

SECURITIES AND EXCHANGE COMMISSION

FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: **2005-05-02**
SEC Accession No. **0001047469-05-012808**

(HTML Version on secdatabase.com)

FILER

MANN HORACE LIFE INSURANCE CO SEPARATE ACCOUNT

CIK: **110698** | IRS No.: **370726637** | State of Incorporation: **IL** | Fiscal Year End: **1231**
Type: **485BPOS** | Act: **33** | File No.: **002-24256** | Film No.: **05791985**

Mailing Address
*PO BOX 4657
SPRINGFIELD IL 62708-4657*

Business Address
*#1 HORACE MANN PLZ
SPRINGFIELD IL 62715-0001
2177892500*

MANN HORACE LIFE INSURANCE CO SEPARATE ACCOUNT

CIK: **110698** | IRS No.: **370726637** | State of Incorporation: **IL** | Fiscal Year End: **1231**
Type: **485BPOS** | Act: **40** | File No.: **811-01343** | Film No.: **05791986**

Mailing Address
*PO BOX 4657
SPRINGFIELD IL 62708-4657*

Business Address
*#1 HORACE MANN PLZ
SPRINGFIELD IL 62715-0001
2177892500*

File Nos. 2-24256
811-1343

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Post-Effective Amendment No. 80

and
REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT

(Exact Name of Registrant)

Horace Mann Life Insurance Company

(Name of Depositor)

One Horace Mann Plaza, Springfield, Illinois 62715

(Address of Depositor's Principal Executive Offices)

(217) 789-2500

(Depositor's Telephone Number)

Ann M. Caparros
One Horace Mann Plaza
Springfield, Illinois 62715

(Name and Address of Agent for Service)

Copies of Communications to:

Cathy G. O'Kelly
Vedder, Price, Kaufman & Kammholz, P.C.
222 North LaSalle Street
Chicago, Illinois 60601-1003

It is proposed that this filing will become effective:

Immediately upon filing pursuant to paragraph (b) of Rule 485

On May 2, 2005 pursuant to paragraph (b) of Rule 485

60 days after filing pursuant to paragraph (a)(1) of Rule 485

On (date) pursuant to paragraph (a)(1) of Rule 485

If appropriate, check the following box:

this post-effective amendment designates a new effective date for a previously filed post-effective amendment.

SUPPLEMENT TO PROSPECTUS DATED MAY 2, 2005

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
FOR CONTRACTS ISSUED ON FORMS 66-3A AND 66-4A

The variable annuity Contracts issued by Horace Mann Life Insurance Company on Forms 66-3A and 66-4A are no longer offered or sold by Horace Mann Life Insurance Company. These earlier Contracts remain in effect but differ from the Contracts described in the Prospectus in the following material respects. Please refer to the Contracts on Forms 66-3A and 66-4A for a complete description of their provisions.

1. In lieu of the Surrender Charge, 6% of each Purchase Payment (gross

stipulated payment) plus \$.50, without any yearly limitation, is deducted for sales and administrative expenses and death benefit charges. It is estimated that of the 6% deduction, 4% is for sales expenses and 2% for the death benefit risk. The additional \$.50 deduction is for administrative expenses. All Purchase Payments, net of applicable deductions, including premium taxes if applicable, are invested by the Account in shares of Wilshire VIT Equity Fund - Horace Mann Shares. There is no annual maintenance fee or transfer charge.

2. In lieu of the Mortality and Expense Risk Fee ("M&E Fee") described in the Prospectus, a fee is deducted from all distributions paid by the Wilshire VIT Equity Fund - Horace Mann Shares to the Account or, if the fee is accrued and unpaid, from the value of a Participant's individual account upon withdrawal or transfer from the Account. This fee is computed weekly at the rate of .0075% of the net assets of the Account (not to exceed .39% on an annual basis). It is estimated that .31% is for mortality risk and .08% is for expense risk.
3. The "present value factor" used in calculating the actuarial liability of the Variable Retirement Annuity Account is computed using the Progressive Annuity Mortality Table with interest at 4%.
4. With respect to the group Contract issued on Form 66-4A, if the Annuitant is no longer in the class of eligible Participants or elects not to continue to participate in the group Contract, the Annuitant may elect, within 31 days after the date of termination, to purchase from Horace Mann Life Insurance Company its individual annuity Contract most nearly similar in benefits and provisions to the group Contract. The individual annuity Contract will be issued at the then attained age of the Annuitant and at the same annual Purchase Payment as the group Contract Certificate, unless otherwise agreed to by Horace Mann Life Insurance Company.

FORM 66-3A AND 66-4A CONTRACTS

Contract Owner Transaction Expenses, (1) as a percentage of Purchase Payments:

Sales Expense Charge	4.00%
Death Benefit Risk Charge	2.00%
Administration Expense Charge	\$.50 per payment plus \$10.00 issuance fee

Separate Account Annual M&E Fee, as a percentage of average account value:

Mortality Risk	0.31%
Expense Risk	0.08%
Total Separate Account Annual M&E Fee	0.39%

Annual Operating Expenses of Wilshire VIT Equity Fund - Horace Mann Shares, (2) as a percentage of average net assets for the December 31, 2004 fiscal year:

Management Fees	0.44%
12b-1 Fee	0.06%
Other Expenses	0.41%
Total Wilshire VIT Equity Fund - Horace Mann Shares Operating Expenses	0.91%

EXAMPLE (3)

If you surrender your Flexible Premium Contract at the end of the applicable time period:

YOU WOULD PAY THE FOLLOWING EXPENSES ON A \$10,000 INVESTMENT;
ASSUMING 5% ANNUAL RETURN ON ASSETS:

1 YR	3 YRS	5 YRS	10 YRS
\$132	\$410	\$710	\$1,562

- (1) Premium taxes, currently ranging between 0 and 3.5%, are not included. The rate varies depending upon state of residence, and not all states impose premium taxes. Also, depending on the state, taxes are taken from Purchase Payments or are levied at annuitization.
- (2) The Operating Expenses of the Wilshire VIT Equity Fund - Horace Mann Shares are borne indirectly by Contract Owners. The Other Expenses for the Wilshire VIT Equity Fund - Horace Mann Shares are shown based on actual amounts for the fiscal year ended December 31, 2004. The subadvisers seek the best price and execution on each transaction and negotiate commission rates solely on the execution requirements of each trade. Occasionally they place, under a directed brokerage arrangement, common stock trades with a broker/dealer who credits to the Wilshire VIT Equity Fund - Horace Mann Shares part of the commissions paid (Commission Credits). The Fund's adviser, Wilshire Associates Incorporated, waived a portion of its advisory fee during 2004.
- (3) The EXAMPLE should not be considered a representation of past or future expenses. Amounts shown are based on the average cash value of the average

number of annuity Contracts in the accumulation phase during the 2004 calendar year. Actual expenses may be greater or less than those shown.

THE PURPOSE OF THE TABLE IS TO ASSIST CONTRACT OWNERS IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT THEY BEAR DIRECTLY OR INDIRECTLY. THE TABLE REFLECTS EXPENSES OF THE SEPARATE ACCOUNT AS WELL AS THOSE OF THE WILSHIRE VIT EQUITY FUND - HORACE MANN SHARES.

The date of this Supplement is May 2, 2005

SUPPLEMENT TO PROSPECTUS DATED MAY 2, 2005

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
FOR CONTRACTS ISSUED ON FORM 66-2A

The variable annuity Contract issued by Horace Mann Life Insurance Company on Form 66-2A is no longer offered or sold by Horace Mann Life Insurance Company. This earlier Contract remains in effect but differs from the Contracts described in the Prospectus in the following material respects. Please refer to the Contract on Form 66-2A for a complete description of its provisions.

1. In lieu of the Surrender Charge, 6% of each Purchase Payment (gross stipulated payment) plus \$.50, without any yearly limitation, is deducted for sales and administrative expenses and death benefit charges.

It is estimated that of the 6% deduction, 4% is for sales expenses and 2% for the death benefit risk. The additional \$.50 deduction is for administrative expenses.

All Purchase Payments, net of applicable deductions including premium taxes if applicable, are invested by the Account in shares of Wilshire VIT Equity Fund - Horace Mann Shares. There is no annual maintenance fee or transfer charge.

2. In lieu of the Mortality and Expense Risk Fee ("M&E Fee") described in the Prospectus, a fee is deducted from distributions paid by the Equity Fund to the Account or, if the fee is accrued and unpaid, from the value of a Contract Owner's individual account upon withdrawal or transfer from the Account. This fee is computed weekly at the rate of .0075% of the net assets of the Account (not to exceed .39% on an annual basis). It is estimated that .31% is for mortality risk and .08% is for expense risk.

FORM 66-2A CONTRACTS

Contract Owner Transaction Expenses, (1) as a percentage of Purchase Payments:

Sales Expense Charge	4.00%
Death Benefit Risk Charge	2.00%
Administration Expense Charge	\$.50 per payment plus \$10.00 issuance fee

Separate Account Annual M&E Fee, as a percentage of average account value:

Mortality Risk	0.31%
Expense Risk	0.08%
Total Separate Account Annual M&E Fee	0.39%

Annual Operating Expenses of Wilshire VIT Equity Fund - Horace Mann Shares, (2) as a percentage of average net assets for the December 31, 2004 fiscal year:

Management Fees	0.44%
12b-1 Fee	0.06%
Other Expenses	0.41%
Total Wilshire VIT Equity Fund - Horace Mann Shares Operating Expenses	0.91%

EXAMPLE (3)

If you surrender your Flexible Premium Contract at the end of the applicable time period:

YOU WOULD PAY THE FOLLOWING EXPENSES ON A \$10,000 INVESTMENT;
ASSUMING 5% ANNUAL RETURN ON ASSETS:

1 YR	3 YRS	5 YRS	10 YRS
\$132	\$410	\$710	\$1,562

- (1) Premium taxes, currently ranging between 0 and 3.5%, are not included. The rate varies depending upon state of residence, and not all states impose premium taxes. Also, depending on the state, taxes are taken from Purchase Payments or are levied at annuitization.

- (2) The Operating Expenses of the Wilshire VIT Equity Fund - Horace Mann Shares are borne indirectly by Contract Owners. The Other Expenses for the

Wilshire VIT Equity Fund - Horace Mann Shares are shown based on actual amounts for the fiscal year ended December 31, 2004. The subadvisers seek the best price and execution on each transaction and negotiate commission rates solely on the execution requirements of each trade. Occasionally they place, under a directed brokerage arrangement, common stock trades with a broker/dealer who credits to the Wilshire VIT Equity Fund - Horace Mann Shares part of the commissions paid (Commission Credits). The Fund's adviser, Wilshire Associates Incorporated, waived a portion of its advisory fee during 2004.

- (3) The EXAMPLE should not be considered a representation of past or future expenses. Amounts shown are based on the average cash value of the average number of annuity Contracts in the accumulation phase during the 2004 calendar year. Actual expenses may be greater or less than those shown.

THE PURPOSE OF THE TABLE IS TO ASSIST CONTRACT OWNERS IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT THEY BEAR DIRECTLY OR INDIRECTLY. THE TABLE REFLECTS EXPENSES OF THE SEPARATE ACCOUNT AS WELL AS THOSE OF THE WILSHIRE VIT EQUITY FUND - HORACE MANN SHARES.

The date of this Supplement is May 2, 2005.

SUPPLEMENT TO PROSPECTUS DATED MAY 2, 2005

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
FOR CONTRACTS ISSUED ON FORM 527-GC

The group variable annuity Contract issued by Horace Mann Life Insurance Company on Form 527-GC is no longer offered or sold by Horace Mann Life Insurance Company. This earlier Contract remains in effect but differs from the Contracts described in the Prospectus in the following material respects. Please refer to the Contract on Form 527-GC for a complete description of its provisions.

1. The Contract may be terminated or discontinued by the Group Contract Owner upon written notice to Horace Mann Life Insurance Company. The written notice must specify the date for termination which may not be earlier than 30 days following the date such notice is received by Horace Mann Life Insurance Company. The Contract may be discontinued by Horace Mann Life Insurance Company upon 90 days' written notice to the Group Contract Owner.
2. If the Contract is terminated or the Annuitant ceases to be in the class of eligible Annuitants, the Annuitant may elect within 90 days thereafter to purchase from Horace Mann Life Insurance Company the individual annuity Contract most similar in benefits and provisions to those of the Annuitant's Certificate.
3. At the end of each fiscal year, Horace Mann Life Insurance Company may, in its discretion, determine an experience credit to be equitably applied based on the mortality experience and administration costs of the Contract.
4. The Contract's minimum Purchase Payment is \$10. Minimum annual Purchase Payments that may be allocated to the Account are \$200. In lieu of the Surrender Charge, 5% of each Purchase Payment plus \$.50 is deducted for sales and administrative expenses and death benefit charges. The \$.50 charge may not exceed \$6.00 in any Contract Year. If Purchase Payments are allocated to both the Fixed Accumulation Account and the Separate Account, the per payment fee is \$.75, not to exceed \$9.00 in any Contract Year. It is estimated that of the 5% deduction, 3.2% is for sales expenses, 0.2% is for the death benefit risk and 1.6% is for administrative expenses. Premium taxes payable, if applicable, are deducted from each payment. All Purchase Payments net of applicable deductions, are invested by the Account in shares of the Wilshire VIT Equity Fund - Horace Mann Shares. There is no annual maintenance charge or transfer charge.
5. In lieu of the Mortality and Expense Risk Fee ("M&E Fee") described in the Prospectus, a fee for mortality and expense risk, computed weekly at the rate of .005575% of the net assets of the Account (not to exceed .29% on an annual basis), will be deducted from dividends and other distributions paid by the Wilshire VIT Equity Fund - Horace Mann Shares to the Account or to the extent such distributions are accrued and unpaid, from the value of a Participant's account upon withdrawal or transfer of the Participant's interest out of the Account. It is estimated that .24% is for mortality risk and .05% is for expense risk.
6. The "present value factor" used in calculating the actuarial liability of the Variable Retirement Annuity Account is computed using the Progressive Annuity Mortality Table with interest at 3.5%. Consequently, the interest rate used to compute the value of a Variable Retirement Annuity Unit is 3.79% (of which .29% represents the charge for mortality and expense risks).

FORM 527-GC CONTRACTS

Contract Owner Transaction Expenses, (1) as a percentage of Purchase Payments:

Sales Expense Charge	3.20%
Death Benefit Risk Charge	0.20%
Administration Expense Charge	1.60% and \$.50 per payment plus \$20.00 issuance fee

Separate Account Annual M&E Fee, as a percentage of average account value:

Mortality Risk	0.24%
Expense Risk	0.05%
Total Separate Account Annual M&E Fee	0.29%

Annual Operating Expenses of Wilshire VIT Equity Fund - Horace Mann Shares, (2)
as a percentage of average net assets for the December 31, 2004 fiscal year:

Management Fees	0.44%
12b-1 Fee	0.06%
Other Expenses	0.41%
Total Wilshire VIT Equity Fund - Horace Mann Shares Operating Expenses	0.91%

EXAMPLE (3)

If you surrender your Flexible Premium Contract at the end of the applicable time period:

YOU WOULD PAY THE FOLLOWING EXPENSES ON A \$10,000 INVESTMENT;
ASSUMING 5% ANNUAL RETURN ON ASSETS:

1 YR	3 YRS	5 YRS	10 YRS
\$122	\$379	\$657	\$1,449

- (1) Premium taxes, currently ranging between 0 and 3.5%, are not included. The rate varies depending upon state of residence, and not all states impose premium taxes. Also, depending on the state, taxes are taken from Purchase Payments or are levied at annuitization.
- (2) The Operating Expenses of the Wilshire VIT Equity Fund - Horace Mann Shares are borne indirectly by Contract Owners. The Other Expenses for the Wilshire VIT Equity Fund - Horace Mann Shares are shown based on actual amounts for the fiscal year ended December 31, 2003. The subadvisers seek the best price and execution on each transaction and negotiate commission rates solely on the execution requirements of each trade. Occasionally they place, under a directed brokerage arrangement, common stock trades with a broker/dealer who credits to the Wilshire VIT Equity Fund - Horace Mann Shares part of the commissions paid (Commission Credits). The Fund's adviser, Wilshire Associates Incorporated, waived a portion of its advisory fee during 2004.
- (3) The EXAMPLE should not be considered a representation of past or future expenses. Amounts shown are based on the average cash value of the average number of annuity Contracts in the accumulation phase during the 2004 calendar year. Actual expenses may be greater or less than those shown.

THE PURPOSE OF THE TABLE IS TO ASSIST CONTRACT OWNERS IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT THEY BEAR DIRECTLY OR INDIRECTLY. THE TABLE REFLECTS EXPENSES OF THE SEPARATE ACCOUNT AS WELL AS THOSE OF THE Wilshire VIT Equity Fund - Horace Mann Shares FUND.

The date of this Supplement is May 2, 2005.

SUPPLEMENT TO PROSPECTUS DATED MAY 2, 2005
HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
FOR CONTRACTS ISSUED ON FORM 529

The individual variable annuity Contract issued by Horace Mann Life Insurance Company on Form 529 is no longer offered or sold by Horace Mann Life Insurance Company. These earlier Contracts remain in effect but differ from the Contracts described in the Prospectus in the following material respects. Please refer to the Contract on Form 529 for a complete description of its provisions.

1. The Contract's minimum Purchase Payment (gross stipulated payment) is \$10. Minimum annual Purchase Payments that may be allocated to the Account are \$200. In lieu of the Surrender Charge, 5% of each Purchase Payment plus \$.50 is deducted for sales and administrative expenses and death benefit charges. The \$.50 charge may not exceed \$6.00 in any Contract Year. If Purchase Payments are allocated to both the Fixed Accumulation Account and the Separate Account, the per payment fee is \$.75, not to exceed \$9.00 per Contract Year. It is estimated that of the 5% deduction, 3.2% is for sales expenses, 0.2% is for the death benefit risk and 1.6% is for administrative

expenses. Premium taxes payable, if applicable, are deducted from each Purchase Payment. All Purchase Payments, net of applicable deductions, are invested by the Account in shares of the Wilshire VIT Equity Fund - Horace Mann Shares. There is no annual maintenance charge or transfer charge.

2. In lieu of the Mortality and Expense Risk Fee ("M&E Fee") described in the Prospectus, a fee for mortality and expense risk, computed weekly at the rate of .005575% of the net assets of the Account (not to exceed .29% on an annual basis), will be deducted from dividends and other distributions paid by the Wilshire VIT Equity Fund - Horace Mann Shares to the Account, or to the extent such distributions are accrued and unpaid, from the value of a Contract Owner's account upon withdrawal or transfer of the Contract Owner's interest out of the Account. It is estimated that .24% of such charge is for mortality risk and .05% is for expense risk.
3. The "present value factor" used in calculating the actuarial liability of the Variable Retirement Annuity Account is computed using the Progressive Annuity Mortality Table with interest at 3.5%. Consequently, the interest rate used to compute the value of a Variable Retirement Annuity Unit is 3.79% (of which .29% represents the charge for mortality and expense risks).

FORM 529 CONTRACTS

Contract Owner Transaction Expenses, (1) as a percentage of Purchase Payments:

Sales Expense Charge	3.20%
Death Benefit Risk Charge	0.20%
Administration Expense Charge	1.60% and \$.50 per payment plus \$20.00 issuance fee

Separate Account Annual M&E Fee, as a percentage of average account value:

Mortality Risk	0.24%
Expense Risk	0.05%
Total Separate Account Annual M&E Fee	0.29%

Annual Operating Expenses of Wilshire VIT Equity Fund - Horace Mann Shares, (2) as a percentage of average net assets for the December 31, 2004 fiscal year:

Management Fees	0.44%
12b-1 Fee	0.06%
Other Expenses	0.41%
Total Wilshire VIT Equity Fund - Horace Mann Shares Operating Expenses	0.91%

EXAMPLE (3)

If you surrender your Flexible Premium Contract at the end of the applicable time period:

YOU WOULD PAY THE FOLLOWING EXPENSES ON A \$10,000 INVESTMENT;
ASSUMING 5% ANNUAL RETURN ON ASSETS:

1 YR	3 YRS	5 YRS	10 YRS
\$122	\$379	\$657	\$1,449

- (1) Premium taxes, currently ranging between 0 and 3.5%, are not included. The rate varies depending upon state of residence, and not all states impose premium taxes. Also, depending on the state, taxes are taken from Purchase Payments or are levied at annuitization.
- (2) The Operating Expenses of the Wilshire VIT Equity Fund - Horace Mann Shares are borne indirectly by Contract Owners. The Other Expenses for the Wilshire VIT Equity Fund - Horace Mann Shares are shown based on actual amounts for the fiscal year ended December 31, 2004. The subadvisers seek the best price and execution on each transaction and negotiate commission rates solely on the execution requirements of each trade. Occasionally they place, under a directed brokerage arrangement, common stock trades with a broker/dealer who credits to the Wilshire VIT Equity Fund - Horace Mann Shares part of the commissions paid (Commission Credits). The Fund's adviser, Wilshire Associates Incorporated, waived a portion of its advisory fee during 2004.
- (3) The EXAMPLE should not be considered a representation of past or future expenses. Amounts shown are based on the average cash value of the average number of annuity Contracts in the accumulation phase during the 2004 calendar year. Actual expenses may be greater or less than those shown.

THE PURPOSE OF THE TABLE IS TO ASSIST CONTRACT OWNERS IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT THEY BEAR DIRECTLY OR INDIRECTLY. THE TABLE REFLECTS EXPENSES OF THE SEPARATE ACCOUNT AS WELL AS THOSE OF THE WILSHIRE VIT EQUITY FUND - HORACE MANN SHARES.

