

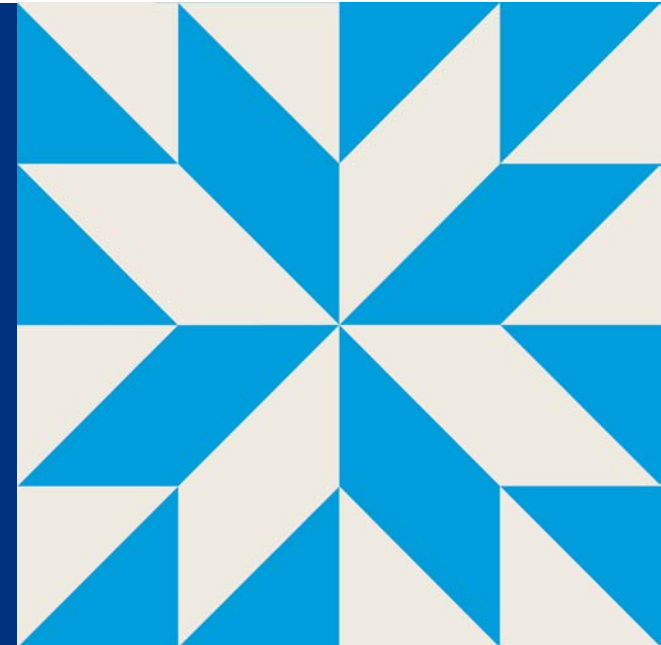


CNO FINANCIAL GROUP

2Q13

Financial and operating results for the period ended June 30, 2013

July 29, 2013



Unless otherwise specified, comparisons in this presentation are between 2Q13 and 2Q12.

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 press release issued on July 29, 2013, 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.

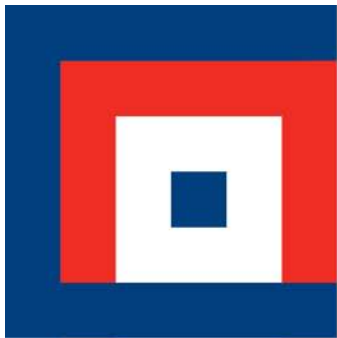
Non-GAAP Measures

This presentation contains the following financial measures that differ from the comparable measures under Generally Accepted Accounting Principles (GAAP): operating earnings measures; book value, excluding accumulated other comprehensive income (loss) per share; operating return measures; earnings before net realized investment gains (losses), fair value changes in embedded derivative liabilities, equity in earnings of certain non-strategic investments and earnings attributable to non-controlling interests, corporate interest expense, loss on extinguishment of debt and taxes; and debt to capital ratios, excluding accumulated other comprehensive income (loss).

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 these 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, www.CNOinc.com.



CNO FINANCIAL GROUP

2Q13 Summary

CNO

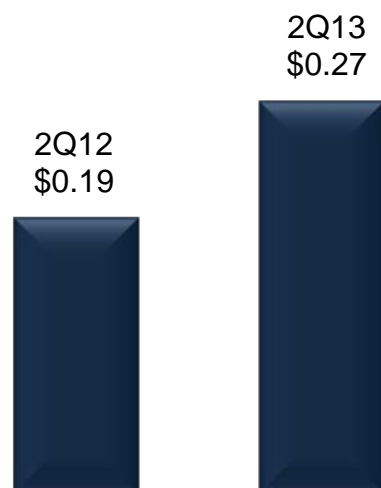
- **Businesses continue to perform well; growth in**
 - Sales and premiums
 - Operating earnings
- **Investing in our business**
 - Expanding locations, geographies, and product offerings
 - Growing agent force and improving productivity
- **Returning value to shareholders and reducing cost of capital**
 - Repurchased \$184mm of securities YTD at average price of \$11.43 per share
 - Increased dividend by 50%
 - Completed re-pricing of senior credit facility, reducing interest by 125bps

Received additional upgrade from S&P in July

Operating Earnings Per Share Building

CNO

Operating EPS Excluding Significant Items*



Weighted Avg. Diluted Shares Outstanding (millions)	293.5	230.9
Operating EPS	\$0.20	\$0.30
Operating Earnings Excluding Significant Items* (millions)	\$51.9	\$61.2

Earnings per Share Drivers

- Meaningful per share growth positively impacted by earnings and capital actions
- Premium growth in core business segments
- Normalized earnings drivers performed as expected
- On track for 9% ROE run-rate by the end of 2015

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

Continued Investment in the Business

CNO

(\$ millions)

- Investing in productivity and growth of the agent force
- Expanding presence by adding new locations and geographies
- Developing and launching new products to meet the needs of our target market
- Driving operational efficiencies and enhancing the customer experience
- Sales up 5% and collected premiums* up 4%



* Represents collected premiums from 3 core segments - Bankers Life, Washington National and Colonial Penn

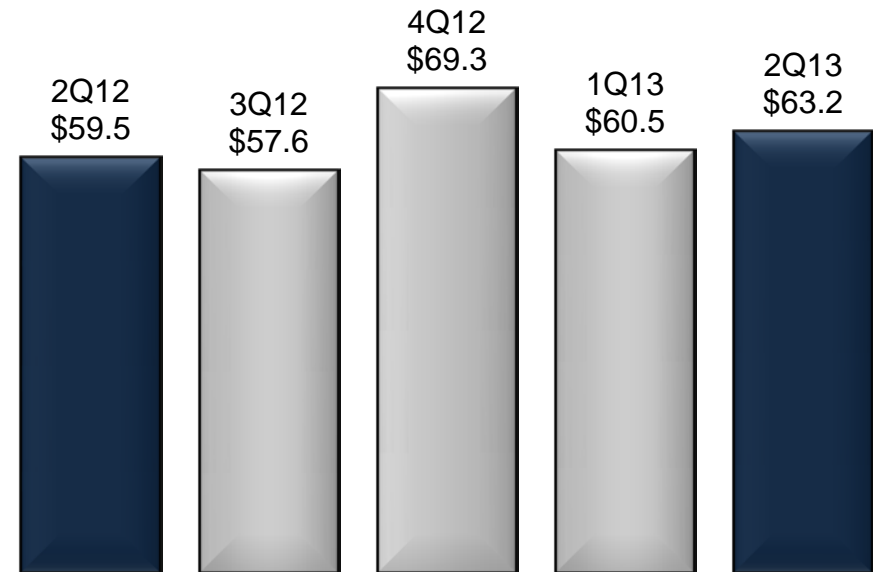
2Q13 Sales and Distribution Results

Bankers Life

(\$ millions)

- Growth in average agent force of 4%; added 9 locations YTD
- Sales up 6%,
 - Life sales up 16%
 - Annuity sales stabilizing, up 7%
 - Health sales down 1%
 - Declines in LTC and Medicare supplement offset by strong results in critical illness sales
- Collected premiums up 4%

Quarterly NAP*



Trailing 4-Quarters NAP	\$248.9	\$245.7	\$245.2	\$246.9	\$250.6
Critical Illness NAP	\$0.8	\$1.8	\$2.4	\$2.8	\$2.7
Collected Premiums	\$576.2	\$580.3	\$606.7	\$590.2	\$599.4

Med Advantage Policies Issued*	1,188	1,168	719	11,042	2,302
Med Advantage Fee Income, Net*	\$1.6	\$1.8	\$1.7	\$2.4	\$2.2

* MA/PDP sales are excluded from NAP in all periods.

2Q13 Sales and Distribution Results

(\$ millions)

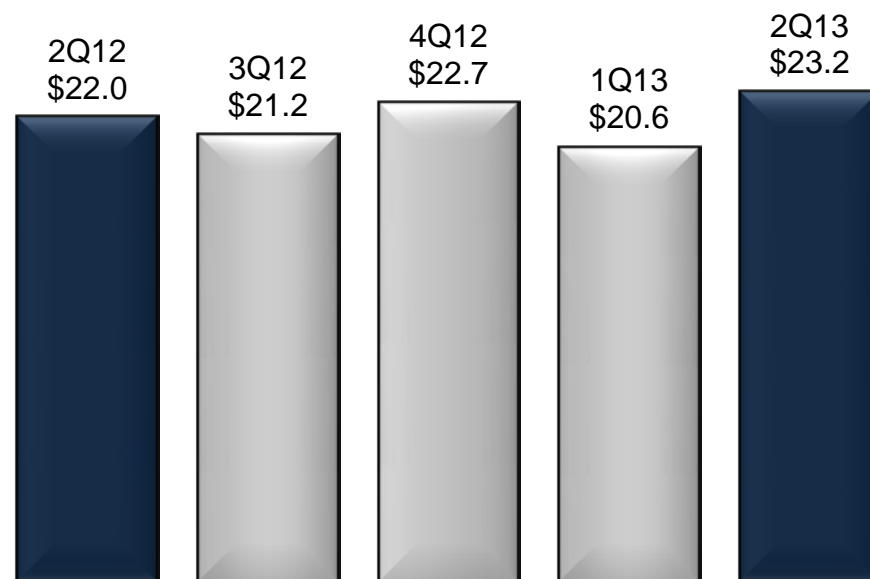
- Core* product sales up 5%
 - Independent Partners up 21%
 - PMA sales up 1%

- Continued focus on recruiting
 - PMA producing agents** up 5%

- Supplemental health collected premiums up 6%

Washington National

Quarterly Core NAP*



Trailing 4-Quarters Core NAP	\$81.8	\$83.5	\$85.5	\$86.5	\$87.7
Supplemental Health Collected Premiums	\$115.4	\$114.5	\$116.9	\$120.3	\$121.9

* NAP for core products includes Life and Supplemental Health sales.

