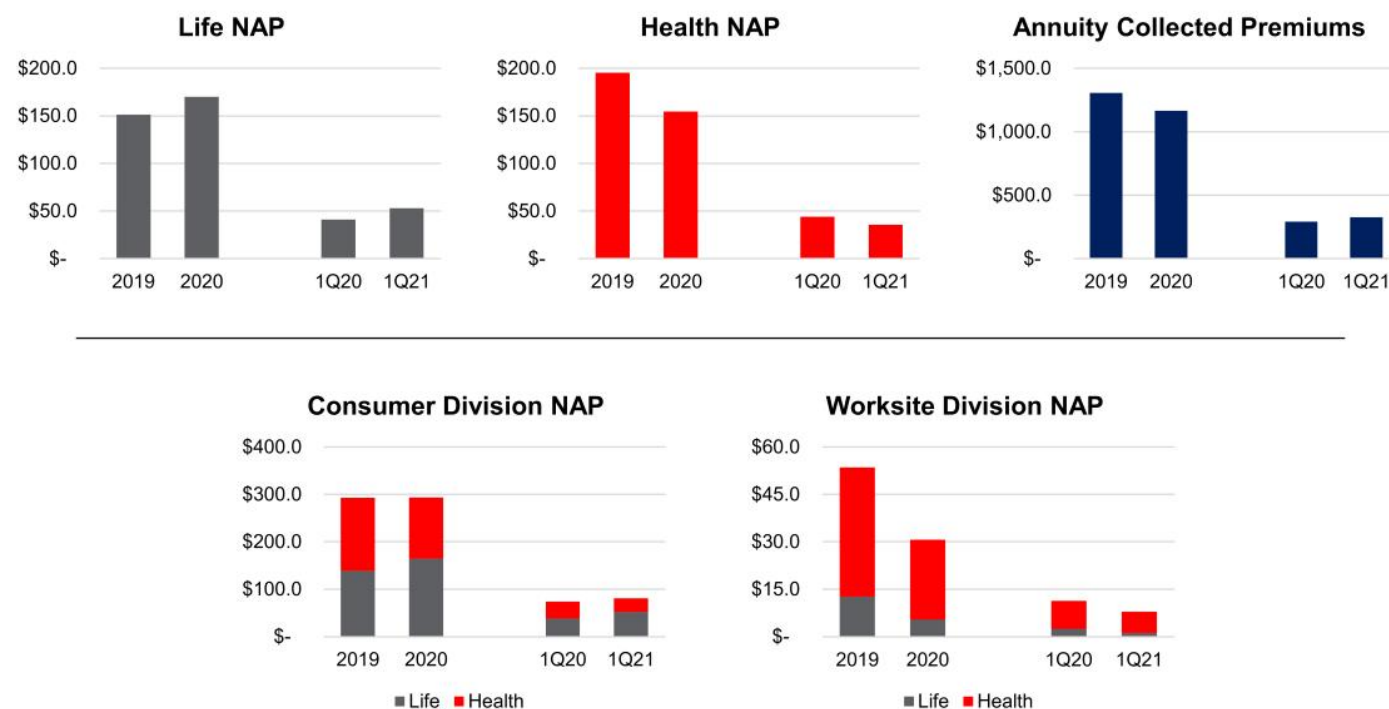
- Wholly-owned distribution (PMA) & diverse network of independent marketing organizations and agencies
- Web Benefits Design (WBD) digital worksite enrollment platform/benefits administrator
- DirectPath employee benefits management services for employers and employees

▪ Multi-channel distribution transitioning to integrated delivery model

- Recent business transformation unlocks significant growth opportunities
- Leverages products, brands, leads and fulfillment across channels
- Captures customers through direct engagement that leads to an integrated omnichannel buying experience
- Driving toward holistic relationships including protection & retirement planning; growth in assets & fees

Strategic Initiatives Successfully Reinvigorating Growth; Momentum Sidelined Temporarily by COVID

(dollars in millions)



Capital and Liquidity Overview

Conservative approach to capital structure; strong liquidity

(dollars in millions)



¹ The ratio of the combined capital of the insurance companies to the minimum amount of capital appropriate to support the overall business operations, as determined based on the methodology developed by the National Association of Insurance Commissioners.

² Excluding accumulated other comprehensive income (a non-GAAP measure). See the Appendix for a reconciliation to the corresponding GAAP measure.

Cash Flow Profile

Strong free cash flow generation and conversion

(dollars in millions)

	For the Quarter		Trailing Twelve Months	
	1Q20	1Q21	1Q20	1Q21
Net Operating Income ¹	\$ 84.3	\$ 75.2	\$ 308.5	\$ 353.2
Holding Company Cash Flows:				
Dividends from Subsidiaries	\$ 87.8	\$ 83.1	\$ 233.1	\$ 335.1
Management Fees	29.8	31.7	116.1	113.6
Surplus Debenture Interest	12.1	12.0	59.4	57.2
Earnings on Corporate Investments	11.6	2.1	20.3	19.6
Other	(22.9)	12.0	7.6	69.4
Holding Company Sources of Cash²	118.4	140.9	436.5	594.9
Holding Company Expenses and Other	(39.3)	(21.5)	(89.2)	(92.8)
Tax Payments	-	(16.1)	-	(37.9)
Interest Payments	(0.2)	(2.1)	(47.5)	(55.1)
Excess Cash Flow to Holding Company²	78.9	101.2	299.8	409.1
Net Proceeds from New Debt	-	0.0	64.9	146.4
Share Repurchases	(84.8)	(97.8)	(294.3)	(277.8)
Dividend Payments to Stockholders	(16.2)	(16.3)	(66.8)	(67.1)
Acquisition	0.0	(51.1)	(68.8)	(51.1)
Net Change in Holding Company Cash and Investments	(22.1)	(64.0)	(65.2)	159.5
Non-Cash Changes in Investment Balances	3.5	-	3.5	(3.5)
Cash and Investments, Beginning of Period	186.7	388.1	229.8	168.1
Cash and Investments, End of Period	\$ 168.1	\$ 324.1	\$ 168.1	\$ 324.1

¹ A non-GAAP measure. See the Appendix for a reconciliation to the corresponding GAAP measure.