The date of this Supplement is May 2, 2005.

<Page>

PROSPECTUS

QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACT

VARIABLE SOLUTIONS

HORACE MANN LIFE INSURANCE COMPANY
SEPARATE ACCOUNT

MAY 2, 2005

<Page>

QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACT ISSUED BY HORACE MANN LIFE
INSURANCE COMPANY SEPARATE ACCOUNT
FLEXIBLE PREMIUM CONTRACT FOR INDIVIDUALS

This prospectus offers a Variable, qualified annuity Contract to individuals. The Contract is issued by Horace Mann Life Insurance Company ("HMLIC") as a flexible premium Contract. It is issued in connection with retirement plans or arrangements which may qualify for special tax treatment under the Internal Revenue Code of 1986 as amended ("IRC"). Amounts transferred to the HMLIC Separate Account as directed by a Contract Owner are invested in one or more of the Subaccounts (sometimes referred to as Variable investment options). Each Subaccount purchases shares in a corresponding Underlying Fund. The Underlying Funds are:

Large Company Stock Funds

Large Blend

JPMorgan U.S. Large Cap Core Equity Portfolio
Fidelity VIP Growth & Income Portfolio SC 2
Wilshire 5000 Index Portfolio
Fidelity VIP Index 500 Portfolio SC 2

Large Growth

Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Wilshire Large Company Growth Portfolio

Large Value

Wilshire VIT Equity Fund -- Horace Mann Shares
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
Davis Value Portfolio
Wilshire Large Company Value Portfolio

Mid-Size Company Stock Funds

Mid Blend

Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
Fidelity VIP Mid Cap Portfolio SC 2
Rainier Small/Mid Cap Equity Portfolio

Mid Growth

Delaware VIP Growth Opportunities Series
Lord Abbett Insurance Series Growth/Opportunities
Putnam VT Vista Fund (IB Shares)

Wells Fargo Advantage Discovery Fund

Mid Value

Ariel Appreciation Fund

Wells Fargo Advantage Opportunity Fund

Small Company Stock Funds

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund
T. Rowe Price Small-Cap Stock Fund -- Advisor Class
Neuberger Berman Genesis Fund -- Advisor Class

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
Credit Suisse Small Cap Growth Portfolio
Delaware VIP Trend Series
Wilshire Small Company Growth Portfolio

Small Value

Ariel Fund
Royce Capital Fund Small-Cap Portfolio
T. Rowe Price Small-Cap Value Fund -- Advisor Class
Wilshire Small Company Value Portfolio

International Stock Funds

Wilshire VIT International Equity Fund -- Horace Mann Shares
Fidelity VIP Overseas Portfolio SC 2

Balanced Fund

Wilshire VIT Balanced Fund -- Horace Mann Shares

Bond Funds

This prospectus sets forth the information an investor should know before investing and should be kept for future reference. Additional information about the HMLIC Separate Account has been filed with the Securities and Exchange Commission in a Statement of Additional Information, dated May 2, 2005. The Statement of Additional Information is incorporated by reference and is available upon request, without charge. You may obtain the Statement of Additional Information by writing to Horace Mann Life Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free). The table of contents of the Statement of Additional Information appears on page 28 of this prospectus.

The Securities and Exchange Commission maintains a website (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference, and other information that the HMLIC Separate Account files electronically with the Securities and Exchange Commission.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ANNUITIES OFFERED BY HMLIC ARE NOT INSURED BY THE FDIC OR ANY OTHER GOVERNMENT AGENCY. THEY ARE NOT DEPOSITS OF, OBLIGATIONS OF OR GUARANTEED BY ANY BANK. THEY INVOLVE INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED.

The date of this prospectus is May 2, 2005.

<Page>

TABLE OF CONTENTS

<Table>

<Caption>

	PAGE

<S>	<C>
DEFINITIONS	3
SUMMARY	4
TABLE OF ANNUAL OPERATING EXPENSES	6
CONDENSED FINANCIAL INFORMATION	7
HORACE MANN LIFE INSURANCE COMPANY, THE SEPARATE ACCOUNT AND THE UNDERLYING FUNDS	12
Horace Mann Life Insurance Company	12
The Separate Account	12
The Underlying Funds	12
THE CONTRACT	17
Contract Owners' Rights	17
Purchasing the Contract	17
Premium Payments	18
Amount and Frequency of Premium Payments	18
Allocation of Premium Payments	18
Accumulation Units and Accumulation Unit Value	18
Transactions	19
Transfers	19
Dollar Cost Averaging	19
Rebalancing	19
Changes to Premium Allocations	20
Market Timing	20
Surrender or Withdrawal Before Commencement of Annuity Period	21
Deferment	21
Confirmations	21
Deductions and Expenses	22
Annual Maintenance Fee	22
Mortality and Expense Risk Fee	22
Withdrawal Charges	22
Operating Expenses of the Underlying Funds	22
Premium Taxes	22
Death Benefit Proceeds	22
Annuity Payments	22
Annuity Payment Options	23
Amount of Fixed and Variable Annuity Payments	23
Misstatement of Age or Sex	24
Modification of the Contract	24
TAX CONSEQUENCES	25

Other Considerations	25
Separate Account	25
Contract Owners	25
Contribution Limitations and General Requirements Applicable to Qualified Contracts	25
Taxation of Contract Benefits	26
Additional Taxes	27
VOTING RIGHTS	27
OTHER INFORMATION	28
ADDITIONAL INFORMATION	28
</Table>	

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR SOLICITATION OF AN OFFER TO ACQUIRE, ANY INTEREST OR PARTICIPATION IN THE CONTRACT OFFERED BY THIS PROSPECTUS IN ANY STATE TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH STATE.

2

<Page>

DEFINITIONS

ACCUMULATION UNIT: A unit of measurement used to determine the value of a Contract Owner's interest in a Subaccount before Annuity Payments begin.

ACCUMULATION UNIT VALUE: The value of an Accumulation Unit on any Valuation Date.

ANNUITANT: The natural person whose life determines the Annuity Payments made under this contract.

ANNUITY DATE: The date Annuity Payments begin. The individual Contract offered by this prospectus describes the criteria for determining Annuity Dates.

In addition, Qualified Plans often place certain limitations upon election of an Annuity Date. Generally, distributions under Qualified Plans (except Roth IRAs) must begin by April 1 following the calendar year in which the Contract Owner reaches age 70 1/2. See "Tax Consequences -- Taxation of Contract Benefits."

ANNUITY PAYMENTS: A series of payments that may be for life; for life with a guaranteed number of payments; for the joint lifetimes of the Annuitant and another person, and thereafter, during the lifetime of the survivor; or for some fixed period. A fixed annuity provides a series of payments that will be equal in amount throughout the annuity period. A fixed annuity does not participate in the investment experience of any Subaccount. A Variable annuity provides a series of payments that vary in amount.

ANNUITY PERIOD: The period during which Annuity Payments are made to the Annuitant or the last surviving joint Annuitant, if any.

ANNUITY UNIT: A unit of measurement used in determining the amount of a Variable Annuity Payment during the Annuity Period.

ANNUITY UNIT VALUE: The value of an Annuity Unit on any Valuation Date.

CONTRACT: The individual flexible premium deferred Variable annuity Contract this prospectus offers.

CONTRACT OWNER: The individual or entity to whom the Contract is issued.

CONTRACT YEAR: A year measured from the date a Contract was issued to an individual Contract Owner and each anniversary of this date.

FIXED CASH VALUE: The dollar value of the fixed account under the Contract prior to the time Annuity Payments begin.

MUTUAL FUND(S): Open-end management investment companies. These companies are generally registered under the Investment Company Act of 1940.

NET PREMIUM: The balance of each premium payment received by HMLIC after deducting any applicable premium taxes.

QUALIFIED PLAN: The term "Qualified Plan" in this prospectus will be used to describe the following contracts: IRC Section 403(b) tax sheltered annuity ("403(b) Contract"); IRC Section 408 individual retirement annuity ("IRA"); IRC Section 408A Roth IRA ("Roth IRA"); IRC Section 408(p) simple retirement annuity ("SIMPLE"); IRC Section 408(k) simplified employee pension ("SEP"); IRC Section 457(b) eligible governmental plan annuity ("457(b) Contract"); and IRC 401 qualified annuity.

SEPARATE ACCOUNT: The Horace Mann Life Insurance Company Separate Account, a segregated variable investment account consisting of Subaccounts each of which invests in a corresponding Underlying Fund. The Separate Account was established by HMLIC under Illinois law and is registered as a unit investment trust under

the Investment Company Act of 1940.

SUBACCOUNT: A division of the Separate Account which invests in shares of the corresponding Underlying Fund.

TOTAL ACCUMULATION VALUE: The sum of the Fixed Cash Value and the Variable Cash Value prior to the time Annuity Payments begin.

UNDERLYING FUNDS: All Mutual Funds listed in this document that are available for investment by the Separate Account.

VALUATION DATE: Any day on which the New York Stock Exchange ("NYSE") is open for trading. The Valuation Date ends at 3:00 p.m. Central time or the close of the NYSE if earlier.

VALUATION PERIOD: The period from the end of a Valuation Date to the end of the next Valuation Date, excluding the day the period begins and including the day it ends.

VARIABLE: The values vary based on the investment performance of the Subaccount(s) selected.

VARIABLE CASH VALUE: The dollar value of the Separate Account investment options under the Contract prior to the time Annuity Payments begin.

WITHDRAWAL CHARGE: (a contingent deferred sales charge) An amount kept by HMLIC if a withdrawal is made, if the Contract is surrendered or upon certain annuitizations. The charge is intended to compensate HMLIC for the cost of selling the Contract.

3

<Page>

SUMMARY

This summary is intended to provide a brief overview of the more significant aspects of the Contract. Further information can be found elsewhere in this prospectus, in the Separate Account Statement of Additional Information and in the Contract. This prospectus is intended to serve as a disclosure document for the Variable portion of the Contract only. For information regarding the fixed portion, refer to the Contract.

Detailed information about the Underlying Funds is contained in each Underlying Fund's prospectus and in each Underlying Fund Statement of Additional Information.

The expenses for the Underlying Funds, including advisory and management fees, are found in each Underlying Fund's prospectus.

WHAT IS THE "SEPARATE ACCOUNT?"

The Separate Account segregates assets dedicated to the Variable portion of the Contract offered herein. The Separate Account is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as a unit investment trust. The Separate Account consists of Subaccounts, each investing in shares of a corresponding Underlying Fund.

WHO MAY PURCHASE THE CONTRACT OFFERED BY THIS PROSPECTUS?

Individuals may purchase the Variable flexible premium annuity. The Contract offered by this prospectus is a Qualified Plan.

The Contract is offered and sold by HMLIC through its licensed life insurance sales personnel. These insurance sales personnel are registered representatives of Horace Mann Investors, Inc. ("HM Investors"). In addition, the Contract may be offered and sold through independent agents and other broker-dealers. HM Investors is a broker-dealer registered under the Securities and Exchange Act of 1934. HMLIC has entered into a distribution agreement with HM Investors. HM Investors is a member of the NASD.

WHAT ARE MY INVESTMENT CHOICES?

You may have money allocated to or invested in up to 24 Subaccounts and/or the fixed account at any one time.

(a) SEPARATE ACCOUNT

Includes Subaccounts each of which invests in one of the following Underlying Funds:

LARGE COMPANY STOCK FUNDS

Large Blend

JPMorgan U.S. Large Cap Core Equity Portfolio

Fidelity VIP Growth & Income Portfolio SC 2

Wilshire 5000 Index Portfolio

Fidelity VIP Index 500 Portfolio SC 2
Large Growth
Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Wilshire Large Company Growth Portfolio

Large Value

Wilshire VIT Equity Fund -- Horace Mann Shares
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
Davis Value Portfolio
Wilshire Large Company Value Portfolio

MID-SIZE COMPANY STOCK FUNDS

Mid Blend

Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
Fidelity VIP Mid Cap Portfolio SC 2
Rainier Small/Mid Cap Equity Portfolio

Mid Growth

Delaware VIP Growth Opportunities Series
Lord Abbett Insurance Series Growth/Opportunities
Putnam VT Vista Fund (IB Shares)

Wells Fargo Advantage Discovery Fund

Mid Value

Ariel Appreciation Fund(1)

Wells Fargo Advantage Opportunity Fund

SMALL COMPANY STOCK FUNDS

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund
T. Rowe Price Small-Cap Stock Fund -- Advisor Class(2)
Neuberger Berman Genesis Fund -- Advisor Class

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
Credit Suisse Small Cap Growth Portfolio(2)
Delaware VIP Trend Series
Wilshire Small Company Growth Portfolio

Small Value

Ariel Fund(1)
Royce Capital Fund Small-Cap Portfolio
T. Rowe Price Small-Cap Value Fund -- Advisor Class(2)
Wilshire Small Company Value Portfolio

INTERNATIONAL STOCK FUNDS

Wilshire VIT International Equity Fund -- Horace Mann Shares
Fidelity VIP Overseas Portfolio SC 2

BALANCED FUND

Wilshire VIT Balanced Fund -- Horace Mann Shares

4

<Page>

BOND FUNDS

Wilshire VIT Income Fund -- Horace Mann
Shares Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares
Fidelity VIP High Income Portfolio SC 2
Fidelity VIP Investment Grade Bond Portfolio SC 2

(1) These Funds are not available as an investment option for a 457(b) Contract.

(2) On and after June 1, 2004, new Contracts may not have allocations to these Subaccounts, and existing Contracts may not begin or increase allocations to these Subaccounts or START ANY NEW TRANSFERS OF MONEY to these Subaccounts.

(b) FIXED ACCOUNT (SEE THE CONTRACT)

WHEN CAN I TRANSFER BETWEEN ACCOUNTS?

At any time before the Contract's Annuity Date, amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract. For complete details see "The Contract -- Transactions -- Transfers."

MAY I WITHDRAW ALL OR PART OF THE CONTRACT VALUE BEFORE THE ANNUITY DATE?

Unless restricted by the Internal Revenue Code of 1986 as amended ("IRC"), a Contract Owner may at any time before the Annuity Date surrender his or her Contract in whole or withdraw in part for cash. Each surrender or partial withdrawal from the Variable Cash Value is processed on the basis of the value of an Accumulation Unit of the Subaccount(s) from which the value is being surrendered or withdrawn. Surrenders and withdrawals may be subject to Withdrawal Charges as described in "Deductions and Expenses -- Withdrawal Charges." For information specific to a withdrawal of the Fixed Cash Value, see your Contract.

WHAT ARE THE CHARGES OR DEDUCTIONS?

The Contract may be subject to deductions for applicable state or local government premium taxes. Premium taxes presently range from 0% to 3.5%.

A mortality and expense risk fee (M&E Fee) is deducted from the Separate Account. This fee is computed on a daily basis and will not exceed an annual rate of 1.25% of the daily net assets of the Separate Account.

A fixed annual maintenance fee that may not exceed \$25 is assessed against the Contract on each anniversary, unless the Contract value equals or exceeds \$10,000, in which case such charge is waived.

No deduction for sales expense is charged on premium payments, but a decreasing Withdrawal Charge is assessed against surrenders, withdrawals and certain annuitizations. The charge is deducted from the Contract Owner's value in the Subaccount(s) from which the withdrawal is made. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

WHAT ARE THE FEDERAL INCOME TAX CONSEQUENCES OF INVESTING IN THIS CONTRACT?

The IRC provides penalties for premature distributions under various retirement plans. Values may not be withdrawn from Section 403(b) or Section 457(b) Contracts except under certain circumstances. See "Tax Consequences." This Contract may not be suitable for short-term investment. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

IF I RECEIVE MY CONTRACT AND AM DISSATISFIED, MAY I RETURN IT?

Subject to various state insurance laws, the Contract Owner may return the Contract to HMLIC within 30 days of receipt of the Contract. HMLIC will refund the greater of the premium contributions or the market value of the assets purchased by payments paid to the Separate Account as of the date the request was received less any taxes, if applicable.

WHEN CAN I BEGIN RECEIVING ANNUITY PAYMENTS, AND WHAT OPTIONS ARE AVAILABLE?

Payments will begin on the Annuity Date set by the terms of your Contract. Variable Annuity Payments are only made in monthly installments. Various Annuity Payment options are available under the Contract.

Annuity Payments may be fixed or Variable or a combination of fixed and Variable payments. The following options are available for receiving Annuity Payments:

Life Annuity with payments guaranteed for periods of 0, 10, 15 or 20 years, Joint and Survivor Annuity and Payments for a Specified Period.

<Page>

TABLE OF ANNUAL OPERATING EXPENSES

The following tables describe the maximum fees and expenses that you may pay when buying, owning and surrendering the Contract. The first table describes the fees and expenses that you will pay at the time that you buy the Contract, surrender the Contract or transfer cash value between investment options. State premium taxes may also be deducted.

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
CONTRACT OWNER TRANSACTION EXPENSES: (1)

<Table>	
<S>	<C>
Surrender Fees (as a percentage of amount surrendered, if applicable)	9%
</Table>	

(1) Premium taxes, currently ranging between 0% and 3.5%, are not included. The rate of the premium tax varies depending upon the state of residence, and not all states impose premium taxes. Taxes are deducted at the time of

purchase.

We guarantee that the aggregate surrender fee charged will never exceed 9% of your total purchase payments.

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including Underlying Fund fees and expenses.

<Table>	
<S>	
Annual Contract Fee(1)	\$ 25
Separate Account Annual Expenses	
(as a percentage of average account value)	
Mortality and Expense Risk Fees	1.25%
Account Fees and Expenses	0%
Total Separate Account Annual Expenses	1.25%
</Table>	

(1) The annual contract fee is waived if the Contract value equals or exceeds \$10,000.

The next item shows the minimum and maximum total operating expenses charged by the Underlying Funds that you may pay periodically during the time that you own the Contract. More detail concerning each Underlying Fund's fees and expenses is contained in the prospectus for each Underlying Fund.

<Table>			
<Caption>			
TOTAL ANNUAL UNDERLYING FUND OPERATING EXPENSES		MINIMUM	MAXIMUM
-----		-----	-----
<S>			
(expenses that are deducted from Underlying Fund assets, including management fees, distribution and/or service (12b-1) fees and other expenses)		<C>	<C>
		0.35%	1.86%
</Table>			

EXAMPLE

This Example is intended to help you compare the cost of investing in the Contract with the cost of investing in other Variable annuity contracts. These costs include Contract Owner transaction expenses, Contract fees, Separate Account annual expenses and Underlying Fund fees and expenses.

The Example assumes that you invest \$10,000 in the Contract for the time periods indicated. The Example also assumes that your investment has a 5% return each year and assumes the maximum fees and expenses of any of the Underlying Funds as of December 31, 2004. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

If you surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
	<S>	<C>	<C>	<C>
	\$ 1,253	\$ 1,711	\$ 2,178	\$ 3,381
</Table>				

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
	<S>	<C>	<C>	<C>
	\$ 336	\$ 975	\$ 1,634	\$ 3,381
</Table>				

<Page>

The following information is taken from the Separate Account financial statements. The financial statements and reports are contained in the Annual Report for the Separate Account and are incorporated herein by reference and may be obtained by calling or writing HMLIC. The Wilshire VIT Equity Fund -- Horace Mann Shares commenced operations on May 21, 1957. The Wilshire VIT Balanced Fund -- Horace Mann Shares, Income Fund and the Short-Term Investment Fund each commenced operations on January 1, 1983. The Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares, Wilshire VIT International Equity Fund -- Horace Mann Shares and Wilshire VIT Socially Responsible Fund -- Horace Mann Shares each commenced operations on March 10, 1997. The Wilshire 5000 Index Portfolio and the Wilshire Large Company Growth Portfolio were added to the Separate Account on May 1, 2000. The Ariel Fund and the Ariel Appreciation Fund were added to the Separate Account on May 1, 2001. The Delaware VIP Growth Opportunities Series, Royce Capital Fund Small-Cap Portfolio, Lord Abbett Insurance Series Growth/Opportunities, Goldman Sachs VIT Core Small Cap Equity Fund, Delaware VIP Trend Series and Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares were added to the Separate Account on June 1, 2004. All other Underlying Funds not specified above were added to the Separate Account on August 9, 2000.