** Total producing agents includes appointed agents with \$1000 or more of NAP in the prior 12 months

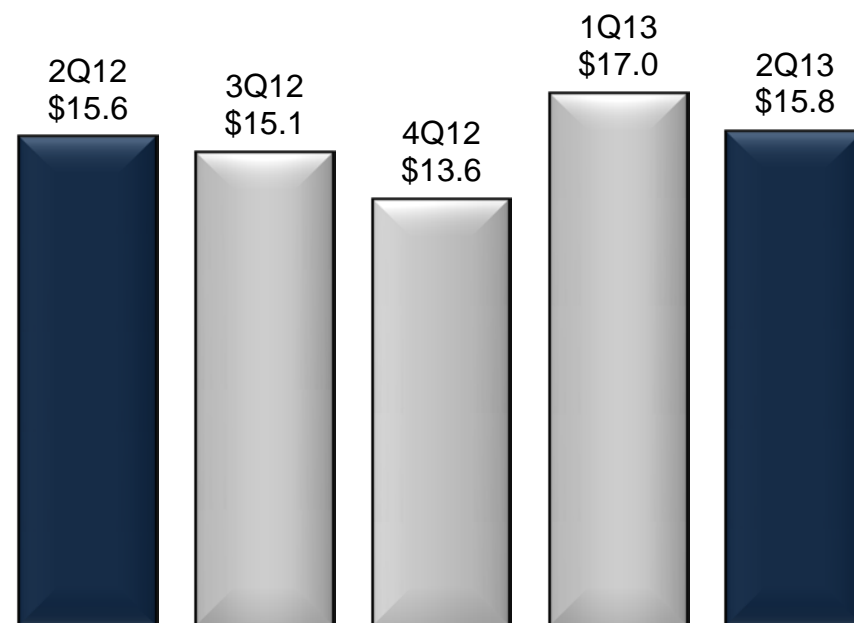
2Q13 Sales and Distribution Results

(\$ millions)

Colonial Penn

- Sales up 1% for the quarter
 - Reflects moderate ad spend
- Collected premiums up 7% reflecting growth in inforce
- Sales results in line with seasonal patterns

Quarterly NAP



Trailing 4-Quarters NAP	\$58.1	\$60.5	\$61.8	\$61.3	\$61.5
Collected Premiums	\$53.7	\$54.2	\$55.0	\$57.2	\$57.4

Outlook

Building enterprise value through continued investment and execution, expected to deliver 8-10% sales growth over time



- Expect continued growth as new locations get to full productivity and drive agent force growth
- Drive cross-sales through annual customer reviews
- Continue to grow life sales through increased premium per policy training, cross sell and product enhancements



- Expect continued sales growth at PMA with enhanced recruiting support and field leader development
- Expanding product availability of existing products plus new Active Care launch
- Expect increased focus and positive momentum in voluntary worksite market to continue



- Higher investment in lead generation in 2H 13
- Additional improvements in sales productivity
- New whole life product launched
- Continued progress in Hispanic market focus

2Q13 Consolidated Financial Highlights

CNO

▪ Earnings

- Strong results across all core segments
- Solid investment results despite volatile market conditions
- Normalized earnings drivers performed as expected
- EPS benefiting from 21% decrease in weighted average diluted shares

▪ Senior Secured Credit Facility

- Completed re-pricing of senior secured credit facility, reduced interest by 125bps
- Amended mandatory prepayment provision, no required prepayment if debt to cap is less than or equal to 20%

▪ Capital & Liquidity

- RBC ratio, leverage and holding company liquidity remain strong
- Cash flow to the holding company of \$100mm
- Excess and deployable capital of ~\$80mm at the holding company
- General account credit conditions remain favorable

▪ Capital Deployment

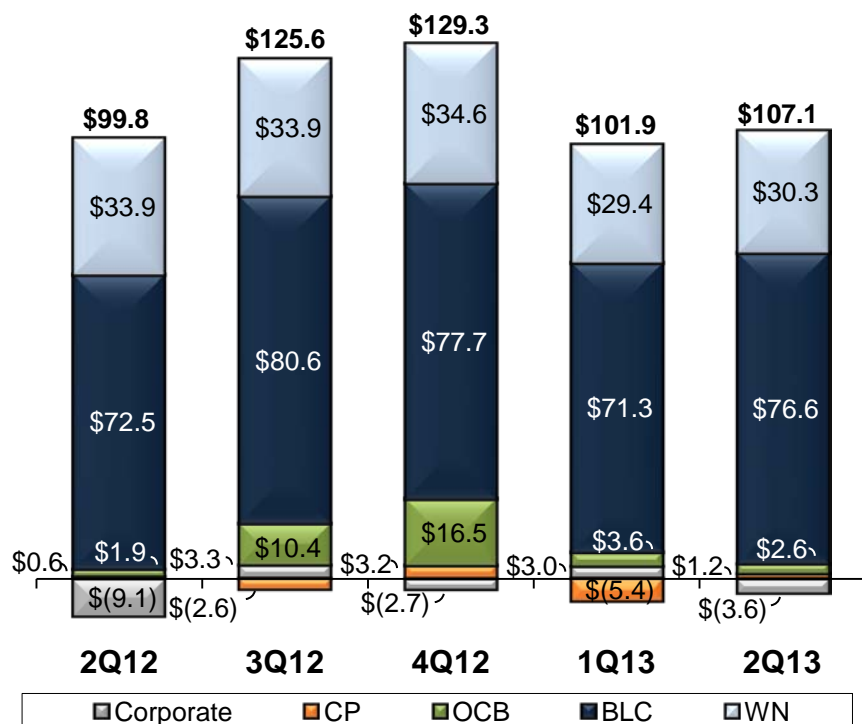
- Repurchased \$59.4mm of securities
- Paid \$6.6mm in common stock dividends reflecting 50% increase
- Paid down \$24.6mm of debt

Segment Earnings

(\$ millions)

CNO

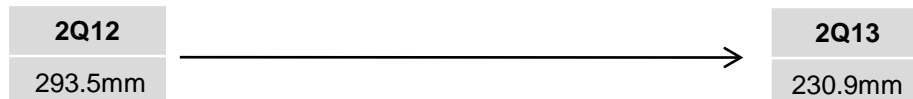
Segment EBIT Excluding Significant Items*



2Q13 Notable Items

- Strong performance across all core segments continues to be driven by growth in collected premium
- Net investment income and annuity margins remain strong
- Normalized health margins as expected
- Favorable Colonial Penn results reflect growth in inforce
- OCB and Corporate in line with expectations

Weighted Average Diluted Shares Outstanding

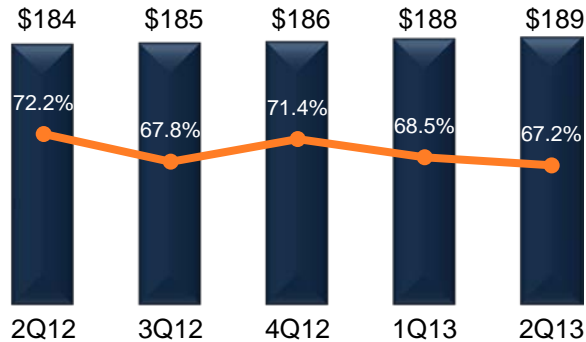


Health Margins

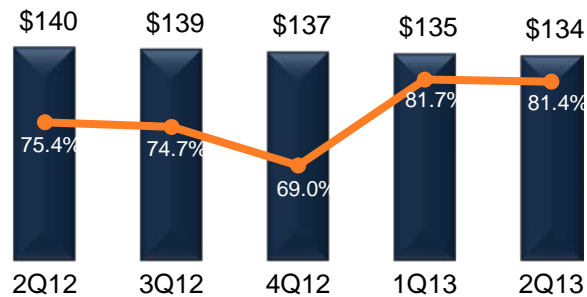
(\$ millions)

CNO

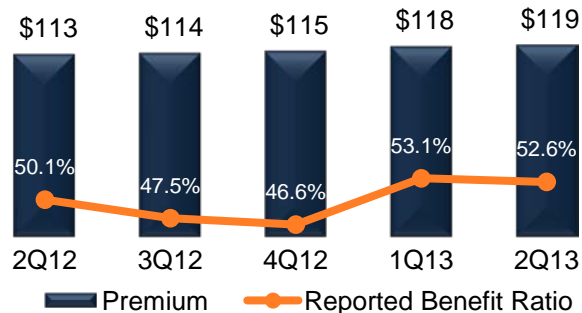
Bankers Life Medicare Supplement



Bankers Life Long Term Care Interest-Adjusted*



Washington National Supplemental Health Interest-Adjusted*



2Q13 Highlights

- Bankers Medicare supplement benefited from favorable reserve developments; normalized ratio in the 71% range
- Bankers LTC premium decline reflects a shift towards limited benefit product. Ratio also impacted by change in methodology; normalized ratio in the 78% range
- Washington National premium reflects growth in new business and higher persistency. Benefit ratio performed within expected range.