² Cash flows exclude capital contributions to insurance subsidiaries, acquisitions, dividend payments, stock repurchases, and financing transactions.

Excess Capital Allocation Strategy

Disciplined and opportunistic approach to maximize shareholder value



Organic investments to sustain and grow the core businesses

- Agent pilots, technology-driven customer experience enhancements
- Hybrid distribution
- Worksite B2B marketing, lead generation



Return capital to shareholders

- \$100 million in share repurchases in 1Q21
- Continued capacity to repurchase shares



Opportunistic transactions

- Highly selective M&A
- LTC reinsurance (2018), Web Benefits Design (2019), DirectPath (2021)

Capital Return as % of Market Capitalization



Since 2017, returned \$1.16 billion, or 36% of current market capitalization²

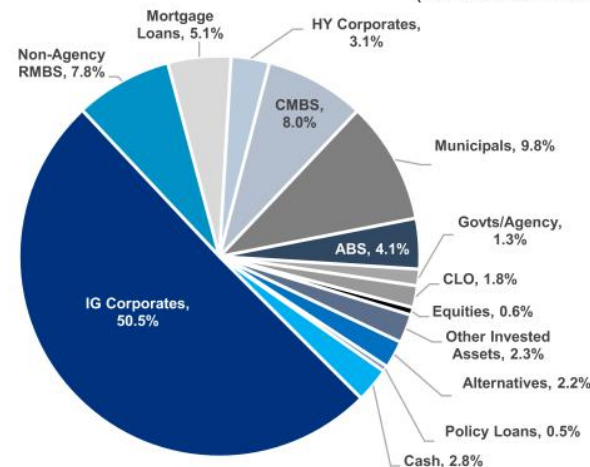
¹ As of beginning of calendar year.
² As of 3/31/2021.

Portfolio Composition

High quality, well-positioned

\$26 billion of Invested Assets

(Fair Value as of 3/31/2021)



General Approach

- Positioned for stable performance across credit cycles
- Focus on quality
- Lower than average allocation to most higher risk categories
- Low impairments through multiple cycles

Highlights

- **\$22.3 billion of assets with high degree of liquidity**
- **65% of portfolio in corporate and government bonds**
 - ~\$13.7 billion public corporate bonds
 - ~\$5.7 billion structured securities
 - ~\$2.9 billion municipal, political subdivisions, and U.S. and foreign government bonds
- **Strong credit risk profile**
 - 95% rated NAIC 1 / 2
 - Diversified commercial and residential mortgages with low LTVs
 - Significant credit enhancement in structured products
 - Alternative investments emphasizing current cash flows and comparatively predictable results

Outlook

Base Case¹

Sales

- Continued positive momentum; sales metrics approaching or exceeding pre-pandemic levels

Earnings

- COVID-related (still much uncertainty)
 - Modest net favorable mortality/morbidity impact for the balance of 2021
 - Modest net unfavorable mortality/morbidity impact in the first half of 2022
- Investment income
 - Allocated to products: flat to prior year – higher assets offset by lower yield (lower rates, higher quality)
 - Not allocated to products: return on alternatives to revert to the mean
- Fee income
 - Modestly favorable to prior year
- Expenses (excluding significant items)
 - For the balance of the year, generally consistent with the first quarter of 2021
 - Total expenses for the year roughly flat to prior year

Free Cash Flow / Excess Capital

- Manage capital and liquidity closer to target levels, reducing excess capital gradually over time

Adverse Case²

- Maintain target RBC and holding company liquidity / leverage / dividends
- Modest share repurchase capacity

¹ Assumes approximately 360k U.S. COVID deaths in 2021 with pandemic trailing off through 2021; economic growth and investment portfolio assumptions market consistent and in-line with base case assumptions from rating agencies.

² Assumes approximately 480k U.S. COVID deaths in 2021; continued new cases, hospitalizations and deaths; lower level of positive morbidity impact; lower GDP and higher unemployment relative to baseline scenario; negative alternative asset returns in 2021 and higher portfolio credit migration.

Environmental, Social and Governance

Significant progress

Environmental

- Performed GHG emissions inventory
- Established GHG emissions reduction target
- Earmarked \$100 million for new impact investments



Social

- Advanced DE&I programs
- Linked DE&I progress to executive compensation
- Augmented associate benefits



Governance

- Developed responsible investment policy
- Enhanced policies that promote ethical and responsible business practices
- Formed CNO Council on Sustainability



DirectPath Transaction

Acquisition enhances Worksite Division growth outlook

DirectPath Description

- DirectPath is a leading national provider of year-round, technology-driven employee benefits management services to employers and employees
- DirectPath's personalized services help employers reduce healthcare and benefits administration costs and assist employees to make smart, well-informed and cost-effective benefits decisions
- Generates significant sales of voluntary supplemental health insurance

Number of clients:	400	Average Group Size:	
Number of broker partners:	7,000	Education	5,000
Client employee base:	2.5 million	Advocacy and Transparency	1,000
Employee satisfaction:	95%	Communications Compliance	91,000

