CNO FINANCIAL GROUP

Overview of Recapitalization Plan

September 5, 2012

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 September 4, 2012, our Quarterly Reports on Form 10-Q, our 2011 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; operating return measures; 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.

Strong Performance Sets Stage for Recapitalization

CNO

- Continued focus on the underserved and growing senior middle-income market
  - Profitable organic growth a priority
- Business continues to perform well
  - Sales grew 9% in 1H2012 over 1H2011
  - Operating earnings for 1H2012 up 8% over 1H2011
- Continue to generate and proactively deploy significant amounts of excess capital
  - Strong statutory earnings and cash flows sent to the holding company
  - Increased share buyback program and initiated common stock dividend in 2Q2012
  - RBC* and debt to capital ratios have improved
- Performance and strategy recognized by ratings agencies
  - Moody's upgraded senior secured credit rating to Ba3
  - S&P updated senior secured rating outlook to positive (at B+)
  - A.M. Best upgraded financial strength rating to B++

* Risk-Based Capital ("RBC") requirements provide a tool for insurance regulators to determine the levels of statutory capital and surplus an insurer must maintain in relation to its insurance and investment risks. The RBC ratio is the ratio of the statutory consolidated adjusted capital of our insurance subsidiaries to RBC.

CNO Recapitalization Plan

Strategic Rationale

CNO

Raising $900 million to pay off senior secured debt and repurchase majority of the convertible debentures

- CNO performance, ratings momentum, and favorable market conditions coming together
  - Market is open and attractively priced
  - Opportunity to lower run-rate cost of capital
- Pro forma EPS benefit of ~9% with stair step ROE increase of 40 bps
  - 12% reduction in diluted share count as of June 30, 2012
  - No impact to statutory dividend and repurchase guidance; no impact to valuable tax asset
- Ratings profile offers opportunity to improve financial flexibility
  - Pushes out near-term debt maturities and balances fixed and floating capital structure
  - Reestablishes amortization rates aligned with capital structure optimization
- Reduces convertible overhang
  - Reduces uncertainty over conversion timing and concentrated ownership
  - Repurchase agreement executed with Paulson funds at discount to estimated market value

CNO Recapitalization Plan

Capital Strategy

CNO

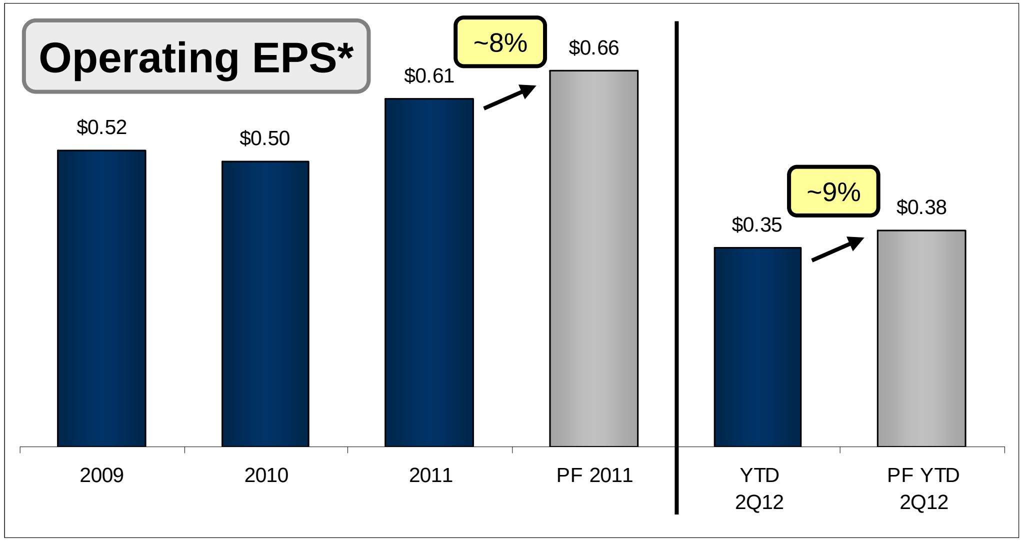
- Maintain capital cushion to absorb stress-test conditions
  - Leverage in the 20% range with consolidated RBC > 350%
  - Interest coverage of at least 5x
  - Holding company liquidity > $100 million