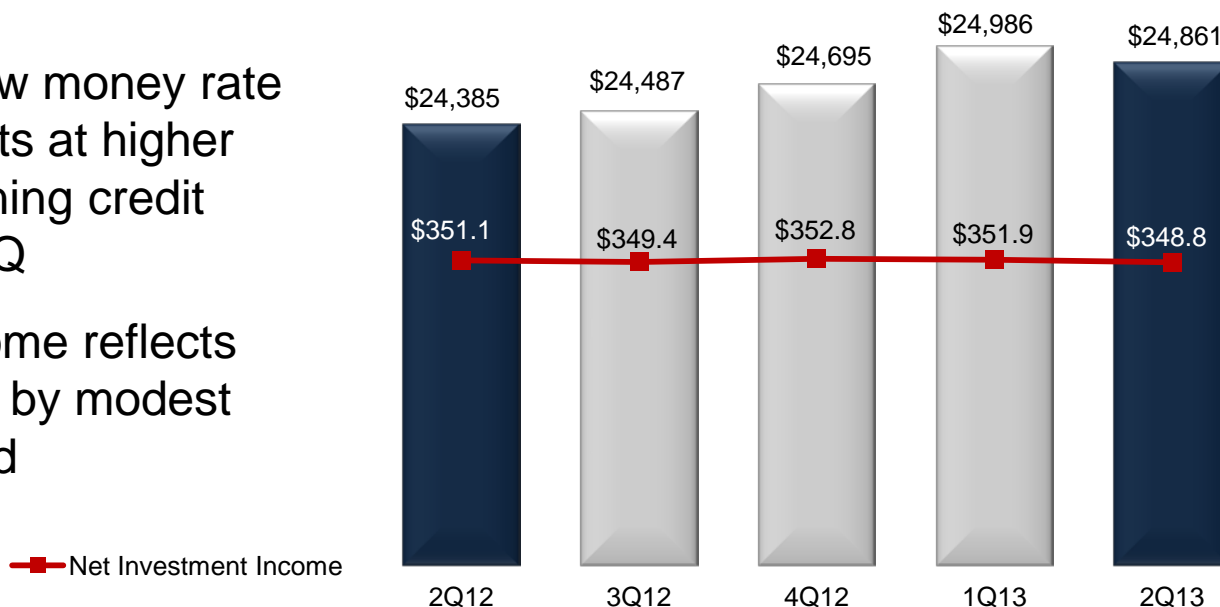
Summary of Investment Results

(\$ millions)

CNO

Average Invested Assets

- Sequentially strong new money rate as we layered on assets at higher yields (rates and widening credit spreads) throughout 2Q
- Stable investment income reflects growth in assets offset by modest decline in portfolio yield



New Money Rate:	5.25%	4.71%	4.79%	5.09%	5.13%
Earned Yield:	5.76%	5.71%	5.71%	5.69%	5.66%
Earned Yield (excluding floating rate FHLB):	5.95%	5.90%	5.90%	5.89%	5.88%
Pre-Pay / Calls / Make-Whole Income:	\$5.4	\$7.4	\$10.0	\$7.1	\$1.7

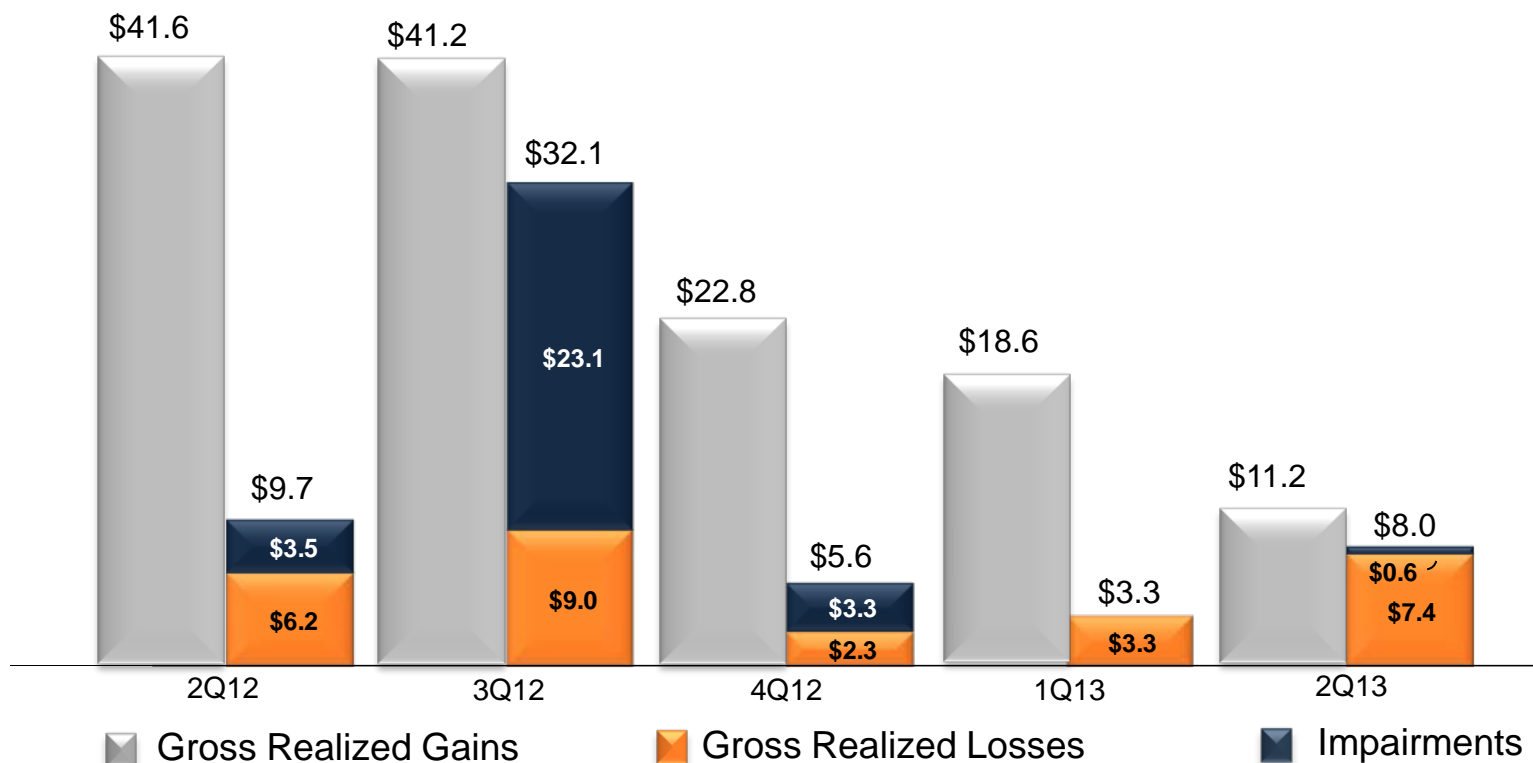
— Net Investment Income

Realized Gains, Losses and Impairments

(\$ millions)

CNO

Realized gains and losses remain low, reflecting emphasis on limiting portfolio turnover



* 3Q12 impairments primarily associated with two private company investments received through the commutation of an investment made by our predecessor in a guaranteed investment contract.

Capital Position

(\$ millions)

■ Insurance Company Capitalization

- RBC of 376% reflects:
 - YTD statutory operating income of \$214.6mm
 - YTD statutory dividends of \$138.5mm

■ GAAP Leverage

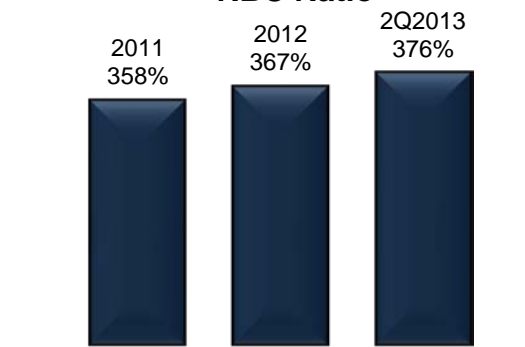
- 1Q tender and 2Q repurchase of convertible debentures reduced debt by \$63.8mm
- Paid down an additional \$38.1mm of debt YTD
- Expect reduced leverage throughout 2013

■ Liquidity & Excess Capital

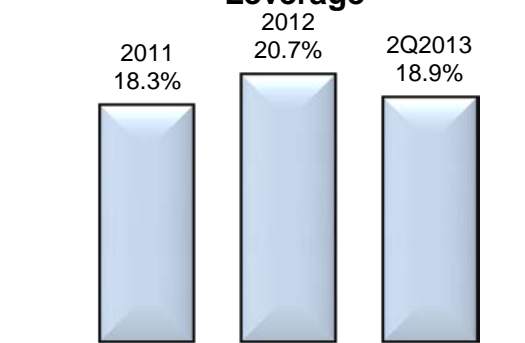
- \$229.7mm of holding company liquidity and investments
- Approximately \$80mm of deployable capital

CNO

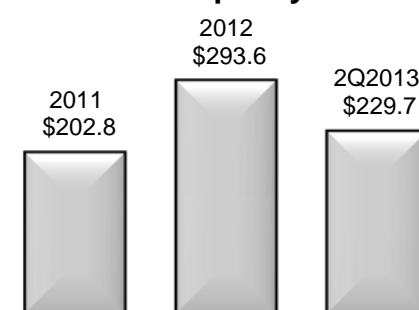
RBC Ratio



Leverage*



Liquidity



* A non-GAAP measure. Refer to the Appendix for a reconciliation to the corresponding GAAP measure.

