Investor Overview

August 2021

CNO FINANCIAL GROUP

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.

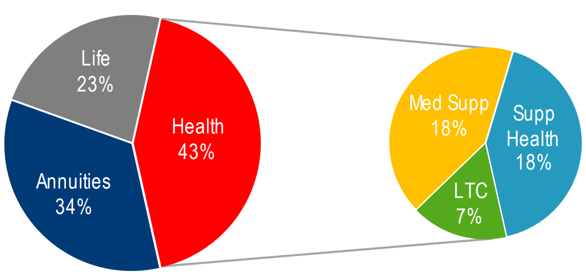
CNO Financial Group Overview

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

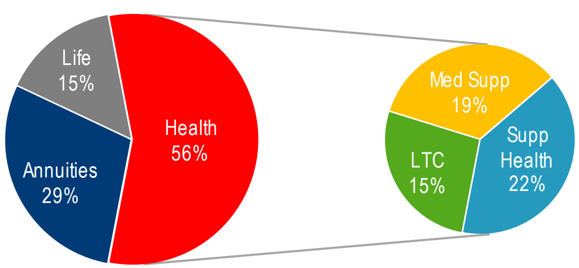
- Manufactured products include life, fixed annuities, Medicare supplement, supplemental health and limited benefit duration long-term care (LTC)
- Distribution of third party products, which primarily include Medicare Advantage and Prescription Drug Plans
- Demonstrated growth in agents, premiums, assets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

Total: $1,954.9M in YTD 2Q 2021 Collected Premiums

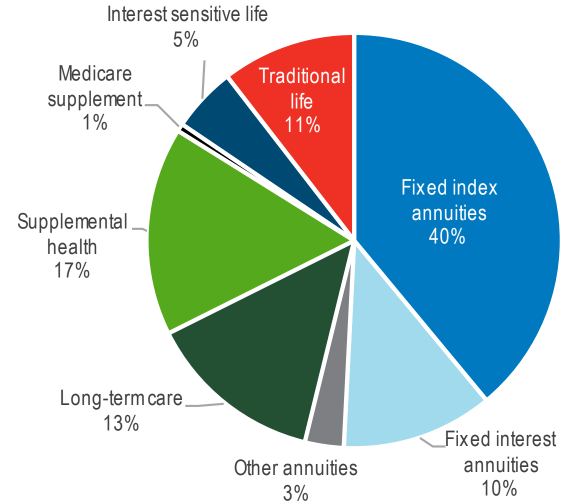
YTD 2Q 2021 Collected Premium by Product



YTD 2Q 2021 Insurance Margin by Product



Average Liabilities by Insurance Product YTD 2Q 2021*



*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

Exclusive Focus on Middle-Income America

Our Diverse Distribution & Integrated Approach

Health and Wealth Solutions

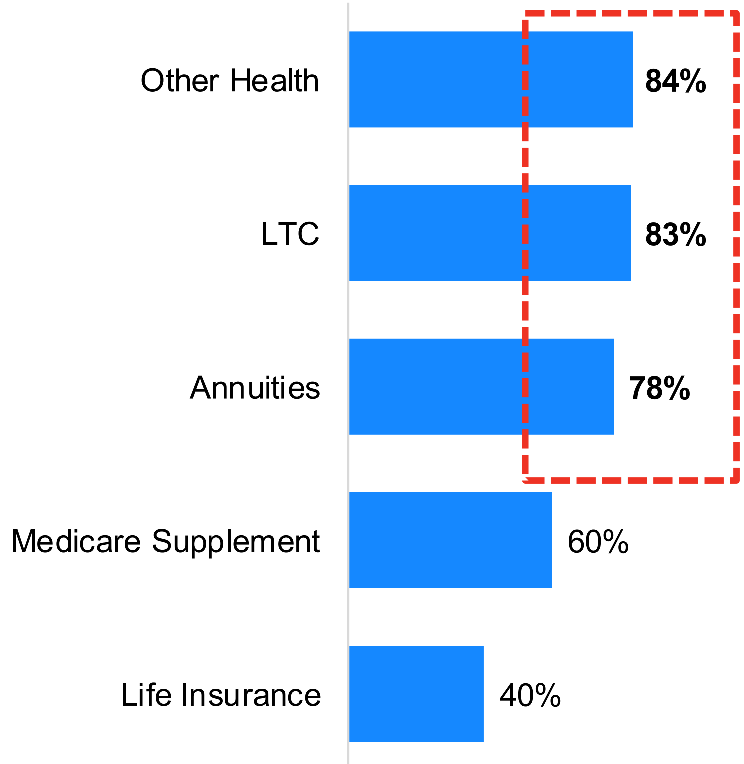
Insurance and Securities Solutions

Strong Cash Flow Generation

Well-Positioned in the Attractive Senior Middle Market

63% of middle-income households are underinsured; ~60% of baby boomers lack financial advisors[1]