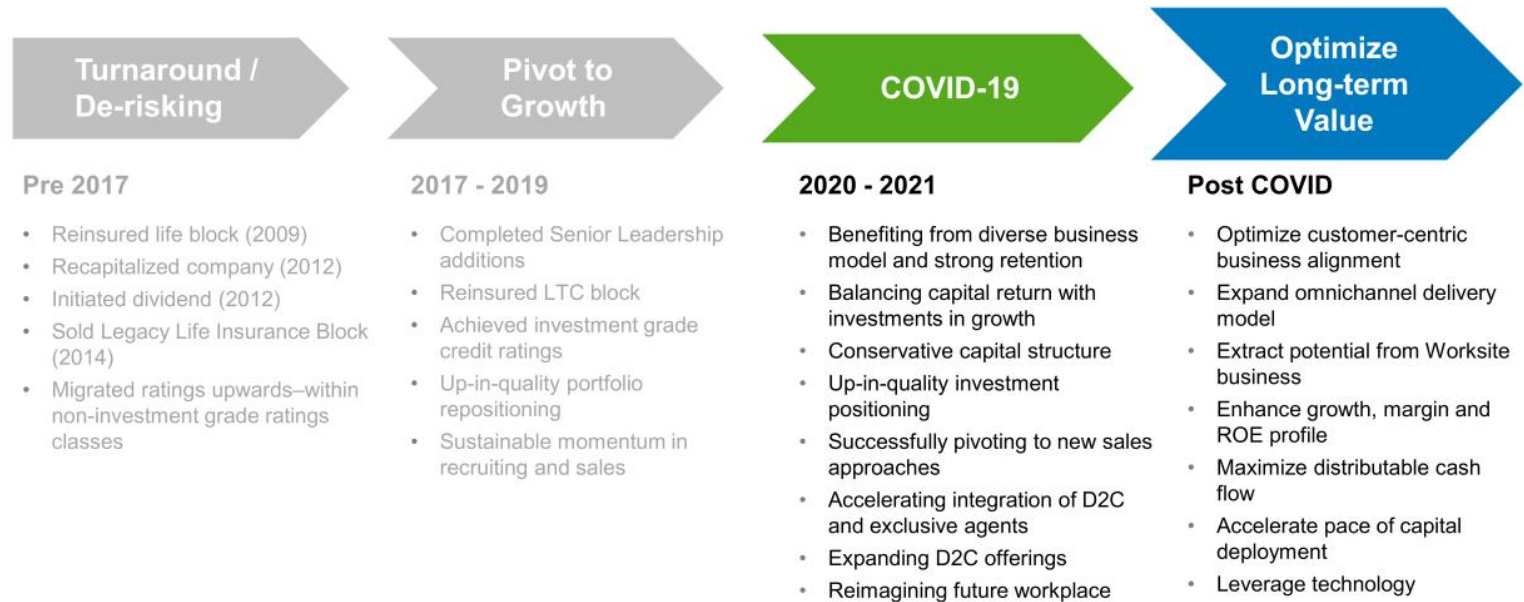
(as of 12/31/2020)

Strategic Rationale

- Significant cross-sell opportunities; creates broader distribution for CNO/WBD products
- Builds unique capabilities, improves competitive positioning
 - Creates a one-stop-shop for employers, brokers, and groups
- Helps us get deeper in employer value chain; delivers strong employer ROI
- Enhances our enrollment capabilities
- Source of small group leads
- Diversifies revenues / enhances fee income / drives ROE

Delivering On Our Commitments

Pivoting to post COVID strategic priorities



Appendix 1

Strong Operational Performance

- Experienced Management Team Slide 19
- Broker-Dealer/Registered Investment Advisor Slide 20
- Exclusive Agent Counts Slide 21

Building on Strong Track Record of Execution

- New Money Summary Slide 22
- Portfolio Overview Slides 23-25
- Tax Asset Summary Slide 26
- 2018 Transformative LTC Reinsurance Transaction Slide 27
- Long-Term Care Insurance Slide 28

Experienced Management Team With a Proven Track Record

10-year average tenure; 24-year average service in the insurance sector

Name	Title	Years with CNO	Years in Insurance Sector	Age
Gary C. Bhojwani	Chief Executive Officer	4	31	53
Paul H. McDonough	Chief Financial Officer	1	19	56
Eric R. Johnson	Chief Investment Officer	23	24	60
Bruce K. Baude	Chief Operations and Technology Officer	8	16	56
Matthew J. Zimpfer	General Counsel	23	28	53
Yvonne K. Franzese	Chief Human Resources Officer	3	31	62
John R. Kline	Chief Accounting Officer	30	41	63
Rocco F. Tarasi	Chief Marketing Officer	4	4	49
Karen J. DeToro	Chief Actuary and Chief Risk Officer	1	27	49
Scott L. Goldberg	President, Consumer Division	16	20	50
Michael D. Heard	Co-President, Worksite Division	7	23	55
Michael B. Byers	Co-President, Worksite Division	<1*	N/A	59

*Mr. Byers was appointed Co-President, Worksite Division effective February 9, 2021.

Broker-Dealer/Registered Investment Advisor

Account values up YoY; \$2.4 billion in client assets

(dollars in millions)

		2020				2021
		1Q	2Q	3Q	4Q	1Q
Net New Client Assets in Brokerage and Advisory ¹	Brokerage	\$ 15.3	\$ (26.7)	\$ (31.5)	\$ 3.0	\$ (12.4)
	Advisory	65.7	38.6	23.5	43.9	74.2
	Total	\$ 81.0	\$ 11.9	\$ (8.0)	\$ 46.9	\$ 61.8
Client Assets in Brokerage and Advisory ¹ at end of period	Brokerage	\$ 1,243.4	\$ 1,355.2	\$ 1,384.4	\$ 1,520.9	\$ 1,560.3
	Advisory	525.5	626.2	682.8	790.7	884.3
	Total	\$ 1,768.9	\$ 1,981.4	\$ 2,067.2	\$ 2,311.6	\$ 2,444.6

¹ Client assets include cash and securities in brokerage, broker/dealer customer account assets custodied directly at fund companies and insurance carriers, and assets under management in advisory accounts. Prior periods have been restated to conform with current presentation.

Bankers Life is the marketing brand of various affiliated companies of CNO Financial Group including, Bankers Life and Casualty Company, Bankers Life Securities, Inc., and Bankers Life Advisory Services, Inc. Non-affiliated insurance products are offered through Bankers Life General Agency, Inc. (dba BL General Insurance Agency, Inc., AK, AL, CA, NV, PA). Agents who are financial advisors are registered with Bankers Life Securities, Inc.