2Q13 Capital Generation and Deployment

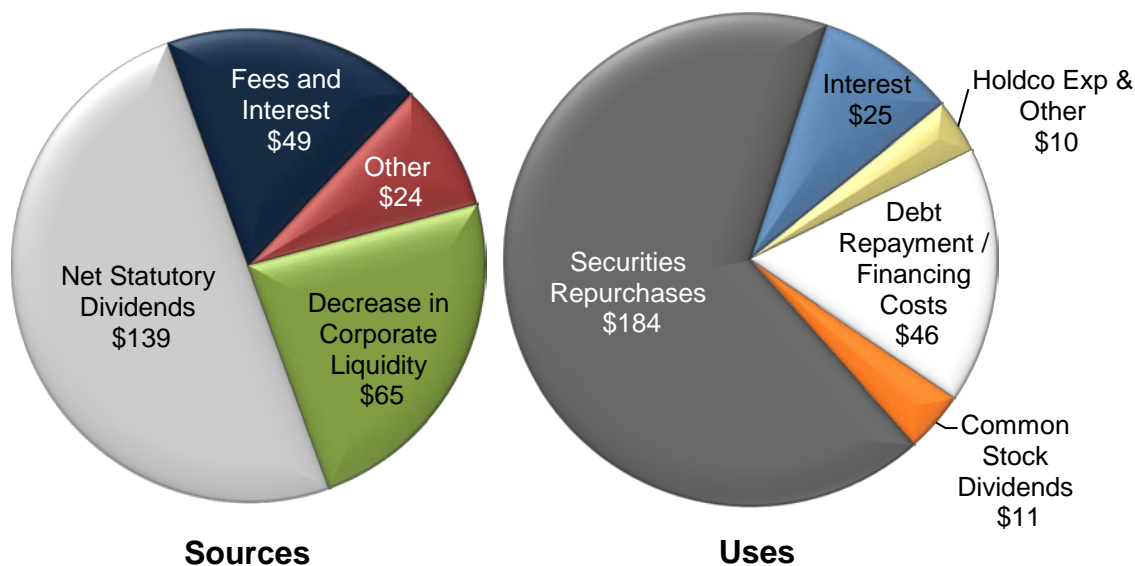
CNO

(\$ in millions)

LTM 2Q13 Capital Generation



2Q YTD Sources and Uses



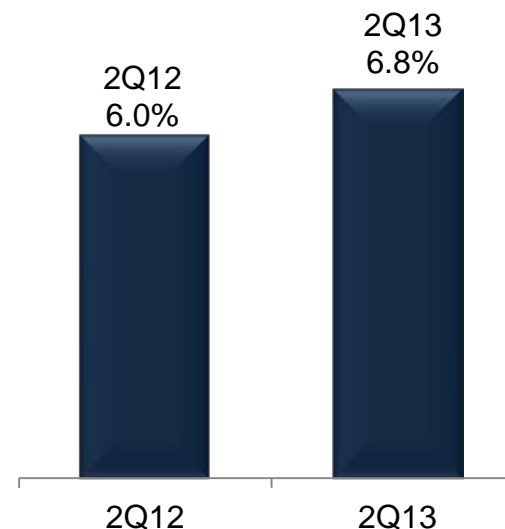
Highlights

- Generated over \$500mm of capital over the last twelve months
- Deployed almost \$280mm of capital YTD 2013; including \$184mm of securities repurchases
- \$230mm of liquidity remains at corporate; ~\$80mm of which is deployable

Notable Items

- Calculated on a trailing 4 quarter basis and excluding AOCI and NOL
- 2Q13 ROE includes the impact from 3Q12 charges related to litigation and interest rates
- 2Q annualized and normalized results illustrate run-rate ROE progression in our business

Reported Operating ROE*



Annualized ROE Excluding Significant Items**

2Q12	2Q13
6.7%	8.1%

* A non-GAAP measure. Refer to the Appendix for a reconciliation to the corresponding GAAP measure.

** Calculated using operating earnings for the quarter, excluding significant items, multiplied by 4 for the numerator and one quarter's average equity excluding AOCI and NOLs for the denominator.

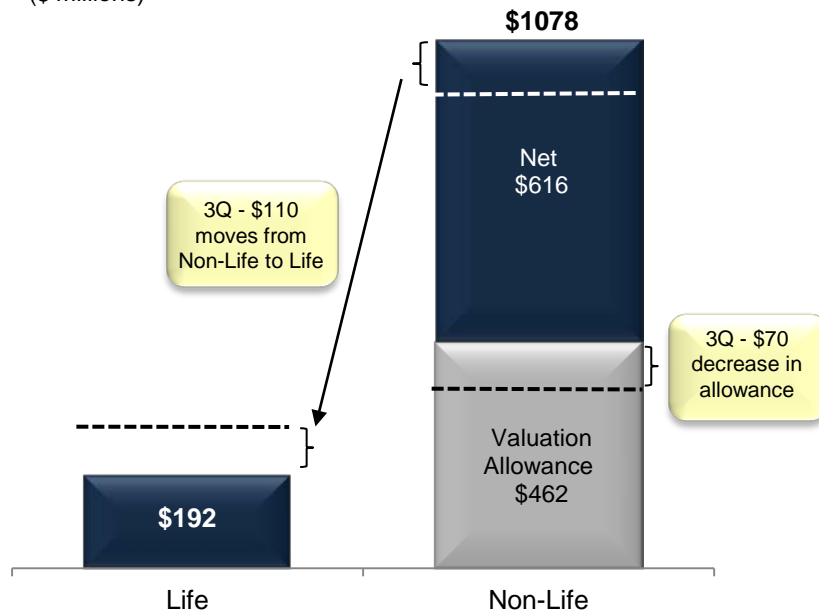
Expected Impact of 3Q Tax Settlement

Resolved CODI Allocation Issue*:

- ❑ Valuable life NOLs increase - \$315mm of additional life income will not be taxed
- ❑ Life of NOLs, which offset 100% of taxable income, extended by a little over 1 year
- ❑ Reduction in gross non-life NOL partially offset by release of valuation allowance
- ❑ Impact of settlement will be recognized in 3Q, pending receipt of final settlement agreement

GAAP Valuation** (At June 30, 2013)

(\$ millions)



Economic benefit of approximately \$60 million based on implied discount rate of 10%

* Issue regarding the allocation of cancellation of indebtedness income between life and non-life NOLs. See the 10-Q for additional information.

** GAAP valuation assumes 5% growth in taxable income for the next 5 years. GAAP values are not discounted

■ Core Earnings:

- Expect no material change in normalized health benefit ratios
- Expect current favorable net investment income and spreads to continue
- Colonial Penn: in line with annual guidance of \$5 to \$10 million EBIT loss, expect modest loss in 3Q followed by breakeven in 4Q
- OCB: Continue to expect EBIT in the range of \$5mm to \$20mm in 2013

■ Capital Conditions:

- Expect continued strength in capital generation with stable free cash flow
- RBC stable in the 375% range with debt-to-capital ratio decreasing throughout 2013 due to scheduled amortization
- No change in securities repurchase guidance of \$250 to \$300 million
- Expect remaining convertible debentures to convert in 3Q

■ Loss Carryforwards:

- 3Q reduction in valuation allowance as a result of tax settlement, ~\$60mm in economic value
- Annual review of valuation allowance will occur at the end of 3Q

2013 Priorities

- Grow sales, premium, distribution and product portfolio
- Drive toward efficiencies in operations and leveraging expertise across the enterprise
- Expand ROE through increased earnings and effective use of capital while reducing volatility
- Continue to pursue ratings upgrades



Progress

- YTD growth in sales, collected premiums, and distribution. Actively marketing new products.
- Organizational changes creating a more efficient alignment of resources; addition of leadership talent in LTC, Ops and IT
- On track for 9% ROE run-rate by the end of 2015
- Upgraded by S&P on July 24th, the 2nd upgrade from S&P in 3 months

Building shareholder value with strong business fundamentals, solid earnings, powerful cash flow generation and deployment

Questions and Answers

Appendix

2Q12 Significant Items

CNO

The table below summarizes the financial impact of significant items on our 2Q2012 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions).

	Three months ended June 30, 2012		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 76.1	\$ (3.6) (1)	\$ 72.5
Washington National	33.9	-	33.9
Colonial Penn	0.6	-	0.6
Other CNO Business	<u>1.9</u>	<u>-</u>	<u>1.9</u>
EBIT from business segments	112.5	(3.6)	108.9
Corporate Operations, excluding corporate interest expense	<u>(9.1)</u>	<u>-</u>	<u>(9.1)</u>
EBIT	103.4	(3.6)	99.8
Corporate interest expense	<u>(16.6)</u>	<u>-</u>	<u>(16.6)</u>
Operating earnings before tax	86.8	(3.6)	83.2
Tax expense on operating income	<u>32.6</u>	<u>(1.3)</u>	<u>31.3</u>
Net operating income *	<u>\$ 54.2</u>	<u>\$ (2.3)</u>	<u>\$ 51.9</u>
Net operating income per diluted share*	\$ 0.20	\$ 0.01	\$ 0.19

(1) Pre-tax earnings in the Bankers Life segment included earnings of \$3.6 million from the PDP business assumed from Coventry due to premium adjustments.

* A non-GAAP measure. See page 30 and 39 for a reconciliation to the corresponding GAAP measure.

3Q12 Significant Items

CNO

The table below summarizes the financial impact of significant items on our 3Q2012 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions).

	Three months ended September 30, 2012		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 80.6	\$ -	\$ 80.6
Washington National	33.9	-	33.9
Colonial Penn	(2.6)	-	(2.6)
Other CNO Business	<u>(53.6)</u>	<u>64.0</u> (1)	<u>10.4</u>
EBIT from business segments	58.3	64.0	122.3
Corporate Operations, excluding corporate interest expense	<u>(6.7)</u>	<u>10.0</u> (2)	<u>3.3</u>
EBIT	51.6	74.0	125.6
Corporate interest expense	<u>(16.3)</u>	<u>-</u>	<u>(16.3)</u>
Operating earnings before tax	35.3	74.0	109.3
Tax expense on operating income	<u>9.7</u>	<u>29.7</u>	<u>39.4</u>
Net operating income *	<u>\$ 25.6</u>	<u>\$ 44.3</u>	<u>\$ 69.9</u>

(1) Pre-tax earnings in the Other CNO Business segment included a charge of \$43.0 million reflecting the impact of decreased projected future investment yield assumptions related to interest-sensitive insurance products and \$21.0 million related to a tentative litigation settlement.

(2) Pre-tax earnings in the Corporate segment included charges of \$10.0 million related to the impact of lower interest rates on the values of liabilities for agent deferred compensation and former executive retirement annuities.