<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
<S>	<C>	<C>	<C>	<C>
JPMORGAN U.S. LARGE CAP CORE EQUITY PORTFOLIO	12/31/04	\$ 12.22	\$ 13.22	1,143,649
	12/31/03	9.65	12.22	915,270
	12/31/02	12.97	9.65	690,067
	12/31/01	14.90	12.97	431,258
	12/31/00	17.33*	14.90	123,796
FIDELITY VIP GROWTH & INCOME PORTFOLIO SC 2	12/31/04	\$ 13.69	\$ 14.27	757,537
	12/31/03	11.23	13.69	535,029
	12/31/02	13.67	11.23	357,213
	12/31/01	15.20	13.67	230,640
	12/31/00	16.03*	15.20	53,980
WILSHIRE 5000 INDEX PORTFOLIO -- INVESTMENT CLASS	12/31/04	\$ 9.05	\$ 9.94	787,993
	12/31/03	7.07	9.05	541,013
	12/31/02	9.08	7.07	365,881
	12/31/01	10.38	9.08	213,861
	12/31/00	12.23*	10.38	40,024
FIDELITY VIP INDEX 500 PORTFOLIO SC 2	12/31/04	\$ 124.84	\$ 136.05	277,917
	12/31/03	98.66	124.84	211,435
	12/31/02	128.86	98.66	151,544
	12/31/01	148.95	128.86	93,943
	12/31/00	171.04*	148.95	32,999
FIDELITY VIP GROWTH PORTFOLIO SC 2	12/31/04	\$ 31.79	\$ 32.38	974,205
	12/31/03	24.28	31.79	771,644
	12/31/02	35.28	24.28	595,943
	12/31/01	43.48	35.28	404,152
	12/31/00	53.82*	43.48	161,937
ALLIANCEBERNSTEIN LARGE CAP GROWTH PORTFOLIO	12/31/04	\$ 21.59	\$ 23.11	818,599
	12/31/03	17.71	21.59	676,885
	12/31/02	25.94	17.71	522,390
	12/31/01	31.81	25.94	357,364
	12/31/00	41.57*	31.81	130,232
WILSHIRE LARGE COMPANY GROWTH PORTFOLIO -- INVESTMENT CLASS	12/31/04	\$ 29.13	\$ 30.72	324,321
	12/31/03	23.32	29.13	228,018
	12/31/02	30.18	23.32	160,285
	12/31/01	36.63	30.18	99,528
	12/31/00	46.36*	36.63	16,962

</Table>

7

<Page>

<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
------------	------------	---	---------------------------------------	--

<S>	<C>	<C>	<C>	<C>
WILSHIRE VIT EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$ 19.76	\$ 21.51	14,024,912
	12/31/03	15.68	19.76	15,075,890
	12/31/02	19.70	15.68	15,849,770
	12/31/01	20.82	19.70	17,361,722
	12/31/00	22.10	20.82	18,713,068
	12/31/99	22.97	22.10	23,693,305
	12/31/98	21.62	22.97	24,141,182
	12/31/97	17.74	21.62	21,736,131
	12/31/96	14.33	17.74	18,086,814
	12/31/95	10.88	14.33	14,363,155
	12/31/94	11.03	10.88	12,072,982
WILSHIRE VIT SOCIALLY RESPONSIBLE FUND -- HORACE MANN SHARES	12/31/04	\$ 14.85	\$ 16.61	4,612,921
	12/31/03	11.70	14.85	4,740,058
	12/31/02	13.70	11.70	4,803,270
	12/31/01	14.96	13.70	4,970,814
	12/31/00	13.92	14.96	4,767,452
	12/31/99	13.00	13.92	3,893,389
	12/31/98	12.00	13.00	2,430,089
	12/31/97	9.85	12.00	698,226
DAVIS VALUE PORTFOLIO	12/31/04	\$ 10.40	\$ 11.54	612,231
	12/31/03	8.11	10.40	486,125
	12/31/02	9.80	8.11	384,920
	12/31/01	11.08	9.80	333,527
	12/31/00	11.58*	11.08	134,363
WILSHIRE LARGE COMPANY VALUE PORTFOLIO	12/31/04	\$ 21.61	\$ 24.19	729,103
	12/31/03	17.02	21.61	611,659
	12/31/02	20.83	17.02	472,191
	12/31/01	21.34	20.83	266,320
	12/31/00	19.91*	21.34	23,435
DREYFUS INVESTMENT PORTFOLIO: MID CAP STOCK FUND -- SERVICE SHARES	12/31/04	\$ 15.91*	\$ 17.90	9,576
FIDELITY VIP MID CAP PORTFOLIO SC 2	12/31/04	\$ 23.43	\$ 28.85	954,231
	12/31/03	17.16	23.43	798,274
	12/31/02	19.31	17.16	674,016
	12/31/01	20.25	19.31	551,984
	12/31/00	20.11*	20.25	231,555
RAINIER SMALL/MID CAP EQUITY PORTFOLIO	12/31/04	\$ 30.15	\$ 34.96	303,239
	12/31/03	20.87	30.15	247,172
	12/31/02	26.42	20.87	194,166
	12/31/01	27.84	26.42	135,479
	12/31/00	30.39*	27.84	51,884
DELAWARE VIP GROWTH OPPORTUNITIES SERIES	12/31/04	\$ 14.24*	\$ 15.70	11,064
LORD ABBETT INSURANCE SERIES GROWTH/OPPORTUNITIES	12/31/04	\$ 12.00*	\$ 13.21	22,415

8

<Page>

<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
<S>	<C>	<C>	<C>	<C>
PUTNAM VT VISTA FUND (IB SHARES)	12/31/04	\$ 11.56	\$ 13.54	447,976
	12/31/03	8.79	11.56	431,300
	12/31/02	12.82	8.79	375,227
	12/31/01	19.52	12.82	326,406
	12/31/00	25.13*	19.52	146,933
WELLS FARGO ADVANTAGE DISCOVERY FUND	12/31/04	\$ 14.40	\$ 16.95	479,241
	12/31/03	10.86	14.40	443,966
	12/31/02	17.61	10.86	371,269
	12/31/01	25.76	17.61	279,260
	12/31/00	35.99*	25.76	131,868
ARIEL APPRECIATION FUND	12/31/04	\$ 42.98	\$ 48.02	798,279
	12/31/03	33.22	42.98	612,277
	12/31/02	37.51	33.22	411,440
	12/31/01	31.01*	37.51	115,976

WELLS FARGO ADVANTAGE OPPORTUNITY FUND	12/31/04	\$	25.67	\$	29.98	317,641
	12/31/03		18.96		25.67	298,172
	12/31/02		26.24		18.96	254,365
	12/31/01		27.60		26.24	169,801
	12/31/00		28.55*		27.60	47,165
GOLDMAN SACHS BIT CORE SMALL CAP EQUITY FUND	12/31/04	\$	12.99*	\$	15.00	17,423
T. ROWE PRICE SMALL-CAP STOCK FUND -- ADVISOR CLASS	12/31/04	\$	30.79	\$	36.03	401,917
	12/31/03		23.60		30.79	349,073
	12/31/02		27.92		23.60	280,393
	12/31/01		26.52		27.92	172,268
	12/31/00		26.99*		26.52	47,164
NEUBERGER BERMAN GENESIS FUND -- ADVISOR CLASS	12/31/04	\$	23.74	\$	27.77	642,198
	12/31/03		18.30		23.74	513,797
	12/31/02		19.14		18.30	409,931
	12/31/01		17.35		19.14	228,309
	12/31/00		15.84*		17.35	14,507
WILSHIRE VIT SMALL CAP GROWTH FUND -- HORACE MANN SHARES	12/31/04	\$	11.52	\$	11.88	4,302,146
	12/31/03		7.33		11.52	4,507,783
	12/31/02		12.16		7.33	4,361,425
	12/31/01		17.54		12.16	4,399,005
	12/31/00		19.92		17.54	4,284,826
	12/31/99		11.61		19.92	2,619,220
	12/31/98		11.10		11.61	2,103,641
	12/31/97		9.59		11.10	1,284,537
	CREDIT SUISSE SMALL CAP GROWTH PORTFOLIO	12/31/04	\$	17.03	\$	18.65
12/31/03			11.61		17.03	236,965
12/31/02			17.73		11.61	207,449
12/31/01			21.37		17.73	165,082
12/31/00			27.32*		21.37	76,760
DELAWARE VIP TREND SERIES	12/31/04	\$	28.47*	\$	30.27	2,275

</Table>

9

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE		# ACCUMULATION UNITS OUTSTANDING		
		BEGINNING OF PERIOD	END OF PERIOD			
<S>	<C>	<C>	<C>	<C>		
WILSHIRE SMALL COMPANY GROWTH PORTFOLIO	12/31/04	\$ 17.54	\$ 20.30	121,774		
	12/31/03	12.96	17.54	92,724		
	12/31/02	15.23	12.96	65,352		
	12/31/01	15.87	15.23	28,130		
	12/31/00	17.80*	15.87	8,061		
ARIEL FUND	12/31/04	\$ 45.16	\$ 54.42	486,122		
	12/31/03	35.70	45.16	376,980		
	12/31/02	38.12	35.70	255,196		
	12/31/01	34.63*	38.12	65,549		
T. ROWE PRICE SMALL-CAP VALUE FUND -- ADVISOR CLASS	12/31/04	\$	32.96	\$	40.85	439,605
	12/31/03		24.49		32.96	397,645
	12/31/02		25.32		24.49	314,495
	12/31/01		21.02		25.32	151,942
	12/31/00		20.52*		21.02	16,331
ROYCE CAPITAL FUND SMALL-CAP PORTFOLIO	12/31/04	\$	8.10*	\$	9.42	93,281
WILSHIRE SMALL COMPANY VALUE PORTFOLIO	12/31/04	\$	19.45	\$	23.60	140,474
	12/31/03		14.43		19.45	122,082
	12/31/02		15.88		14.43	115,069
	12/31/01		13.72		15.88	80,507
	12/31/00		12.31*		13.72	5,138
WILSHIRE VIT INTERNATIONAL EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$	10.68	\$	11.67	3,099,530
	12/31/03		8.16		10.68	3,072,915
	12/31/02		10.47		8.16	2,970,500
	12/31/01		14.39		10.47	2,935,800

	12/31/00		17.67		14.39	2,650,938
	12/31/99		11.72		17.67	1,187,606
	12/31/98		9.98		11.72	696,337
	12/31/97		9.74		9.98	464,676
FIDELITY VIP OVERSEAS PORTFOLIO SC 2	12/31/04	\$	17.21	\$	19.27	643,917
	12/31/03		12.18		17.21	430,503
	12/31/02		15.50		12.18	308,350
	12/31/01		19.91		15.50	209,742
	12/31/00		23.13*		19.91	70,810
WILSHIRE VIT BALANCED FUND -- HORACE MANN SHARES	12/31/04	\$	18.59	\$	19.86	13,172,538
	12/31/03		15.74		18.59	14,094,671
	12/31/02		17.39		15.74	14,804,752
	12/31/01		17.36		17.39	16,254,478
	12/31/00		17.41		17.36	17,553,416
	12/31/99		17.83		17.41	22,621,955
	12/31/98		16.78		17.83	23,286,358
	12/31/97		14.28		16.78	22,095,620
	12/31/96		12.22		14.28	20,098,949
	12/31/95		9.75		12.22	17,804,536
	12/31/94		9.97		9.75	15,666,817

</Table>

10

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED		ACCUMULATION UNIT VALUE BEGINNING OF PERIOD		ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	----		-----		-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
WILSHIRE VIT INCOME FUND -- HORACE MANN SHARES	12/31/04	\$	16.30	\$	16.89	1,300,042
	12/31/03		15.39		16.30	1,210,705
	12/31/02		14.29		15.39	1,187,910
	12/31/01		13.27		14.29	936,292
	12/31/00		12.34		13.27	827,539
	12/31/99		12.70		12.34	1,034,296
	12/31/98		11.90		12.70	1,060,399
	12/31/97		11.02		11.90	784,296
	12/31/96		10.78		11.02	942,068
	12/31/95		9.49		10.78	938,069
	12/31/94		9.85		9.49	945,569
WILSHIRE VIT SHORT-TERM INVESTMENT FUND -- HORACE MANN SHARES	12/31/04	\$	10.86	\$	10.85	270,993
	12/31/03		10.88		10.86	427,380
	12/31/02		10.83		10.88	367,360
	12/31/01		10.42		10.83	237,129
	12/31/00		9.97		10.42	205,055
	12/31/99		9.64		9.97	132,903
	12/31/98		9.30		9.64	120,651
	12/31/97		8.97		9.30	122,530
	12/31/96		8.65		8.97	125,251
	12/31/95		8.34		8.65	110,931
	12/31/94		8.13		8.34	125,199
FIDELITY VIP HIGH INCOME PORTFOLIO SC 2	12/31/04	\$	9.06	\$	9.79	256,027
	12/31/03		7.23		9.06	177,129
	12/31/02		7.09		7.23	90,168
	12/31/01		8.15		7.09	57,319
	12/31/00		9.77*		8.15	32,064
FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO SC 2	12/31/04	\$	15.10	\$	15.54	975,233
	12/31/03		14.56		15.10	921,950
	12/31/02		13.39		14.56	677,140
	12/31/01		12.54		13.39	283,612
	12/31/00		11.98*		12.54	24,851

</Table>

* Inception price on date Underlying Fund was added to the Separate Account, as shown on page 18.

Financial statements of the Separate Account and of HMLIC are available with the Statement of Additional Information. A copy of the Statement of Additional Information and of the financial statements may be obtained without charge by mailing a written request to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission request to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free).

<Page>

HORACE MANN LIFE INSURANCE COMPANY,
THE SEPARATE ACCOUNT AND
THE UNDERLYING FUNDS

HORACE MANN LIFE INSURANCE COMPANY

HMLIC, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001 ("HMLIC's Home Office"), is an Illinois stock life insurance company organized in 1949. HMLIC is licensed to do business in 48 states and in the District of Columbia. HMLIC writes individual and group life insurance and annuity contracts on a nonparticipating basis.

HMLIC is an indirect wholly-owned subsidiary of Horace Mann Educators Corporation ("HMEC"), a publicly-held insurance holding company traded on the NYSE.

THE SEPARATE ACCOUNT

On October 9, 1965, HMLIC established the Separate Account under Illinois law. The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust under the Investment Company Act of 1940. The Separate Account and each Subaccount are administered and accounted for as a part of the business of HMLIC. However, the income, gains and losses, whether or not realized, of each Subaccount are credited to or charged against the amounts allocated to that Subaccount in accordance with the terms of the Contract without regard to other income, gains or losses of the remaining Subaccounts or of HMLIC. The assets of the Separate Account may not be charged with liabilities arising out of any other business of HMLIC. All obligations arising under the Contract, including the promise to make Annuity Payments, are general corporate obligations of HMLIC. Accordingly, all of HMLIC's assets are available to meet its obligations and expenses under the Contract. While HMLIC is obligated to make payments under the Contract, the amounts of variable Annuity Payments are not guaranteed.

The Separate Account is divided into Subaccounts. HMLIC uses the assets of each Subaccount to buy shares of the Underlying Funds based on Contract Owner instructions.

THE UNDERLYING FUNDS

The Underlying Funds are listed below along with their primary investment objectives and a description of the adviser to each Underlying Fund. Detailed information on the Underlying Funds can be found in the current prospectus for each Underlying Fund. Prospectuses for the Underlying Funds should be read carefully in conjunction with this prospectus before investing. A copy of each prospectus may be obtained without charge from HMLIC by calling (800) 999-1030 (toll-free), sending a telefacsimile (FAX) transmission to (217) 527-2307 or writing to HMLIC, P.O. Box 4657, Springfield, IL 62708-4657. You may also access the prospectuses on HMLIC's website at www.horacemann.com in the "Retirement Planning" link.

ALLIANCEBERNSTEIN

The AllianceBernstein Large Cap Growth Portfolio's investment objective is growth of capital by pursuing aggressive investment policies. The Portfolio invests primarily in equity securities of U.S. companies. Unlike most equity funds, the Portfolio focuses on a relatively small number of intensively researched companies. Alliance selects the Portfolio's investments from a research universe of more than 500 companies that have strong management, superior industry positions, excellent balance sheets and superior earnings growth prospects. Normally, the Portfolio invests in about 40-60 companies, with the 25 most highly regarded of these companies usually constituting approximately 70% of the Portfolio's net assets. The AllianceBernstein Large Cap Growth Portfolio is a series of the AllianceBernstein Variable Products Series Fund and is advised by Alliance Capital Management.

ARIEL MUTUAL FUNDS

The investment objective of the Ariel Appreciation Fund is long-term capital appreciation. It seeks this objective through investing primarily in the stocks of medium-sized companies with market capitalizations generally between \$2.5 billion and \$15 billion at the time of initial purchase. The Ariel Appreciation Fund seeks stocks whose underlying value is currently unrecognized, but should increase over time.

Similar to the Ariel Appreciation Fund, the investment objective of the Ariel Fund is long-term capital appreciation. It seeks this objective through investing primarily in the stocks of smaller companies with market capitalizations generally between \$500 million and \$2.5 billion at the time of initial purchase. The Ariel Fund seeks stocks whose underlying value is

currently unrecognized, but should increase over time.

The Ariel Appreciation Fund and the Ariel Fund are both advised by Ariel Capital Management, LLC ("Ariel"). Ariel believes ethical business practices make good investment sense. In the long run, a company that adopts environmentally sound policies will face less government intrusion. A company that fosters community involvement among its employees will inspire community support. Additionally, Ariel believes that a company which cultivates diversity is more likely to attract and retain the best talent and broaden its markets in profitable new directions. Ariel does not invest in corporations whose primary source of revenue is derived from the production or sale of tobacco products, the generation of nuclear energy or the manufacture of handguns as it believes these industries are more likely to face shrinking growth prospects, draining litigation costs and legal liability that cannot be quantified.

CREDIT SUISSE

The investment objective of the Credit Suisse Small Cap Growth Portfolio is to seek capital growth. To pursue this goal, it invests primarily in equity securities of small U.S. growth companies. Under normal market conditions, the Portfolio will invest at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of small U.S. companies. The Portfolio considers a "small" company to be one whose market capitalization is within the range of capitalizations of companies in the Russell 2000 Index. As of

12

<Page>

December 31, 2004, the market capitalization of the companies in the Russell 2000 Index ranged from \$4 million to \$3.6 billion. Some companies may outgrow the definition of a small company after the Portfolio has purchased their securities but will continue to be considered small for purposes of the Portfolio's minimum 80% allocation to small-company equities. The Credit Suisse Small Cap Growth Portfolio is a series of Credit Suisse Trust and is advised by Credit Suisse Asset Management, LLC.

DAVIS

The Davis Value Portfolio's investment objective is to seek long-term growth of capital. Under normal circumstances the Portfolio invests the majority of its assets in equity securities issued by companies with market capitalizations of at least \$10 billion that the adviser believes are of high quality and whose shares are selling at attractive prices. The Portfolio's adviser selects stocks with the intention of holding them for the long term. The Davis Value Portfolio is a series of the Davis Variable Account Fund and is advised by Davis Selected Advisers, L.P.

DELAWARE

The objective of the Delaware VIP Growth Opportunities Series is to seek long-term capital appreciation. The Delaware VIP Growth Opportunities Series invests primarily in securities of medium-sized companies that have established themselves within the industry but still have growth potential. The Series' management team invests in medium-size companies that they believe may offer strong opportunities for capital appreciation and generally less risk than investments in small companies, although mid-cap companies typically have greater risk than large-cap companies. The Delaware VIP Growth Opportunities Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc. Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

The objective of the Delaware VIP Trend Series is to seek long-term capital appreciation. The Delaware VIP Trend Series invests primarily in stocks of small growth-oriented or emerging companies that, in the management team's view, are market leaders with strong product cycles and innovative concepts. The Series' management team seeks to identify changing and dominant trends within the economy, the political arena and our society. The team conducts thorough research on companies, evaluating price-to-earnings ratios, estimated growth rates, market capitalization and cash flows to determine how attractive a company is relative to other companies. By focusing on companies in the early stages of their life cycles, the Series strives to capture the greatest potential for growth. The Delaware VIP Trend Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

THE DREYFUS CORPORATION

The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio (Service Shares) seeks investment returns that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor's MidCap 400 Index (S&P 400).

To pursue this goal, the Dreyfus Investment Portfolio: Mid Cap Stock Portfolio invests at least 80 percent of its assets in stocks of midsize companies. The portfolio invests in growth and value stocks, which are chosen through a disciplined investment process that combines computer modeling techniques, fundamental analysis and risk management. Consistency of returns compared to the S&P 400 is a primary goal of the investment process. The portfolio's stock investments may include common stocks, preferred stocks, convertible securities and depositary receipts, including those issued in initial public offerings ("IPOs") or shortly thereafter. The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio is advised by The Dreyfus Corporation.

FIDELITY INVESTMENTS

The investment objective of the Fidelity VIP Growth Portfolio Service Class 2 shares is to achieve capital appreciation. The fund invests primarily in common stocks of companies that the adviser believes to have above-average growth potential (stocks of these companies are often called 'growth' stocks). The adviser may invest the fund's assets in securities of foreign issuers in addition to securities of domestic issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Overseas Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of the fund's assets in non-U.S. securities, primarily common stocks. The investments are allocated across different geographic regions and individual countries. The adviser will consider the size of the market in each country and region relative to the size of the international market as a whole. In buying and selling securities for the fund, the adviser relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position and economic and market conditions. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Overseas Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP High Income Portfolio Service Class 2 shares is to seek a high level of current income while also considering growth of capital. The adviser normally invests primarily in income-producing debt securities, preferred stocks and convertible securities, with an emphasis on lower-quality debt securities. The fund may also invest in non-income producing securities, including defaulted securities and common stocks and in companies that are in troubled or uncertain financial condition as well as domestic and foreign issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP High Income

<Page>

Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Investment Grade Bond Portfolio Service Class 2 shares is to seek as high a level of current income as is consistent with the preservation of capital. The fund normally invests at least 80% of its total assets in investment-grade debt securities of all types and repurchase agreements for those securities. The adviser uses the Lehman Brother's Aggregate Bond Index as a guide for structuring the fund and selecting its investments and attempts to maintain an overall interest rate risk similar to the index. The adviser allocates assets across different market sectors and maturities and analyzes a security's structural features and current pricing, trading opportunities, and the credit quality of its issuer to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Investment Grade Bond Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Mid Cap Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of its total assets in securities of companies with medium market capitalizations. The adviser normally invests the fund's assets primarily in common stocks. The fund may potentially invest in companies with smaller or larger market capitalizations, domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each

issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Mid Cap Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Growth & Income Portfolio Service Class 2 shares is to seek high total return through a combination of current income and capital appreciation. The fund invests primarily in common stocks with a focus on those that pay current dividends and show potential for capital appreciation. It also potentially invests in bonds, including lower-quality debt securities, as well as stocks that are not currently paying dividends, but offer prospects for future income or capital appreciation. The fund may potentially invest in domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth & Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Index 500 Portfolio is to seek investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the S&P 500. The fund normally invests at least 80% of its assets in common stocks included in the S&P 500. Because the adviser may use statistical sampling techniques to attempt to replicate the returns of the S&P 500, the fund may not always hold all of the same securities as the index and may not track the index perfectly. The fund may lend securities to earn income for the fund and the adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Index 500 Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

GOLDMAN SACHS

The Goldman Sachs VIT CORE Small Cap Equity Fund seeks long-term growth of capital. The Fund invests, under normal circumstances, at least 80% of its net assets ("Net Assets") plus any borrowings for investment purposes (measured at time of purchase) in a broadly diversified portfolio of equity investments in small-cap U.S. issuers, including foreign issuers that are traded in the United States. However, it is currently anticipated that, under normal circumstances the Fund will invest at least 95% of its Net Assets in such equity investments. These issues will have public stock market capitalizations (based upon shares available for trading on an unrestricted basis) within the range of the market capitalization of companies constituting the Russell 2000 Index at the time of investment. The Fund is not required to limit its investments to securities in the Russell 2000 Index. In addition, if the market capitalization of a company held by the Fund moves outside this range, the Fund may, but is not required to sell the securities. The capitalization range of the Russell 2000 Index is currently between \$68 million and \$2.4 billion.