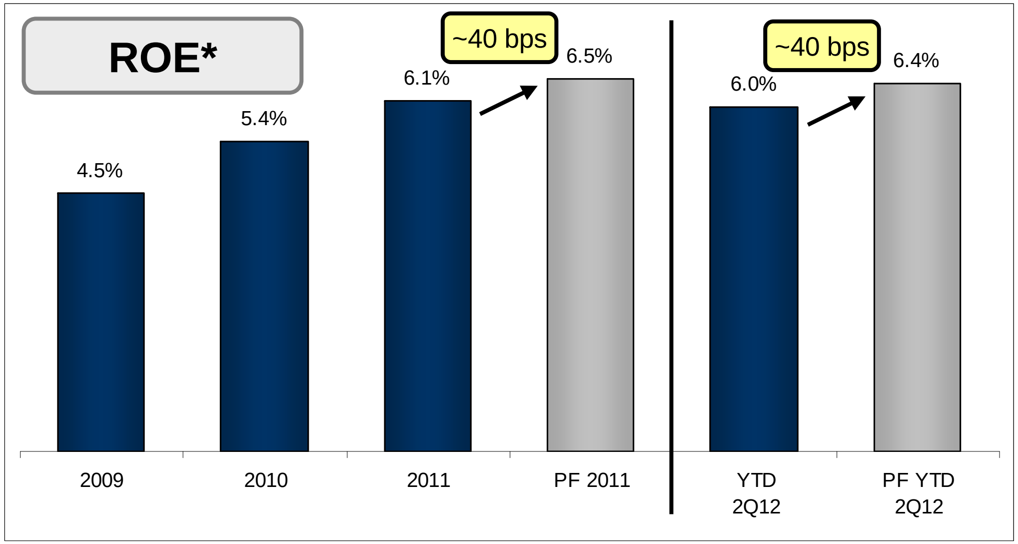
- Maintain positive ratings profile with goal of achieving investment grade
  - Recapitalization consistent with positive ratings actions
  - Pro forma key capital ratios consistent with investment grade standards

- Balanced use of free cash flow
  - Support new business growth rates through capital retention
  - Defend core capital ratios in primary insurance subsidiaries
  - Deliver capital back to the shareholders through disciplined repurchase strategy and common stock dividend
  - Continue to de-lever through ongoing debt pay downs

Recapitalization Advances Shareholder Value

CNO





- Expected to reduce the weighted average cost of debt by 160 bps
- Leveraging lowers cost of capital; interest expense to remain relatively flat
- Anticipate debt terms to reflect improved credit profile and ratings
- Maintaining statutory dividend and buyback guidance
- No impact to valuable tax asset and free cash flow

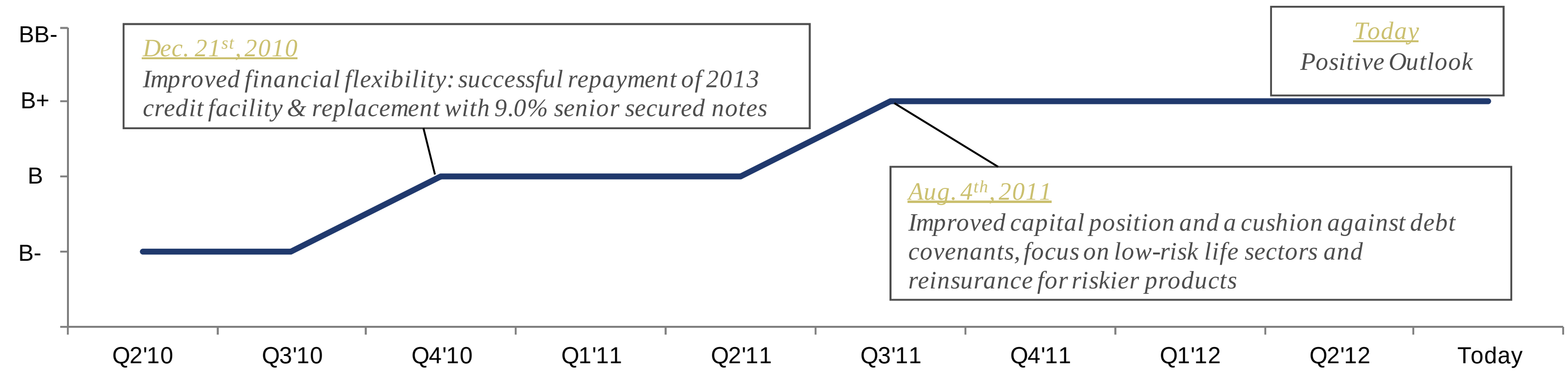
* Non-GAAP measures. See appendix for details.