* A non-GAAP measure. See page 30 for a reconciliation to the corresponding GAAP measure.

4Q12 Significant Items

CNO

The table below summarizes the financial impact of significant items on our 4Q2012 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions).

	Three months ended December 31, 2012		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 73.7	\$ 4.0 (1)	\$ 77.7
Washington National	34.6	-	34.6
Colonial Penn	3.2	-	3.2
Other CNO Business	<u>5.2</u>	<u>11.3</u> (2)	<u>16.5</u>
EBIT from business segments	116.7	15.3	132.0
Corporate Operations, excluding corporate interest expense	<u>(2.7)</u>	<u>-</u>	<u>(2.7)</u>
EBIT	114.0	15.3	129.3
Corporate interest expense	<u>(15.8)</u>	<u>-</u>	<u>(15.8)</u>
Operating earnings before tax	98.2	15.3	113.5
Tax expense on operating income	<u>38.2</u>	<u>2.7</u>	<u>40.9</u>
Net operating income *	<u>\$ 60.0</u>	<u>\$ 12.6</u>	<u>\$ 72.6</u>

(1) Pre-tax earnings in the Bankers Life segment included charges of \$8.0 million related to litigation expense; and earnings of \$4.0 million related to the release of long-term care reserves due to policyholder actions following recent rate increases.

(2) Pre-tax earnings in the Other CNO Business segment included charges of \$6.0 million from out-of-period adjustments and a \$5.3 million charge for litigation expense in the Company's subsidiary, Consec Life Insurance Company.

* A non-GAAP measure. See page 30 for a reconciliation to the corresponding GAAP measure.

1Q13 Significant Items

CNO

The table below summarizes the financial impact of the significant item on our 1Q2013 net operating income. Management believes that identifying the impact of this item enhances the understanding of our operating results (dollars in millions).

	Three months ended March 31, 2013		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 62.1	\$ 9.2 (1)	\$ 71.3
Washington National	29.4	-	29.4
Colonial Penn	(5.4)	-	(5.4)
Other CNO Business	<u>3.6</u>	<u>-</u>	<u>3.6</u>
EBIT from business segments	89.7	9.2	98.9
Corporate Operations, excluding corporate interest expense	<u>3.0</u>	<u>-</u>	<u>3.0</u>
EBIT	92.7	9.2	101.9
Corporate interest expense	<u>(15.1)</u>	<u>-</u>	<u>(15.1)</u>
Operating earnings before tax	77.6	9.2	86.8
Tax expense on operating income	<u>27.9</u>	<u>3.2</u>	<u>31.1</u>
Net operating income *	<u>\$ 49.7</u>	<u>\$ 6.0</u>	<u>\$ 55.7</u>

(1) Pre-tax earnings in the Bankers Life segment included charges of \$9.2 million related to an out-of-period adjustment related to the long-term care block.

* A non-GAAP measure. See page 30 for a reconciliation to the corresponding GAAP measure.

2Q13 Significant Items

CNO

The table below summarizes the financial impact of the significant items on our 2Q2013 net operating income. Management believes that identifying the impact of these items enhances the understanding of our operating results (dollars in millions).

	Three months ended		
	June 30, 2013		
	Actual results	Significant items	Excluding significant items
Net Operating Income:			
Bankers Life	\$ 79.1	\$ (2.5) (1)	\$ 76.6
Washington National	31.8	(1.5) (2)	30.3
Colonial Penn	1.2	-	1.2
Other CNO Business	<u>2.6</u>	<u>-</u>	<u>2.6</u>
EBIT from business segments	114.7	(4.0)	110.7
Corporate Operations, excluding corporate interest expense	<u>2.4</u>	<u>(6.0) (3)</u>	<u>(3.6)</u>
EBIT	117.1	(10.0)	107.1
Corporate interest expense	<u>(13.1)</u>	<u>-</u>	<u>(13.1)</u>
Operating earnings before tax	104.0	(10.0)	94.0
Tax expense on operating income	<u>36.3</u>	<u>(3.5)</u>	<u>32.8</u>
Net operating income *	<u>\$ 67.7</u>	<u>\$ (6.5)</u>	<u>\$ 61.2</u>
Net operating income per diluted share*	<u>\$ 0.30</u>	<u>\$ (0.03)</u>	<u>\$ 0.27</u>

(1) Pre-tax earnings in the Bankers Life segment included: (i) approximately \$6.5mm of favorable reserve developments in the Medicare supplement block; partially offset by (ii) refinements to the methodologies used to calculate health product reserves (primarily long-term care) of approximately \$4.0mm.

(2) Pre-tax earnings in the Washington National segment included approximately \$1.5mm of favorable reserve developments in the Medicare supplement block.

(3) Pre-tax earnings in the Corporate segment included a reduction in expenses of \$6mm related to the impact of higher interest rates on the values of liabilities for agent deferred compensation and former executive retirement annuities.

* A non-GAAP measure. See pages 30 and 39 for a reconciliation to the corresponding GAAP measure.

Quarterly Earnings

(\$ millions)

CNO

	<u>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>	<u>1Q13</u>	<u>2Q13</u>
Bankers Life	\$ 76.1	\$ 80.6	\$ 73.7	\$ 62.1	\$ 79.1
Washington National	33.9	33.9	34.6	29.4	31.8
Colonial Penn	0.6	(2.6)	3.2	(5.4)	1.2
Other CNO Business	<u>1.9</u>	<u>(53.6)</u>	<u>5.2</u>	<u>3.6</u>	<u>2.6</u>
EBIT* from business segments	112.5	58.3	116.7	89.7	114.7
Corporate operations, excluding interest expense	<u>(9.1)</u>	<u>(6.7)</u>	<u>(2.7)</u>	<u>3.0</u>	<u>2.4</u>
Total EBIT	103.4	51.6	114.0	92.7	117.1
Corporate interest expense	<u>(16.6)</u>	<u>(16.3)</u>	<u>(15.8)</u>	<u>(15.1)</u>	<u>(13.1)</u>
Income before net realized investment gains, fair value changes in embedded derivative liabilities and taxes	86.8	35.3	98.2	77.6	104.0
Tax expense on period income	<u>32.6</u>	<u>9.7</u>	<u>38.2</u>	<u>27.9</u>	<u>36.3</u>
Net operating income	54.2	25.6	60.0	49.7	67.7
Net realized investment gains	18.7	4.8	10.8	9.4	1.8
Fair value changes in embedded derivative liabilities	(6.9)	(2.0)	2.6	1.3	12.1
Equity in earnings of certain non-strategic investments and earnings attributable to non-controlling interests	-	-	-	(1.8)	(2.7)
Loss on extinguishment of debt, net of income taxes	<u>(0.3)</u>	<u>(176.4)</u>	<u>(0.7)</u>	<u>(57.2)</u>	<u>(6.8)</u>
Net income (loss) before valuation allowance for deferred tax assets	65.7	(148.0)	72.7	1.4	72.1
Decrease in valuation allowance for deferred tax assets	<u>-</u>	<u>143.0</u>	<u>28.5</u>	<u>10.5</u>	<u>5.0</u>
Net income (loss)	<u>\$ 65.7</u>	<u>\$ (5.0)</u>	<u>\$ 101.2</u>	<u>\$ 11.9</u>	<u>\$ 77.1</u>

*Management believes that an analysis of earnings before net realized investment gains (losses), fair value changes in embedded derivative liabilities, equity in earnings of certain non-strategic investments and earnings attributable to non-controlling interests, corporate interest expense, loss on extinguishment of debt and taxes ("EBIT," a non-GAAP financial measure) provides a clearer comparison of the operating results of the company quarter-over-quarter because it excludes: (1) corporate interest expense; (2) loss on extinguishment of debt; (3) net realized investment gains (losses); (4) equity in earnings of certain non-strategic investments and earnings attributable to non-controlling interests; and (5) fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed index annuities that are unrelated to the company's underlying fundamentals. The table above provides a reconciliation of EBIT to net income.

Loss Recognition & Cash Flow Testing

CNO

2012 GAAP Loss Recognition Testing

- Aggregate testing margins remain strong
- Testing margin Increased in 2012
 - ↑ - ASU 2010-26
 - ↑ - Net Growth from New Business (+6%)
 - ↓ - Lower interest rates projected (-8%)
 - ↓ - Legal Settlements (-2%)
- All intangibles are recoverable

2012 Statutory Cash Flow Testing

- Insurance Company margins consistent with prior years
- All insurance entities pass Asset Adequacy / Cash Flow Testing under all standard scenarios
- Interest rate scenarios re-affirm strong asset liability management
- Year-end testing resulted in less than \$5 million of additional asset adequacy reserves

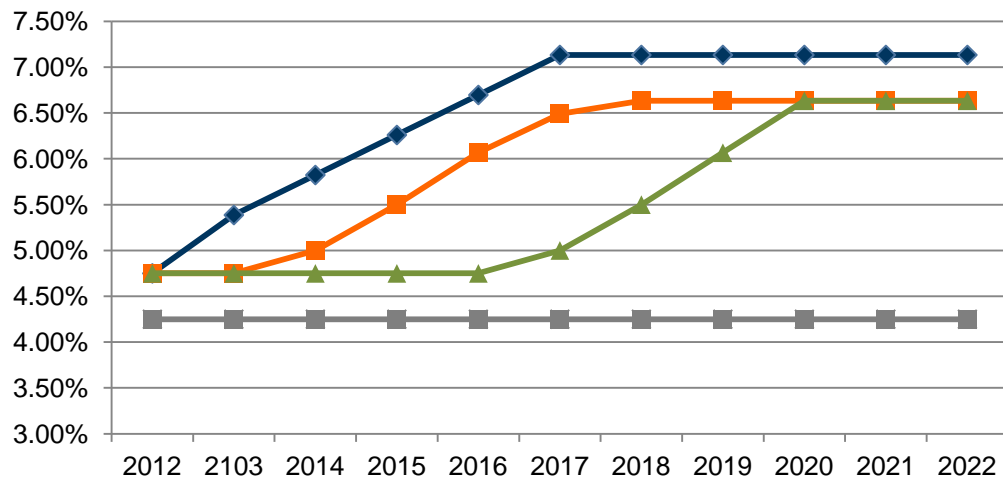
Line of Business	Aggregate Margin	Principal Risks to Margin
Traditional life and Universal life (Bankers)	+++	Unusually high mortality
Medicare supplement and supplemental health	+++	Unusually high morbidity
Long term care	Positive but vulnerable	Low interest rates; High morbidity; Low policy termination
Interest sensitive life (OCB)	Positive but vulnerable	Low interest rates; Litigation
Interest sensitive annuities	++	Decrease in spread; Investment volatility
Annuities in payout	+	Low mortality; Low interest rates

