

CNO Financial Group, Inc.
 Form 424B5
 May 11, 2015

TABLE OF CONTENTS

The information in this prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)

Registration File No.: 333-204039

SUBJECT TO COMPLETION, DATED MAY 11, 2015

Prospectus Supplement to Prospectus dated May 11, 2015.

\$800,000,000

CNO Financial Group, Inc.

\$ % Senior Notes due 2020

\$ % Senior Notes due 2025

CNO Financial Group, Inc., a Delaware corporation (“CNO”), is offering \$ aggregate principal amount of % senior notes due 2020 (the “2020 Notes”) and \$ aggregate principal amount of % senior notes due 2025 (the “2025 Notes” and, together with the 2020 Notes, the “Notes”). The 2020 Notes will mature on , 2020, and the 2025 Notes will mature on , 2025. CNO will pay interest on the Notes on and will be issued only in denominations of \$2,000 and integral multiples of \$1,000. CNO may redeem some or all of the 2020 Notes at any time or from time to time at a “make-whole” redemption price plus accrued and unpaid interest. Prior to , 2025 (three months prior to the maturity date of the 2025 Notes), CNO may redeem some or all of the 2025 Notes at any time or from time to time at a “make-whole” redemption price plus accrued and unpaid interest. On and after 2025 (three months prior to the maturity date of the 2025 Notes), CNO may redeem some or all of the 2025 Notes at any time or from time to time at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest. See “Description of the Notes — Optional Redemption.”

The Notes will be CNO’s senior unsecured obligations and will rank equally with CNO’s other senior unsecured and unsubordinated debt from time to time outstanding. The Notes will rank effectively subordinated to all of CNO’s future indebtedness that is secured, to the extent of the value of the assets securing such indebtedness. The Notes will be structurally subordinated to all existing and future indebtedness and other liabilities of CNO’s subsidiaries. See “Risk Factors” beginning on page S-18 to read about important factors you should consider before buying the Notes. Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

| | Per 2020 Note | Per 2025 Note | Total |
|----------------------------------------|------------------|------------------|-------|
| Public offering price | % | % | \$ |
| Underwriting discount and commissions* | % | % | \$ |
| Proceeds, before expenses, to CNO | % | % | \$ |

*
 We refer you to the “Underwriting” section beginning on page S-60 of this prospectus supplement for additional information regarding underwriting compensation.

Edgar Filing: CNO Financial Group, Inc. - Form 424B5

The initial public offering price set forth above does not include accrued interest, if any. Interest on such series of Notes will accrue from _____, 2015 and must be paid by the purchasers if such Notes are delivered after _____ The underwriters expect to deliver the Notes through the facilities of The Depository Trust Company against payment in New York, New York on _____, 2015.

Joint Book-Running Managers

Goldman, Sachs & Co. RBC Capital Markets

Co-Managers

Barclays KeyBanc Capital Markets Morgan Stanley

Prospectus Supplement dated _____, 2015.

TABLE OF CONTENTS

TABLE OF CONTENTS

Prospectus Supplement

| | Page |
|---------------------------------------------------------------------------------------------|-------------|
| <u>About This Prospectus Supplement</u> | <u>S-ii</u> |
| <u>Presentation of Financial Data; Non-GAAP Financial Measures</u> | <u>S-ii</u> |
| <u>Industry and Market Data</u> | <u>S-iv</u> |
| <u>Where You Can Find More Information</u> | <u>S-iv</u> |
| <u>Incorporation of Certain Information by Reference</u> | <u>S-iv</u> |
| <u>Forward-Looking Statements</u> | <u>S-vi</u> |
| <u>Summary</u> | <u>S-1</u> |
| <u>Risk Factors</u> | <u>S-18</u> |
| <u>Use of Proceeds</u> | <u>S-24</u> |
| <u>Capitalization</u> | <u>S-25</u> |
| <u>Ratio of Earnings to Fixed Charges</u> | <u>S-26</u> |
| <u>Description of Other Indebtedness</u> | <u>S-27</u> |
| <u>Description of Notes</u> | <u>S-29</u> |
| <u>Certain United States Federal Income and Estate Tax Consequences to Non-U.S. Holders</u> | <u>S-55</u> |
| <u>Certain ERISA Considerations</u> | <u>S-58</u> |
| <u>Underwriting</u> | <u>S-60</u> |
| <u>Validity of Securities</u> | <u>S-63</u> |
| <u>Experts</u> | <u>S-63</u> |
| Prospectus | |
| <u>About This Prospectus</u> | <u>1</u> |
| <u>Where You Can Find More Information</u> | <u>2</u> |
| <u>Incorporation of Certain Information by Reference</u> | <u>2</u> |
| <u>Forward-Looking Statements</u> | <u>3</u> |
| <u>Our Company</u> | <u>5</u> |
| <u>Risk Factors</u> | <u>7</u> |
| <u>Ratios of Earnings to Fixed Charges</u> | <u>7</u> |
| <u>Use of Proceeds</u> | <u>7</u> |
| <u>Description of Debt Securities</u> | <u>8</u> |
| <u>Description of Capital Stock</u> | <u>17</u> |
| <u>Description of Depositary Shares</u> | <u>23</u> |
| <u>Description of Warrants</u> | <u>26</u> |
| <u>Description of Purchase Contracts</u> | <u>28</u> |
| <u>Description of Units</u> | <u>28</u> |
| <u>Plan of Distribution</u> | <u>29</u> |
| <u>Validity of the Securities</u> | <u>31</u> |
| <u>Experts</u> | <u>31</u> |