Securities and variable annuity products and services are offered by Bankers Life Securities, Inc. Member FINRA/SIPC, (dba BL Securities, Inc., AL, GA, IA, IL, MI, NV, PA). Advisory products and services are offered by Bankers Life Advisory Services, Inc. SEC Registered Investment Adviser (dba BL Advisory Services, Inc., AL, GA, IA, MT, NV, PA). Home Office: 111 East Wacker Drive, Suite 1900, Chicago, IL 60601

Exclusive Agent Counts

Producing agent count down; overall agent retention flat; registered agent growth

	2020				2021	% Change
	1Q	2Q	3Q	4Q	1Q	Q/Q
<u>Consumer</u>						
Producing Field Agents ^{1,3}	4,531	4,066	4,448	4,539	4,389	-3%
Producing Tele-Sales Agents ^{1,3}	238	237	239	257	258	8%
Total Producing Agents ^{1,3}	4,769	4,303	4,687	4,796	4,647	-3%
Registered Agents ^{2,3}	609	603	618	641	646	6%
<u>Worksite</u>						
Producing Field Agents ^{1,3}	421	225	242	255	241	-43%

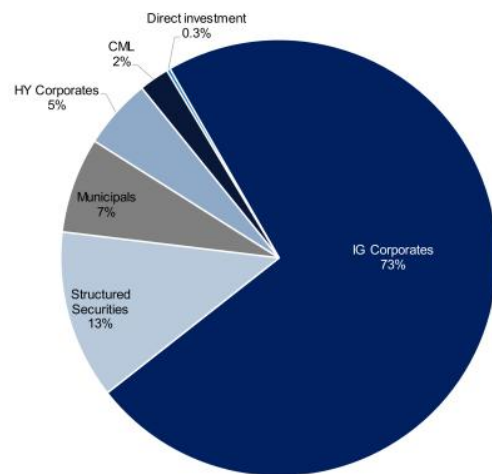
1 Producing agents are exclusive agents that have submitted at least one policy in the month.

2 Registered agents are dually licensed as insurance agents and financial representatives who can buy and sell securities for clients, and/or investment advisors who can provide ongoing investment advice for clients.

3 Agent and representative counts represent the average of the last 3 months.

New Money Summary

Emphasis on up-in-quality investments during first quarter



95% Investment Grade Allocation

First Quarter Investments

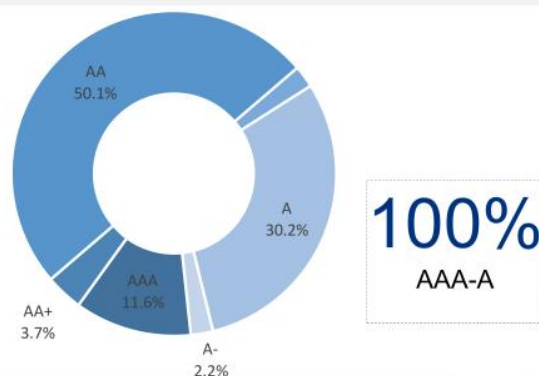
	Allocation \$	Allocation%	Yield	Average Rating	Average Duration
IG Corporates	829	72.7%	3.49%	A	17.6
Structured Securities	142	12.5%	3.74%	BBB+	6.5
Municipals	80	7.1%	3.26%	AA	15.5
HY Corporates	59	5.2%	4.69%	BB-	5.1
CML	25	2.2%	2.75%	AA	7.0
Direct investment	3	0.3%	11.18%	NR	-
Total	1,139	100%	3.57%	A-	15.2

Investment Overview: CLO Debt

Significant cushion against stress scenarios

(As of 3/31/2021)

Ratings Composition

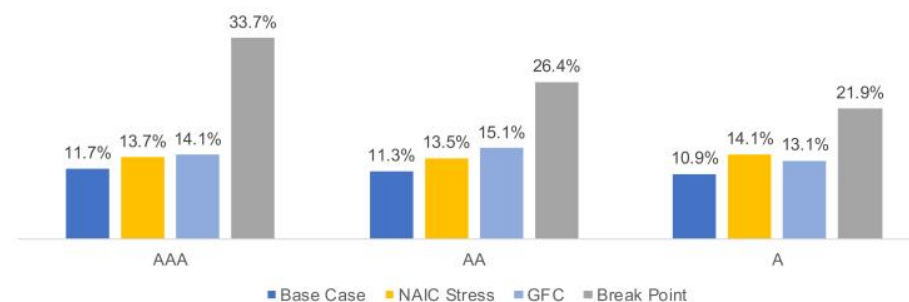


	% of Rating Downgrade Watch		
	Portfolio	Portfolio	Index
AAA	11.6%	-	-
AA	53.8%	-	-
A	34.6%	-	-
BBB	-	N/A	5.0%
BB	-	N/A	3.0%

Key Portfolio Metrics

	AAA	AA	A
Credit Support			
Portfolio	38%	25%	17%
Market	37%	25%	19%
WARF			
Portfolio	3,031	3,092	3,067
Market	3,062	3,071	3,106
Diversity Score			
Portfolio	81	82	82
Market	78	76	76
WAPx			
Portfolio	97.3	97.5	98.0
Market	97.5	97.5	97.3

Cumulative loss scenarios versus Break Points



Investment Overview: Commercial Mortgage Loans

Very conservatively underwritten; loss resistant, no delinquencies or forbearances

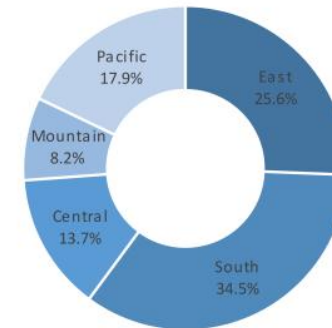
(As of 3/31/2021)

Key Portfolio Facts

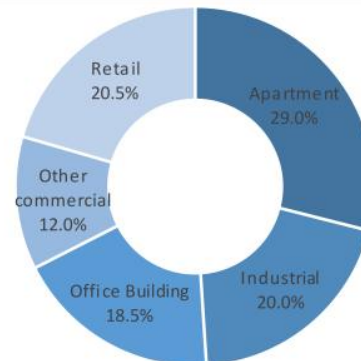
\$1.2 billion of net invested assets

100%	100%	49%	2.06x
First Mortgage	Rated CM1-2	Weighted Avg LTV ¹	Weighted DSCR ¹