“Low-For-Long” Rates – Reserve Sensitivity

2012 Expanded New Money Rate (NMR) Stress Test

- Moderate Stress: 4.75% NMR held flat for 5 years then recovering
- Severe Stress: 50 basis point drop in NMR to 4.25% held flat indefinitely
- 3Q assumption change: OCB interest sensitive life reserve charge - \$28mm (after-tax)
- Stress tests impact OCB interest-sensitive life and Bankers LTC reserves
- Severe stress - manageable impact to GAAP leverage and 15 to 20 points of RBC impact

New Money Rate Assumptions



◆ 2nd Quarter 2012 ■ Current ▲ Moderate Stress ■ Severe Stress

Moderate Stress Test* (After- Tax)	
GAAP	\$20 - \$50 million
Statutory	\$20 - \$50 million
Severe Stress Test* (After- Tax)	
GAAP	\$100 - \$125 million
Statutory	\$75 - \$100 million

* Results represent reserve sensitivity to interest rates and do not reflect other potential assumption changes when establishing future loss reserves.

2Q13 Holding Company Liquidity

CNO

(\$ millions)

	<u>2Q13</u>	<u>YTD</u>
Cash and Investments Balance - Beginning	\$244.1	\$293.6
Sources		
Dividends from Insurance Subsidiaries	57.5	138.5
Dividends from Non-insurance Subsidiaries	2.3	6.1
Interest/Earnings on Corporate Investments	4.6	10.1
Surplus Debenture Interest	12.1	24.1
Service and Investment Fees, Net	27.6	24.4
Other	0.6	8.1
Total Sources	<u>104.7</u>	<u>211.3</u>
Uses		
Interest	16.8	25.2
Tender Offer	-	125.9
Convertible Repurchase	9.5	9.5
Share Repurchase	50.0	50.0
Debt Payments	24.6	38.1
Common Stock Dividend	6.6	11.0
Financing Costs	7.7	8.3
Holding Company Expenses and Other	3.8	9.8
Total Uses	<u>119.0</u>	<u>277.8</u>
Non-cash changes in investment balances	(0.1)	2.6
Unrestricted Cash and Investments Balance - 6/30/2013	<u>\$229.7</u>	<u>\$229.7</u>

Returning Capital to our Shareholders

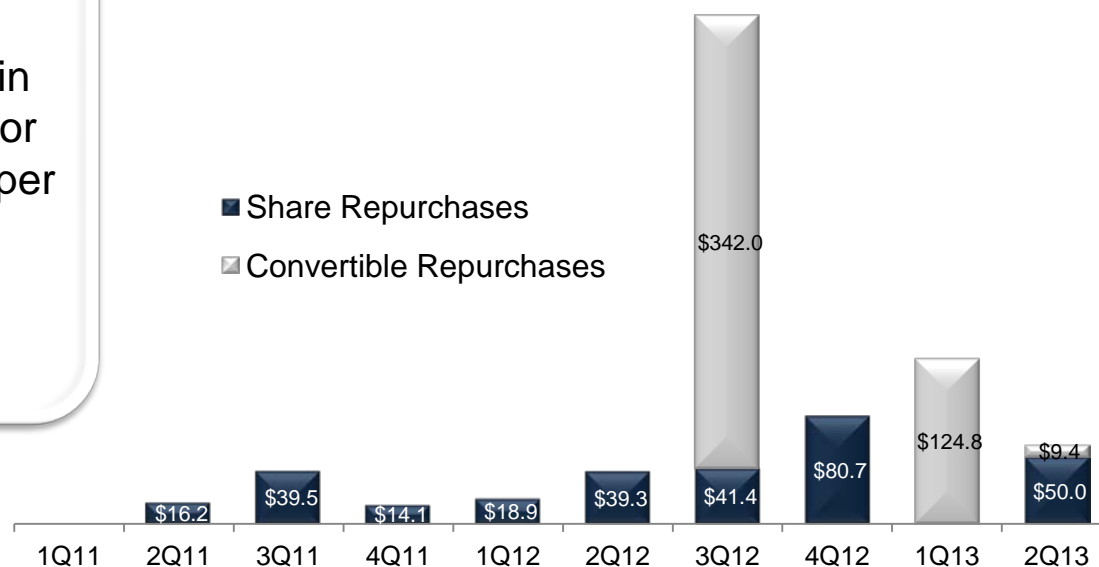
CNO

Highlights

- Since initiating the share buyback program, repurchased equivalent of 85 million shares, leading to a 28%* reduction in weighted average diluted shares outstanding
- Cumulative investment of \$776mm in stock and convertible repurchases for an effective average price of \$9.09 per share
- Paid \$25mm in dividends since initiating dividend program

Total Securities Repurchases by Quarter

(\$ in millions)



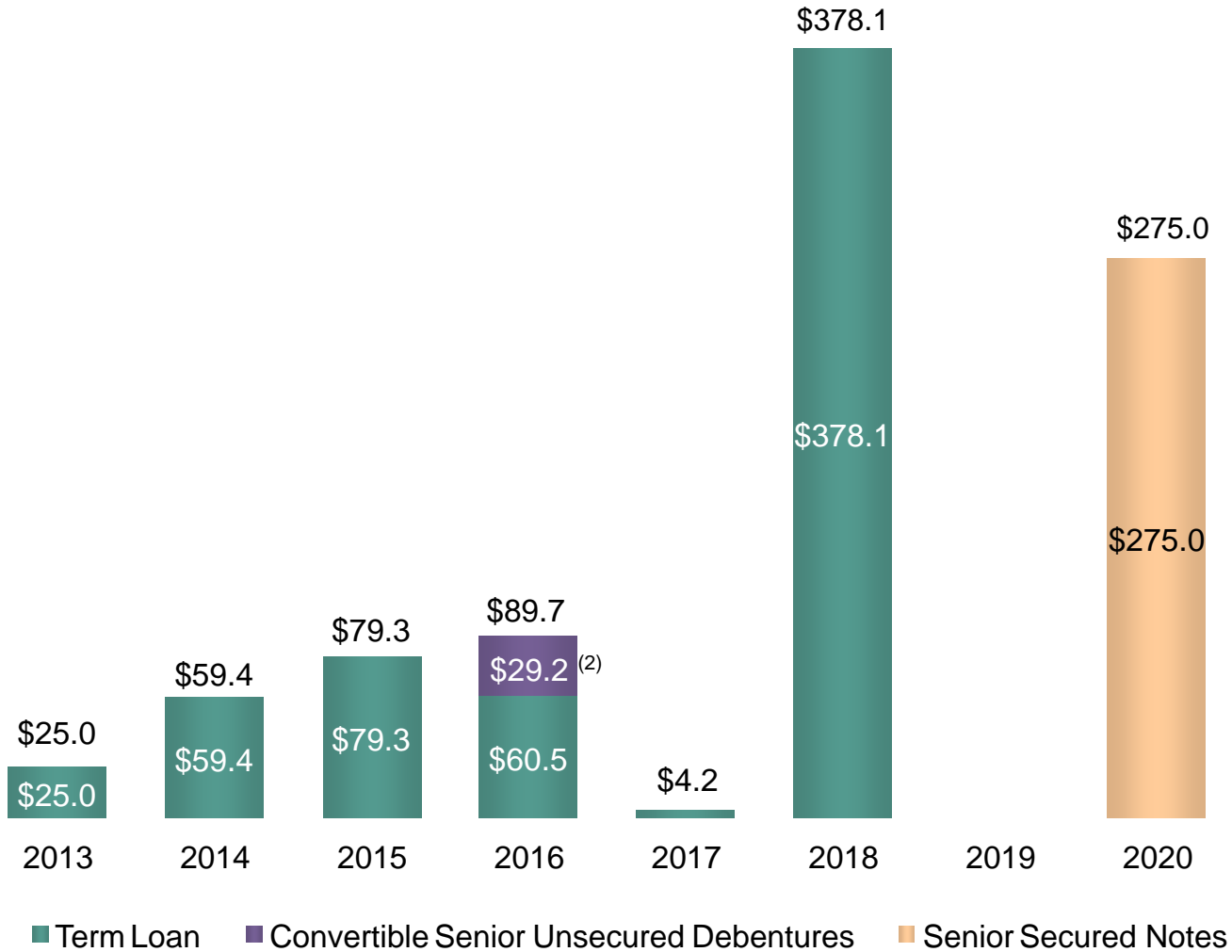
Common Stock Dividends	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
	\$ -	\$ -	\$ -	\$ -	\$ -	\$4.7	\$4.7	\$4.5	\$4.4	\$6.6

Weighted Average Diluted Shares Outstanding 307.5mm → 230.9mm

Debt Maturity Profile⁽¹⁾

CNO

(\$ millions)



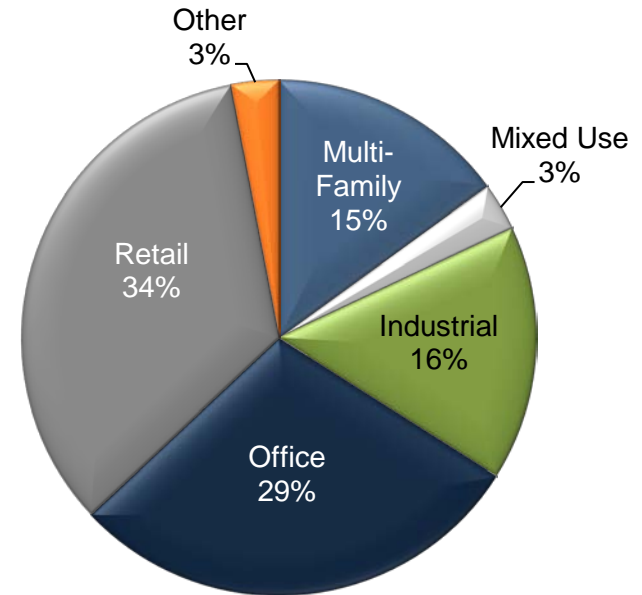
(1) Maturity schedule does not include amortization from credit facility sweep provision.