Strong and Improving Credit Profile

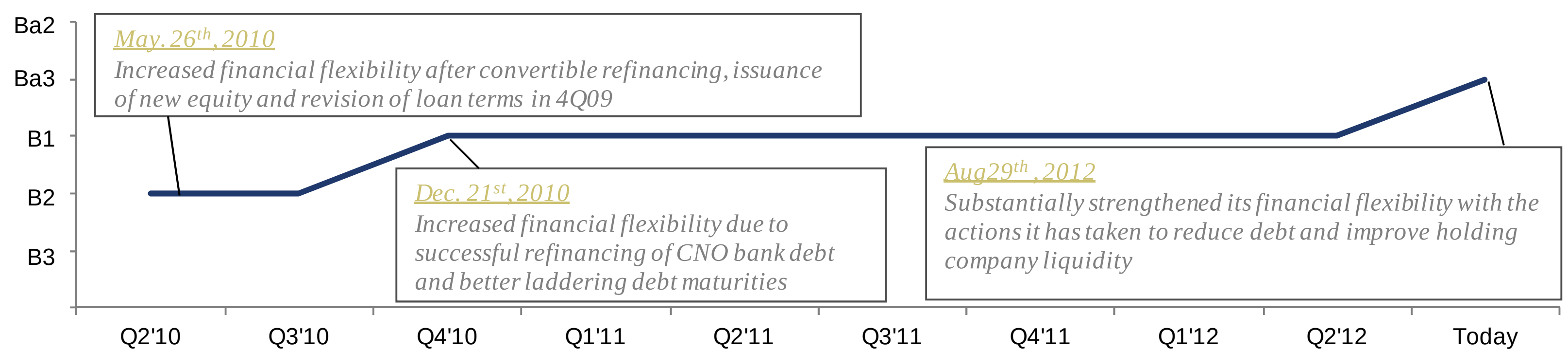
CNO

Positive Ratings Momentum

S&P Senior Secured Rating



Moody's Senior Secured Rating



On September 4, 2012, A.M. Best announced an upgrade from B+ to B++ in the financial strength ratings of our core operating companies

Management Recapitalization Plan

Financing Summary - $900 Million

CNO

Refinancing Summary

The recapitalization plan includes

- New senior secured credit agreement consisting of a $250 million 4 yr term loan and a $400 million 6 yr term loan
- Private offering of $250 million in senior secured notes due 2020
- An unfunded, $50 million, 3 yr revolving credit facility for contingent capital purposes

Proceeds will be used to

- Repay $224 million outstanding under existing senior secured credit agreement
- Repurchase $275 million aggregate principal amount outstanding on 9% senior secured notes through tender offer
- Repurchase $200 million aggregate principal amount of the 7.0% convertible senior debentures (1)

Refinancing – Sources/Uses

($ in millions)

Sources		
Proceeds from 4 Yr Term Loan	$	250.0
Proceeds from 6 Yr Term Loan		400.0
Proceeds from 8 Yr Secured Notes		250.0
Cash on hand		15.0
Total Sources	$	915.0
Uses		
Pay off Credit Facility	$	224.0
Retire 9% Notes		323.0
Convertible repurchase		334.0
Estimated fees, expenses, and OID		34.0
Total Uses	$	915.0

(1) Repurchase agreement executed on September 4, 2012, with Paulson & Co., Inc. at discount to estimated market value, with final purchase price based on the volume weighted-average prices of CNO's common stock over an agreed upon averaging period.

Indicative Pro Forma Capitalization

CNO

As of June 30, 2012

($ in millions)

	Amount	Changes (+/-)	Pro Forma
Holding Company Cash and Investments [1]	$ 198	$ (15)	$ 183
Senior Secured Debt	499	(499)	-
New Senior Secured Debt	-	900	900
Convertible Senior Unsecured Debentures	293	(200)	93
Unamortized Discount on Debt and Debentures	(14)	10	(4)
Total Debt	**$ 778**	**$ 211**	**$ 989**
Equity (ex. AOCI) [2]	3,902	(181)	3,721
Capitalization	**$ 4,680**		**$ 4,710**
Debt to Capital (excluding AOCI) [3]	16.6%		21.0%

(1) Includes $76.0 million of cash and money market, $75.7 million of liquid fixed income investments and $46.0 million of alternative investments.