Percentage of Population Age 65+ without a Financial Product



CNO Solutions

- Extensive experience and understanding of the middle market
- Differentiated with our market vs. product focus
- Diversification of products and distribution provides sustainable competitive advantage
- Positioned to help customers to address main concerns of outliving their assets and dealing with rising healthcare costs as they age

(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

	Fixed Indexed Annuity	Fixed Interest Annuity	Trad Life	Interest Sensitive Life	Med Supp	Supp Health	LTC
Mortality	○	○	●	●	○	○	◑
Morbidity	○	○	○	○	●	●	●
Persistency	◕	◕	◔	◔	◑	◑	◑
Interest rate	◑	◑	◑	◑	○	○	◑
Equity	◔	○	○	◔	○	○	○

Low ○ → ● High

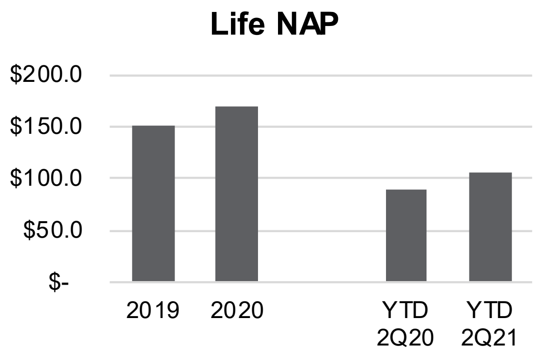
Unique Multi-Channel Operating Model

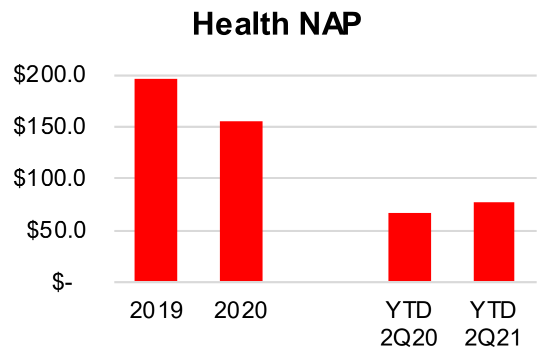
January 2020 realignment removes barriers between brand and channels

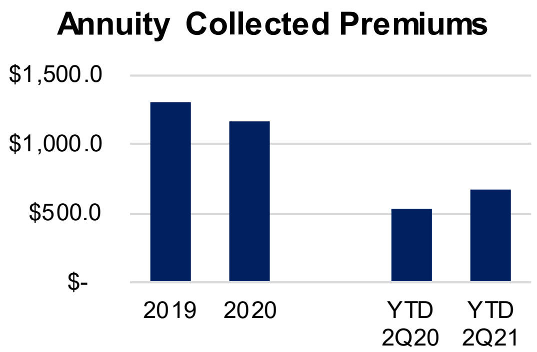
- **Consumer Division**
  - Strong exclusive agent franchise
    - Top distributor of health/wealth protection products through ~5,000 exclusive producing agents and financial representatives
    - More than 260 locations nationwide
    - "Kitchen-table" sales model
  - Top 5 direct-to-consumer distribution
  - 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 fulfilment 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

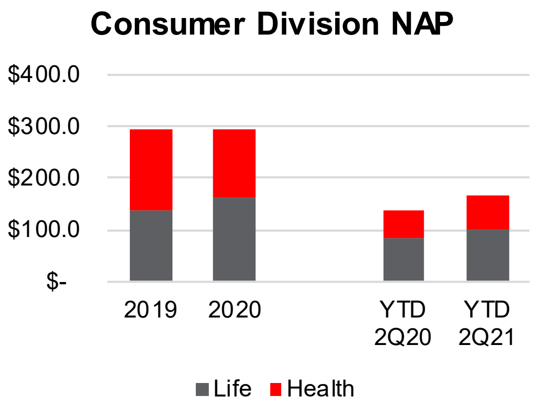
Strategic Initiatives Successfully Reinvigorating Growth; Momentum Sidelined Temporarily by COVID

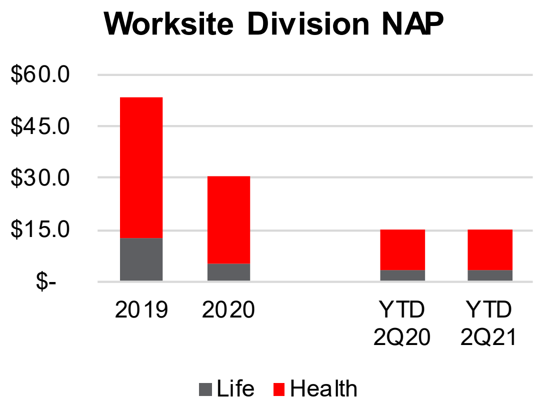
(dollarsin millions)