JPMORGAN FLEMING

The investment objective of the JPMorgan U.S. Large Cap Core Equity Portfolio is to provide high total return from a portfolio of selected equity securities. Under normal circumstances, the portfolio invests at least 80% of its assets in equity investment of large-cap companies. "Assets" means net assets, plus the amount of borrowings for investment purposes. Large-cap companies have a market capitalization over \$2 billion at the time of purchase. Market capitalization is the total market value of a company's shares. Sector by sector, the portfolio's weightings are similar to those of the S&P 500. The portfolio seeks to maintain sector weightings within +/- 3% of the S&P 500. The JPMorgan U.S. Large Cap Core Equity Portfolio is a series of the J.P. Morgan Series Trust II and is advised by J.P. Morgan Investment Management Inc.

LORD ABBETT

The Lord Abbett Series Fund -- Growth Opportunities Portfolio seeks capital appreciation. To pursue this goal, the Portfolio normally invests at least 65% of its net assets in equity securities of mid-sized companies. A mid-sized company is defined as a company having a market capitalization at the time of purchase that falls within the market capitalization range of companies in the Russell Mid Cap Index, a widely used benchmark for mid-cap stock performance. As of January 31, 2005, the market capitalization range of the Russell Mid Cap Index was \$606 million to \$31.1 billion. This range varies daily. Equity securities in which the Portfolio may invest may include

common stocks, preferred stocks, convertible securities, warrants and similar instruments. Common stocks, the most familiar type of equity security, represent an ownership interest in a company. The Lord Abbett Series Fund -- Growth Opportunities Portfolio is advised by Lord, Abbett & Co. LLC.

NEUBERGER BERMAN

The investment objective of the Neuberger Berman Genesis Fund -- Advisor Class is to seek growth of capital. To pursue this goal, the fund invests mainly in common stocks of small-capitalization companies, which it defines as those with a total market value of no more than \$1.5 billion at the time the fund first invests in them. The fund may continue to hold or add to a position in a stock after it has grown beyond \$1.5 billion. The fund seeks to reduce risk by diversifying among many companies and industries. Neuberger Berman Genesis Fund -- Advisor Class is advised by Neuberger Berman Management Inc. and subadvised by Neuberger Berman, LLC.

PUTNAM

The investment objective of Putnam VT Vista Fund is to seek capital appreciation. The fund invests mainly in common stocks of U.S. companies with a focus on growth stocks. Growth stocks are issued by companies that Putnam Investment Management, LLC ("Putnam Management") believes are fast-growing and whose earnings Putnam Management believes are likely to increase over time. Growth in earnings may lead to an increase in the price of the stock. The fund invests mainly in mid-sized companies. Putnam VT Vista Fund is a series of the Putnam Variable Trust and is advised by Putnam Management.

ROYCE

Royce Capital Fund Small-Cap Portfolio uses a disciplined value approach to invest in small-cap companies -- those with market caps below \$2.5 billion. They believe that investors in the Fund should have a long-term investment horizon of at least three-years. The Royce Capital Fund Small-Cap Portfolio is advised by Royce & Associates, LLC.

T. ROWE PRICE

The investment objective of the T. Rowe Price Small-Cap Value Fund -- Advisor Class is to seek long-term capital growth by investing primarily in small companies whose common stocks are believed to be undervalued. Reflecting a value approach to investing, the fund will seek the stocks of companies whose current stock prices do not appear to adequately reflect their underlying value as measured by assets, earnings, cash flow or business franchises. Normally, the fund will invest at least 80% of its net assets in companies with a market capitalization that is within or below the range of companies in the Russell 2000 Index. The T. Rowe Price Small-Cap Value Fund -- Advisor Class is advised by T. Rowe Price Associates.

The investment objective of the T. Rowe Price Small-Cap Stock Fund -- Advisor Class is to provide long-term capital growth by investing primarily in stocks of small companies. The fund normally invests at least 80% of its net assets in stocks of companies that have a market capitalization that falls (i) within or below the range of companies in either the Russell 2000 Index or the S&P Small-Cap 600 Index (ii) below the three year average maximum market cap of companies in either index as of December 31 for the three preceding years. Stock selection may reflect either a growth or value investment approach. The T. Rowe Price Small-Cap Stock Fund -- Advisor Class is advised by T. Rowe Price Associates.

WELLS FARGO

The Wells Fargo Advantage Opportunity Fund seeks long-term CAPITAL APPRECIATION. We invest in equity securities of medium-CAPITALIZATION companies that we believe are under-priced yet, have attractive growth prospects. We base the analysis on a comparison between the company's public value, based on market quotations, with its "private market value"--the price an investor would be willing to pay for the entire company given its management strength, financial health and growth potential. We determine a company's private market value based on a fundamental analysis of a company's cash flows, asset valuations, competitive situation, and franchise value. The Wells Fargo Advantage Opportunity Fund is sub advised by Wells Capital Management, Inc.

The Wells Fargo Advantage Discovery Fund seeks long-term CAPITAL APPRECIATION. We invest in securities of small- and medium-CAPITALIZATION companies that we believe offer attractive opportunities for growth. We define small- and medium CAPITALIZATION companies as those with market CAPITALIZATIONS equal to or lower than the company with the largest market CAPITALIZATION in the RUSSELL MIDCAP(R) INDEX, at the time of purchase. The range of the RUSSELL MIDCAP(R) INDEX was \$513 million to \$13.84 billion, as of June 30, 2004, and is expected to change frequently. We select securities through a combination of in-depth fundamental analysis of a company's financial reports and direct, on-site research during company visits. We may invest in any economic sector,

and at times we may emphasize one or more particular sectors. The Wells Fargo Advantage Discovery Fund is sub advised by Wells Capital Management, Inc.

WILSHIRE MUTUAL FUNDS, INC.

Wilshire Mutual Funds, Inc. ("Wilshire Funds") is an open-end management investment company registered under the Investment Company Act of 1940. The Wilshire Mutual Funds are made up of a series of portfolios including the Dow Jones Wilshire 5000 Index Portfolio, Wilshire Large Company Growth Portfolio, Wilshire Large Company Value Portfolio, Wilshire Small Company Growth Portfolio, and Wilshire Small Company Value Portfolio. The Wilshire Mutual Funds issues shares that are continually offered for sale. The Wilshire Mutual Funds are advised by Wilshire Associates Incorporated.

The investment objective of the Wilshire Large Company Growth Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the large company growth sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Large Company Growth Portfolio focuses on the large company segment of the U.S. equity market and invests in companies with above-average earnings or sales growth histories and retention of earnings. Often such companies will have above-average price/earnings ratios. The Wilshire Large Company Growth Portfolio primarily invests in stocks of companies with the largest

15

<Page>

market capitalizations (at times may be as low as \$1.9 billion). Because this fund invests in large companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Dow Jones Wilshire 5000 Index Portfolio is to replicate as closely as possible the performance of the Dow Jones Wilshire 5000 Index before the deduction of fund expenses. This Portfolio is an index fund and primarily invests in the common stocks of companies included in the Index that are representative of the entire Index. The Dow Jones Wilshire 5000 Index Portfolio normally holds stocks representing at least 90% of the total market value of the Index. Since the Portfolio does not invest in all of the stocks included in the Index it may be more volatile than the Index.

The investment objective of the Wilshire Large Company Value Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the large company value sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Large Company Value Portfolio focuses on the large company value segment of the U.S. equity market. Typically such companies have relatively low price to book value ratios, low price to earnings ratios and higher than average dividend yields. The Wilshire Large Company Value Portfolio primarily invests in stocks with the largest market capitalization (at times may be as low as \$1.9 billion). Because this fund invests in large companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Wilshire Small Company Value Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the small company value sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Small Company Value Portfolio focuses on the small company value segment of the U.S. equity market. Typically such companies have relatively low price to book value ratios, low price to earnings ratios and relatively high dividend yields. The Wilshire Small Company Value Portfolio primarily invests in stocks with smaller market capitalizations (between \$125 million and \$1.9 billion). Because this fund invests in small companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Wilshire Small Company Growth Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the small company growth sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Small Company Growth Portfolio focuses on the small company growth segment of the U.S. equity market. Typically such companies have above-average earnings or sales growth histories and retention of earnings, and often they have higher price to earnings ratios. The Wilshire Small Company Growth Portfolio primarily invests in stocks with smaller market capitalizations (between \$125 million and \$1.9 billion). Because this fund invests in small companies it may be more volatile than a fund that invests in a broader market segment.

WILSHIRE VARIABLE INSURANCE TRUST (VIT)

The Wilshire VIT ("Trust") is an open-end, diversified, management investment company registered under the Investment Company Act of 1940. The Trust is made up of a series of portfolios ("Wilshire VIT Funds"). The Trust issues shares of beneficial interest that are continually offered for sale. The Wilshire VIT Funds, advised by Wilshire Associates Incorporated ("Wilshire"), invest in securities of different issuers and industry classifications in an attempt to spread and reduce the risks inherent in all investing. Wilshire has entered into an agreement with investment subadviser(s) for each of the Wilshire VIT Funds whereby the subadviser(s) manage the investment and reinvestment of

the assets of a fund.

The primary investment objective of the Wilshire VIT Equity Fund -- Horace Mann Shares is long-term capital growth; conservation of principal and production of income are secondary objectives. The Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The Equity Fund ordinarily invests in common stocks of domestic companies. Wellington Management Company, LLP ("Wellington Management"), Alliance Capital Management LP ("Alliance") and Mellon Equity Associates, LLP ("Mellon Equity") serve as the investment subadvisers to the Equity Fund. This fund was referred to as the Growth Fund prior to May 1, 2000.

The primary investment objective of the Wilshire VIT Balanced Fund -- Horace Mann Shares is to realize high long-term total rate of return consistent with prudent investment risks. The Balanced Fund's assets are invested in a mix of common stocks, debt securities and money market instruments through investments in the Wilshire VIT Equity Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares.

The primary investment objective of the Wilshire VIT Income Fund -- Horace Mann Shares is to achieve a long-term total rate of return in excess of the U.S. bond market over a full market cycle. The Income Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in fixed income securities. The fixed income securities in which the Income Fund invests are primarily U.S. investment grade fixed income securities. Western Asset Management Company ("Western Asset"), Western Asset Management Limited ("WAML") and BlackRock Financial Management, Inc. ("BlackRock") serve as the investment subadvisers to the Income Fund.

The primary investment objective of the Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares ("Short-Term Fund") is to realize maximum current income to the extent consistent with liquidity. Preservation of principal is a secondary objective. The Short-Term Fund attempts to realize its objectives through investments in short-term debt instruments; it is not a money market fund and does not maintain a stable net asset value per share. Western Asset serves as the investment subadvisor to the Short-Term Fund.

The investment objective of the Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares is long-term capital appreciation. The Small Cap Growth Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in securities of small cap companies. The Fund ordinarily invests in small cap equity securities (less than \$2.5 billion at the time of investment) which a subadvisor believes have earnings growth potential. The Small Cap Growth Fund invests primarily in small cap stocks, which a subadvisor considers to have favorable

16

<Page>

and above-average earnings growth prospects. Accordingly, their stock prices may rise faster, but can also decline more in unfavorable business climates. As a result of these "higher highs" and "lower lows," they are more volatile. BlackRock, and Mazama Capital Management ("Mazama") serve as investment subadvisers to the Small Cap Growth Fund.

The primary investment objective of the Wilshire VIT International Equity Fund -- Horace Mann Shares is long-term capital growth primarily through diversified holding of marketable foreign equity investments. The International Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The International Equity Fund invests primarily in equity securities of established companies, listed on foreign exchanges, which the subadvisor believes have favorable characteristics. It may also invest in fixed income securities of foreign governments and companies. Investing in foreign securities may involve a greater degree of risk than investing in domestic securities due to the possibility of currency fluctuations, more volatile markets, less securities regulation and political instability. Newstar Institutional Managers Limited and The Boston Company Asset Management, LLC serve as investment subadvisers to the International Equity Fund.

The investment objective of the Wilshire VIT Socially Responsible Fund -- Horace Mann Shares is long-term growth of capital, current income and growth of income. The Socially Responsible Fund invests in a diversified portfolio composed primarily of marketable equity securities including common stocks, preferred stocks and debt securities convertible into common stocks of seasoned U.S. traded companies. Investments in equity securities are limited to issuers which in the subadvisor's judgment meet the following criteria:

1. Do not produce tobacco products;
2. Do not produce alcoholic beverages;
3. Do not own and/or operate casinos or manufacture gaming devices;

4. Do not produce pornographic materials;
5. Do not produce nuclear weapons or guidance and/or delivery systems, specifically for nuclear weapons;
6. By popular standards, maintain non-discriminatory employment practices throughout a company's facilities; and
7. By popular standards, maintain environmental policies, practices and procedures which are currently acceptable, or which are exhibiting improvement.

Because this fund invests in companies with socially responsible business practices, it has limitations that may have an adverse impact on performance. Alliance serves as the investment subadvisor to the Socially Responsible Fund.

THE CONTRACT

CONTRACT OWNERS' RIGHTS

A Contract may be issued under a retirement plan on a qualified basis as defined in the IRC. Qualified Contracts are subject to certain tax restrictions. See "Tax Consequences."

To participate in a Qualified Plan, the Contract Owner may be required to forego certain rights granted by the Contract and should refer to the provisions of his or her Contract, the provisions of the plan or trust instrument and/or applicable provisions of the IRC.

Unless otherwise provided by law, and subject to the terms of any governing plan or trust, the Contract Owner may exercise all privileges of ownership, as defined in the Contract, without the consent of any other person. These privileges include the right during the period specified in the Contract to change the beneficiary designated in the Contract, subject to the rights of any irrevocable beneficiary, to designate a payee and to agree to a modification of the Contract terms.

This prospectus describes only the variable portions of the Contract. On the Annuity Date, the Contract Owner has certain rights to acquire fixed annuity options. See the Contract for details regarding fixed Annuity Payments.

PURCHASING THE CONTRACT

The Contract is offered and sold by HMLIC through its licensed life insurance sales personnel who are also registered representatives of HM Investors. In addition, the Contract may be offered and sold through independent agents and other broker-dealers. HMLIC has entered into a distribution agreement with HM Investors, principal underwriter of the Separate Account. HM Investors, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001, is a broker-dealer registered under the Securities Exchange Act of 1934. HM Investors is a member of the NASD and is a wholly-owned subsidiary of HMEC. Sales commissions are paid by HMLIC to HM Investors and other broker-dealers. Sales commissions range from 1.00% to 11.00% of premium payments received.

In order to purchase the Contract offered by this prospectus, an applicant must complete an application bearing all requested signatures and a properly endorsed suitability questionnaire. For a Contract issued pursuant to Section 403(b) of the IRC, the applicant must sign an acknowledgment of the IRC restrictions on withdrawals applicable to such contracts. For an IRA, Roth IRA, SIMPLE or a Contract issued under a SEP plan, the applicant must acknowledge receipt of the IRA disclosure form. For a 457(b) plan the employer will purchase the Contract on behalf of the employee. The employee will be required to complete an application and suitability form. The employee must also acknowledge receipt of the 457(b) disclosure form.

Applications are to be sent to HMLIC's Home Office. If an incomplete application is received, HMLIC will promptly request additional information needed to process the application. The initial premium payment will be held in a suspense account, without interest, for a period not exceeding five business days. If the necessary information is not received

17

<Page>

within these five business days HMLIC will return the initial premium payment, unless otherwise directed by the applicant.

PREMIUM PAYMENTS

AMOUNT AND FREQUENCY OF PREMIUM PAYMENTS -- Premium payments will be applied at the applicable Accumulation Unit Value next determined following receipt in good form. The minimum premium payment for your Contract is \$300 annually. The minimum premium increase is \$120 annually.

The IRC limits the amounts which may be contributed to Qualified Plans. See "Tax Consequences -- Contract Owners -- Contribution Limitations and General Requirements Applicable to Qualified Contracts."

ALLOCATION OF PREMIUM PAYMENTS -- All or part of the net premium payments made may be allocated to one or more Subaccounts. The minimum premium payment amount allocated to any Subaccount in any given contract year must equal or exceed \$100. A request to change the allocation of premium payments will be effective on the first Valuation Date following receipt of the request by HMLIC's Home Office unless a future date is requested.

ACCUMULATION UNITS AND ACCUMULATION UNIT VALUE -- Premium payments are credited on the basis of Accumulation Unit Value. The number of Accumulation Units purchased by net premium payments is determined by dividing the dollar amount credited to each Subaccount by the applicable Accumulation Unit Value next determined following receipt of the payment by HMLIC. The value of an Accumulation Unit is affected by the investment experience of the Underlying Fund, expenses and the deduction of certain charges.

Accumulation Units are valued on each Valuation Date. The Accumulation Unit Value for each Subaccount was determined for the date and for the value indicated below. The date for the Wilshire VIT Equity, Balanced, Income and Short-Term Investment Funds -- Horace Mann Shares refers to the date Wellington Management became their investment adviser.

<Table>
<Caption>

SUBACCOUNT -----	DATE ----	ACCUMULATION UNIT VALUE -----
<S>	<C>	<C>
JPMorgan U.S. Large Cap Core Equity Portfolio	09/05/00	\$ 17.33
Fidelity VIP Growth & Income Portfolio SC 2	09/05/00	16.03
Wilshire 5000 Index Portfolio (Investment)	09/05/00	12.23
Fidelity VIP Index 500 Portfolio SC 2	09/05/00	171.04
Fidelity VIP Growth Portfolio SC 2	09/05/00	53.82
AllianceBernstein Large Cap Growth Portfolio	09/05/00	41.57
Wilshire Large Company Growth Portfolio (Investment)	09/05/00	46.36
Wilshire VIT Equity Fund -- Horace Mann Shares	11/01/89	7.11
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares	03/10/97	9.85
Davis Value Portfolio	09/05/00	\$ 11.58
Wilshire Large Company Value Portfolio	09/05/00	19.91
Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares	06/01/04	15.91
Fidelity VIP Mid Cap Portfolio SC 2	09/05/00	20.11
Rainier Small/Mid Cap Equity Portfolio	09/05/00	30.39
Delaware VIP Growth Opportunities Series	06/01/04	14.24
Lord Abbett Insurance Series Growth/Opportunities	06/01/04	12.00
Putnam VT Vista Fund	09/05/00	25.13
Wells Fargo Advantage Discovery Fund	09/05/00	35.99
Ariel Appreciation Fund	05/01/01	34.63
Goldman Sachs VIT Core Small Cap Equity Fund	06/01/04	12.99
Wells Fargo Advantage Opportunity Fund	09/05/00	28.55
T. Rowe Price Small-Cap Stock Fund -- Advisor Class	09/05/00	26.99
Neuberger Berman Genesis Fund -- Advisor Class	09/05/00	15.84
Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares	03/10/97	9.59
Credit Suisse Small Cap Growth Portfolio	09/05/00	27.32
Delaware VIP Trend Series	06/01/04	28.47
Wilshire Small Company Growth Portfolio	09/05/00	17.80

Ariel Fund	05/01/01	34.01
T. Rowe Price Small-Cap Value Fund -- Advisor Class	09/05/00	20.52
Royce Capital Fund Small-Cap Portfolio	06/01/04	8.10
Wilshire Small Company Value Portfolio	09/05/00	12.31
Wilshire VIT International Equity Fund -- Horace Mann Shares	03/10/97	9.74
Fidelity VIP Overseas Portfolio SC 2	09/05/00	23.13
Wilshire VIT Balanced Fund -- Horace Mann Shares	11/01/89	6.71
Wilshire VIT Income Fund -- Horace Mann Shares	11/01/89	7.17
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares	11/01/89	6.99
Fidelity VIP High Income Portfolio SC 2	09/05/00	9.77
Fidelity VIP Investment Grade Bond Portfolio SC 2	09/05/00	11.98

<Page>

The Accumulation Unit Value of a Subaccount for any Valuation Period is equal to:

- the net asset value of the corresponding Underlying Fund attributable to the Accumulation Units at the end of the Valuation Period;
- plus the amount of any income or capital gain distributions made by the Underlying Fund during the Valuation Period;
- minus the dollar amount of the mortality and expense risk fee we deduct for each day in the Valuation Period;
- divided by the total number of Accumulation Units outstanding at the end of the Valuation Period.