TABLE OF CONTENTS

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus filed by us with the Securities and Exchange Commission (the “SEC”). Neither we nor the underwriters have authorized anyone else to provide you with different or additional information or make any representation other than what is contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer and sale is not permitted. You should assume that the information in this prospectus supplement, the accompanying prospectus, any such free writing prospectus or any document incorporated by reference is accurate only as of the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

About This Prospectus Supplement

As used in this prospectus supplement, unless otherwise specified or unless the context indicates otherwise, references in this prospectus supplement to:

- “CNO” or the “holding company” refer only to CNO Financial Group, Inc. on an unconsolidated basis. Prior to its name change in May 2010, CNO was formerly known as Conseco, Inc., a Delaware corporation. CNO became the successor to Conseco, Inc., an Indiana corporation (our “Predecessor”), in connection with our bankruptcy reorganization which became effective on September 10, 2003 (the “Effective Date”); and

- “CNO Financial Group,” the “Company,” “we,” “us,” and “our” refer to CNO and its subsidiaries on a consolidated basis or, when the context requires otherwise, our Predecessor and its subsidiaries on a consolidated basis.

This document is in two parts. The first part is this prospectus supplement which contains specific information about the terms of this offering. This prospectus supplement also adds and updates information contained in the accompanying prospectus. The second part, the accompanying prospectus, provides more general information about us and securities we may offer from time to time, some of which may not apply to this offering of securities. If there is any inconsistency between the information in this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Presentation of Financial Data; Non-GAAP Financial Measures

Unless otherwise specified, the financial data for the Company (other than statutory data) included or incorporated by reference in this prospectus supplement has been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). The statutory data included or incorporated by reference in this prospectus supplement has been derived from the statements filed by our insurance subsidiaries with regulatory authorities and prepared in accordance with statutory accounting practices, which vary in certain respects from GAAP. In addition, where so indicated in this prospectus supplement, we have used certain financial measures that are not calculated in accordance with GAAP to assess the financial performance of the Company, including EBIT, net operating income and debt to total capital ratio (excluding accumulated other comprehensive income). We use such non-GAAP financial measures because we believe that they are meaningful measures of the Company’s performance. Our method of calculating these non-GAAP financial measures may differ from the methods used by other companies and, as a result, the non-GAAP financial measures presented in this prospectus supplement may not be comparable to other similarly titled measures disclosed by other companies. See “Summary — Summary Historical Consolidated Financial and Operating Data.”

Prior to 2014, we managed our business through the following four operating segments and corporate operations: Bankers Life, Washington National and Colonial Penn, each of which were defined on the basis of product distribution, Other CNO Business, which was comprised primarily of products we no longer sell actively; and corporate operations, which was comprised of holding company activities and certain noninsurance company businesses. As a result of the sale of Conseco Life Insurance Company (“CLIC”) to Wilton Reassurance Company (“Wilton Re”) which was completed on July 1, 2014, and the coinsurance

TABLE OF CONTENTS

agreements to cede certain long-term care business effective December 31, 2013 (as further described in our Annual Report on Form 10-K for the year ended December 31, 2014, incorporated herein by reference), we have changed the manner in which we disaggregate our operations for making operating decisions and assessing performance as follows:

With respect to periods prior to 2014:

- the results of the Washington National segment have been adjusted to include the results of the business in the Other CNO Business segment that were retained;
- the results of the Other CNO Business segment have been adjusted to include only the long-term care business that was ceded effective December 31, 2013 and the overhead expense of CLIC that has continued, and is expected to continue, after the completion of the sale; and
- the CLIC business that was sold was excluded from our analysis of business segment results.