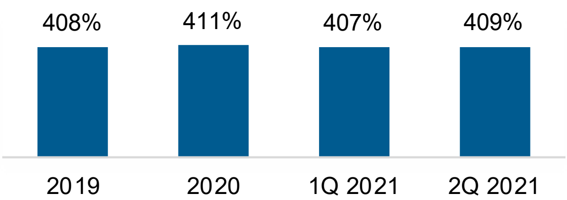


Capital and Liquidity Overview

Conservative approach to capital structure; strong liquidity

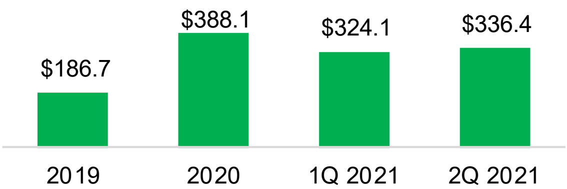
(dollarsin millions)

Consolidated Risk Based Capital ("RBC") Ratio[1]



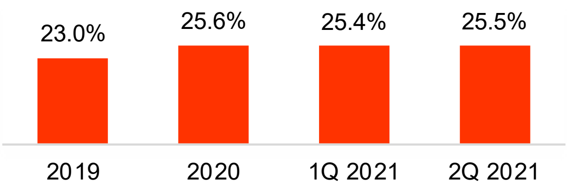
- Targeted consolidated RBC ratio of 375-400%
- Excess due to intentional conservative positioning
- RBC variability can be expected in periods of market volatility

Holding Company Liquidity



- Minimum targeted holding company liquidity of $150 million
- Liquidity bolstered by $250 million undrawn revolver
- No outstanding debt maturities until 2025

Debt to Capital[2]



- Target leverage of 25.0 – 28.0%
- Debt covenant ceiling of 35%
- Debt capacity within limit of target leverage $157 million

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

(dollarsin millions)

	For the Quarter		Trailing Twelve Months	
	2Q20	2Q21	2Q20	2Q21
Net Operating Income[1]	$ 79.4	$ 89.1	$ 311.5	$ 362.9
Holding Company Cash Flows:				
Dividends from Subsidiaries	$ 77.6	$ 106.5	$ 220.8	$ 364.0
Management Fees	27.0	27.6	114.8	114.2
Surplus Debenture Interest	12.1	12.1	59.2	57.2
Earnings on Corporate Investments	12.5	2.4	29.1	9.5
Other	21.0	22.4	13.2	70.8
Holding Company Sources of Cash[2]	**150.2**	**171.0**	**437.2**	**615.7**
Holding Company Expenses and Other	(33.0)	(14.4)	(109.0)	(74.2)
Tax Payments	-	(14.1)	-	(52.0)
Interest Payments	(26.4)	(28.3)	(52.1)	(57.0)
Excess Cash Flow to Holding Company[2]	**90.8**	**114.2**	**276.0**	**432.5**
Net Proceeds from New Debt	-	-	-	146.4
Share Repurchases	(30.0)	(84.6)	(265.3)	(332.4)
Dividend Payments to Stockholders	(17.4)	(17.3)	(66.8)	(67.0)
Acquisition	-	-	-	(51.1)
Net Change in Holding Company Cash and Investments	**43.4**	**12.3**	**(56.1)**	**128.4**
Non-Cash Changes in Investment Balances	(3.5)	-	-	-
Cash and Investments, Beginning of Period	168.1	324.1	264.1	208.0
Cash and Investments, End of Period	**$ 208.0**	**$ 336.4**	**$ 208.0**	**$ 336.4**

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

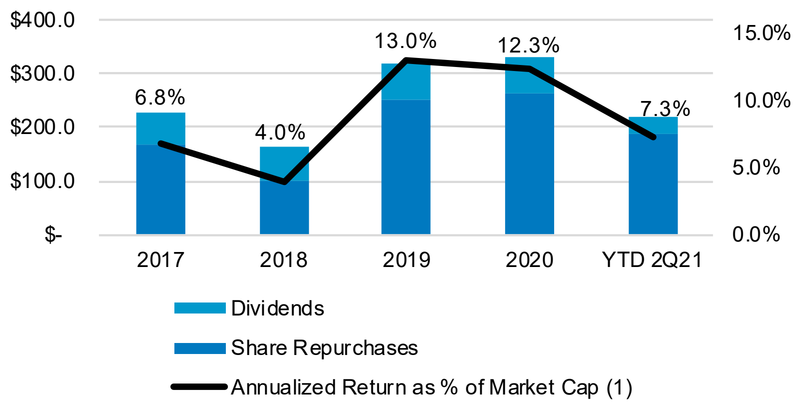
Disciplined and opportunistic approach to maximize shareholder value

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
- $87 million in share repurchases / $17 million in dividends in 2Q21
- 9th consecutive annual dividend increase
- Continued capacity to repurchase shares