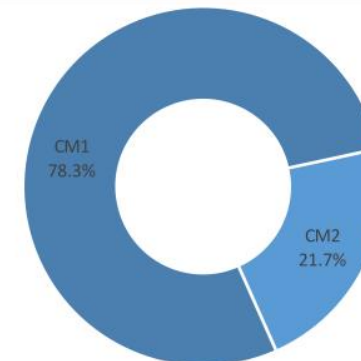
Portfolio Geography



Underlying Property Type



Ratings Composition



¹ LTV and DSCR as of year 2020 operating statements

Investment Overview: CMBS

Excess credit support beyond market consistent expectations for collateral losses

(As of 3/31/2021; dollars in millions)

Key Portfolio Facts

\$2.0 billion of net invested assets

78.0%

Rated
AAA-A

66%

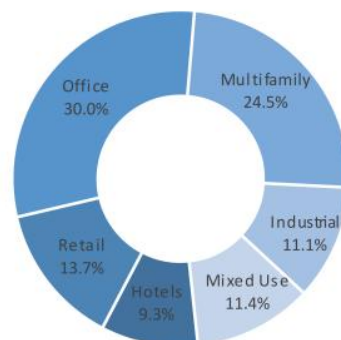
Weighted
Avg LTV¹

2.15x

Weighted
DSCR¹

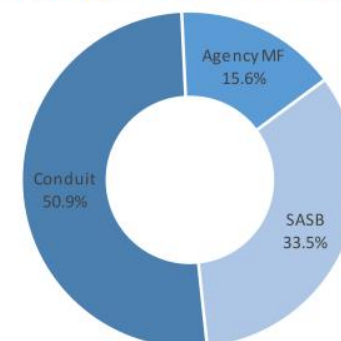
Rating	Book Value	Market Value	Market/Book	Credit Support	Delinq. Rate	Hotel%	Retail%
AAA	548	576	105%	37.9%	6.7%	12.6%	19.4%
AA	273	290	106%	28.1%	6.3%	9.7%	22.7%
A	749	778	104%	24.5%	3.6%	10.7%	10.1%
BBB	358	380	106%	18.0%	1.7%	3.5%	6.0%
BB	96	97	101%	5.5%	1.3%	1.4%	11.7%
	2,024	2,122	105%	26.6%	4.3%	9.3%	13.7%

Underlying Property Type



SASB versus Conduit

Zero forbearance or delinquencies in SASB portfolio



SASB	
DSCR	2.82
LTV	78%
Hotel %	7.1%
Retail %	4.9%

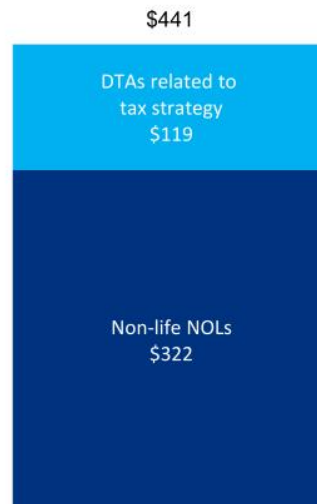
¹ LTV based on appraisal at loan origination, DSCR as of year 2020 operating statements

Tax Asset Summary

\$441 million/\$3.23 per diluted share value of NOLs and DTAs related to tax strategy

Value of NOLs and deferred tax assets (DTAs) related to tax strategy

(As of 3/31/2021; dollars in millions)



Details

- Total estimated economic value of NOLs and DTAs related to tax strategy of approximately \$366 million @ 10% discount rate (\$2.72 on per share basis).
- Life NOLs have been fully utilized. Non-life NOLs are expected to offset 100% of non-life taxable income and 35% of life taxable income through 2023.

2018 Transformative LTC Reinsurance Transaction

Divestiture of legacy LTC exposure significantly improves risk profile

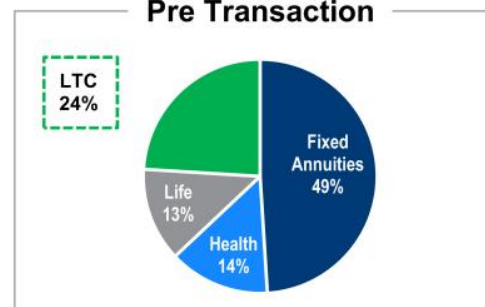
- In September 2018, Bankers Life entered into an agreement with Wilton Re to **cede 100% of Bankers Life legacy (prior to 2003) comprehensive and nursing home long-term care reserves** through indemnity coinsurance
 - Culmination of multi-year exploration of strategic alternatives
 - Comprising 52% of CNO's statutory long-term care reserves
 - \$825mm ceding commission paid to Wilton Re, financed from existing capital resources
- **Significant risk reduction**, especially in severe stress scenarios; business ceded is the most volatile from an earnings and capital perspective
- **Domestic comfort trust established** to hold assets backing 100% of the statutory liabilities plus an additional \$500mm of over-collateralization
- Wilton Re is a **highly-rated** and **well-capitalized** counterparty
- Step forward in achieving **investment grade ratings**
- **Results in increased cash flow generation**

* Reserve net of reinsurance

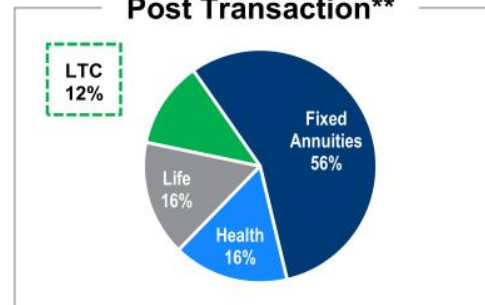
** As of September 30, 2018

Reserve Composition*

Pre Transaction



Post Transaction**



Long-Term Care Insurance

Highly differentiated in-force block; prudently managed

- **New sales (~\$25 million annually) focused on short duration products**
 - 98% of new sales for policies with 2 years or less in benefits
 - Average benefit period of 11 months
 - New business 25% reinsured since 2008
- **Reserve assumptions informed by historical experience**
 - No morbidity improvement
 - No mortality improvement
 - Minimal future rate increases
 - New money rates reflect a low for long environment
- **Favorable economic profile**
 - 2020 Loss Recognition Testing margin increased to \$302 million or ~12% of Net GAAP Liabilities driven by margin from new business and favorable pre-COVID morbidity trends
 - Statutory reserves ~\$180 million higher than GAAP net liabilities
 - Total LTC is just 13% of overall CNO reserves
 - Potential adverse impact from severe stress scenarios is significantly reduced

Appendix 2: Financial Exhibits

- Non-GAAP Financial Measures

Slides 30-39

1Q21 Significant Items

The table below summarizes the financial impact of significant items on our 1Q21 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results.