With respect to periods beginning on January 1, 2014:

- the overhead expense of CLIC that has continued, and is expected to continue, after the completion of the sale has been reallocated primarily to the Bankers Life and Washington National segments;
- there is no longer an Other CNO Business segment; and
- the CLIC business that was sold was excluded from our analysis of business segment results.

Additionally, with respect to periods after the completion of the sale of CLIC on July 1, 2014:

- the Bankers Life segment includes the results of certain life insurance business that was recaptured from Wilton Re in connection with the sale of CLIC; and
- the revenues and expenses associated with a transition services agreement and a special support services agreement with Wilton Re are included in our non-operating earnings. Under such agreements, we will receive \$30.0 million in the twelve months ending June 30, 2015 (the first anniversary of the CLIC sale and recapture) and \$20.0 million in the twelve months ending June 30, 2016 (the second anniversary of the CLIC sale and recapture). In addition, certain services will continue to be provided in the three years ending June 30, 2019 for an annual fee of \$0.2 million. The income we receive from these services agreements will offset certain of our overhead costs. If we are not successful in reducing our overhead costs to the same extent as the reduction in fees to be received from Wilton Re over the period of the agreements, our results of operations will be adversely affected.

Effective January 1, 2015, we changed our definition of operating income to exclude the impact of fair market value changes related to the agent deferred compensation plan, since such impacts are not indicative of our ongoing business and trends in our business. Prior periods discussed under “Summary — Summary Historical Consolidated Financial and Operating Data” have been revised to conform to our current presentation. There was no impact on operating income in the first three months of 2014 or 2015. Net income (loss) is not impacted by this change.

For more information, see the section entitled “Summary — Summary Historical Consolidated Financial and Operating Data” included in this prospectus supplement as well as the information set forth under “Management’s Discussion and

Analysis of Consolidated Financial Condition and Results of Operations” incorporated by reference from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 and our Annual Report on Form 10-K for the year ended December 31, 2014 and the Company’s consolidated financial statements and related notes thereto incorporated by reference into this prospectus supplement.

S-iii

TABLE OF CONTENTS

Industry and Market Data

We have obtained some industry and market share data from third-party sources that we believe are reliable. In many cases, however, we have made statements in this prospectus supplement and the documents incorporated by reference regarding our industry and our position in the industry based on estimates made from our experience in the industry and our own investigation of market conditions. We believe these estimates to be accurate as of the date of this prospectus supplement. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that the industry and market data included in, or incorporated by reference into, this prospectus supplement, and estimates and beliefs based on that data, may not be reliable. We cannot, and the underwriters cannot, guarantee the accuracy or completeness of any such information.

Where You Can Find More Information

CNO files reports, proxy statements and other information with the SEC. These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. The SEC maintains an internet site at www.sec.gov that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including CNO. CNO's common stock is listed and trading on the New York Stock Exchange (the "NYSE") under the symbol "CNO." These reports, proxy statements and other information can also be read at the offices of the NYSE, 11 Wall Street, New York, New York 10005. We have filed with the SEC a registration statement under the Securities Act of 1933, as amended (the "Securities Act") on Form S-3 with respect to the Notes and certain other securities. This prospectus supplement and the accompanying prospectus do not contain all the information set forth in the registration statement and its exhibits, parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the Notes, reference is made to the registration statement and to the exhibits. Statements in this prospectus supplement about the contents of any contract, agreement or other document are necessarily not complete and, in each instance, we refer you to the copy of such contract, agreement or document filed as an exhibit to the registration statement, with each such statement being qualified in all respect by reference to the document to which it refers.