Opportunistic transactions
- Highly selective M&A
- CNO Ventures; strategic minority investments largely in insurtech
- LTC reinsurance (2018), Web Benefits Design (2019), DirectPath (2021)

Capital Return as % of Market Capitalization



Since 2017, returned $1.26 billion, or 41% of current market capitalization[2]

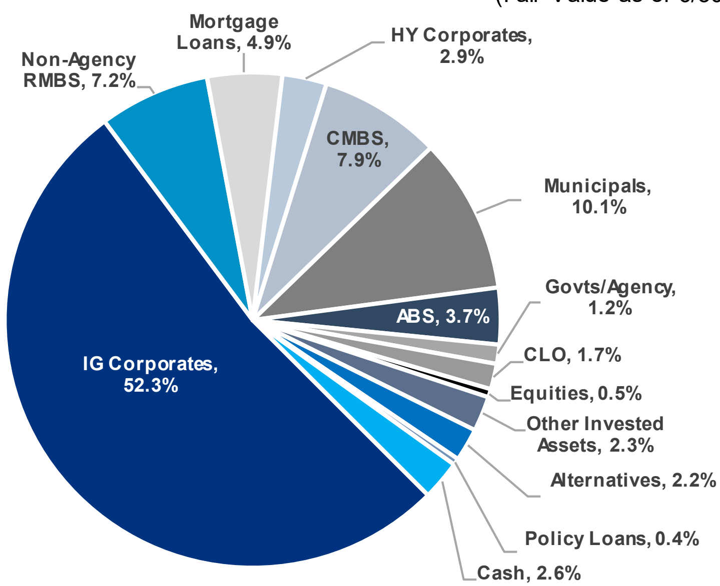
1 As of beginning of calendar year.
2 As of 6/30/2021.

Portfolio Composition

Continues to be high quality, well-positioned

$28 billion of Invested Assets

(Fair Value as of 6/30/2021)



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

- **$23.5 billion of assets with high degree of liquidity**
- **65% of portfolio in corporate and government bonds**
  - ~$14.8 billion public corporate bonds
  - ~$5.6 billion structured securities
  - ~$3.1 billion municipal, political subdivisions, and U.S. and foreign government bonds
- **Strong credit risk profile**
  - 96% rated NAIC 1 / 2
  - Diversified commercial and residential mortgages with favorable performance metrics and strong operating characteristics. No delinquencies.
  - Significant credit enhancement in structured products
  - Alternative investments emphasizing current cash flows and comparatively predictable results

Outlook*

Sales

- Continued positive momentum

Earnings

- COVID-related
  - Still much uncertainty
  - Assuming pandemic doesn't worsen
    - Modest net favorable mortality/morbidity impact in second half 2021
    - Modest net unfavorable mortality/morbidity impact in 2022
- Investment income
  - Allocated to products: flat to prior year in second half 2021
  - Not allocated to products: below prior year in second half 2021, assuming mean reversion in return on alternative investments
- Fee income
  - Modestly favorable to prior year in second half 2021
- Expenses (excluding significant items)
  - Third and fourth quarter 2021 generally consistent with first quarter 2021

Free Cash Flow / Excess Capital

- As COVID uncertainty diminishes, manage capital and liquidity closer to target levels, reducing excess capital over time

* As of 6/30/2021

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

February 2021 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
Number of broker partners:	7,000
Client employee base:	2.5 million
Employee satisfaction:	95%

Average Group Size:	
Education	5,000
Advocacy and Transparency	1,000
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

Turnaround / De-risking	Pivot to Growth	COVID-19	Optimize Long-term Value
Pre 2017	**2017 - 2019**	**2020 - 2021**	**Post COVID**
• Reinsured life block (2009) • Recapitalized company (2012) • Initiated dividend (2012) • Sold Legacy Life Insurance Block (2014) • Migrated ratings upwards–within non-investment grade ratings classes	• Completed Senior Leadership additions • Reinsured LTC block • Achieved investment grade credit ratings • Up-in-quality portfolio repositioning • Sustainable momentum in recruiting and sales	• Benefiting from diverse business model and strong retention • Balancing capital return with investments in growth • Conservative capital structure • Up-in-quality investment positioning • Successfully pivoting to new sales approaches • Accelerating integration of D2C and exclusive agents • Expanding D2C offerings • Reimagining future workplace	• Optimize customer-centric business alignment • Expand omnichannel delivery model • Extract potential from Worksite business • Enhance growth, margin and ROE profile • Maximize distributable cash flow • Accelerate pace of capital deployment • Leverage technology

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 Rate Walk — Slide 22
- New Money Summary — Slide 23
- Tax Asset Summary as of June 30, 2021 — Slide 24
- 2018 Transformative LTC Reinsurance Transaction — Slide 25
- Long-Term Care Insurance — Slide 26