(dollars in millions, except per-share amounts)

	Three months ended March 31, 2021		
	Actual results	Significant items	Excluding significant items
Insurance product margin			
Annuity	\$ 57.9	\$ -	\$ 57.9
Health	124.7	-	124.7
Life	27.1	-	27.1
Total insurance product margin	209.7	-	209.7
Allocated expenses	(141.1)	-	(141.1)
Income from insurance products	68.6	-	68.6
Fee income	7.3	-	7.3
Investment income not allocated to product lines	43.0	-	43.0
Expenses not allocated to product lines	(22.0)	7.8 (1)	(14.2)
Operating earnings before taxes	96.9	7.8	104.7
Income tax expense on operating income	(21.7)	(1.7)	(23.4)
Net operating income (2)	\$ 75.2	\$ 6.1	81.3
Net operating income per diluted share (2)	\$ 0.55	\$ 0.04	\$ 0.59

- (1) Comprised of: (i) \$5.3 million from legal and regulatory matters; and (ii) \$2.5 million of transaction expenses related to the previously announced acquisition of DirectPath, LLC. The legal and regulatory matters primarily consist of an increase to our liability for claims and interest pursuant to the Global Resolution Agreement, as we have now processed and verified most of the claims provided by the third party auditor allowing us to more accurately estimate the ultimate liability.
- (2) A non-GAAP measure. See pages 35 and 37 for a reconciliation to the corresponding GAAP measure.

4Q20 Significant Items

The table below summarizes the financial impact of significant items on our 4Q20 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results.

(dollars in millions, except per-share amounts)

	Three months ended December 31, 2020		
	Actual results	Significant items	Excluding significant items
Insurance product margin			
Annuity	\$ 68.1	\$ (16.1) (1)	\$ 52.0
Health	125.2	-	125.2
Life	37.3	4.3 (1)	41.6
Total insurance product margin	230.6	(11.8)	218.8
Allocated expenses	(162.7)	-	(162.7)
Income from insurance products	67.9	(11.8)	56.1
Fee income	2.9	-	2.9
Investment income not allocated to product lines	57.8	-	57.8
Expenses not allocated to product lines	(17.8)	3.7 (2)	(14.1)
Operating earnings before taxes	110.8	(8.1)	102.7
Income tax expense on operating income	(24.8)	1.7	(23.1)
Net operating income (3)	<u>\$ 86.0</u>	<u>\$ (6.4)</u>	<u>\$ 79.6</u>
Net operating income per diluted share (3)	<u>\$ 0.61</u>	<u>\$ (0.04)</u>	<u>\$ 0.57</u>

(1) Adjustments arising from our comprehensive annual actuarial review of assumptions.

(2) Unfavorable impact related to asset impairments.

(3) A non-GAAP measure. See pages 35 and 37 for a reconciliation to the corresponding GAAP measure.

2Q20 Significant Items

The table below summarizes the financial impact of significant items on our 2Q20 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results.

(dollars in millions, except per-share amounts)

	Three months ended June 30, 2020		
	Actual results	Significant items	Excluding significant items
Insurance product margin			
Annuity	\$ 123.8	\$ 40.0 (1)	\$ 72.3
		(91.5) (1)	
Health	95.5	-	95.5
Life	36.1	5.6 (1)	41.7
Total insurance product margin	255.4	(45.9)	209.5
Allocated expenses	(128.1)	-	(128.1)
Income from insurance products	127.3	(45.9)	81.4
Fee income	5.2	-	5.2
Investment income not allocated to product lines	8.2	-	8.2
Expenses not allocated to product lines	(38.5)	23.5 (2)	(15.0)
Operating earnings before taxes	102.2	(22.4)	79.8
Income tax expense on operating income	(22.8)	4.7	(18.1)
Net operating income (3)	<u>\$ 79.4</u>	<u>\$ (17.7)</u>	<u>\$ 61.7</u>
Net operating income per diluted share (3)	<u>\$0.55</u>	<u>\$ (0.12)</u>	<u>\$ 0.43</u>

The footnotes to the above table are on the following page.

2Q20 Significant Items

(Continued from the previous page)

- (1) Given our expectation that interest rates will remain low for the long-term, we performed an actuarial unlocking exercise in the second quarter of 2020 to reflect our assumption that average new money rates will remain flat at 4 percent forever. This change and the related impacts to persistency assumptions had a \$45.6 million unfavorable impact on pre-tax earnings. As part of the actuarial unlocking exercise, we also changed our assumptions related to the future option costs we incur in providing benefits on fixed index annuities which had a favorable impact on pre-tax earnings of \$91.5 million. The impact of these changes in assumptions is summarized below (dollars in millions):

	Line of business				Total
	Fixed index annuities	Fixed interest annuities	Interest-sensitive life		
	Favorable (unfavorable)				
<u>Impacts of an average new money rate assumption of 4 percent</u>					
Insurance policy benefits	\$ (5.0)	\$ —	\$ (7.4)	\$ (12.4)	
Amortization	(25.6)	(9.4)	1.8	(33.2)	
Subtotal	(30.6)	(9.4)	(5.6)	(45.6)	
<u>Impacts of changes in future option costs</u>					
Insurance policy benefits	104.8	—	—	104.8	
Amortization	(13.3)	—	—	(13.3)	
Subtotal	91.5	—	—	91.5	
Impact on pre-tax income	\$ 60.9	\$ (9.4)	\$ (5.6)	\$ 45.9	

This actuarial unlocking exercise did not replace our comprehensive annual review of all assumptions for our insurance products, which we completed in the fourth quarter of 2020.