(2) Change in equity calculated as sum of premium paid on repurchase of Convertible Senior Unsecured Debentures (assumed non-tax deductible), breakage of Senior Secured Notes (assumed tax deductible) and write-off of the unamortized discount / issue costs (a portion of which assumed tax deductible).

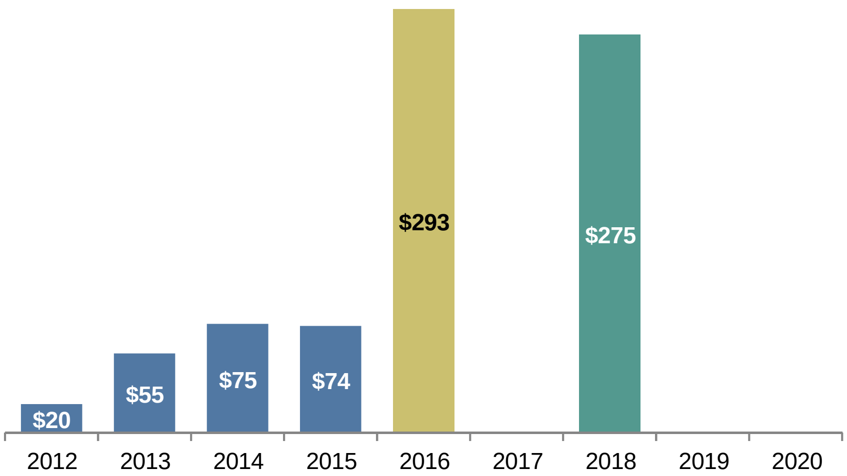
(3) A non-GAAP measure. See appendix for details.

Improved Pro Forma Debt Profile

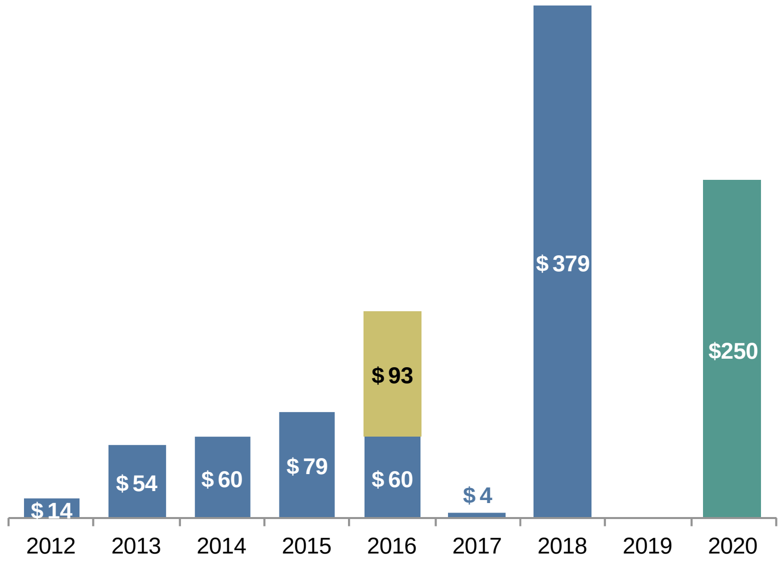
CNO

($ in millions)

Current Maturity Profile[1]



Pro Forma Maturity Profile[2]



Term Loan   Senior Secured Notes   Convertible Senior Unsecured Debentures

- **Extend maturities to 2020**
- **Rebalance fixed and floating rate debt**
- **Lower weighted average coupon rate**
- **Reduce convertible overhang**

1. As of June 30, 2012. Reflects principal amount of existing Convertible Unsecured Debentures.
2. Includes anticipated scheduled Term Loan amortization.