(2) Conversion right will expire 7/30/13

Commercial Mortgage Loans

- Focus on 'A' quality properties which are diversified by geography and sector
- No's: mezzanine or real estate equity investments, construction or condo loans, pro-forma underwriting
- Limited near-term maturities (\$116mm in 2013)
- 61.27% Loan-to-Value
- 1.69 Average DSCR

\$1.7bn of Invested Assets*



* Book value as of 6/30/13

LTV	DSCR (\$ millions)			Total
	>1.25	1.00x-1.25x	<1.00	
<65%	\$ 805	\$ 78	\$ -	\$ 883
65% - 75%	355	65	9	429
75% - 80%	-	4	-	4
>80%	-	20	-	20
Total	\$1,160	\$ 167	\$ 9	\$1,336 **

** Table excludes \$359 million of Credit Tenant Loans

Holding Company Investments at 6/30/13

CNO

(\$ millions)

Investment Performance

	2Q13	YTD
Cash & Money Market	0.04%	0.09%
Fixed Income	-2.30%	-1.84%
Equities	2.54%	13.08%
Alternatives	0.04%	1.96%

Investment Allocation



Portfolio strategy is to prioritize liquidity for corporate capital needs, and secondly to maximize returns to better utilize non-life tax benefits

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 loss on extinguishment of debt, net realized gains or losses, fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed index annuities, equity in earnings of certain non-strategic investments and earnings attributable to non-controlling interests and increases or decreases to our valuation allowance for deferred tax assets ("net operating income," a non-GAAP financial measure) is important to evaluate the performance of the Company and is a key measure commonly used in the life insurance industry. Management uses this measure to evaluate performance because these items are unrelated to the Company's continuing operations.

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):

	2Q12	3Q12	4Q12	1Q13	2Q13
Net income (loss) applicable to common stock	\$ 65.7	\$ (5.0)	\$ 101.2	\$ 11.9	\$ 77.1
Net realized investment (gains) losses, net of related amortization and taxes	(18.7)	(4.8)	(10.8)	(9.4)	(1.8)
Fair value changes in embedded derivative liabilities, net of related amortization and taxes	6.9	2.0	(2.6)	(1.3)	(12.1)
Equity in earnings of certain non-strategic investments and earnings attributable to non-controlling interests	-	-	-	1.8	2.7
Valuation allowance for deferred tax assets	-	(143.0)	(28.5)	(10.5)	(5.0)
Loss on extinguishment of debt	0.3	176.4	0.7	57.2	6.8
Net operating income (a non-GAAP financial measure)	<u>\$ 54.2</u>	<u>\$ 25.6</u>	<u>\$ 60.0</u>	<u>\$ 49.7</u>	<u>\$ 67.7</u>
Per diluted share:					
Net income (loss)	\$ 0.24	\$ (0.02)	\$ 0.41	\$ 0.05	\$ 0.34
Net realized investment (gains) losses, net of related amortization and taxes	(0.06)	(0.02)	(0.04)	(0.04)	(0.01)
Fair value changes in embedded derivative liabilities, net of related amortization and taxes	0.02	0.01	(0.01)	(0.01)	(0.05)
Equity in earnings of certain non-strategic investments and earnings attributable to non-controlling interests	-	-	-	0.01	0.01
Valuation allowance for deferred tax assets	-	(0.62)	(0.11)	(0.04)	(0.02)
Loss on extinguishment of debt	-	0.76	-	0.24	0.03
Net operating income (a non-GAAP financial measure)	<u>\$ 0.20</u>	<u>\$ 0.11</u>	<u>\$ 0.25</u>	<u>\$ 0.21</u>	<u>\$ 0.30</u>

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>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>	<u>1Q13</u>	<u>2Q13</u>
Operating income	\$ 54.2	\$ 25.6	\$ 60.0	\$ 49.7	\$ 67.7
Add: interest expense on 7.0% Convertible Senior Debentures due 2016, net of income taxes	<u>3.7</u>	<u>-</u>	<u>1.2</u>	<u>1.2</u>	<u>0.4</u>
Total adjusted operating income	<u>\$ 57.9</u>	<u>\$ 25.6</u>	<u>\$ 61.2</u>	<u>\$ 50.9</u>	<u>\$ 68.1</u>
Weighted average shares outstanding for basic earnings per share	237,289	231,481	225,074	222,081	220,498
Effect of dilutive securities on weighted average shares:					
7% Debentures	53,377	-	17,039	16,590	5,692
Stock options, restricted stock and performance units	2,367	-	3,133	2,829	2,412
Warrants	<u>442</u>	<u>-</u>	<u>1,515</u>	<u>1,967</u>	<u>2,291</u>
Weighted average shares outstanding for diluted earnings per share	<u>293,475</u>	<u>231,481 (a)</u>	<u>246,761</u>	<u>243,467</u>	<u>230,893</u>
Operating earnings per diluted share	<u>\$ 0.20</u>	<u>\$ 0.11</u>	<u>\$ 0.25</u>	<u>\$ 0.21</u>	<u>\$ 0.30</u>

(a) In the third quarter of 2012, equivalent common shares of 56,651 related to all common stock equivalents were not included in the diluted weighted average shares outstanding because their inclusion would have been antidilutive due to the net loss recognized in the period.

Information Related to Certain Non-GAAP Financial Measures

Book value per diluted share

Book value per diluted share reflects the potential dilution that could occur if outstanding stock options and warrants were exercised, restricted stock and performance units were vested and convertible securities were converted. The dilution from options, warrants, restricted shares and performance units is calculated using the treasury stock method. Under this method, we assume the proceeds from the exercise of the options and warrants (or the unrecognized compensation expense with respect to restricted stock and performance units) will be used to purchase shares of our common stock at the closing market price on the last day of the period. The dilution from convertible securities is calculated assuming the securities were converted on the last day of the period. In addition, the calculation of this non-GAAP measure differs from the corresponding GAAP measure because accumulated other comprehensive income (loss) has been excluded from the value of capital used to determine this measure. Management believes this non-GAAP measure is useful because it removes the volatility that arises from changes in the unrealized appreciation (depreciation) of our investments.

A reconciliation from book value per share to book value per diluted share, excluding accumulated other comprehensive income (loss) is as follows (dollars in millions, except per share amounts):

	<u>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>	<u>1Q13</u>	<u>2Q13</u>
Total shareholders' equity	\$ 4,893.1	\$ 5,066.2	\$ 5,049.3	\$ 5,028.6	\$ 4,581.4
Shares outstanding for the period	234,026,409	229,506,690	221,502,371	223,502,106	219,378,666
Book value per share	\$ 20.91	\$ 22.07	\$ 22.80	\$ 22.50	\$ 20.88
Total shareholders' equity	\$ 4,893.1	\$ 5,066.2	\$ 5,049.3	\$ 5,028.6	\$ 4,581.4
Less accumulated other comprehensive income	(990.8)	(1,234.4)	(1,197.4)	(1,170.7)	(698.1)
Add carrying value of convertible debentures	281.1	89.4	89.6	32.7	28.4
Adjusted shareholders' equity excluding AOCI	\$ 4,183.4	\$ 3,921.2	\$ 3,941.5	\$ 3,890.6	\$ 3,911.7
Shares outstanding for the period	234,026,409	229,506,690	221,502,371	223,502,106	219,378,666
Dilutive common stock equivalents related to:					
Convertible debentures	53,377,487	17,028,151	17,038,882	6,197,661	5,383,774
Warrants, stock options, restricted stock and performance units	2,808,206	4,284,726	4,647,584	5,165,321	5,165,919
Diluted shares outstanding	290,212,102	250,819,567	243,188,837	234,865,088	229,928,359
Book value per diluted share (a non-GAAP financial measure)	\$ 14.41	\$ 15.63	\$ 16.21	\$ 16.57	\$ 17.01

Information Related to Certain Non-GAAP Financial Measures

Interest-adjusted benefit ratios

The interest-adjusted benefit ratio (a non-GAAP measure) is calculated by dividing the product's insurance policy benefits less imputed interest income on the accumulated assets backing the insurance liabilities by insurance policy income. Interest income is an important factor in measuring the performance of longer duration health products. The net cash flows generally cause an accumulation of amounts in the early years of a policy (accounted for as reserve increases), which will be paid out as benefits in later policy years (accounted for as reserve decreases). Accordingly, as the policies age, the benefit ratio will typically increase, but the increase in the change in reserve will be partially offset by the imputed interest income earned on the accumulated assets. The interest-adjusted benefit ratio reflects the effects of such interest income offset. Since interest income is an important factor in measuring the performance of these products, management believes a benefit ratio, which includes the effect of interest income, is useful in analyzing product performance.