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	5	31	53
Paul H. McDonough	Chief Financial Officer	2	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	2	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 33% YoY; $2.6 billion in client assets

(dollars in millions)

		2020			2021	
		2Q	3Q	4Q	1Q	2Q
Net New Client Assets in Brokerage and Advisory[1]	Brokerage	$ (26.7)	$ (31.5)	$ 3.0	$ (12.4)	$ 2.2
	Advisory	38.6	23.5	43.9	74.2	69.9
	Total	$ 11.9	$ (8.0)	$ 46.9	$ 61.8	$ 72.1
Client Assets in Brokerage and Advisory[1] at end of period	Brokerage	$ 1,355.2	$ 1,384.4	$ 1,520.9	$ 1,560.3	$ 1,635.3
	Advisory	626.2	682.8	790.7	884.3	1,000.7
	Total	$ 1,981.4	$ 2,067.2	$ 2,311.6	$ 2,444.6	$ 2,636.0

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

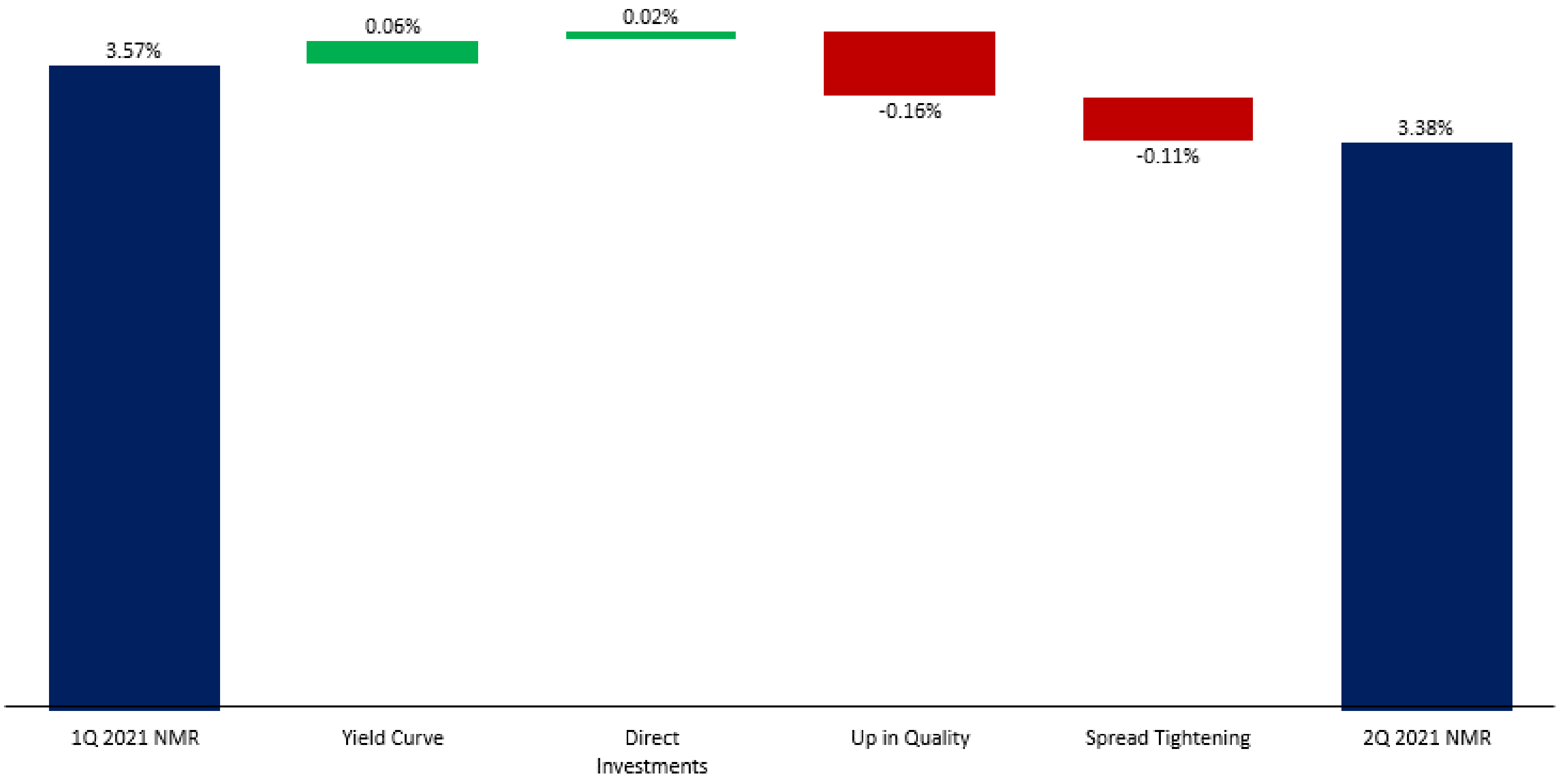
Solid YoY producing agent count growth; sequential metrics mixed

	2020			2021		% Change
Consumer	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**Y/Y**
Producing Field Agents[1,3]	4,066	4,448	4,539	4,389	4,360	7.2%
Producing Tele-Sales Agents[1,3]	237	239	257	258	247	4.2%
Total Producing Agents[1,3]	4,303	4,687	4,796	4,647	4,607	7.1%
Registered Agents[2,3]	603	618	641	646	639	6.0%
Worksite						
Producing Field Agents[1,3]	225	242	255	241	258	14.7%

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.