- (2) We increased our liability for claims and interest pursuant to the previously disclosed Global Resolution Agreement entered into in November 2018. Pursuant to this agreement, a third-party auditor is acting on behalf of 41 states and the District of Columbia for the purpose of identifying deceased insureds and contract holders where benefits are payable pursuant to unclaimed property laws. The third-party auditor has provided information that we have processed and verified allowing us to more accurately estimate the ultimate liability pursuant to this agreement.
- (3) A non-GAAP measure. See pages 35 and 37 for a reconciliation to the corresponding GAAP measure.

4Q19 Significant Items

The table below summarizes the financial impact of significant items on our 4Q19 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results.

(dollars in millions, except per-share amounts)

	Three months ended December 31, 2019		
	Actual results	Significant items	Excluding significant items
Insurance product margin			
Annuity	\$ 60.5	\$ 0.3 (1)	\$ 60.8
Health	93.0	-	93.0
Life	46.7	9.7 (1)	56.4
Total insurance product margin	200.2	10.0	210.2
Allocated expenses	(140.6)	-	(140.6)
Income from insurance products	59.6	10.0	69.6
Fee income	11.7	-	11.7
Investment income not allocated to product lines	26.2	-	26.2
Expenses not allocated to product lines	2.8	(20.0) (2)	(17.2)
Operating earnings before taxes	100.3	(10.0)	90.3
Income tax expense on operating income	(21.7)	2.1	(19.6)
Net operating income (3)	<u>\$ 78.6</u>	<u>\$ (7.9)</u>	<u>\$ 70.7</u>
Net operating income per diluted share (3)	<u>\$ 0.52</u>	<u>\$ (0.05)</u>	<u>\$ 0.47</u>

(1) Adjustments arising from our comprehensive annual actuarial review of assumptions.

(2) \$20.0 million of the net favorable impact from legal and regulatory matters.

(3) A non-GAAP measure. See pages 35 and 37 for a reconciliation to the corresponding GAAP measure.

Quarterly Earnings

(dollars in millions)

	1Q20	2Q20	3Q20	4Q20	1Q21
Insurance product margin					
Annuity	\$ 59.5	\$ 123.8	\$ 45.3	\$ 68.1	\$ 57.9
Health	86.9	95.5	152.2	125.2	124.7
Life	44.3	36.1	47.3	37.3	27.1
Total insurance product margin	190.7	255.4	244.8	230.6	209.7
Allocated expenses	(136.6)	(128.1)	(130.3)	(162.7)	(141.1)
Income from insurance products	54.1	127.3	114.5	67.9	68.6
Fee income	7.8	5.2	0.8	2.9	7.3
Investment income not allocated to product lines	57.4	8.2	43.7	57.8	43.0
Expenses not allocated to product lines	(13.8)	(38.5)	(13.7)	(17.8)	(22.0)
Operating earnings before taxes	105.5	102.2	145.3	110.8	96.9
Income tax expense on operating income	(21.2)	(22.8)	(32.7)	(24.8)	(21.7)
Net operating income*	84.3	79.4	112.6	86.0	75.2
Net realized investment gains (losses) from sales, impairments and change in allowance for credit losses (net of related amortization)	(63.7)	12.3	7.7	12.6	3.6
Net change in market value of investments recognized in earnings	(48.4)	31.2	8.5	6.0	(6.4)
Fair value changes in embedded derivative liabilities (net of related amortization)	(66.7)	(27.1)	(1.6)	16.3	82.1
Fair value changes related to agent deferred compensation plan	-	(13.2)	-	(3.1)	13.2
Other	2.3	-	6.5	0.9	0.6
Non-operating income (loss) before taxes	(176.5)	3.2	21.1	32.7	93.1
Income tax expense (benefit):					
On non-operating income (loss)	(37.0)	0.6	4.5	6.9	20.9
Valuation allowance for deferred tax assets and other tax items	(34.0)	-	-	-	-
Net non-operating income (loss)	(105.5)	2.6	16.6	25.8	72.2
Net income (loss)	\$ (21.2)	\$ 82.0	\$ 129.2	\$ 111.8	\$ 147.4

* Management believes that an analysis of Net income applicable to common stock before: (i) net realized investment gains or losses from sales, impairments and the change in allowance for credit losses, net of related amortization and taxes; (ii) net change in market value of investments recognized in earnings, net of taxes; (iii) fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed index annuities, net of related amortization and taxes; (iv) fair value changes related to the agent deferred compensation plan, net of taxes; (v) loss on extinguishment of debt, net of taxes; (vi) changes in the valuation allowance for deferred tax assets and other tax items; and (viii) other non-operating items consisting primarily of earnings attributable to variable interest entities, net of taxes ("Net operating income," a non-GAAP financial measure) is important to evaluate the financial performance of the company, and is a key measure commonly used in the life insurance industry. Management uses this measure to evaluate performance because the items excluded from net operating income can be affected by events that are unrelated to the company's underlying fundamentals. A reconciliation of Net operating income to Net income applicable to common stock is provided in the above table.

Information Related to Certain Non-GAAP Financial Measures

The following provides additional information regarding certain non-GAAP measures used in this presentation. A non-GAAP measure is a numerical measure of a company's performance, financial position, or cash flows that excludes or includes amounts that are normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. While management believes these measures are useful to enhance understanding and comparability of our financial results, these non-GAAP measures should not be considered as substitutes for the most directly comparable GAAP measures. Additional information concerning non-GAAP measures is included in our periodic filings with the Securities and Exchange Commission that are available in the "Investors – SEC Filings" section of CNO's website, www.CNOinc.com.

Operating earnings measures

Management believes that an analysis of net income applicable to common stock before net realized investment gains or losses from sales, impairments and change in allowance for credit losses, net change in market value of investments recognized in earnings, fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed index annuities, fair value changes related to the agent deferred compensation plan, loss on extinguishment of debt, changes in the valuation allowance for deferred tax assets and other tax items and other non-operating items consisting primarily of earnings attributable to variable interest entities ("net operating income," a non-GAAP financial measure) is important to evaluate the financial performance of the Company and is a key measure commonly used in the life insurance industry. Management uses this measure to evaluate performance because the items excluded from net operating income can be affected by events that are unrelated to the Company's underlying fundamentals.