	<u>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>	<u>1Q13</u>	<u>2Q13</u>
Bankers Life					
Long-term care benefit ratios					
Earned premium	\$ 139.7	\$ 138.5	\$ 136.7	\$ 135.3	\$ 134.1
Benefit ratio before imputed interest income on reserves	121.4%	121.4%	116.7%	129.4%	129.5%
Interest-adjusted benefit ratio	75.4%	74.7%	69.0%	81.7%	81.4%
Underwriting margin (earned premium plus imputed interest income on reserves less policy benefits)	\$ 34.4	\$ 35.0	\$ 42.3	\$ 24.8	\$ 25.0
Washington National					
Supplemental health benefit ratios					
Earned premium	\$ 113.1	\$ 114.0	\$ 115.1	\$ 117.8	\$ 119.0
Benefit ratio before imputed interest income on reserves	77.0%	74.2%	72.9%	79.3%	78.6%
Interest-adjusted benefit ratio	50.1%	47.5%	46.6%	53.1%	52.6%
Underwriting margin (earned premium plus imputed interest income on reserves less policy benefits)	\$ 56.5	\$ 59.8	\$ 61.4	\$ 55.3	\$ 56.4

Information Related to Certain Non-GAAP Financial Measures

Operating return measures

Management believes that an analysis of return before loss on extinguishment of debt, net realized gains or losses, fair value changes due to fluctuations in the interest rates used to discount embedded derivative liabilities related to our fixed index annuities, equity in earnings of certain non-strategic investments and earnings attributable to non-controlling interests and increases or decreases to our valuation allowance for deferred tax assets (“net operating income,” a non-GAAP financial measure) is important to evaluate the performance of the Company and is a key measure commonly used in the life insurance industry. Management uses this measure to evaluate performance because these items are unrelated to the Company’s continued operations.

This non-GAAP financial measure also differs from return on equity because accumulated other comprehensive income (loss) has been excluded from the value of equity used to determine this ratio. 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.

In addition, our equity includes the value of significant net operating loss carryforwards (included in income tax assets). In accordance with GAAP, these assets are not discounted, and accordingly will not provide a return to shareholders (until after it is realized as a reduction to taxes that would otherwise be paid). Management believes that excluding this value from the equity component of this measure enhances the understanding of the effect these non-discounted assets have on operating returns and the comparability of these measures from period-to-period. Operating return measures are used in measuring the performance of our business units and are used as a basis for incentive compensation.

All references to return on allocated capital measures assume a capital allocation based on a 275% targeted risk-based capital at the segment level. Additionally, corporate debt has been allocated to the segments.

Information Related to Certain Non-GAAP Financial Measures

The calculations of: (i) operating return on allocated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure); and (ii) return on equity, for the twelve months ended June 30, 2013, are as follows (dollars in millions):

	Bankers <u>Life</u>	Washington <u>National</u>	Colonial <u>Penn</u>	Other CNO <u>Business</u>	<u>Corporate</u>	<u>Total</u>
Segment operating return for purposes of calculating operating return on allocated capital	<u>\$ 161.2</u>	<u>\$ 70.2</u>	<u>\$ (3.3)</u>	<u>\$ (37.5)</u>	<u>\$ 12.4</u>	<u>\$ 203.0</u>
Net income						<u>\$ 185.2</u>
Trailing 4 Quarter Average as of June 30, 2013						
Allocated capital, excluding accumulated other comprehensive income and net operating loss carryforwards (a non-GAAP financial measure)	<u>\$ 1,090.5</u>	<u>\$ 529.7</u>	<u>\$ 81.2</u>	<u>\$ 543.2</u>	<u>\$ 759.7</u>	<u>\$ 3,004.3</u>
Common shareholders' equity						<u>\$ 4,970.3</u>
Operating return on allocated capital, excluding accumulated other comprehensive income and net operating loss carryforwards (a non-GAAP financial measure)	14.8%	13.3%	(4.1)%	(6.9)%		6.8%
Return on equity						3.7%

(Continued on next page)

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of pretax operating earnings (a non-GAAP financial measure) to segment operating return (loss) and consolidated net income (loss) for the twelve months ended June 30, 2013, is as follows (dollars in millions):

	Bankers <u>Life</u>	Washington <u>National</u>	Colonial <u>Penn</u>	Other CNO <u>Business</u>	<u>Corporate</u>	<u>Total</u>
Segment pretax operating earnings (a non-GAAP financial measure)	\$ 295.5	\$ 129.7	\$ (3.6)	\$ (42.2)	\$ (64.3)	\$ 315.1
Adjustment to investment income to reflect capital at 275%	(14.3)	(5.7)	0.5	(1.8)	21.3	-
Interest allocated on corporate debt	(29.1)	(14.3)	(2.2)	(14.6)	60.2	-
Income tax (expense) benefit	<u>(90.9)</u>	<u>(39.5)</u>	<u>2.0</u>	<u>21.1</u>	<u>(4.8)</u>	<u>(112.1)</u>
Segment operating return for purposes of calculating operating return on allocated capital	<u>\$ 161.2</u>	<u>\$ 70.2</u>	<u>\$ (3.3)</u>	<u>\$ (37.5)</u>	<u>\$ 12.4</u>	203.0
Net realized investment gains, net of related amortization and taxes						26.8
Fair value changes in embedded derivative liabilities, net of related amortization and taxes						14.0
Equity in earnings of certain non-strategic investments and earnings attributable to non-controlling interests (net of taxes)						(4.5)
Loss on extinguishment of debt						(241.1)
Valuation allowance for deferred tax assets						<u>187.0</u>
Net income						<u>\$ 185.2</u>

(Continued on next page)

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of average allocated capital (for the purpose of determining return on allocated capital), excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) to average common shareholders' equity, is as follows (dollars in millions):

	<u>Bankers Life</u>	<u>Washington National</u>	<u>Colonial Penn</u>	<u>Other CNO Business</u>	<u>Corporate</u>	<u>Total</u>
Trailing 4 Quarter Average as of June 30, 2013						
Allocated capital (for the purpose of determining return on allocated capital), excluding accumulated other comprehensive income and net operating loss carryforwards (a non-GAAP financial measure)	\$ 1,090.5	\$ 529.7	\$ 81.2	\$ 543.2	\$ 759.7	\$ 3,004.3
Net operating loss carryforwards	-	-	-	-	854.3	854.3
Accumulated other comprehensive income	441.7	201.7	53.0	377.9	37.4	1,111.7
Adjustment to reflect capital at 275% RBC	227.6	96.0	(8.6)	33.2	(348.2)	-
Allocation of corporate debt	463.1	225.1	34.7	231.0	(953.9)	-
Common shareholders' equity	<u>\$ 2,222.9</u>	<u>\$ 1,052.5</u>	<u>\$ 160.3</u>	<u>\$ 1,185.3</u>	<u>\$ 349.3</u>	<u>\$ 4,970.3</u>

(Continued on next page)

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure) to common shareholders' equity, is as follows (dollars in millions):

(Continued from previous page)

	<u>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>	<u>1Q13</u>	<u>2Q13</u>	<u>Average</u>
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	\$ 3,129.9	\$ 2,938.8	\$ 2,976.9	\$ 3,002.9	\$ 3,067.6	\$ 3,004.3
Net operating loss carryforwards	772.4	893.0	875.0	855.0	815.7	854.3
Accumulated other comprehensive income	<u>990.8</u>	<u>1,234.4</u>	<u>1,197.4</u>	<u>1,170.7</u>	<u>698.1</u>	<u>1,111.7</u>
Common shareholders' equity	<u>\$ 4,893.1</u>	<u>\$ 5,066.2</u>	<u>\$ 5,049.3</u>	<u>\$ 5,028.6</u>	<u>\$ 4,581.4</u>	<u>\$ 4,970.3</u>

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 (\$ in millions):

	<u>2Q12</u>	<u>3Q12</u>	<u>4Q12</u>	<u>1Q13</u>	<u>2Q13</u>
Corporate notes payable	\$ 778.2	\$ 1,035.1	\$ 1,004.2	\$ 934.2	\$ 905.7
Total shareholders' equity	<u>4,893.1</u>	<u>5,066.2</u>	<u>5,049.3</u>	<u>5,028.6</u>	<u>4,581.4</u>
Total capital	<u>\$ 5,671.3</u>	<u>\$ 6,101.3</u>	<u>\$ 6,053.5</u>	<u>\$ 5,962.8</u>	<u>\$ 5,487.1</u>
Corporate debt to capital	<u>13.7%</u>	<u>17.0%</u>	<u>16.6%</u>	<u>15.7%</u>	<u>16.5%</u>
<hr/>					
Corporate notes payable	\$ 778.2	\$ 1,035.1	\$ 1,004.2	\$ 934.2	\$ 905.7
Total shareholders' equity	4,893.1	5,066.2	5,049.3	5,028.6	4,581.4
Less accumulated other comprehensive income	<u>(990.8)</u>	<u>(1,234.4)</u>	<u>(1,197.4)</u>	<u>(1,170.7)</u>	<u>(698.1)</u>
Total capital	<u>\$ 4,680.5</u>	<u>\$ 4,866.9</u>	<u>\$ 4,856.1</u>	<u>\$ 4,792.1</u>	<u>\$ 4,789.0</u>
Debt to total capital ratio, excluding AOCI (a non-GAAP financial measure)	<u>16.6%</u>	<u>21.3%</u>	<u>20.7%</u>	<u>19.5%</u>	<u>18.9%</u>