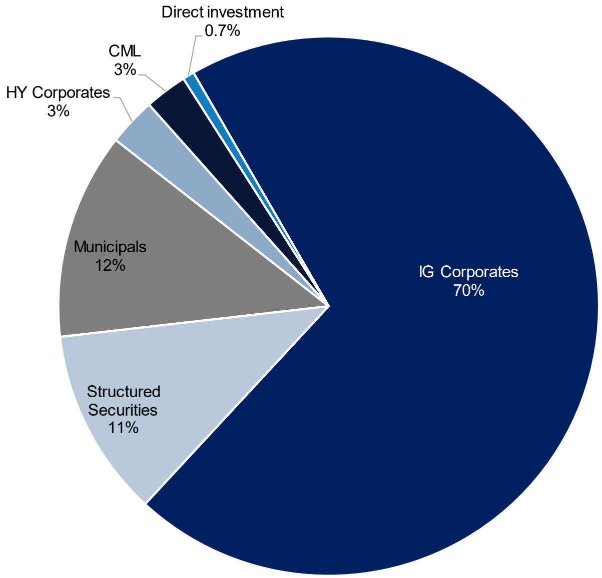
New Money Rate Walk

Lower sequentially; higher average rates offset by tighter spreads, up-in-quality bias, end of quarter rate environment



New Money Summary

Continued up-in-quality bias during second quarter



97% Investment Grade Allocation

Second Quarter Investments

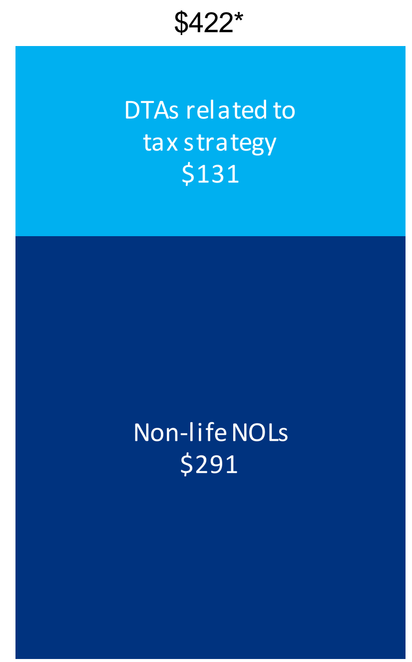
	Allocation $	Allocation%	Yield	Average Rating	Average Duration
IG Corporates	763	70.2%	3.34%	A	18.3
Structured Securities	123	11.3%	3.32%	BBB+	8.0
Municipals	135	12.4%	3.11%	AA	17.0
HY Corporates	31	2.9%	4.46%	BB-	5.7
CML	28	2.5%	3.15%	A	6.0
Direct investment	7	0.7%	9.80%	NR	0.0
Total	1,087	100%	3.38%	A	16.1

Tax Asset Summary as of June 30, 2021

$422 million/$3.21 per diluted share value of NOLs and DTAs related to tax strategy

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

(dollars in millions)



*Excludes the $80 million tax receivable related to the loss carrybacks permitted by the CARES Act.