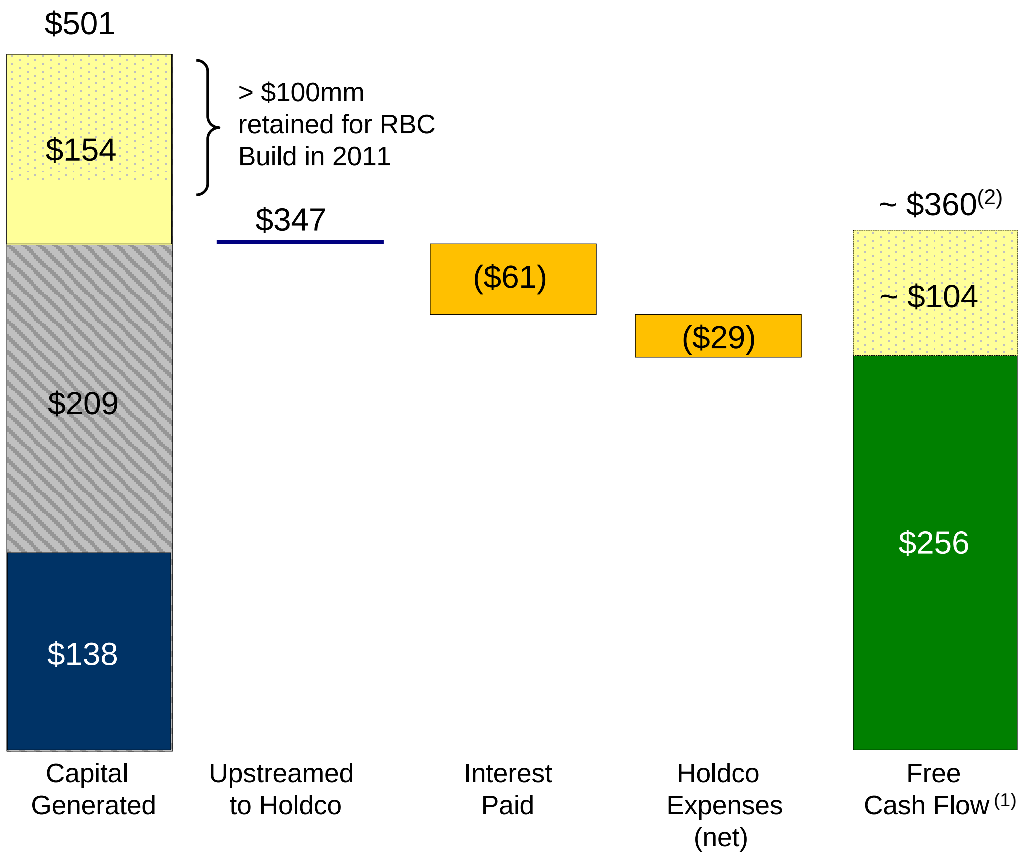
Free Cash Flow

CNO

Sources Building While Recurring Uses Moderating

($ in millions)

2011 Capital Generation & Free Cash Flow



Observations on 2011

- RBC $97 million above 350% RBC target
- Over $100 million used to build RBC in 2011
- Modest capital required to support business growth

Recapitalization

- No material impact to Holdco liquidity position
- Interest expense expected to remain flat initially
- Structured for improved financial flexibility

Fees and Interest to Holdco

Net statutory dividends to Holdco

Retained capital for growth and RBC build

(1) Cash flow available for capital management and debt reduction
(2) $360 million includes: (i) $256 million free cash flow, plus (ii) ~$100 million used to build RBC in 2011. Had we not retained these funds for RBC build, they would have been available for free cash flow.

CNO – Track Record of Strong Execution

CNO

Q3 2007
Sale of $3 billion annuity block

2007/2008
CIG sales & marketing rightsizing, and vacated excess Chicago space - $11 million annual expense reduction

Q4 2008
Separation of Closed Block LTC business

Q3 2009
Reinsurance of CIG Life policies to Wilton Re

Q4 2009
Refinanced convertible debentures putable in Sept 2010; issued new equity, paid down and renegotiated Sr. Credit Facility

Q4 2010
Refinanced $650 million of debt

Q1 2011
Pre-paid $50 million on Senior Credit Facility

Q2 2011
Began buying back stock under repurchase plan (and making commensurate prepayments on the Senior Credit Facility)

Q1 2012
Retired early $50 million Senior Health Note

Q2 2012
Initiation of dividend program

Q3 2012
Launched recapitalization

Recapitalization plan continues a track record of strong execution

- Reinsurance and separation transactions designed to reduce risk and improve capitalization
- Cost structure initiatives aligning distribution and operations to better serve our target market
- Lowering our cost of capital and improving financial flexibility as ratings improve
- Balanced capital deployment – investment in growth, maintaining strong capital ratios and returning capital to shareholders