Incorporation of Certain Information by Reference

In this prospectus supplement, CNO "incorporates by reference" the information that it files with the SEC, which means that CNO can disclose important information to you by referring you to a document that it filed with the SEC. The information so incorporated by reference is considered to be a part of this prospectus supplement, and information that CNO files later with the SEC will automatically update and supersede this information. Any information contained in this prospectus supplement updates and, where applicable, supersedes the information in the documents incorporated by reference herein listed below. CNO incorporates by reference the documents listed below and any filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (excluding any Current Reports on Form 8-K containing any disclosure pursuant to Item 2.02 or Item 7.01 unless otherwise indicated), after the date of this prospectus supplement and until the settlement of the offering of the Notes:

- Annual Report on Form 10-K for the year ended December 31, 2014 (including portions of our Definitive Proxy Statement on Schedule 14A filed on March 26, 2015 that are incorporated by reference into Part III of our 2014 Form 10-K);
- Quarterly Report on Form 10-Q for the quarter ended March 31, 2015; and
- Current Reports on Form 8-K filed on March 12, 2015, May 6, 2015 (excluding Item 7.01 and related Exhibit 99.1) and May 11, 2015.

TABLE OF CONTENTS

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus.

CNO will provide without charge upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus supplement, other than exhibits to those documents, unless those exhibits are specifically incorporated by reference into those documents. Requests should be directed to CNO at Investor Relations, CNO Financial Group, Inc., 11825 N. Pennsylvania Street, Carmel, Indiana 46032 (317) 817-2893. You may also obtain the documents incorporated by reference into this prospectus supplement as of the date hereof at CNO's website, www.cnoinc.com. All other information contained on or accessible through CNO's website is not a part of this document.

S-v

TABLE OF CONTENTS

Forward-Looking Statements

Our statements, trend analyses and other information contained in this prospectus supplement and the documents incorporated by reference contain forward-looking statements within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically are identified by the use of terms such as “anticipate,” “believe,” “plan,” “estimate,” “expect,” “project,” “intend,” “may,” “will,” “would,” “contemplate,” “attempt,” “seek,” “should,” “could,” “goal,” “target,” “on track,” “comfortable with,” “optimistic,” “guidance,” “outlook” and although some forward-looking statements are expressed differently. You should consider statements that contain these words carefully because they describe our expectations, plans, strategies and goals and our beliefs concerning future business conditions, our results of operations, financial position, and our business outlook or they state other “forward-looking” information based on currently available information. The “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into this prospectus supplement, provides examples of risks, uncertainties and events that could cause our actual results to differ materially from the expectations expressed in our forward-looking statements. Assumptions and other important factors that could cause our actual results to differ materially from those anticipated in our forward-looking statements include, among other things:

- changes in or sustained low interest rates causing reductions in investment income, the margins of our fixed annuity and life insurance businesses, and sales of, and demand for, our products;
- expectations of lower future investment earnings may cause us to accelerate amortization, write down the balance of insurance acquisition costs or establish additional liabilities for insurance products;
- general economic, market and political conditions, including the performance of the financial markets which may affect the value of our investments as well as our ability to raise capital or refinance existing indebtedness and the cost of doing so;
- the ultimate outcome of lawsuits filed against us and other legal and regulatory proceedings to which we are subject;
- our ability to make anticipated changes to certain non-guaranteed elements of our life insurance products;
- our ability to obtain adequate and timely rate increases on our health products, including our long-term care business;
- the receipt of any required regulatory approvals for dividend and surplus debenture interest payments from our insurance subsidiaries;
- mortality, morbidity, the increased cost and usage of health care services, persistency, the adequacy of our previous reserve estimates and other factors which may affect the profitability of our insurance products;
- changes in our assumptions related to deferred acquisition costs or the present value of future profits;
-

the recoverability of our deferred tax assets and the effect of potential ownership changes and tax rate changes on their value;

- our assumption that the positions we take on our tax return filings will not be successfully challenged by the Internal Revenue Service;
- changes in accounting principles and the interpretation thereof;
- our ability to continue to satisfy the financial ratio and balance requirements and other covenants of our debt agreements;
- our ability to achieve anticipated expense reductions and levels of operational efficiencies including improvements in claims adjudication and continued automation and rationalization of operating systems;