Details

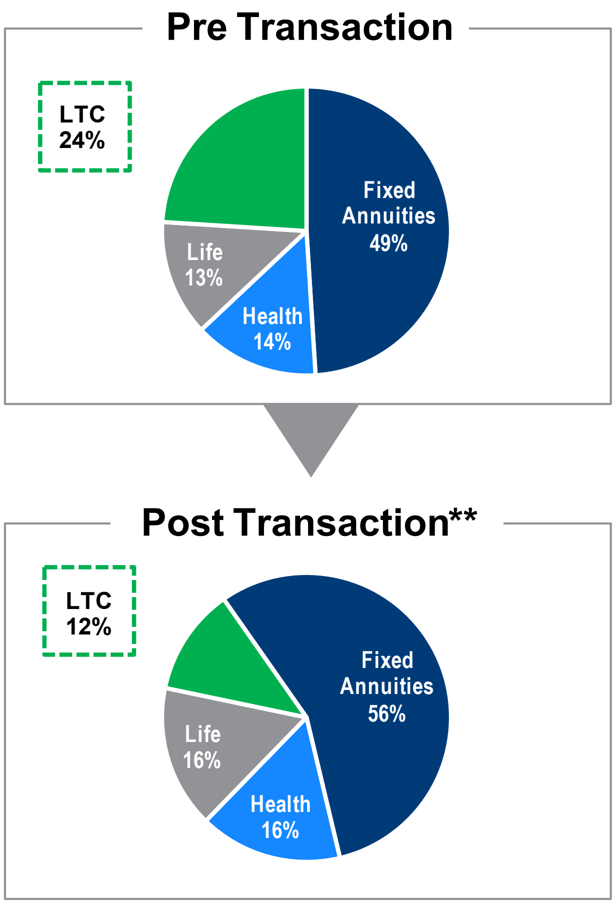
- Total estimated economic value of tax assets related to our NOLs and tax strategy of approximately $350 million @ 10% discount rate ($2.66 on a per share basis).
- Life NOLs have been fully utilized. Non-life NOLs are expected to offset 100% of non-life taxable income and 35% of life taxable income through 2023.
- Tax refund related to the loss carrybacks permitted by the CARES Act of $80 million was received in 3Q 2021, which will reduce the future economic value to $270 million ($2.05 on a per share basis).

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 Composition*



* *Reserve net of reinsurance*
** *As of September 30, 2018*

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 ~$190 million higher than LTC Net GAAP Liabilities, which are currently ~$2.49 billion
  - Total LTC is just 13% of overall CNO reserves
  - Potential adverse impact from severe stress scenarios is significantly reduced
  - Average original daily benefit is $143 per day for inforce block

Appendix 2: Financial Exhibits

- Non-GAAP Financial Measures Slides 28-38

2Q21 Significant Items

The table below summarizes the financial impact of significant items on our 2Q21 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, 2021		
	Actual results	Significant items	Excluding significant items
Insurance product margin			
Annuity	$ 66.0	$ -	$ 66.0
Health	120.9	-	120.9
Life	39.7	-	39.7
Total insurance product margin	226.6	-	226.6
Allocated expenses	(141.6)	-	(141.6)
Income from insurance products	85.0	-	85.0
Fee income	6.6	-	6.6
Investment income not allocated to product lines	47.8	-	47.8
Expenses not allocated to product lines	(23.8)	4.5 (1)	(19.3)
Operating earnings before taxes	115.6	4.5	120.1
Income tax expense on operating income	(26.5)	(1.0)	(27.5)
Net operating income (2)	$ 89.1	$ 3.5	92.6
Net operating income per diluted share (2)	$ 0.66	$ 0.03	$ 0.69

(1) Comprised of $4.5 million from legal and regulatory matters.
(2) A non-GAAP measure. See pages 34 and 36 for a reconciliation to the corresponding GAAP measure.

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 34 and 36 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)	$ 86.0	$ (6.4)	$ 79.6
Net operating income per diluted share (3)	$ 0.61	$ (0.04)	$ 0.57

(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 34 and 36 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)	$ 79.4	$ (17.7)		$ 61.7
Net operating income per diluted share (3)	$0.55	$ (0.12)		$ 0.43

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			
	Fixed index annuities	Fixed interest annuities	Interest-sensitive life	Total
	Favorable (unfavorable)			
Impacts of an average new money rate assumption of 4 percent				
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)
Impacts of changes in future option costs				
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 34 and 36 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)	$ 78.6	$ (7.9)		$ 70.7
Net operating income per diluted share (3)	$ 0.52	$ (0.05)		$ 0.47

(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 34 and 36 for a reconciliation to the corresponding GAAP measure.

Quarterly Earnings

(dollars in millions)

	2Q20	3Q20	4Q20	1Q21	2Q21
Insurance product margin					
Annuity	$ 123.8	$ 45.3	$ 68.1	$ 57.9	$ 66.0
Health	95.5	152.2	125.2	124.7	120.9
Life	36.1	47.3	37.3	27.1	39.7
Total insurance product margin	255.4	244.8	230.6	209.7	226.6
Allocated expenses	(128.1)	(130.3)	(162.7)	(141.1)	(141.6)
Income from insurance products	127.3	114.5	67.9	68.6	85.0
Fee income	5.2	0.8	2.9	7.3	6.6
Investment income not allocated to product lines	8.2	43.7	57.8	43.0	47.8
Expenses not allocated to product lines	(38.5)	(13.7)	(17.8)	(22.0)	(23.8)
Operating earnings before taxes	102.2	145.3	110.8	96.9	115.6
Income tax expense on operating income	(22.8)	(32.7)	(24.8)	(21.7)	(26.5)
Net operating income*	79.4	112.6	86.0	75.2	89.1
Net realized investment gains (losses) from sales, impairments and change in allowance for credit losses (net of related amortization)	12.3	7.7	12.6	3.6	24.3
Net change in market value of investments recognized in earnings	31.2	8.5	6.0	(6.4)	5.7
Fair value changes in embedded derivative liabilities (net of related amortization)	(27.1)	(1.6)	16.3	82.1	(44.9)
Fair value changes related to agent deferred compensation plan	(13.2)	-	(3.1)	13.2	-
Other	-	6.5	0.9	0.6	0.9
Non-operating income (loss) before taxes	3.2	21.1	32.7	93.1	(14.0)
Income tax expense (benefit) on non-operating income	0.6	4.5	6.9	20.9	(2.9)
Net non-operating income (loss)	2.6	16.6	25.8	72.2	(11.1)
Net income	$ 82.0	$ 129.2	$ 111.8	$ 147.4	$ 78.0