Key Takeaways

CNO

- CNO franchise well positioned to grow with strong underlying catalysts and alignment of markets-distribution-products-shared services platform
  - Reinvestment back into expanded distribution driving sales growth with a stable earnings track record over the past 3 years
- Financial performance continues to improve punctuated with strong overall capital generation, cash flow and liquidity
  - Manage to investment grade capitalization
  - Statutory dividend and buyback guidance unchanged
- Strategic recapitalization plan
  - Opportunity to lower run-rate cost of capital
  - Market is open and attractively priced
  - Improved financial flexibility
  - Convertible overhang reduced
  - Meaningful “stair-step” for EPS and ROE

Q&A

Appendix

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of net income applicable to common stock to net operating income (and related per-share amounts) is as follows (dollars in millions, except per-share amounts). In addition, the pro forma amounts reflect the impact of our recapitalization plan.

	2011	Adjustments	Pro forma 2011	YTD 6/30/2012	Adjustments	Pro forma YTD 6/30/2012
Net income applicable to common stock	$ 335.7	$ -	$ 335.7	$ 124.8	$ -	$ 124.8
Net realized investment (gains) losses, net of related amortization and taxes	(36.7)	-	(36.7)	(32.8)	-	(32.8)
Fair value changes in embedded derivative liabilities, net of related amortization and taxes	13.3	-	13.3	2.4	-	2.4
Valuation allowance for deferred tax assets	(143.0)	-	(143.0)	-	-	-
Loss on extinguishment of debt	2.2	-	2.2	0.4	-	0.4
Net operating income (a non-GAAP financial measure)	$ 171.5	$ -	$ 171.5	$ 94.8	$ -	$ 94.8
Per diluted share:						
Net income	$ 1.15	$ 0.12	$ 1.27	$ 0.45	$ 0.04	$ 0.49
Net realized investment (gains) losses, net of related amortization and taxes	(0.12)	(0.02)	(0.14)	(0.11)	(0.01)	(0.12)
Fair value changes in embedded derivative liabilities, net of related amortization and taxes	0.04	0.01	0.05	0.01	-	0.01
Valuation allowance for deferred tax assets	(0.47)	(0.06)	(0.53)	-	-	-
Loss on extinguishment of debt	0.01	-	0.01	-	-	-
Net operating income (a non-GAAP financial measure)	$ 0.61	$ 0.05	$ 0.66	$ 0.35	$ 0.03	$ 0.38

Information Related to Certain Non-GAAP Financial Measures

A reconciliation of operating income and shares used to calculate basic and diluted operations earnings per share is as follows (dollars in millions, except per-share amounts, and shares in thousands). In addition, the pro forma amounts reflect the impact of our recapitalization plan.

	2011	Adjustments	Pro forma 2011	YTD 6/30/2012	Adjustments	Pro forma YTD 6/30/2012
Operating income	$ 171.5	$ -	$ 171.5	$ 94.8	$ -	$ 94.8
Add: interest expense on 7.0% Convertible Senior Debentures due 2016, net of income taxes	14.7	(10.0)	4.7	7.4	(5.0)	2.4
Total adjusted operating income	$ 186.2	$ (10.0)	$ 176.2	$ 102.2	$ (5.0)	$ 97.2
Weighted average shares outstanding for basic earning per share	247,952	-	247,952	239,092	-	239,092
Effect of dilutive securities on weighted average shares:						
7% Debentures	53,367	(36,428)	16,939	53,372	(36,431)	16,941
Stock option and restricted stock plan	2,513	-	2,513	2,475	-	2,475
Warrants	249	-	249	470	-	470
Weighted average shares outstanding for diluted earning per share	304,081	(36,428)	267,653	295,409	(36,431)	258,978
Operating earnings per diluted share	$ 0.61		$ 0.66	$ 0.35		$ 0.38

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 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.

Information Related to Certain Non-GAAP Financial Measures

The calculations of: (i) operating return on average capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure); and (ii) return on equity are as follows (dollars in millions). In addition, the pro forma amounts reflect the impact of our recapitalization plan.