TRANSACTIONS

TRANSFERS -- Amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract, subject to Contract limitations, prior to the Annuity Date. HMLIC reserves the right to limit transfers from the fixed account to the Subaccounts as follows:

- No more than 25% of the fixed account can be transferred to the Subaccounts during a 365 day period.
- Any request for a total transfer from the fixed account to the Subaccounts will be transferred over a four-year period. No more than 25% of the amount will be transferred in any year prior to the final transfer.

You may transfer value from one existing investment option into as many as 10 other investment options. The minimum amount that can be transferred is \$100 or the entire dollar value of the Subaccount(s), whichever is less. A transfer may not leave a Subaccount balance or fixed account balance of less than \$100.

A Contract Owner may elect to transfer funds between Subaccounts and the fixed account by submitting a written request to Horace Mann Life Insurance Company at P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission request to (217) 527-2307, by telephoning (217) 789-2500 or (800) 999-1030 (toll-free) or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section.

Depending on the means used to request a transfer, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the name of the Contract Owner and the Contract number, and (3) specifically state the dollar amount, a whole percentage or the number of Accumulation Units to be transferred. The request also must specify the Subaccounts from which and to which the transfer is to be made. Transfers are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office unless a future date is requested. See "Other Information -- Forms Availability."

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

- Wells Fargo Advantage Discovery Fund
- T. Rowe Price Small Cap Stock Fund

Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio
T. Rowe Price Small Cap Value Fund

DOLLAR COST AVERAGING -- Dollar cost averaging is a systematic method of investing in which securities are purchased at regular intervals in fixed dollar amounts so that the cost of the securities is averaged over time and possibly over various market cycles. Dollar cost averaging transfers are completed by periodically transferring equal amounts of money. You may preschedule a series of transfers between investment options to take advantage of dollar cost averaging. You may select from a 3-month, 6-month or 12-month period to complete the dollar cost averaging program. You may transfer value from one existing investment option into as many as 10 other investment options. You may request dollar cost averaging by the same means as described above for transfers.

The transfers will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office and will continue on this day each period until the program is completed. If the original request is received on the 29th, 30th or 31st of the month, all subsequent transfers will be processed as of the 28th of the month. If you should decide to cancel an existing dollar cost averaging program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

Because the values of the Subaccounts from which the transfers occur may decrease over time, the dollar cost averaging program may conclude earlier than scheduled. In addition, the last dollar cost averaging transfer may be for less than all prior transfers. Finally, the value of a Subaccount may increase and result in a balance remaining at the end of the period selected.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund

T. Rowe Price Small Cap Stock Fund

Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio
T. Rowe Price Small Cap Value Fund

REBALANCING -- Rebalancing is the periodic adjusting of investment option balances to maintain a preestablished asset allocation strategy. You may request a rebalancing of your portfolio either once or on a periodic basis.

19

<Page>

For periodic rebalancing requests, you may select from a quarterly, semiannual or annual period. Rebalancing is continuous for the period(s) selected unless changed or discontinued by the Contract Owner. You may rebalance your portfolio value into as many as 10 other investment options. You may request rebalancing by the same means as described above for transfers.

Rebalancing will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office. For periodic rebalancing requests, subsequent rebalancing of your portfolio will continue to occur on the same calendar day of each scheduled month. If the original request is received on the 29th, 30th or 31st of the month, all subsequent rebalancing of your portfolio will be processed as of the 28th of the month. If you should decide to cancel an existing rebalancing program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund

T. Rowe Price Small Cap Stock Fund

Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

T. Rowe Price Small Cap Value Fund

CHANGES TO PREMIUM ALLOCATIONS -- A Contract Owner may elect to change the allocation of future net premium payments at any time by mailing a written request to HMLIC at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section. Depending on the means used to request a change, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the Contract Owner's name and Contract number and (3) specify the new allocation percentage for each Subaccount (in whole percentages). Allocations made to the fixed portion of the Contract or to one or more Subaccounts must total 100%. HMLIC reserves the right to restrict the minimum premium amount allocated to any Subaccount in any given Contract Year to \$100. Changes in allocation instructions are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office. See "Other Information -- Forms Availability."

On and after June 1, 2004, new Contracts may not have allocations to the following Subaccounts, and existing Contracts may not begin or increase allocations to the following Subaccounts:

Wells Fargo Advantage Discovery Fund

T. Rowe Price Small Cap Stock Fund

Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

T. Rowe Price Small Cap Value Fund

MARKET TIMING -- The Contracts and the Subaccounts are not designed for 'market timing' through frequent transfers or transfers that are large in relation to the total assets of the Underlying Fund. HMLIC discourages and does not accommodate frequent transfers of contract value among the Subaccounts. Trading strategies that seek to benefit from short-term price fluctuations or price irregularities cause disruption to the Underlying Funds' investment strategies, with potential resulting harm to performance and increased trading costs or Underlying Fund expenses, and are thereby potentially harmful to investors and their Contract performance.

If HMLIC determines, in its sole discretion, that your transfer patterns among the Subaccounts reflect a market timing strategy, it will take action to protect the other investors and/or terminate the Contract. In making these determinations, we may consider the combined transfer activity of Contracts that we believe are under common ownership, control or direction. HMLIC does not include transfers made pursuant to the dollar cost averaging method when considering whether to take action. HMLIC applies its market timing policies and procedures uniformly to all owners of a particular Contract.

Such action will include requiring future transfer requests under the Contract to be submitted with an original signature via U.S. Mail for a period of time or for the duration of the Contract. If this restriction is imposed, we will reverse within one to two business days of any transaction inadvertently processed that is not in compliance with the restriction. You will receive written confirmation of any such reversal.

If HMLIC determines that you are engaging in a pattern of transfers that reflects a market timing strategy or is potentially harmful to other Contract Owners, it will notify you in writing of any restrictions.

The detection and deterrence of market timing involves judgments that are inherently subjective. Our ability to detect such activity may be limited by operational and technological systems, as well as our ability to predict strategies employed by others to avoid detection. Our ability to restrict transfers may also be limited by the provisions of the Contract. Accordingly, there is no assurance that we will deter all market timing activity. Therefore, Contract owners may be subject to the risks described above.

The Underlying Funds may have their own policies and procedures with respect to frequent purchases and redemptions of their shares, which are described in the Underlying Fund prospectuses. Such policies and procedures may be more or less restrictive than HMLIC's policies and procedures. As a result, we may not have the contractual obligation or the operational capacity to apply the frequent trading policies and procedures of the Underlying Funds. However, we reserve the right to defer

or restrict transfers at any time that we are unable to purchase or redeem shares of any of the Underlying Funds, including any refusal or restriction on purchases or redemptions as a result of the frequent trading policies and procedures of the Underlying Funds. HMLIC also reserves the right to implement and administer redemption fees imposed by one or more of the Underlying Funds. The prospectuses of the Underlying Funds include more details on the ability of the Underlying Funds to refuse or restrict purchases or redemptions of their shares.

SURRENDER OR WITHDRAWAL BEFORE COMMENCEMENT OF ANNUITY PERIOD -- Values may not be withdrawn from Section 403(b) Contracts or 457(b) Contracts except under certain circumstances. See "Tax Consequences." However, if not restricted by the IRC or applicable retirement plan under which the Contract is issued, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin. Any partial withdrawal is subject to a \$100 minimum and may not reduce the Contract Owner's interest in a Subaccount to less than \$100.

The surrender or partial withdrawal of Variable Cash Value (rollover, exchange, etc.) is determined on the basis of the Accumulation Unit Value next computed following the receipt of a valid request for surrender or partial withdrawal in HMLIC's Home Office. A surrender or partial withdrawal may result in adverse federal income tax consequences to the Contract Owner. These consequences include current taxation of payments received, and may include penalties resulting from premature distribution. See "Tax Consequences."

A Contract Owner eligible to surrender or request a partial withdrawal may elect to do so by submitting a signed, written request to HMLIC at its Home Office at P.O. Box 4657, Springfield, Illinois 62708-4657. A partial withdrawal request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will be accepted if the proceeds are sent to the Contract Owner and the request is sent to (217) 527-2307. A surrender request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will not be accepted. See "Tax Consequences" and "Other Information -- Forms Availability."

Partial withdrawals and surrenders will be processed either on a date specified by you in a request, provided the date specified occurs on or after receipt of the request at HMLIC's Home Office, or at the next computed value following receipt of a valid request at HMLIC's Home Office.

For your protection, we will send a confirmation letter on all address changes. If you have requested an address change within 15 days prior to your surrender or withdrawal request, we will hold your request until we have acquired confirmation of the correct address. Upon receipt of your confirmation of the address, we will consider the surrender or withdrawal request to be received in good form.

Surrenders and partial withdrawals from any variable Subaccount are subject to the Withdrawal Charges shown in the "Deductions and Expenses -- Withdrawal Charges" section.

Withdrawal Charges are applied to the withdrawals based on the effective date of the Contract and not on the date the premium payment is paid.

Any request for a partial withdrawal, where the withdrawal is subject to a Withdrawal Charge, will be increased by the amount of the Withdrawal Charge. For example, a request to withdraw \$3,000 at a 4% Withdrawal Charge will require a withdrawal of \$3,125. This withdrawal represents a cash distribution of \$3,000 and a Withdrawal Charge of \$125. Any taxes withheld will reduce the dollar amount of the distribution received.

The Withdrawal Charge is assessed on the basis of the amount surrendered or withdrawn from the Subaccount(s), but will never exceed 9% of net premium(s) to a Subaccount during the lifetime of the Contract. For example, if a Contract Owner's Subaccount value is \$12,000 and net premium payments to date equal \$10,000 and the Contract Owner withdraws \$2,000 (i.e., one sixth of the Subaccount value), then the Withdrawal Charge may not exceed 9% of \$1,666.66 (one sixth of the premium payment(s) to which the withdrawal relates).

If premium taxes are deducted prior to surrender or partial withdrawal, any reduction of HMLIC's premium tax liability due to the surrender or partial withdrawal will be to HMLIC's benefit.

If you request a partial withdrawal for hardship purposes from your 403(b) Contract or from your employer's 401(k) plan using the safe harbor regulations of the IRC, you may be suspended from making contributions to all other plans of your employer for six months. You should consult with your plan administrator for further guidance before making a hardship withdrawal. After the six-month period is completed, you may resume making contributions.

DEFERMENT -- HMLIC ordinarily completes a transaction within seven calendar days after receipt of a proper request to transfer, surrender, partially

withdraw or commence Annuity Payments. The value of the Contract is determined as of the Valuation Date on which a valid request is received. However, determination of Contract value and processing the transaction may be deferred for (1) any period during which the NYSE is closed for other than customary weekend or holiday closings or during which trading is restricted by the Securities and Exchange Commission; (2) any emergency period when it is not reasonably practicable to sell securities or fairly determine Accumulation Unit Values or Annuity Unit Values; or (3) any other period designated by the Securities and Exchange Commission to protect persons with interests in the Separate Account.

CONFIRMATIONS -- HMLIC mails written confirmations of premium payments to Contract Owners on a quarterly basis within five business days following the end of each calendar quarter. Written confirmations of transfers, changes in allocations, partial withdrawals and surrenders are mailed to Contract Owners within seven calendar days of the date the transaction occurred.

If a Contract Owner believes that the confirmation statement contains an error, the Contract Owner should notify

<Page>

HMLIC as soon as possible after receipt of the confirmation statement. Notice may be provided by writing to HMLIC, P.O.Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll free).

DEDUCTIONS AND EXPENSES

ANNUAL MAINTENANCE FEE -- An annual maintenance fee of no more than \$25 is deducted from each Contract on the Contract anniversary date. This fee will be waived if the Contract value equals or exceeds \$10,000 at the time the fee is assessed.

We reserve the right to deduct, in whole or in part, the annual maintenance fee in the event of a complete surrender. The annual maintenance fee ceases when Annuity Payments begin.

The annual maintenance fee is intended to reimburse HMLIC for actual expenses incurred in administering the Contract. HMLIC does not expect to profit from such fee and assumes the risk that this annual maintenance fee may be insufficient to cover the actual costs of administering the Contract.

MORTALITY AND EXPENSE RISK FEE ("M&E FEE") -- For assuming mortality and expense risk, HMLIC applies an asset charge to the Separate Account. The fee for mortality and expense risk may not exceed the annual rate of 1.25% of the daily net assets of the Separate Account (0.45% for mortality risk, and 0.80% for expense risk); however, HMLIC reserves the right to change the fee (subject to the 1.25% ceiling) in the future. The fee is computed on a daily basis.

WITHDRAWAL CHARGES -- Withdrawals may not be made from Section 403(b) or 457(b) Contracts except under certain circumstances. (See "Tax Consequences.") However, if not restricted by the IRC or applicable retirement plan under which the Contract is issued, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin. Withdrawal Charges for your Contract are:

<Table>

<Caption>

DURING CONTRACT YEAR	PERCENTAGE OF AMOUNT WITHDRAWN
<S>	<C>
1	9%
2	8%
3	7%
4	6%
5	5%
6	4%
7	3%
8	2%
9	1%
Thereafter	0%

</Table>

For further information regarding surrender or partial withdrawals see "Surrender or Withdrawal Before Commencement of Annuity Period." HMLIC reserves the right to waive either a portion or the whole Withdrawal Charge in some situations. In some situations, you may make a withdrawal with no Withdrawal Charge. Please see your Contract for further details.

OPERATING EXPENSES OF THE UNDERLYING FUNDS -- There are deductions from and expenses paid out of the assets of the Underlying Funds that are described in each Underlying Fund's prospectus.

PREMIUM TAXES -- Certain state and local governments levy a premium tax, currently between 0 and 3.5%, on the amount of premium payments made under this Contract. The premium tax, if any, is deducted when premium payments are received.

DEATH BENEFIT PROCEEDS

If a Contract Owner dies before the Annuity Date, a death benefit will be paid to the beneficiary designated by the Contract Owner. The death benefit is determined for each beneficiary as of the date proof of death is received by HMLIC from such beneficiary. Proof of death includes a certified death certificate or other satisfactory evidence of death and a completed claimant's statement.

If there have been no previous withdrawals or loans the death benefit is the greater of:

1. the Total Accumulation Value; or
2. the Net Premium paid to HMLIC.

If withdrawals or loans have been taken the death benefit is the greater of:

1. the Total Accumulation Value; or
2. the Net Premium paid to HMLIC, less the Net Premium attributable to both withdrawals and any outstanding loan balance.

For example, if a Contract Owner's Total Accumulation Value is \$8,000 and the Net Premium paid to date equals \$10,000 and the Contract Owner withdraws \$4,000 (50% of the Total Accumulation Value), then the death benefit would be the greater of the Total Accumulation Value (\$4,000) or 50% of the Net Premium (\$5,000).

All or part of the death benefit proceeds may be paid to the beneficiary under one of the Annuity Payment options described under "Annuity Payments -- Annuity Payment Options." If the form of Annuity Payment selected requires that payment be made by HMLIC after the death of the beneficiary, payments will be made to a payee designated by the beneficiary or, if no subsequent payee has been designated, to the beneficiary's estate. Any part of a Contract Owner's interest payable to a minor child will be paid to the child's legal guardian for the benefit of the child.

ANNUITY PAYMENTS

The Contract provides for fixed or Variable Annuity Payment options or a combination of both. The Contract Owner may elect to have Annuity Payments made under any one or more of the options described below or may elect a lump sum payment. To begin receiving Annuity Payments a properly completed request form must be received by HMLIC's Home

22

<Page>

Office. The request will be processed so that the Annuity Payments begin as of the first of the month following the month of receipt unless a later date is requested and approved by HMLIC. If a fixed payment option is elected, the Separate Account value will be transferred to the fixed account on the date the request is received in HMLIC's Home Office. In addition, if a Variable payment is elected, any money in the fixed account will be transferred to the Separate Account on the date we receive the request in HMLIC's Home Office. Your premium payment allocation(s) will be changed to the fixed account or Separate Account, depending on the payment option elected. Not all Subaccount(s) may be available for annuity payments. Generally, at the time an Annuity Payment option is selected, a Contract Owner must elect whether to withhold for federal and state income taxes. See "Other Information -- Forms Availability" and "Tax Consequences."

In general, the longer Annuity Payments are guaranteed, the lower the amount of each payment. Fixed Annuity Payments are paid in monthly, quarterly, semiannual and annual installments. Variable Annuity Payments are paid only on a monthly basis. If the Contract value to be applied under any one fixed or variable Annuity Payment option is less than \$2,000 or if the option chosen would provide Annuity Payments less than \$20 per month at the Annuity Date, then the Contract value may be paid in a lump sum.

ANNUITY PAYMENT OPTIONS

The following Annuity Payment options are available on a variable basis unless otherwise stated.

LIFE ANNUITY WITH PAYMENTS GUARANTEED FOR 0, 10, 15 OR 20 YEARS -- These options guarantee Annuity Payments for the lifetime of the Annuitant. If a

guaranteed period is selected (10, 15 or 20 years) and the Annuitant dies before the end of the period, Annuity Payments are guaranteed until the end of the period selected. If neither the Contract Owner nor any beneficiaries are living at the time of the Annuitant's death, the present value, if any, of the remaining guaranteed period payments will be paid in a single sum to the estate of the Contract Owner. Under the life payments guaranteed for 0 years option, it is possible that only one Annuity Payment may be made if the Annuitant's death occurred before the due date of the second Annuity Payment. This option usually provides the largest Annuity Payments. The Contract Owner cannot make unscheduled withdrawals or change to another option after the first Annuity Payment has been made. Guaranteed Annuity Payments cannot extend beyond the life expectancy of the Annuitant, as defined by the IRC.

If HMLIC does not receive written election of an annuity option from the Contract Owner at least 30 days prior to the Annuity Date, the annuity option will be Life Annuity with Payments Guaranteed for 10 years.

JOINT AND SURVIVOR ANNUITY -- This option provides Annuity Payments based upon the age and sex of two Annuitants and upon the specific survivor option selected. The available survivor options are to pay during the lifetime of the survivor: 1) 50%; 2) 66%; or 3) 100% of the Annuity Payments paid or the number of Annuity Units while both Annuitants were living. After one Annuitant dies, the Annuity Payments will continue during the lifetime of the survivor based on the survivor percentage elected. The Annuity Payments cease after the last payment paid prior to the survivor's death. It could be possible for only one payment to be made under this option if both Annuitants die before the due date of the second payment. The Contract Owner cannot make unscheduled withdrawals or change to another income option after the first Annuity Payment has been made.

INCOME FOR FIXED PERIOD -- This option provides Annuity Payments for a fixed period not less than five years nor exceeding 30 years; however, payments may not extend beyond the life expectancy of the Annuitant as defined by the IRC. Upon the Annuitant's death, the Contract Owner will be paid the remaining Annuity Payments due, if any. If neither the Contract Owner nor any beneficiaries are living at the time of the Annuitant's death, the present value, if any, of the remaining Annuity Payments will be paid in a lump sum to the estate of the Contract Owner. This option is available on a fixed payment basis only.

OTHER INCOME OPTIONS -- If the Contract Owner does not wish to elect one or more Annuity Payment options, the Contract Owner may:

- a) receive the proceeds in a lump sum less any applicable Withdrawal Charges, or
- b) leave the Contract with HMLIC and receive the value under the required minimum distribution requirements of IRC Section 401(a)(9), see "Required Minimum Distributions," or
- c) elect any other option that HMLIC makes available.

AMOUNT OF FIXED AND VARIABLE ANNUITY PAYMENTS

In general, the dollar amount of Annuity Payments under the Contract depends on Contract value. Contract value equals the value of the fixed portion of the Contract plus the value of each Subaccount. The value of each Subaccount is determined by multiplying the number of Accumulation Units credited to each Subaccount within the Contract by its respective Accumulation Unit Value.

Contract value may be more or less than the amount of net premium payments allocated to the Contract.

FIXED ANNUITY PAYMENTS -- The amount of each payment under a fixed Annuity Payment option is determined as described in the Contract. These guaranteed payments will not change regardless of investment, mortality or expense experience. Higher Annuity Payments may be made at the sole discretion of HMLIC.

VARIABLE ANNUITY PAYMENTS -- The amount of the first monthly Variable Annuity Payment is determined as described in the Contract. The income option payments vary with the form of income option payment selected and adjusted age of the Annuitant(s).

The first monthly Variable Annuity Payment is used to calculate the number of Annuity Units for each subsequent

<Page>

monthly Annuity Payment. The number of Annuity Units remains constant over the payment period except when a joint and survivor option is chosen. Under that option, the number of Annuity Units will be reduced upon the death of either Annuitant to the survivor percentage elected.

The amount of monthly Annuity Payments following the first Variable Annuity Payment varies from month to month. Annuity Payments are determined each month

by multiplying the Annuity Units by the applicable Annuity Unit Value at the date of payment.

ASSUMED INTEREST RATE -- The assumed interest rate for this Contract is 2%. The investment multiplier is one divided by the sum of one plus the assumed interest rate and the mortality and expense risk fee, adjusted to a monthly rate.

ANNUITY UNIT VALUE -- The Annuity Unit Value for the Wilshire VIT Equity Fund -- Horace Mann Shares, Wilshire VIT Balanced Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares Subaccounts was set at \$10.00 as of the date amounts first were allocated to provide Annuity Payments. The Annuity Unit Value for the Wilshire VIT Short-Term Investment Fund was established at \$10.00 on July 1, 2004. The Annuity Unit Value for all other Subaccounts was established at \$10.00 on March 1, 2005.