* 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)

	2Q20	3Q20	4Q20	1Q21	2Q21
Net income applicable to common stock	$ 82.0	$ 129.2	$ 111.8	$ 147.4	$ 78.0
Non-operating items:					
Net realized investment (gains) losses from sales and impairments, net of related amortization	(12.3)	(7.7)	(12.6)	(3.6)	(24.3)
Net change in market value of investments recognized in earnings	(31.2)	(8.5)	(6.0)	6.4	(5.7)
Fair value changes in embedded derivative liabilities, net of related amortization	27.1	1.6	(16.3)	(82.1)	44.9
Fair value changes related to the agent deferred compensation plan	13.2	-	3.1	(13.2)	-
Other	-	(6.5)	(0.9)	(0.6)	(0.9)
Non-operating (income) loss before taxes	(3.2)	(21.1)	(32.7)	(93.1)	14.0
Income tax (expense) benefit on non-operating (income) loss	(0.6)	(4.5)	(6.9)	(20.9)	2.9
Net non-operating (income) loss	(2.6)	(16.6)	(25.8)	(72.2)	11.1
Net operating income (a non-GAAP financial measure)	$ 79.4	$ 112.6	$ 86.0	$ 75.2	$ 89.1
Per diluted share:					
Net income	$ 0.57	$ 0.91	$ 0.80	$ 1.08	$ 0.58
Net realized investment (gains) losses from sales and impairments (net of related amortization and taxes)	(0.07)	(0.04)	(0.07)	(0.02)	(0.14)
Net change in market value of investments recognized in earnings (net of taxes)	(0.17)	(0.05)	(0.04)	0.04	(0.03)
Fair value changes in embedded derivative liabilities (net of related amortization and taxes)	0.15	0.01	(0.09)	(0.47)	0.26
Fair value changes related to the agent deferred compensation plan (net of taxes)	0.07	-	0.02	(0.08)	-
Other	-	(0.04)	(0.01)	-	(0.01)
Net operating income (a non-GAAP financial measure)	$ 0.55	$ 0.79	$ 0.61	$ 0.55	$ 0.66

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)

	Trailing Four Quarter Average				
	2Q20	3Q20	4Q20	1Q21	2Q21
Consolidated capital, excluding accumulated other comprehensive income (loss) and net operating loss carryforwards (a non-GAAP financial measure)	$ 2,722.9	$ 2,760.6	$ 2,812.4	$ 2,876.5	$ 2,947.7
Net operating loss carryforwards	469.1	460.0	428.9	385.5	350.5
Accumulated other comprehensive income	1,180.0	1,277.6	1,424.1	1,641.1	1,815.9
Common shareholders' equity	$ 4,372.0	$ 4,498.2	$ 4,665.4	$ 4,903.1	$ 5,114.1

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	2Q21
Corporate notes payable	$ 989.1	$ 989.4	$ 989.7	$ 990.1	$ 1,136.2	$ 1,136.6	$ 1,136.9
Total shareholders' equity	4,677.0	3,765.8	4,731.2	5,083.9	5,484.2	4,860.7	5,324.0
Total capital	$ 5,666.1	$ 4,755.2	$ 5,720.9	$ 6,074.0	$ 6,620.4	$ 5,997.3	$ 6,460.9
Corporate debt to capital	17.5%	20.8%	17.3%	16.3%	17.2%	19.0%	17.6%
Corporate notes payable	$ 989.1	$ 989.4	$ 989.7	$ 990.1	$ 1,136.2	$ 1,136.6	$ 1,136.9
Total shareholders' equity	4,677.0	3,765.8	4,731.2	5,083.9	5,484.2	4,860.7	5,324.0
Less accumulated other comprehensive income	(1,372.5)	(595.2)	(1,520.2)	(1,801.6)	(2,186.1)	(1,518.1)	(1,995.5)
Total capital	$ 4,293.6	$ 4,160.0	$ 4,200.7	$ 4,272.4	$ 4,434.3	$ 4,479.2	$ 4,465.4
Debt to total capital ratio, excluding AOCI (a non-GAAP financial measure)	23.0%	23.8%	23.6%	23.2%	25.6%	25.4%	25.5%