S-vi

TABLE OF CONTENTS

- performance and valuation of our investments, including the impact of realized losses (including other-than-temporary impairment charges);
- our ability to identify products and markets in which we can compete effectively against competitors with greater market share, higher ratings, greater financial resources and stronger brand recognition;
- our ability to generate sufficient liquidity to meet our debt service obligations and other cash needs;
- our ability to maintain effective controls over financial reporting;
- our ability to continue to recruit and retain productive agents and distribution partners;
- customer response to new products, distribution channels and marketing initiatives;
- our ability to achieve additional upgrades of our financial strength ratings and our insurance company subsidiaries as well as the impact of our ratings on our business, our ability to access capital, and the cost of capital;
- regulatory changes or actions, including those relating to regulation of the financial affairs of our insurance companies, such as the payment of dividends and surplus debenture interest to us, regulation of the sale, underwriting and pricing of products, and health care regulation affecting health insurance products;
- changes in the U.S. federal income tax laws and regulations which may affect or eliminate the relative tax advantages of some of our products or affect the value of our deferred tax assets;
- availability and effectiveness of reinsurance arrangements, as well as any defaults or failure of reinsurers to perform;
- the performance of third party service providers and potential difficulties arising from outsourcing arrangements;
- the growth rate of sales, collected premiums, annuity deposits and assets;
- interruption in telecommunication, information technology or other operational systems or failure to maintain the security, confidentiality or privacy of sensitive data on such systems;
- events of terrorism, cyber-attacks, natural disasters or other catastrophic events, including losses from a disease pandemic;

- ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks;
- completion of this offering and the Concurrent Transactions (as defined herein); and
- the risk factors or uncertainties listed from time to time in our filings with the SEC.

Other factors and assumptions not identified above are also relevant to the forward-looking statements, and if they prove incorrect, could also cause actual results to differ materially from those projected.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by the foregoing cautionary statement. Our forward-looking statements speak only as of the date made. We assume no obligation to update or to publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

The reporting of risk-based capital (“RBC”) measures is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.

S-vii

TABLE OF CONTENTS

SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and therefore is not complete and does not contain all the information that you should consider before investing in the Notes. You should read this entire document carefully, including the information under the heading “Risk Factors” and the other information included in, or incorporated by reference into, this prospectus supplement, including our financial statements and related notes, before making an investment decision. See “Incorporation of Certain Information by Reference.”

CNO Financial Group

CNO is a holding company for a group of insurance companies operating throughout the United States that develop, market and administer health insurance, annuity, individual life insurance and other insurance products.

We focus on serving middle-income pre-retiree and retired Americans, which we believe are attractive, underserved, high growth markets. We sell our products through three distribution channels: career agents, independent producers (some of whom sell one or more of our product lines exclusively) and direct marketing. Our subsidiaries generate strong free cash flow and we benefit from recurring revenues. As of March 31, 2015, we had over 3 million insurance policies in force and a \$25.5 billion investment portfolio, which provide recurring premiums and investment income, respectively. CNO is a publicly listed company (NYSE: CNO) and had a market capitalization of \$3.4 billion as of March 31, 2015.

For the twelve months ended March 31, 2015, we had \$4.0 billion of revenues, \$277.1 million of net operating income, \$369.1 million of statutory net gains from operations before net realized capital gains and \$332.2 million of net income and \$471.7 million of EBIT. See “— Summary Historical Consolidated Financial and Operating Data” for the calculation of data for the twelve months ended March 31, 2015 and a reconciliation of net operating income and EBIT to net income. At March 31, 2015, we had a debt to total capital ratio (excluding accumulated other comprehensive income) of 16.9%. On an as adjusted basis to give effect to this offering and the Concurrent Transactions, our debt to total capital ratio (excluding accumulated other comprehensive income) at March 31, 2015 would have been approximately 19.2%.

Segments

Our three insurance segments include Bankers Life, Washington National and Colonial Penn. The following chart sets forth the percentages of our premiums collected during the twelve months ended March 31, 2015 by segment:

Premiums Collected By Segment(1)

(1)

Represents premiums collected in cash during the period. Premiums collected are generally recognized in revenue over the period covered by the policy, except for premiums collected on universal life and investment contracts which are considered deposits and are not included in revenue. Excludes \$35.0 million of premiums collected related to the business of CLIC prior to it being sold on July 1, 2014.