- The current Annuity Unit Value is equal to the prior Annuity Unit Value on the Valuation Date when payments were last determined, multiplied by the applicable net investment factor. This factor is computed by dividing the net asset value of a share of the Underlying Fund on the current Valuation Date, plus any dividends or other distributions, by the net asset value of a share on the Valuation Date of the preceding Valuation Period, and multiplying this result by the investment multiplier.
- If the net investment factor is equal to one, then monthly payments from that Subaccount will remain level. If the net investment factor is greater than one, the monthly payments from that Subaccount will increase. Conversely, if the net investment factor is less than one, the payments from that Subaccount will decrease.

MISSTATEMENT OF AGE OR SEX

If the age or sex of the Annuitant has been misstated, any Annuity Payment amount shall be adjusted to reflect the correct information. Any overpayments that have been made will be deducted from future payments, including interest of 2% per year. Any underpayments including 2% interest will be paid in one sum to the Contract Owner if living, otherwise to the beneficiary.

MODIFICATION OF THE CONTRACT

The Contract provides that it may be modified by HMLIC to maintain continued compliance with applicable state and federal laws. Contract Owners will be notified of any modification. Only officers designated by HMLIC may modify the terms of the Contract.

HMLIC reserves the right to offer Contract Owners, at some future date and in accordance with the requirements of the Investment Company Act of 1940, the option to direct their net premium payments to a Subaccount within the Separate Account other than one or more of those currently offered. If shares of the Underlying Funds are not available for purchase by the Separate Account, or if in the judgment of HMLIC further investment in these shares is no longer appropriate in view of the purposes of the Separate Account or Subaccount, then (i) shares of another portfolio may be substituted for the Underlying Fund shares held in the affected Subaccount and/or (ii) payments received after a date specified by HMLIC may be applied to the purchase of shares of another portfolio. No substitution will be made without prior approval of the Securities and Exchange Commission and any required Contract Owner approvals. Any substitution would be for shares of a portfolio with investment objectives similar to those of the Underlying Fund it replaces.

24

<Page>

TAX CONSEQUENCES

OTHER CONSIDERATIONS

This discussion of the federal income tax consequences is only a brief summary and is not intended as tax advice. The rules governing the provisions of annuity contracts and qualified plans are extremely complex, often difficult to comprehend and may be changed at any time. The discussion does not address special rules, prior tax laws or state tax laws. In addition, many of the provisions, including contribution limitations, enacted by the Economic Growth and Tax Relief Reconciliation Act of 2001 are sunsetted or repealed in 2011 unless extended or made permanent. A Contract Owner or a prospective Contract Owner considering adoption of or purchase of an annuity contract for a qualified plan should first consult with a qualified and competent tax adviser before taking any action that could have tax consequences.

SEPARATE ACCOUNT

The operations of the Separate Account form part of the operations of HMLIC; however, the IRC provides that no federal income tax will be payable by HMLIC on the investment income and capital gains of the Separate Account if

certain conditions are met. Provided the investments of the Underlying Funds continue to meet the diversification requirements of IRC Section 817(h), the Contract Owner will not pay federal income tax on the investment income and capital gains under a Contract until Annuity Payments begin or a full or partial withdrawal is made.

CONTRACT OWNERS

CONTRIBUTION LIMITATIONS AND GENERAL REQUIREMENTS APPLICABLE TO QUALIFIED CONTRACTS

The tax rules applicable to participants in a Qualified Plan (as defined in this prospectus) vary according to the type of plan and according to the terms and conditions of the specific plan. The information provided here regarding the tax consequences of Qualified Plans is intended to be only general in nature. You should consult with your tax adviser for the application of these rules to your specific facts before purchasing an annuity Contract for a Qualified Plan.

Contributions under Qualified Plans may be either excludable from income if made through a salary reduction agreement or deductible from gross income with the exception of Roth IRAs. Salary reduction contributions are subject to limitations imposed by the IRC. Any contributions allowed to be made by the employer other than through salary reduction agreements are generally subject to additional limitations and are not discussed here. Further, contributions and investment earnings credited to the Contract Owner's account are generally not taxable until such amounts are distributed as defined by the IRC. Purchasing a Contract as an investment vehicle for a Qualified Plan does not provide any additional tax advantage to that already available through the Qualified Plan.

SECTION 403(b) TAX-DEFERRED ANNUITY -- A Section 403(b) tax-deferred (or tax-sheltered) annuity Contract is available for employees of public schools and certain organizations tax-exempt under Section 501(c)(3). Salary reduction contributions are limited to the lesser of \$14,000 in 2005 (\$15,000 in 2006) or 100% of income. Additional catch-up amounts, \$4,000 in 2005 (\$5,000 in 2006) may be contributed if the Contract Owner is age 50 or older. An additional special catch-up contribution is available to certain Contract Owners who have 15 years of service with his or her current employer. Both the maximum salary reduction contribution and additional amount if you are age 50 or older continue to increase after 2006. Employer contributions are allowed with additional limitations under the Qualified Plan rules. Contributions and earnings are not included in the Annuitant's income until distributed. Distributions from Section 403(b) annuities generally cannot be made until the Annuitant attains age 59 1/2. However, exceptions to this rule include severance from employment, death, disability and hardship and, generally, the balance in the Contract as of December 31, 1988. Section 403(b) annuity Contract accumulations may be eligible for a tax-free rollover or transfer to another Section 403(b) annuity Contract or an eligible Qualified Plan. Section 403(b) annuities are subject to the required minimum distributions rules.

SECTION 408 IRA -- Annual contributions (other than rollover contributions) to an IRA are limited to \$4,000 for 2005. Additional catch-up contributions of \$500 may be made if the Contract Owner is age 50 or older (\$1,000 for 2006). Contribution limits to an IRA are reduced if contributions are also made to a Roth IRA. Contributions cannot be made after age 70 1/2 (this limitation does not apply to Roth IRAs). The amount of any annual contribution that will be deductible from gross income is based upon the individual's compensation, coverage under a retirement plan and marital status. For 2005, if the owner of the IRA Contract is covered by another Qualified Plan the deduction phases out when adjusted gross income ("AGI") is between \$50,000 and \$60,000 for single filers and between \$70,000 and \$80,000 for married individuals filing jointly. If the owner is not covered by a Qualified Plan but the owner's spouse is, the deduction phases out when AGI is between \$150,000 and \$160,000. IRA accumulations may be eligible for a tax-free rollover or transfer to another IRA or eligible Qualified Plan. IRAs are subject to required minimum distribution rules.

SIMPLIFIED EMPLOYEE PENSION (SEP) -- If the contract is used for a SEP IRA plan and the Contract Owner has elected to make IRA contributions, the same limitations regarding maximum contributions and deductibility apply as those described above under IRAs. If the SEP is offered under a salary reduction basis (SARSEP), the limitation for salary reduction contributions is \$14,000 for 2005. The additional catch-up amount if the individual is age 50 or older also applies, \$4,000 for 2005 (\$5,000 in 2006). Employer contributions are allowed subject to additional limitations and must be coordinated with other Qualified Plan limitations. SEP IRA plans are subject to certain minimum participation and nondiscrimination requirements. Contributions and earnings are not includable in income until distributed. Rollover and required minimum distribution rules apply the same as for IRAs.

SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES (SIMPLE IRA) -- If the Contract is used for a SIMPLE IRA, the salary reduction limitation is \$10,000 for 2005. As with IRAs,

additional contributions are allowed for individuals age 50 and older, \$2,000 for 2005 (\$2,500 for 2006). Employer contributions are also required and are coordinated with the elective deferral limitations of other Qualified Plans. Rollover rules are similar to IRAs except that rollovers during the first two years of participation are limited to other SIMPLE IRAs. Required minimum distribution rules apply the same as those for IRAs.

ROTH IRAs -- Annual contributions to a Roth IRA are limited to \$4,000 for 2005 for both the individual and the spouse. This amount has additional limitations based upon the Contract Owner's income and marital status. The annual contribution maximum is phased out when AGI is between \$95,000 and \$110,000 for single taxpayers and those taxpayers filing Head of Household, between \$150,000 and \$160,000 for married taxpayers filing jointly and between \$0 and \$10,000 for married taxpayers filing separate. Contributions to an IRA are coordinated with Roth IRA contributions. An additional catch-up contribution is allowed if the individual is age 50 or older of \$500 for 2005 (\$1,000 for 2005). Contributions to a Roth IRA are not deductible and if the Contract has been in existence for more than five years, certain qualified distributions are not includable in income (e.g., distributions made to a Contract Owner reaching age 59 1/2 or becoming disabled). IRAs, SEP IRAs and SIMPLE IRAs (after 2 years of participation in a SIMPLE IRA) can generally be rolled over or converted to a Roth IRA if the Contract Owner's AGI is \$100,000 or less and the Contract Owner is not married filing a separate return. However, the converted amount is includable in income in the year of conversion. Roth IRAs are not subject to the required minimum distribution rules.

SECTION 457(b) ELIGIBLE GOVERNMENTAL PLAN -- A Section 457(b) deferred compensation plan is available for employees of eligible state or local governments. Salary reduction amounts are limited to the lesser of \$14,000 for 2005 (\$15,000 for 2006) or 100% of includable compensation. Additional catch-up amounts may be contributed if the Contract Owner is age 50 or older of \$4,000 for 2005 (\$5,000 for 2006). A special catch-up contribution is allowed in the last three years of employment before attaining normal retirement age. Contributions and earnings are not included in the Annuitant's income until distributed. Distributions are not generally allowed until the employee reaches age 70 1/2 except for severance from employment or for an unforeseeable emergency or severe financial hardship. Section 457(b) annuity Contract accumulations can be rolled over or transferred to other Section 457(b) eligible governmental plan contracts or an eligible Qualified Plan. Section 457(b) annuity Contracts are subject to the required minimum distribution rules.

SECTION 401 -- Section 401 permits employers to establish various types of retirement plans (e.g., pension, profit sharing, 401(k) plans) for their employees. Retirement plans established in accordance with Section 401 may permit the purchase of annuity contracts to provide benefits under the plan. In order for a retirement plan to be considered qualified under Section 401 it must: meet certain minimum standards with respect to participation, coverage and vesting; not discriminate in favor of highly compensated employees; provide contributions or benefits that do not exceed certain limitations; prohibit the use of plan assets for purposes other than the exclusive benefit of the plan participant and their beneficiaries covered by the plan; comply with certain minimum distribution requirements; provide for certain spousal survivor benefits; and comply with numerous other qualification requirements. A retirement plan qualified under Section 401 may be funded with employer contributions, employee contributions or a combination of both. Employee contributions may be made pre-tax (under a salary reduction agreement) or on an after-tax basis.

ROLLOVERS -- A rollover, direct rollover or trustee-to-trustee transfer is a tax-free transfer of a distribution from a Qualified Plan to an eligible retirement plan. Distributions that are properly rolled over or transferred are not includable in income until they are ultimately paid out of the Contract. A Section 401 plan can be rolled over or transferred to another Section 401 plan, an IRA, a Section 403(a) annuity, a Section 403(b) tax-deferred annuity or an eligible Section 457 governmental plan. An IRA can be rolled over or transferred to another IRA, a Section 401 plan, a Section 403(a) annuity, a Section 403(b) tax-deferred annuity or an eligible Section 457 governmental plan. A Section 403(b) tax-deferred annuity can be rolled over or transferred to an IRA, a Section 401 plan, a Section 403(a) annuity, a Section 403(b) tax-deferred annuity or an eligible Section 457 governmental plan. In all cases the eligible Section 457 plan must separately account for amounts rolled over or transferred from other non-Section 457 plans.

For a Section 403(b) annuity only amounts eligible for distribution can be rolled over. However, amounts may be transferred between tax-deferred annuities if the requirements of Revenue Ruling 90-24 are met. A SIMPLE IRA can only be rolled over to another SIMPLE IRA during the first two years of participation. Thereafter, a SIMPLE IRA can be rolled over or transferred tax-free to an IRA, a qualified Section 401 plan, a Section 403(b) plan or a Section 457 plan. A Roth IRA can generally only be rolled over to another Roth IRA. If certain requirements are met, it may be possible to recharacterize a Roth IRA contribution as an IRA contribution.

TAXATION OF CONTRACT BENEFITS

Amounts contributed through salary reduction, employer contributions or deductible amounts in the case of IRAs are not taxed at the time of contribution. Earnings are also not taxed as they accumulate within the annuity Contract. Except for qualified distributions from Roth IRAs or after-tax contributions, Contract benefits will be taxable as ordinary income when received in accordance with Section 72 of the IRC.

Loans, if not made within certain terms of the IRC, will be treated as distributions. Loans from Sections 401 and 403(b) plans will not be treated as distributions if the terms require repayment within five years (except loans to acquire a home); the loans have substantially level payments over the term of the loan; the loans do not exceed \$50,000 and the loans are evidenced by a legally enforceable agreement. Loans are not allowed for IRAs.

Qualified distributions from a Roth IRA are not taxable. A qualified distribution is any distribution made at least five years after issuance of the owner's first Roth IRA and made after

26

<Page>

attainment of age 59 1/2; as the result of death or disability; or as a qualified first-time homebuyer distribution.

ADDITIONAL TAXES

PREMATURE DISTRIBUTION TAX

An additional tax (penalty tax) will apply to premature distributions from a Qualified Plan. A premature distribution is generally any distribution made before the Contract Owner reaches age 59 1/2. The penalty tax is 10% of the amount of the payment that is includable in income. The penalty tax increases to 25% for distributions from a SIMPLE IRA if made within the first two years of participation. The penalty tax does not apply to conversions of IRAs to Roth IRAs and distributions from Section 457 plans. Certain payments may be exempt from the penalty tax depending on the type of Qualified Plan such as payments made: 1) after age 59 1/2, 2) as the result of death or disability, 3) that are part of a series of substantially equal periodic payments over the life expectancy of the owner or the joint lives of the owner and beneficiary, 4) after separation from service and attainment of age 55, 5) for medical care, 6) under a qualified domestic relations order (QDRO) and 7) to correct excess contributions or elective deferrals. If the Contract is an IRA or Roth IRA exception 4) listed above does not apply. In addition, for an IRA or Roth IRA there are additional exceptions, which include payments made: 1) for reimbursement of health insurance while the Contract Owner was unemployed, 2) for qualified education expenses and 3) for a qualified first-time home purchase.

REQUIRED MINIMUM DISTRIBUTION TAX -- If the amount distributed from a Qualified Plan is less than the required minimum distribution for the year (discussed below), the Contract Owner is generally subject to a non-deductible excise tax of 50% on the difference between the required minimum distribution and the amount actually distributed.

REQUIRED MINIMUM DISTRIBUTIONS -- The Contract Owner of all Qualified Plans except Roth IRAs is generally required to take certain required minimum distributions during the Contract Owner's life and the beneficiary designated by the Contract Owner is required to take the balance of the Contract value within certain specified periods following the Contract Owner's death.

The Contract Owner must take the first required distribution by the required beginning date and subsequent required distributions by December 31 of each year thereafter. Payments must be made over the life expectancy of the Contract Owner or the joint life expectancy of the Contract Owner and the beneficiary. The amount of the required minimum distribution depends upon the Contract value and the applicable life expectancy. The required beginning date for IRAs, SEPs and SIMPLE IRAs is no later than April 1 of the calendar year following the calendar year in which the Contract Owner attains age 70 1/2. The required beginning date for Section 403(b) annuities and Section 457 plans is the later of April 1 of the calendar year following the calendar year in which the Contract Owner attains age 70 1/2 or retires.

Upon the death of the Contract Owner, the beneficiary must take distributions under one of the following two rules.

1. If the Contract Owner dies on or after the required beginning date and has designated a beneficiary, any remaining balance must be distributed over the longer of the remaining life expectancy of the Contract Owner's designated beneficiary or the remaining life expectancy of the Contract Owner. If there is no designated beneficiary as of the date for determining a designated beneficiary, distributions shall continue over the remaining life expectancy of the Contract Owner.

2. If the Contract Owner dies before the required beginning date, the balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the Contract Owner's death. If the Contract value is payable to a beneficiary other than a spouse, it may be paid over the life expectancy of that beneficiary, provided distributions begin by December 31 of the calendar year following the year of the Contract Owner's death. If the beneficiary is the spouse, the spouse may defer payments until the end of the calendar year in which the Contract Owner would have reached age 70 1/2 or roll over the Contract to an IRA or any other eligible retirement plan.

WITHHOLDING -- Mandatory federal income tax is generally required to be withheld at the rate of 20% on distributions from Qualified Plans. Exceptions to this rule include: distributions from IRAs or Roth IRAs; a direct rollover or direct transfer to an eligible retirement plan; periodic payments over the Contract Owner's life expectancy or the joint life expectancy of the Contract Owner and the beneficiary; periodic payments over a ten-year period; required minimum distributions; and hardship distributions.

For all amounts not subject to the mandatory 20% withholding except Roth IRAs, federal income tax is generally required to be withheld unless the Contract Owner elects not to have federal income tax withheld. For periodic payments (Annuity Payments), the withholding is calculated like wage withholding. For all other payments withholding is at a rate of 10%. HMLIC will notify the Contract Owner at least annually of his or her right to revoke the election not to have federal income tax withheld. State and/or local tax withholding may also apply.

VOTING RIGHTS

Unless otherwise restricted by the plan under which a Contract is issued, each Contract Owner has the right to instruct HMLIC with respect to voting his or her interest in the shares of the Underlying Funds held by the Separate Account at all shareholder meetings.

The number of votes that may be cast by a Contract Owner is based on the number of units owned as of the record date of the meeting. Shares for which no instructions are received are voted in the same proportion as the shares for which instructions have been received. Any Underlying Fund shares attributable to investment by HMLIC will be voted in proportion to the vote by Contract Owners who have Separate Account units. Contract Owners receive various materials, such

27

<Page>

as proxy materials and voting instruction forms, that relate to voting Underlying Fund shares.

OTHER INFORMATION

LEGAL PROCEEDINGS -- There are no legal proceedings to which the Separate Account is a party or to which the assets of the Separate Account are subject. HMLIC is engaged in various kinds of routine litigation that, in HMLIC's judgment, are not material to its financial condition. None of this litigation relates to the Separate Account.

REGISTRATION STATEMENT -- A registration statement has been filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the Contract. This prospectus does not contain all information set forth in the registration statement, its amendments and exhibits. Statements contained in this prospectus as to the content of the Contract and other legal instruments are summaries. For a complete statement of the terms thereof, reference is made to these instruments as filed.

COMMUNICATIONS TO CONTRACT OWNERS -- To ensure receipt of communications, Contract Owners must notify HMLIC of address changes. Notice of a change in address may be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by calling (217) 789-2500 or (800) 999-1030 (toll-free).

HMLIC will attempt to locate Contract Owners for whom no current address is on file. In the event HMLIC is unable to locate a Contract Owner, HMLIC may be forced to surrender the value of the Contract to the Contract Owner's last known state of residence in accordance with the state's abandoned property laws.

CONTRACT OWNER INQUIRIES -- A toll-free number, (800) 999-1030, is available to telephone HMLIC's Annuity Customer Service Department. Written questions should be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657.

FORMS AVAILABILITY -- Specific forms are available from HMLIC to aid the Contract Owner in effecting many transactions allowed under the Contract. These forms may be obtained by calling the Annuity Customer Service Department

toll-free at (800) 999-1030.

NASD REGULATION'S PUBLIC DISCLOSURE PROGRAM -- Information about HM Investors and your agent is available from the NASD at www.nasd.com or by calling (800) 289-9999 (toll-free).

ADDITIONAL INFORMATION

A copy of the Statement of Additional Information providing more detailed information about the Separate Account is available, without charge, upon request. The Table of Contents of this Statement of Additional Information follows:

<Table>	
<Caption>	
TOPIC	PAGE
-----	-----
<S>	<C>
General Information and History	2
Underwriter	2
Financial Statements	2
</Table>	

To receive, without charge, a copy of the Statement of Additional Information for the Separate Account, please complete the following request form and mail it to the address indicated below, send it by telefacsimile (FAX) transmission to (217) 535-7123 or telephone (217) 789-2500 or (800) 999-1030 (toll-free).

HORACE MANN LIFE INSURANCE COMPANY
P.O. BOX 4657
SPRINGFIELD, ILLINOIS 62708-4657

Please provide free of charge the following information:

____ Statement of Additional Information dated May 2, 2005 for the Separate Account

Please mail the above document to:

(Name)

(Address)

(City/State/Zip)

28

<Page>

PROSPECTUS

NON-QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACT

VARIABLE SOLUTIONS

HORACE MANN LIFE INSURANCE COMPANY
SEPARATE ACCOUNT

MAY 2, 2005

<Page>

NON-QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACT ISSUED BY HORACE MANN
LIFE INSURANCE COMPANY
SEPARATE ACCOUNT
FLEXIBLE PREMIUM CONTRACT FOR INDIVIDUALS

This prospectus offers a Variable, non-qualified annuity Contract to individuals. The Contract is issued by Horace Mann Life Insurance Company ("HMLIC") as a flexible premium Contract. Amounts transferred to the HMLIC Separate Account as directed by a Contract Owner are invested in one or more of the Subaccounts (sometimes referred to as Variable investment options). Each Subaccount purchases shares in a corresponding Underlying Fund. The Underlying Funds are:

Large Company Stock Funds
Large Blend

JPMorgan U.S. Large Cap Core Equity Portfolio
Fidelity VIP Growth & Income Portfolio SC 2
Fidelity VIP Index 500 Portfolio SC 2

Large Growth
 Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Large Value
 Wilshire VIT Equity Fund -- Horace Mann Shares
 Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
 Davis Value Portfolio

Mid-Size Company Stock Funds
 Mid Blend
 Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
 Fidelity VIP Mid Cap Portfolio SC 2

Mid Growth
 Delaware VIP Growth Opportunities Series
 Lord Abbett Insurance Series Growth/Opportunities
 Putnam VT Vista Fund (IB Shares)

Wells Fargo Advantage Discovery Fund

Mid Value
 Wells Fargo Advantage Opportunity Fund

Small Company Stock Funds
 Small Blend
 Goldman Sachs VIT Core Small Cap Equity Fund

Small Growth
 Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
 Credit Suisse Small Cap Growth Portfolio
 Delaware VIP Trend Series

Small Value
 Royce Capital Fund Small-Cap Portfolio

International Stock Funds
 Wilshire VIT International Equity Fund -- Horace Mann Shares
 Fidelity VIP Overseas Portfolio SC 2

Balanced Fund
 Wilshire VIT Balanced Fund -- Horace Mann Shares

Bond Funds
 Wilshire VIT Income Fund -- Horace Mann Shares
 Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares
 Fidelity VIP High Income Portfolio SC 2
 Fidelity VIP Investment Grade Bond Portfolio SC 2

This prospectus sets forth the information an investor should know before investing and should be kept for future reference. Additional information about the HMLIC Separate Account has been filed with the Securities and Exchange Commission in a Statement of Additional Information, dated May 2, 2005. The Statement of Additional Information is incorporated by reference and is available upon request, without charge. You may obtain the Statement of Additional Information by writing to Horace Mann Life Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free). The table of contents of the Statement of Additional Information appears on page 23 of this prospectus.