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of net income (loss) applicable to common stock to net operating income (and related per-share amounts) is as follows:

(dollars in millions, except per-share amounts)

	1Q20	2Q20	3Q20	4Q20	1Q21
Net income (loss) applicable to common stock	\$ (21.2)	\$ 82.0	\$ 129.2	\$ 111.8	\$ 147.4
Non-operating items:					
Net realized investment (gains) losses from sales and impairments, net of related amortization	63.7	(12.3)	(7.7)	(12.6)	(3.6)
Net change in market value of investments recognized in earnings	48.4	(31.2)	(8.5)	(6.0)	6.4
Fair value changes in embedded derivative liabilities, net of related amortization	66.7	27.1	1.6	(16.3)	(82.1)
Fair value changes related to the agent deferred compensation plan	-	13.2	-	3.1	(13.2)
Other	(2.3)	-	(6.5)	(0.9)	(0.6)
Non-operating (income) loss before taxes	176.5	(3.2)	(21.1)	(32.7)	(93.1)
Income tax (expense) benefit					
On non-operating (income) loss	37.0	(0.6)	(4.5)	(6.9)	(20.9)
Valuation allowance for deferred tax assets and other tax items	34.0	-	-	-	-
Net non-operating (income) loss	105.5	(2.6)	(16.6)	(25.8)	(72.2)
Net operating income (a non-GAAP financial measure)	\$ 84.3	\$ 79.4	\$ 112.6	\$ 86.0	\$ 75.2
Per diluted share:					
Net income (loss)	\$ (0.15)	\$ 0.57	\$ 0.91	\$ 0.80	\$ 1.08
Net realized investment (gains) losses from sales and impairments (net of related amortization and taxes)	0.35	(0.07)	(0.04)	(0.07)	(0.02)
Net change in market value of investments recognized in earnings (net of taxes)	0.26	(0.17)	(0.05)	(0.04)	0.04
Fair value changes in embedded derivative liabilities (net of related amortization and taxes)	0.36	0.15	0.01	(0.09)	(0.47)
Fair value changes related to the agent deferred compensation plan (net of taxes)	-	0.07	-	0.02	(0.08)
Valuation allowance for deferred tax assets and other tax items	(0.23)	-	-	-	-
Other	(0.01)	-	(0.04)	(0.01)	-
Net operating income (a non-GAAP financial measure)	\$ 0.58	\$ 0.55	\$ 0.79	\$ 0.61	\$ 0.55

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of operating income and shares used to calculate basic and diluted operating earnings per share is as follows:

(dollars in millions, except per-share amounts, and shares in thousands)

	<u>1Q20 (a)</u>	<u>2Q20</u>	<u>3Q20</u>	<u>4Q20</u>	<u>1Q21</u>
Operating income	<u>\$ 84.3</u>	<u>\$ 79.4</u>	<u>\$ 112.6</u>	<u>\$ 86.0</u>	<u>\$ 75.2</u>
Weighted average shares outstanding for basic earnings per share	145,829	143,422	140,900	138,232	134,140
Effect of dilutive securities on weighted average shares:					
Stock options, restricted stock and performance units	-	519	830	2,155	2,513
Weighted average shares outstanding for diluted earnings per share	<u>145,829</u>	<u>143,941</u>	<u>141,730</u>	<u>140,387</u>	<u>136,653</u>
Net operating income per diluted share	<u>\$ 0.58</u>	<u>\$ 0.55</u>	<u>\$ 0.79</u>	<u>\$ 0.61</u>	<u>\$ 0.55</u>

(a) Equivalent common shares of 768 were not included in the diluted weighted average shares outstanding due to the net less recognized in 1Q20.

Information Related to Certain Non-GAAP Financial Measures

Debt to capital ratio, excluding accumulated other comprehensive income (loss)

The debt to capital ratio, excluding accumulated other comprehensive income (loss), differs from the debt to capital ratio because accumulated other comprehensive income (loss) has been excluded from the value of capital used to determine this measure. Management believes this non-GAAP financial measure is useful because it removes the volatility that arises from changes in accumulated other comprehensive income (loss). Such volatility is often caused by changes in the estimated fair value of our investment portfolio resulting from changes in general market interest rates rather than the business decisions made by management. A reconciliation of these ratios is as follows:

(dollars in millions)

	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
Corporate notes payable	\$ 989.1	\$ 989.4	\$ 989.7	\$ 990.1	\$1,136.2	\$1,136.6
Total shareholders' equity	4,677.0	3,765.8	4,731.2	5,083.9	5,484.2	4,860.7
Total capital	<u>\$5,666.1</u>	<u>\$4,755.2</u>	<u>\$5,720.9</u>	<u>\$6,074.0</u>	<u>\$6,620.4</u>	<u>\$5,997.3</u>
Corporate debt to capital	<u>17.5%</u>	<u>20.8%</u>	<u>17.3%</u>	<u>16.3%</u>	<u>17.2%</u>	<u>19.0%</u>
Corporate notes payable	\$ 989.1	\$ 989.4	\$ 989.7	\$ 990.1	\$1,136.2	\$1,136.6
Total shareholders' equity	4,677.0	3,765.8	4,731.2	5,083.9	5,484.2	4,860.7
Less accumulated other comprehensive income	(1,372.5)	(595.2)	(1,520.2)	(1,801.6)	(2,186.1)	(1,518.1)
Total capital	<u>\$4,293.6</u>	<u>\$4,160.0</u>	<u>\$4,200.7</u>	<u>\$4,272.4</u>	<u>\$4,434.3</u>	<u>\$4,479.2</u>
Debt to total capital ratio, excluding AOCI (a non-GAAP financial measure)	<u>23.0%</u>	<u>23.8%</u>	<u>23.6%</u>	<u>23.2%</u>	<u>25.6%</u>	<u>25.4%</u>