TABLE OF CONTENTS

Our three insurance segments are described below:

- Bankers Life (65% of our revenues for the twelve months ended March 31, 2015) markets and distributes Medicare supplement insurance, interest-sensitive life insurance, traditional life insurance, fixed annuities and long-term care insurance products to the middle-income senior market through a dedicated field force of career agents and sales managers supported by a network of community-based sales offices. The Bankers Life segment includes primarily the business of Bankers Life and Casualty Company. Bankers Life also has various distribution and marketing agreements with other insurance companies to use Bankers Life's career agents to distribute Medicare Advantage and Medicare Part D prescription drug plan products in exchange for a fee. At March 31, 2015, Bankers Life had approximately 5,000 producing agents, up 7% from December 31, 2012.
- Washington National (22% of our revenues for the twelve months ended March 31, 2015) markets and distributes supplemental health (including specified disease, accident and hospital indemnity insurance products) and life insurance to middle-income consumers at home and at the worksite. These products are marketed through Performance Matters Associates of Texas, Inc. ("PMA"), a wholly owned subsidiary of CNO, and through independent marketing organizations and insurance agencies including worksite marketing. The products being marketed are underwritten by Washington National Insurance Company. This segment's business also includes certain closed blocks of annuities and Medicare supplement policies which are no longer being actively marketed by this segment and were primarily issued or acquired by Washington National Insurance Company. At March 31, 2015, PMA had approximately 800 producing agents, up 20% from December 31, 2012.
- Colonial Penn (7% of our revenues for the twelve months ended March 31, 2015) markets primarily graded benefit and simplified issue life insurance directly to customers in the middle-income senior market through television advertising, direct mail, the internet and telemarketing. The Colonial Penn segment includes primarily the business of Colonial Penn Life Insurance Company.

Products and Services

Our primary products include various health insurance, annuity and life insurance products. The following chart sets forth the percentages of our premiums collected during the twelve months ended March 31, 2015 by product:

Premiums Collected by Product(1)

(1)
Excludes \$35.0 million of premiums collected related to the business of CLIC prior to it being sold on July 1, 2014.

TABLE OF CONTENTS

Our health insurance products are primarily comprised of:

- Medicare supplement policies: Medicare supplement policies provide coverage for various hospital and medical expenses that are not covered under the federal Medicare program, such as deductibles, coinsurance costs and specified losses which exceed the federal program's maximum benefits. We primarily markets the policies with a focus on individuals who have recently become eligible for Medicare by reaching the age of 65.
- Long-term care policies: Long-term care products provide coverage, within prescribed limits, for nursing homes, home healthcare, or a combination of both.
- Supplemental health products: Supplemental health products primarily provide fixed or limited health benefits related to specified disease, accident and hospital indemnity insurance products.

Our annuity products are primarily comprised of:

- Fixed index annuities: The account value of these annuities is credited in an amount that is based on changes in a particular index during a specified period of time. These products have guaranteed minimum cash surrender values, regardless of actual index performance and the resulting index-based interest credit applied.
- Other fixed interest annuities: Other fixed interest annuities products include fixed rate single-premium fixed interest annuities ("SPDAs"), flexible premium fixed interest annuities and single-premium immediate annuities.

Our life insurance products are primarily comprised of:

- Interest-sensitive life products: Interest-sensitive life products include universal life and other interest-sensitive life products that provide life insurance with adjustable rates of return related to current interest rates.
- Traditional Life Products: We offer traditional life insurance products, including whole life, graded benefit life, term life and single premium whole life products.

Competitive Strengths

We believe our competitive strengths have enabled and will continue to enable us to capitalize on the opportunities in our target markets. These strengths include the following:

Attractive Market Position in Growing and Underserved Middle-Income Senior Market

Our Bankers Life segment is one of the leading national providers of life and health insurance products focused primarily on the middle-income senior market. We believe that the middle-income senior market segment of the insurance industry is underserved relative to other insurance markets, and our presence in this market provides certain competitive advantages. We are a scale provider in this market segment, as demonstrated by the most recently published report on Medicare supplement insurance by the National Association of Insurance Commissioners (the "NAIC"), in which CNO's insurance subsidiaries, as a group, ranked fifth in direct premiums earned from Medicare supplement insurance in 2014.

Based on figures from the U.S. Census Bureau released in 2015, current demographic trends indicate that the senior market will continue to grow (the percentage of the U.S. population aged 65 and older is projected to increase by 60% between 2014 and 2030), and we believe our focus on seniors will provide us with a significant opportunity to increase our share of this market, as we believe we are one of only a few companies currently focused on addressing the savings and protection needs of this demographic group.

Alignment of Business Model with Target Market

We effectively align our business model with our target market. Our middle-income senior target market has basic insurance needs, which require a trained distribution force to deliver these products. We have expertise across the middle-income market products of this target market and have access to

S-3

TABLE OF CONTENTS