The Securities and Exchange Commission maintains a website (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference and other information that the HMLIC Separate Account files electronically with the Securities and Exchange Commission.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ANNUITIES OFFERED BY HMLIC ARE NOT INSURED BY THE FDIC OR ANY OTHER GOVERNMENT AGENCY. THEY ARE NOT DEPOSITS OF, OBLIGATIONS OF OR GUARANTEED BY ANY BANK. THEY INVOLVE INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED.

The date of this prospectus is May 2, 2005.

<Page>

TABLE OF CONTENTS

<Table>
 <Caption>

PAGE

<S>

<C>

DEFINITIONS	3
SUMMARY	4
TABLE OF ANNUAL OPERATING EXPENSES	6
CONDENSED FINANCIAL INFORMATION	7
HORACE MANN LIFE INSURANCE COMPANY, THE SEPARATE ACCOUNT AND THE UNDERLYING FUNDS	11
Horace Mann Life Insurance Company	11
The Separate Account	11
The Underlying Funds	11
THE CONTRACT	14
Contract Owners' Rights	14
Purchasing the Contract	15
Premium Payments	15
Amount and Frequency of Premium Payments	15
Allocation of Premium Payments	15
Accumulation Units and Accumulation Unit Value	15
Transactions	16
Transfers	16
Dollar Cost Averaging	16
Rebalancing	17
Changes to Premium Payment Allocations	17
Market Timing	17
Surrender or Withdrawal Before Commencement of Annuity Period	18
Deferment	18
Confirmations	18
Deductions and Expenses	19
Annual Maintenance Fee	19
Mortality and Expense Risk Fee	19
Withdrawal Charges	19
Operating Expenses of the Underlying Funds	19
Premium Taxes	19
Death Benefit Proceeds	19
Annuity Payments	19
Annuity Payment Options	20
Amount of Fixed and Variable Annuity Payments	20
Misstatement of Age or Sex	21
Modification of the Contract	21
TAX CONSEQUENCES	22
Other Considerations	22
Separate Account	22
Contract Owners	22
Contributions	22
Distributions Under Non-Qualified Contracts	22
Contracts Owned by Non-Natural Persons	22
Exchanges	22
Distribution at Death Rules	22
Premature Distribution Tax	22
Withholding	23
VOTING RIGHTS	23
OTHER INFORMATION	23
ADDITIONAL INFORMATION	23

</Table>

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR SOLICITATION OF AN OFFER TO ACQUIRE, ANY INTEREST OR PARTICIPATION IN THE CONTRACT OFFERED BY THIS PROSPECTUS IN ANY STATE TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH STATE.

2

<Page>

DEFINITIONS

ACCUMULATION UNIT: A unit of measurement used to determine the value of a Contract Owner's interest in a Subaccount before Annuity Payments begin.

ACCUMULATION UNIT VALUE: The value of an Accumulation Unit on any Valuation Date.

ANNUITANT: The natural person whose life determines the Annuity Payments made under this contract.

ANNUITY DATE: The date Annuity Payments begin. The individual Contract offered by this prospectus describes the criteria for determining Annuity Dates.

ANNUITY PAYMENTS: A series of payments that may be for life; for life with a guaranteed number of payments; for the joint lifetimes of the Annuitant and another person, and thereafter, during the lifetime of the survivor; or for some fixed period. A fixed annuity provides a series of payments that will be equal in amount throughout the annuity period. A fixed annuity does not participate in the investment experience of any Subaccount. A Variable annuity provides a series of payments that vary in amount.

ANNUITY PERIOD: The period during which Annuity Payments are made to the Annuitant or the last surviving joint Annuitant, if any.

ANNUITY UNIT: A unit of measurement used in determining the amount of a Variable Annuity Payment during the Annuity Period.

ANNUITY UNIT VALUE: The value of an Annuity Unit on any Valuation Date.

CONTRACT: The individual flexible premium deferred Variable annuity Contract this prospectus offers.

CONTRACT OWNER: The individual or entity to whom the Contract is issued.

CONTRACT YEAR: A year measured from the date a Contract was issued to an individual Contract Owner and each anniversary of this date.

FIXED CASH VALUE: The dollar value of the fixed account under the Contract prior to the time Annuity Payments begin.

MUTUAL FUND(S): Open-end management investment companies. These companies are generally registered under the Investment Company Act of 1940.

NET PREMIUM: The balance of each premium payment received by HMLIC after deducting any applicable premium taxes.

SEPARATE ACCOUNT: The Horace Mann Life Insurance Company Separate Account, a segregated Variable investment account consisting of Subaccounts each of which invests in a corresponding Underlying Fund. The Separate Account was established by HMLIC under Illinois law and is registered as a unit investment trust under the Investment Company Act of 1940.

SUBACCOUNT: A division of the Separate Account which invests in shares of the corresponding Underlying Fund.

TOTAL ACCUMULATION VALUE: The sum of the Fixed Cash Value and the Variable Cash Value prior to the time Annuity Payments begin.

UNDERLYING FUNDS: All Mutual Funds listed in this document that are available for investment by the Separate Account.

VALUATION DATE: Any day on which the New York Stock Exchange ("NYSE") is open for trading. The Valuation Date ends at 3:00 p.m. Central time or the close of the NYSE if earlier.

VALUATION PERIOD: The period from the end of a Valuation Date to the end of the next Valuation Date, excluding the day the period begins and including the day it ends.

VARIABLE: The values vary based on the investment performance of the Subaccount(s) selected.

VARIABLE CASH VALUE: The dollar value of the Separate Account investment options under the Contract prior to the time Annuity Payments begin.

WITHDRAWAL CHARGE: Also called a "contingent deferred sales charge." An amount kept by HMLIC if a withdrawal is made, if the Contract is surrendered or upon certain annuitizations. The charge is intended to compensate HMLIC for the cost of selling the Contract.

3

<Page>

SUMMARY

This summary is intended to provide a brief overview of the more significant aspects of the Contract. Further information can be found in this prospectus, in the Separate Account Statement of Additional Information and in the Contract. This prospectus is intended to serve as a disclosure document for the Variable portion of the Contract only. For information regarding the fixed portion, refer to the Contract.

Detailed information about the Underlying Funds is contained in each Underlying Fund's prospectus and in each Underlying Fund's Statement of Additional Information.

The expenses for the Underlying Funds, including advisory and management fees, are found in each Underlying Fund's Prospectus.

WHAT IS THE "SEPARATE ACCOUNT?"

The Separate Account segregates assets dedicated to the variable portion of the Contract offered herein. The Separate Account is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as a unit investment trust. The Separate Account consists of Subaccounts, each investing in shares of a corresponding Underlying Fund.

WHO MAY PURCHASE THE CONTRACT OFFERED BY THIS PROSPECTUS?

Individuals may purchase the Variable flexible premium annuity. The Contract offered by this prospectus is designed to provide non-qualified retirement annuities.

The Contract is offered and sold by HMLIC through its licensed life insurance sales personnel. These insurance sales personnel are registered representatives of Horace Mann Investors, Inc. ("HM Investors"). In addition, the Contract may be offered and sold through independent agents and other broker/dealers. HM Investors is a broker/dealer registered under the Securities and Exchange Act of 1934. HMLIC has entered into a distribution agreement with HM Investors. HM Investors is a member of the NASD.

WHAT ARE MY INVESTMENT CHOICES?

You may have money allocated to or invested in up to 24 Subaccounts and/or the fixed account at any one time.

(a) SEPARATE ACCOUNT

Includes Subaccounts each of which invests in one of the following Underlying Funds:

LARGE COMPANY STOCK FUNDS

Large Blend

JPMorgan U.S. Large Cap Core Equity Portfolio
Fidelity VIP Growth & Income Portfolio SC 2
Fidelity VIP Index 500 Portfolio SC 2

Large Growth

Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Large Value

Wilshire VIT Equity Fund -- Horace Mann Shares
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
Davis Value Portfolio

MID-SIZE COMPANY STOCK FUNDS

Mid Blend

Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
Fidelity VIP Mid Cap Portfolio SC 2

Mid Growth

Delaware VIP Growth Opportunities Series
Lord Abbett Insurance Series Growth/Opportunities
Putnam VT Vista Fund (IB Shares)

Wells Fargo Advantage Discovery Fund(1)

Mid Value

Wells Fargo Advantage Opportunity Fund(1)

SMALL COMPANY STOCK FUNDS

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
Credit Suisse Small Cap Growth Portfolio(1)
Delaware VIP Trend Series

Small Value

Royce Capital Fund Small-Cap Portfolio

INTERNATIONAL STOCK FUNDS

Wilshire VIT International Equity Fund -- Horace Mann Shares
Fidelity VIP Overseas Portfolio SC 2

BALANCED FUND

Wilshire VIT Balanced Fund -- Horace Mann Shares

BOND FUNDS

Wilshire VIT Income Fund -- Horace Mann Shares
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares
Fidelity VIP High Income Portfolio SC 2
Fidelity VIP Investment Grade Bond Portfolio SC 2

(1) On and after June 1, 2004, new Contracts may not have allocations to these Subaccounts, and existing Contracts may not begin or increase allocations

to these Subaccounts or start any new transfers of money to these Subaccounts.

4

<Page>

(b) FIXED ACCOUNT (SEE THE CONTRACT)

WHEN CAN I TRANSFER BETWEEN ACCOUNTS?

At any time before the Contract's Annuity Date, amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract. For complete details see "The Contract -- Transactions -- Transfers."

MAY I WITHDRAW ALL OR PART OF THE CONTRACT VALUE BEFORE THE ANNUITY DATE?

Unless restricted by the Internal Revenue Code of 1986, as amended ("IRC"), a Contract Owner may at any time before the Annuity Date surrender his or her Contract in whole or withdraw in part for cash. Each surrender or partial withdrawal from the Variable Cash Value is processed on the basis of the value of an Accumulation Unit of the Subaccount(s) from which the value is being surrendered or withdrawn. Surrenders and withdrawals may be subject to Withdrawal Charges as described in "Deductions and Expenses -- Withdrawal Charges." For information specific to a withdrawal of the Fixed Cash Value, see your Contract.

WHAT ARE THE CHARGES OR DEDUCTIONS?

The Contract may be subject to deductions for applicable state or local government premium taxes. Premium taxes presently range from 0% to 3.5%.

A mortality and expense risk fee (M&E Fee), is deducted from the Separate Account. This fee is computed on a daily basis and will not exceed an annual rate of 1.25% of the daily net assets of the Separate Account.

A fixed annual maintenance fee that may not exceed \$25 is assessed against the Contract on each anniversary, unless the Contract value equals or exceeds \$10,000, in which case such charge is waived.

No deduction for sales expense is charged on premium payments, but a decreasing Withdrawal Charge is assessed against surrenders, withdrawals and certain annuitizations. The charge is deducted from the Contract Owner's value in the Subaccount(s) from which the withdrawal is made. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

WHAT ARE THE FEDERAL INCOME TAX CONSEQUENCES OF INVESTING IN THIS CONTRACT?

The IRC provides penalties for premature distributions under various retirement plans. See "Tax Consequences." This Contract may not be suitable for short-term investment. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

IF I RECEIVE MY CONTRACT AND AM DISSATISFIED, MAY I RETURN IT?

Subject to various state insurance laws, the Contract Owner may return the Contract to HMLIC within 30 days of receipt of the Contract. HMLIC will refund the greater of the premium contributions or the market value of the assets purchased by payments paid to the Separate Account as of the date the request was received less any taxes, if applicable.

WHEN CAN I BEGIN RECEIVING ANNUITY PAYMENTS, AND WHAT OPTIONS ARE AVAILABLE?

Payments will begin on the Annuity Date set by the terms of your Contract. Variable Annuity Payments are made in monthly installments. Various Annuity Payment options are available under the Contract.

Annuity Payments may be fixed or Variable or a combination of fixed and Variable payments. The following options are available for receiving Annuity Payments:

Life Annuity with payments guaranteed for periods of 0, 10, 15 or 20 years, Joint and Survivor Annuity and Payments for a Specified Period.

5

<Page>

TABLE OF ANNUAL OPERATING EXPENSES

The following tables describe the maximum fees and expenses that you will pay when buying, owning and surrendering the Contract. The first table describes the fees and expenses that you will pay at the time that you buy the Contract, surrender the Contract or transfer cash value between investment options. State premium taxes may also be deducted.

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT

CONTRACT OWNER TRANSACTION EXPENSES:(1)

<Table>	
<S>	
Surrender Fees (as a percentage of amount surrendered, if applicable)	<C> 9%
</Table>	

(1) Premium taxes, currently ranging between 0% and 3.5%, are not included. The rate of the premium tax varies depending upon the state of residence, and not all states impose premium taxes. Taxes are deducted at the time of purchase.

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including Underlying Fund fees and expenses.

<Table>	
<S>	
Annual Contract Fee(1)	\$ 25
Separate Account Annual Expenses (as a percentage of average account value)	
Mortality and Expense Risk Fees	1.25%
Account Fees and Expenses	0%
Total Separate Account Annual Expenses	1.25%
</Table>	

(1) The annual contract fee is waived if the Contract value equals or exceeds \$10,000.

We guarantee that the aggregate surrender fee charged will never exceed 9% of your total purchase payments.

The next item shows the minimum and maximum total operating expenses charged by the Underlying Funds that you may pay periodically during the time that you own the Contract. More detail concerning each Underlying Fund's fees and expenses is contained in the prospectus for each Underlying Fund.

<Table>		
<Caption>		
TOTAL ANNUAL UNDERLYING FUND OPERATING EXPENSES	MINIMUM	MAXIMUM
-----	-----	-----
<S>	<C>	<C>
(expenses that are deducted from Underlying Fund assets, including management fees, distribution and/or service (12b-1) fees and other expenses)	0.35%	1.86%
</Table>		

EXAMPLE

This Example is intended to help you compare the cost of investing in the Contract with the cost of investing in other Variable annuity contracts. These costs include Contract Owner transaction expenses, Contract fees, Separate Account annual expenses and Underlying Fund fees and expenses.

The Example assumes that you invest \$10,000 in the Contract for the time periods indicated. The Example also assumes that your investment has a 5% return each year and assumes the maximum fees and expenses of any of the Underlying Funds as of December 31, 2004. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

If you surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
1 YEAR	3 YEARS	5 YEARS	10 YEARS	
-----	-----	-----	-----	
<S>	<C>	<C>	<C>	
\$ 1,253	\$ 1,711	\$ 2,178	\$ 3,381	
</Table>				

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
1 YEAR	3 YEARS	5 YEARS	10 YEARS	
-----	-----	-----	-----	

<S>	<C>	<C>	<C>
\$ 336	\$ 975	\$ 1,634	\$ 3,381

<Page>

CONDENSED FINANCIAL INFORMATION

The following information is taken from the Separate Account financial statements. The financial statements and reports are contained in the Annual Report for the Separate Account and are incorporated herein by reference and may be obtained by calling or writing HMLIC. The Wilshire VIT Equity Fund -- Horace Mann Shares commenced operations on May 21, 1957. The Wilshire VIT Balanced Fund -- Horace Mann Shares, Income Fund and Short-Term Investment Fund each commenced operations on January 1, 1983. The Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares, Wilshire VIT International Equity Fund -- Horace Mann Shares and Wilshire VIT Socially Responsible Fund -- Horace Mann Shares each commenced operations on March 10, 1997. The Delaware VIP Growth Opportunities Series, Lord Abbett Insurance Series Growth/Opportunities, Delaware VIP Trend Series, Goldman Sachs VIT Core Small Cap Equity Fund, Royce Capital Fund Small-Cap Portfolio and Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares were added to the Separate Account on June 1, 2004. All other Underlying Funds not specified above were added to the Separate Account on August 9, 2000.

<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE		# ACCUMULATION UNITS OUTSTANDING
		BEGINNING OF PERIOD	END OF PERIOD	
<S>	<C>	<C>	<C>	<C>
JPMORGAN U.S. LARGE CAP CORE EQUITY PORTFOLIO	12/31/04	\$ 12.22	\$ 13.22	1,143,649
	12/31/03	9.65	12.22	915,270
	12/31/02	12.97	9.65	690,067
	12/31/01	14.90	12.97	431,258
	12/31/00	17.33*	14.90	123,796
FIDELITY VIP GROWTH & INCOME PORTFOLIO SC 2	12/31/04	\$ 13.69	\$ 14.27	757,537
	12/31/03	11.23	13.69	535,029
	12/31/02	13.67	11.23	357,213
	12/31/01	15.20	13.67	230,640
	12/31/00	16.03*	15.20	53,980
FIDELITY VIP INDEX 500 PORTFOLIO SC 2	12/31/04	\$ 124.84	\$ 136.05	277,917
	12/31/03	98.66	124.84	211,435
	12/31/02	128.86	98.66	151,544
	12/31/01	148.95	128.86	93,943
	12/31/00	171.04*	148.95	32,999
FIDELITY VIP GROWTH PORTFOLIO SC 2	12/31/04	\$ 31.79	\$ 32.38	974,205
	12/31/03	24.28	31.79	771,644
	12/31/02	35.28	24.28	595,943
	12/31/01	43.48	35.28	404,152
	12/31/00	53.82*	43.48	161,937
ALLIANCEBERNSTEIN LARGE CAP GROWTH PORTFOLIO	12/31/04	\$ 21.59	\$ 23.11	818,599
	12/31/03	17.71	21.59	676,885
	12/31/02	25.94	17.71	522,390
	12/31/01	31.81	25.94	357,364
	12/31/00	41.57*	31.81	130,232
WILSHIRE VIT EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$ 19.76	\$ 21.51	14,024,912
	12/31/03	15.68	19.76	15,075,890
	12/31/02	19.70	15.68	15,849,770
	12/31/01	20.82	19.70	17,361,722
	12/31/00	22.10	20.82	18,713,068
	12/31/99	22.97	22.10	23,693,305
	12/31/98	21.62	22.97	24,141,182
	12/31/97	17.74	21.62	21,736,131
	12/31/96	14.33	17.74	18,086,814
	12/31/95	10.88	14.33	14,363,155
	12/31/94	11.03	10.88	12,072,982

</Table>

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
<S>	<C>	<C>	<C>	<C>
WILSHIRE VIT SOCIALLY RESPONSIBLE FUND -- HORACE MANN SHARES	12/31/04	\$ 14.85	\$ 16.61	4,612,921
	12/31/03	11.70	14.85	4,740,058
	12/31/02	13.70	11.70	4,803,270
	12/31/01	14.96	13.70	4,970,814
	12/31/00	13.92	14.96	4,767,452
	12/31/99	13.00	13.92	3,893,389
	12/31/98	12.00	13.00	2,430,089
	12/31/97	9.85	12.00	698,226
WILSHIRE VIT SOCIALLY RESPONSIBLE FUND -- HORACE MANN SHARES	12/31/04	\$ 14.85	\$ 16.61	4,612,921
	12/31/03	11.70	14.85	4,740,058
	12/31/02	13.70	11.70	4,803,270
	12/31/01	14.96	13.70	4,970,814
	12/31/00	13.92	14.96	4,767,452
	12/31/99	13.00	13.92	3,893,389
	12/31/98	12.00	13.00	2,430,089
	12/31/97	9.85	12.00	698,226
DAVIS VALUE PORTFOLIO	12/31/04	\$ 10.40	\$ 11.54	612,231
	12/31/03	8.11	10.40	486,125
	12/31/02	9.80	8.11	384,920
	12/31/01	11.08	9.80	333,527
	12/31/00	11.58*	11.08	134,363
DREYFUS INVESTMENT PORTFOLIO: MID CAP STOCK FUND -- SERVICE SHARES	12/31/04	\$ 15.91*	\$ 17.90	9,576
FIDELITY VIP MID CAP PORTFOLIO SC 2	12/31/04	\$ 23.43	\$ 28.85	954,231
	12/31/03	17.16	23.43	798,274
	12/31/02	19.31	17.16	674,016
	12/31/01	20.25	19.31	551,984
	12/31/00	20.11*	20.25	231,555
DELAWARE VIP GROWTH OPPORTUNITIES SERIES	12/31/04	\$ 14.24*	\$ 15.70	11,064
LORD ABBETT INSURANCE SERIES GROWTH/OPPORTUNITIES	12/31/04	\$ 12.00*	\$ 13.21	22,415
PUTNAM VT VISTA FUND (IB SHARES)	12/31/04	\$ 11.56	\$ 13.54	447,976
	12/31/03	8.79	11.56	431,300
	12/31/02	12.82	8.79	375,227
	12/31/01	19.52	12.82	326,406
	12/31/00	25.13*	19.52	146,933
WELLS FARGO ADVANTAGE DISCOVERY FUND	12/31/04	\$ 14.40	\$ 16.95	479,241
	12/31/03	10.86	14.40	443,966
	12/31/02	17.61	10.86	371,269
	12/31/01	25.76	17.61	279,260
	12/31/00	35.99*	25.76	131,868
WELLS FARGO ADVANTAGE OPPORTUNITY FUND	12/31/04	\$ 25.67	\$ 29.98	317,641
	12/31/03	18.96	25.67	298,172
	12/31/02	26.24	18.96	254,365
	12/31/01	27.60	26.24	169,801
	12/31/00	28.55*	27.60	47,165
GOLDMAN SACHS VIT CORE SMALL CAP EQUITY FUND	12/31/04	\$ 12.99*	\$ 15.00	17,423