	2011	Adjustments	Proforma 2011	LTM 6/30/2012	Adjustments	Pro forma LTM 6/30/2012
Operating return for purposes of calculating operating return on average capital	$ 171.5	$ -	$ 171.5	$ 178.6	$ -	$ 178.6
Net income	$ 335.7	$ -	$ 335.7	$ 368.7	$ -	$ 368.7
Trailing 4 Quarter Average						
Average capital, excluding accumulated other comprehensive income and net operating loss carryforwards (a non-GAAP financial measure)	$ 2,828.0	$ (180.8)	$ 2,647.2	$ 2,968.0	$ (180.8)	$ 2,787.2
Common shareholders' equity	$ 4,166.2	$ (180.8)	$ 3,985.4	$ 4,574.4	$ (180.8)	$ 4,393.6
Operating return on average capital, excluding accumulated other comprehensive income and net operating loss carryforwards (a non-GAAP financial measure)	6.1%		6.5%	6.0%		6.4%
Return on equity	8.1%		8.4%	8.1%		8.4%

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Information Related to Certain Non-GAAP Financial Measures

A reconciliation of average 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). In addition, the pro forma amounts reflect the impact of our recapitalization plan.

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	2011	Adjustments	Pro forma 2011	LTM 6/30/2012	Adjustments	Pro forma LTM 6/30/2012
Trailing 4 Quarter Average						
Average capital excluding accumulated other comprehensive income and net operating loss carryforwards (a non-GAAP financial measure)	$ 2,828.0	$ (180.8)	$ 2,647.2	$ 2,968.0	$ (180.8)	$ 2,787.2
Net operating loss carryforwards	854.0	-	854.0	848.0	-	848.0
Accumulated other comprehensive income	484.2	-	484.2	758.4	-	758.4
Common shareholders' equity	$ 4,166.2	$ (180.8)	$ 3,985.4	$ 4,574.4	$ (180.8)	$ 4,393.6

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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). In addition, the pro forma amounts reflect the impact of our recapitalization plan.

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	4Q10	1Q11	2Q11	3Q11	4Q11	Average	Adjustments	Pro forma Average
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	$ 2,705.8	$ 2,777.1	$ 2,830.2	$ 2,868.7	$ 2,966.3	$ 2,828.0	$ (180.8)	$ 2,647.2
Net operating loss carryforwards	853.1	829.1	810.6	916.6	865.9	854.0	-	854.0
Accumulated other comprehensive income	252.7	273.3	395.5	750.9	781.6	484.2	-	484.2
Common shareholders' equity	$ 3,811.6	$ 3,879.5	$ 4,036.3	$ 4,536.2	$ 4,613.8	$ 4,166.2	$ (180.8)	$ 3,985.4

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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). In addition, the pro forma amounts reflect the impact of our recapitalization plan.

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	2Q11	3Q11	4Q11	1Q12	2Q12	Average	Adjustments	Pro forma Average
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	$ 2,830.2	$ 2,868.7	$ 2,966.3	$ 3,057.1	$ 3,129.9	$ 2,968.0	$ (180.8)	$ 2,787.2
Net operating loss carryforwards	810.6	916.6	865.9	817.9	772.4	848.0	-	848.0
Accumulated other comprehensive income	395.5	750.9	781.6	808.0	990.8	758.4	-	758.4
Common shareholders' equity	$ 4,036.3	$ 4,536.2	$ 4,613.8	$ 4,683.0	$ 4,893.1	$ 4,574.4	$ (180.8)	$ 4,393.6

Information Related to Certain Non-GAAP Financial Measures

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

This non-GAAP financial measure 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 the debt to capital ratio to debt to capital, excluding AOCI is as follows (dollars in millions). In addition, the pro forma amounts reflect the impact of our recapitalization plan.

	2Q12	Adjustments	Pro forma 2Q12
Corporate notes payable	$ 778.2	$ 210.8	$ 989.0
Total shareholders' equity	4,893.1	(180.8)	4,712.3
Total capital	5,671.3	30.0	5,701.3
Corporate debt to capital	13.7%		17.3%
Corporate notes payable	$ 778.2	$ 210.8	$ 989.0
Total shareholders' equity	4,893.1	(180.8)	4,712.3
Less accumulated other comprehensive income	(990.8)	-	(990.8)
Total capital	$ 4,680.5	$ 30.0	$ 4,710.5
Debt to total capital ratio, excluding AOCI (a non-GAAP financial measure)	16.6%		21.0%