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
<S>	<C>	<C>	<C>	<C>
WILSHIRE VIT SMALL CAP GROWTH FUND -- HORACE MANN SHARES	12/31/04	\$ 11.52	\$ 11.88	4,302,146
	12/31/03	7.33	11.52	4,507,783
	12/31/02	12.16	7.33	4,361,425

	12/31/01		17.54		12.16	4,399,005
	12/31/00		19.92		17.54	4,284,826
	12/31/99		11.61		19.92	2,619,220
	12/31/98		11.10		11.61	2,103,641
	12/31/97		9.59		11.10	1,284,537
CREDIT SUISSE SMALL CAP GROWTH PORTFOLIO	12/31/04	\$	17.03	\$	18.65	248,475
	12/31/03		11.61		17.03	236,965
	12/31/02		17.73		11.61	207,449
	12/31/01		21.37		17.73	165,082
	12/31/00		27.32*		21.37	76,760
DELAWARE VIP TREND SERIES	12/31/04	\$	28.47*	\$	30.27	2,275
WILSHIRE VIT INTERNATIONAL EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$	10.68	\$	11.67	3,099,530
	12/31/03		8.16		10.68	3,072,915
	12/31/02		10.47		8.16	2,970,500
	12/31/01		14.39		10.47	2,935,800
	12/31/00		17.67		14.39	2,650,938
	12/31/99		11.72		17.67	1,187,606
	12/31/98		9.98		11.72	696,337
	12/31/97		9.74		9.98	464,676
FIDELITY VIP OVERSEAS PORTFOLIO SC 2	12/31/04	\$	17.21	\$	19.27	643,917
	12/31/03		12.18		17.21	430,503
	12/31/02		15.50		12.18	308,350
	12/31/01		19.91		15.50	209,742
	12/31/00		23.13*		19.91	70,810
WILSHIRE VIT BALANCED FUND -- HORACE MANN SHARES	12/31/04	\$	18.59	\$	19.86	13,172,538
	12/31/03		15.74		18.59	14,094,671
	12/31/02		17.39		15.74	14,804,752
	12/31/01		17.36		17.39	16,254,478
	12/31/00		17.41		17.36	17,553,416
	12/31/99		17.83		17.41	22,621,955
	12/31/98		16.78		17.83	23,286,358
	12/31/97		14.28		16.78	22,095,620
	12/31/96		12.22		14.28	20,098,949
	12/31/95		9.75		12.22	17,804,536
	12/31/94		9.97		9.75	15,666,817
WILSHIRE VIT INCOME FUND -- HORACE MANN SHARES	12/31/04	\$	16.30	\$	16.89	1,300,042
	12/31/03		15.39		16.30	1,210,705
	12/31/02		14.29		15.39	1,187,910
	12/31/01		13.27		14.29	936,292
	12/31/00		12.34		13.27	827,539
	12/31/99		12.70		12.34	1,034,296
	12/31/98		11.90		12.70	1,060,399
	12/31/97		11.02		11.90	784,296
	12/31/96		10.78		11.02	942,068
	12/31/95		9.49		10.78	938,069
	12/31/94		9.85		9.49	945,569

</Table>

9

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
WILSHIRE VIT SHORT-TERM INVESTMENT FUND -- HORACE MANN SHARES	12/31/04	\$ 10.86	\$ 10.85	270,993
	12/31/03	10.88	10.86	427,380
	12/31/02	10.83	10.88	367,360
	12/31/01	10.42	10.83	237,129
	12/31/00	9.97	10.42	205,055
	12/31/99	9.64	9.97	132,903
	12/31/98	9.30	9.64	120,651
	12/31/97	8.97	9.30	122,530
	12/31/96	8.65	8.97	125,251
	12/31/95	8.34	8.65	110,931
	12/31/94	8.13	8.34	125,199
FIDELITY VIP HIGH INCOME PORTFOLIO SC 2	12/31/04	\$ 9.06	\$ 9.79	256,027
	12/31/03	7.23	9.06	177,129
	12/31/02	7.09	7.23	90,168
	12/31/01	8.15	7.09	57,319
	12/31/00	9.77*	8.15	32,064

FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO SC 2	12/31/04	\$	15.10	\$	15.54	975,233
	12/31/03		14.56		15.10	921,950
	12/31/02		13.39		14.56	677,140
	12/31/01		12.54		13.39	283,612
	12/31/00		11.98*		12.54	24,851

</Table>

* Inception price on date Underlying Fund was added to the Separate Account, as shown on page 15.

Financial statements of the Separate Account and of HMLIC are available with the Statement of Additional Information. A copy of the Statement of Additional Information and of the financial statements may be obtained without charge by mailing a written request to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission request to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free).

10

<Page>

HORACE MANN LIFE INSURANCE COMPANY, THE SEPARATE ACCOUNT AND THE UNDERLYING FUNDS

HORACE MANN LIFE INSURANCE COMPANY

HMLIC, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001 ("HMLIC's Home Office"), is an Illinois stock life insurance company organized in 1949. HMLIC is licensed to do business in 48 states and in the District of Columbia. HMLIC writes individual and group life insurance and annuity contracts on a nonparticipating basis.

HMLIC is an indirect wholly-owned subsidiary of Horace Mann Educators Corporation ("HMEC"), a publicly-held insurance holding company traded on the NYSE.

THE SEPARATE ACCOUNT

On October 9, 1965, HMLIC established the Separate Account under Illinois law. The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust under the Investment Company Act of 1940. The Separate Account and each Subaccount are administered and accounted for as a part of the business of HMLIC. However, the income, gains and losses, whether or not realized, of each Subaccount are credited to or charged against the amounts allocated to that Subaccount in accordance with the terms of the Contract without regard to other income, gains or losses of the remaining Subaccounts or of HMLIC. The assets of the Separate Account may not be charged with liabilities arising out of any other business of HMLIC. All obligations arising under the Contract, including the promise to make Annuity Payments, are general corporate obligations of HMLIC. Accordingly, all of HMLIC's assets are available to meet its obligations and expenses under the Contract. While HMLIC is obligated to make payments under the Contract, the amounts of Variable Annuity Payments are not guaranteed.

The Separate Account is divided into Subaccounts. HMLIC uses the assets of each Subaccount to buy shares of the Underlying Funds based on Contract Owner instructions.

THE UNDERLYING FUNDS

The Underlying Funds are listed below along with their primary investment objectives and a description of the adviser to each Underlying Fund. Detailed information on the Underlying Funds can be found in the current prospectus for each Underlying Fund. Prospectuses for the Underlying Funds should be read carefully in conjunction with this prospectus before investing. A copy of each prospectus may be obtained without charge from HMLIC by calling (800) 999-1030 (toll-free), sending a telefacsimile (FAX) transmission to (217) 527-2307 or writing to HMLIC, P.O. Box 4657, Springfield, IL 62708-4657. You may also access the prospectuses on HMLIC's website at www.horacemann.com in the "Retirement Planning" link.

ALLIANCEBERNSTEIN

The AllianceBernstein Large Cap Growth Portfolio's investment objective is growth of capital by pursuing aggressive investment policies. The Portfolio invests primarily in equity securities of U.S. companies. Unlike most equity funds, the Portfolio focuses on a relatively small number of intensively researched companies. Alliance selects the Portfolio's investments from a research universe of more than 500 companies that have strong management, superior industry positions, excellent balance sheets and superior earnings growth prospects. Normally, the Portfolio invests in about 40-60 companies, with the 25 most highly regarded of these companies usually constituting

approximately 70% of the Portfolio's net assets. The AllianceBernstein Large Cap Growth Portfolio is a series of the AllianceBernstein Variable Products Series Fund and is advised by Alliance Capital Management.

CREDIT SUISSE

The investment objective of the Credit Suisse Small Cap Growth Portfolio is to seek capital growth. To pursue this goal, it invests primarily in equity securities of small U.S. growth companies. Under normal market conditions, the Portfolio will invest at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of small U.S. companies. The Portfolio considers a "small" company to be one whose market capitalization is within the range of capitalizations of companies in the Russell 2000 Index. As of December 31, 2004, the market capitalization of the companies in the Russell 2000 Index ranged from \$4 million to \$3.6 billion. Some companies may outgrow the definition of a small company after the Portfolio has purchased their securities but will continue to be considered small for purposes of the Portfolio's minimum 80% allocation to small-company equities. The Credit Suisse Small Cap Growth Portfolio is a series of Credit Suisse Trust and is advised by Credit Suisse Asset Management, LLC.

DAVIS

The Davis Value Portfolio's investment objective is to seek long-term growth of capital. Under normal circumstances the Portfolio invests the majority of its assets in equity securities of companies with market capitalizations of at least \$10 billion that the adviser believes to be of high quality and whose shares are selling at attractive prices. The Fund's adviser selects stocks with the intention of holding them for the long term. The Davis Value Portfolio is a series of the Davis Variable Account Fund and is advised by Davis Selected Advisers, L.P.

DELAWARE

The objective of the Delaware VIP Growth Opportunities Series is to seek long-term capital appreciation. The Delaware VIP Growth Opportunities Series invests primarily in securities of medium-sized companies that have established themselves within the industry but still have growth potential. The Series' management team invests in medium-size companies that they believe may offer strong opportunities for capital appreciation and generally less risk than investments in small companies, although mid-cap companies typically have greater risk than large-cap companies. The Delaware VIP Growth Opportunities

11

<Page>

Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc. Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

The objective of the Delaware VIP Trend Series is to seek long-term capital appreciation. The Delaware VIP Trend Series invests primarily in stocks of small growth-oriented or emerging companies that, in the management team's view, are market leaders with strong product cycles and innovative concepts. The Series' management team seeks to identify changing and dominant trends within the economy, the political arena and our society. The team conducts thorough research on companies, evaluating price-to-earnings ratios, estimated growth rates, market capitalization and cash flows to determine how attractive a company is relative to other companies. By focusing on companies in the early stages of their life cycles, the Series strives to capture the greatest potential for growth. The Delaware VIP Trend Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

THE DREYFUS CORPORATION

The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio (Service Shares) seeks investment returns that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor's MidCap 400 Index (S&P 400).

To pursue this goal, the Dreyfus Investment Portfolio: Mid Cap Stock Portfolio invests at least 80 percent of its assets in stocks of midsize companies. The portfolio invests in growth and value stocks, which are chosen through a disciplined investment process that combines computer modeling techniques, fundamental analysis and risk management. Consistency of returns compared to the S&P 400 is a primary goal of the investment process. The portfolio's stock investments may include common stocks, preferred stocks, convertible securities and depositary receipts, including those issued in initial public offerings ("IPOs") or shortly thereafter. The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio is advised by The Dreyfus Corporation.

The investment objective of the Fidelity VIP Growth Portfolio Service Class 2 shares is to achieve capital appreciation. The fund invests primarily in common stocks of companies that the adviser believes to have above-average growth potential (stocks of these companies are often called 'growth' stocks). The adviser may invest the fund's assets in securities of foreign issuers in addition to securities of domestic issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Overseas Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of the fund's assets in non-U.S. securities, primarily common stocks. The investments are allocated across different geographic regions and individual countries. The adviser will consider the size of the market in each country and region relative to the size of the international market as a whole. In buying and selling securities for the fund, the adviser relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position and economic and market conditions. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Overseas Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP High Income Portfolio Service Class 2 shares is to seek a high level of current income while also considering growth of capital. The adviser normally invests primarily in income-producing debt securities, preferred stocks and convertible securities, with an emphasis on lower-quality debt securities. The fund may also invest in non-income producing securities, including defaulted securities and common stocks and in companies that are in troubled or uncertain financial condition as well as domestic and foreign issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP High Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Investment Grade Bond Portfolio Service Class 2 shares is to seek as high a level of current income as is consistent with the preservation of capital. The fund normally invests at least 80% of its total assets in investment-grade debt securities of all types and repurchase agreements for those securities. The adviser uses the Lehman Brother's Aggregate Bond Index as a guide for structuring the fund and selecting its investments and attempts to maintain an overall interest rate risk similar to the index. The adviser allocates assets across different market sectors and maturities and analyzes a security's structural features and current pricing, trading opportunities and the credit quality of its issuer to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Investment Grade Bond Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Mid Cap Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of its total assets in securities of companies with medium market capitalizations.

The adviser normally invests the fund's assets primarily in common stocks. The fund may potentially invest in companies with smaller or larger market capitalizations, domestic and foreign issuers and either "growth" stocks, "value" stocks or both.

<Page>

The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Mid Cap Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Growth & Income Portfolio

Service Class 2 shares is to seek high total return through a combination of current income and capital appreciation. The fund invests primarily in common stocks with a focus on those that pay current dividends and show potential for capital appreciation. It also potentially invests in bonds, including lower-quality debt securities, as well as stocks that are not currently paying dividends, but offer prospects for future income or capital appreciation. The fund may potentially invest in domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth & Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Index 500 Portfolio Service Class 2 shares is to seek investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the S&P 500. The fund normally invests at least 80% of its assets in common stocks included in the S&P 500. Because the adviser may use statistical sampling techniques to attempt to replicate the returns of the S&P 500, the fund may not always hold all of the same securities as the index and may not track the index perfectly. The fund may lend securities to earn income for the fund and the adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Index 500 Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

GOLDMAN SACHS

The Goldman Sachs VIT CORE Small Cap Equity Fund seeks long-term growth of capital. The Fund invests, under normal circumstances, at least 80% of its net assets ("Net Assets") plus any borrowings for investment purposes (measured at time of purchase) in a broadly diversified portfolio of equity investments in small-cap U.S. issuers, including foreign issuers that are traded in the United States. However, it is currently anticipated that, under normal circumstances the Fund will invest at least 95% of its Net Assets in such equity investments. These issues will have public stock market capitalizations (based upon shares available for trading on an unrestricted basis) within the range of the market capitalization of companies constituting the Russell 2000 Index at the time of investment. The Fund is not required to limit its investments to securities in the Russell 2000 Index. In addition, if the market capitalization of a company held by the Fund moves outside this range, the Fund may, but is not required to sell the securities. The capitalization range of the Russell 2000 Index is currently between \$68 million and \$2.4 billion.

JPMORGAN FLEMING

The investment objective of the JPMorgan U.S. Large Cap Core Equity Portfolio is to provide high total return from a portfolio of selected equity securities. Under normal circumstances, the portfolio invests at least 80% of its assets in equity investment of large-cap companies. "Assets" means net assets, plus the amount of borrowings for investment purposes. Large-cap companies have a market capitalization over \$2 billion at the time of purchase. Market capitalization is the total market value of a company's shares. Sector by sector, the portfolio's weightings are similar to those of the S&P 500. The portfolio seeks to maintain sector weightings within +/- 3% of the S&P 500. The JPMorgan U.S. Large Cap Core Equity Portfolio is a series of the J.P. Morgan Series Trust II and is advised by J.P. Morgan Investment Management Inc.

LORD ABBETT

The Lord Abnett Series Fund -- Growth Opportunities Portfolio seeks capital appreciation. To pursue this goal, the Portfolio normally invests at least 65% of its net assets in equity securities of mid-sized companies. A mid-sized company is defined as a company having a market capitalization at the time of purchase that falls within the market capitalization range of companies in the Russell Mid Cap Index, a widely used benchmark for mid-cap stock performance. As of January 31, 2005, the market capitalization range of the Russell Mid Cap Index was \$606 million to \$31.1 billion. This range varies daily. Equity securities in which the Portfolio may invest may include common stocks, preferred stocks, convertible securities, warrants and similar instruments. Common stocks, the most familiar type of equity security, represent an ownership interest in a company. The Lord Abnett Series Fund -- Growth Opportunities Portfolio is advised by Lord, Abnett & Co. LLC.

PUTNAM

The investment objective of Putnam VT Vista Fund is to seek capital appreciation. The fund invests mainly in common stocks of U.S. companies with a focus on growth stocks. Growth stocks are issued by companies that Putnam Investment Management, LLC ("Putnam Management") believes are fast-growing and whose earnings Putnam Management believes are likely to increase over time.

Growth in earnings may lead to an increase in the price of the stock. The fund invests mainly in mid-sized companies. Putnam VT Vista Fund is a series of the Putnam Variable Trust and is advised by Putnam Management.

ROYCE

Royce Capital Fund Small-Cap Portfolio uses a disciplined value approach to invest in small-cap companies -- those with market caps below \$2.5 billion. They believe that investors in the Fund should have a long-term investment horizon of at least three-years. The Royce Capital Fund Small-Cap Portfolio is advised by Royce & Associates, LLC.

13

<Page>

WELLS FARGO

The Wells Fargo Advantage Opportunity Fund seeks long-term CAPITAL APPRECIATION. We invest in equity securities of medium-CAPITALIZATION companies that we believe are under-priced yet, have attractive growth prospects. We base the analysis on a comparison between the company's public value, based on market quotations, with its "private market value" -- the price an investor would be willing to pay for the entire company given its management strength, financial health and growth potential. We determine a company's private market value based on a fundamental analysis of a company's cash flows, asset valuations, competitive situation, and franchise value. The Wells Fargo Advantage Opportunity Fund is sub advised by Wells Capital Management, Inc.

The Wells Fargo Advantage Discovery Fund seeks long-term CAPITAL APPRECIATION. We invest in securities of small- and medium-CAPITALIZATION companies that we believe offer attractive opportunities for growth. We define small- and medium CAPITALIZATION companies as those with market CAPITALIZATIONS equal to or lower than the company with the largest market CAPITALIZATION in the RUSSELL MIDCAP(R) INDEX, at the time of purchase. The range of the RUSSELL MIDCAP(R) INDEX was \$513 million to \$13.84 billion, as of June 30, 2004, and is expected to change frequently. We select securities through a combination of in-depth fundamental analysis of a company's financial reports and direct, on-site research during company visits. We may invest in any economic sector, and at times we may emphasize one or more particular sectors. The Wells Fargo Advantage Discovery Fund is sub advised by Wells Capital Management, Inc.

WILSHIRE MUTUAL FUNDS, INC.

Wilshire Mutual Funds, Inc. ("Wilshire Funds") is an open-end management investment company registered under the Investment Company Act of 1940. The Wilshire Mutual Funds are made up of a series of portfolios including the Dow Jones Wilshire 5000 Index Portfolio, Wilshire Large Company Growth Portfolio, Wilshire Large Company Value Portfolio, Wilshire Small Company Growth Portfolio, and Wilshire Small Company Value Portfolio. The Wilshire Mutual Funds issues shares that are continually offered for sale. The Wilshire Mutual Funds are advised by Wilshire Associates Incorporated.

The investment objective of the Wilshire Large Company Growth Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the large company growth sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Large Company Growth Portfolio focuses on the large company segment of the U.S. equity market and invests in companies with above-average earnings or sales growth histories and retention of earnings. Often such companies will have above-average price/earnings ratios. The Wilshire Large Company Growth Portfolio primarily invests in stocks of companies with the largest market capitalizations (at times may be as low as \$1.9 billion). Because this fund invests in large companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Dow Jones Wilshire 5000 Index Portfolio is to replicate as closely as possible the performance of the Dow Jones Wilshire 5000 Index before the deduction of fund expenses. This Portfolio is an index fund and primarily invests in the common stocks of companies included in the Index that are representative of the entire Index. The Dow Jones Wilshire 5000 Index Portfolio normally holds stocks representing at least 90% of the total market value of the Index. Since the Portfolio does not invest in all of the stocks included in the Index it may be more volatile than the Index.

The investment objective of the Wilshire Large Company Value Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the large company value sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Large Company Value Portfolio focuses on the large company value segment of the U.S. equity market. Typically such companies have relatively low price to book value ratios, low price to earnings ratios and higher than average dividend yields. The Wilshire Large Company Value Portfolio primarily invests in stocks with the largest market capitalization (at times may be as low as \$1.9 billion). Because this fund invests in large companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Wilshire Small Company Value Portfolio is

to provide investment results of a portfolio of publicly traded common stocks of companies in the small company value sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Small Company Value Portfolio focuses on the small company value segment of the U.S. equity market. Typically such companies have relatively low price to book value ratios, low price to earnings ratios and relatively high dividend yields. The Wilshire Small Company Value Portfolio primarily invests in stocks with smaller market capitalizations (between \$125 million and \$1.9 billion). Because this fund invests in small companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Wilshire Small Company Growth Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the small company growth sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Small Company Growth Portfolio focuses on the small company growth segment of the U.S. equity market. Typically such companies have above-average earnings or sales growth histories and retention of earnings, and often they have higher price to earnings ratios. The Wilshire Small Company Growth Portfolio primarily invests in stocks with smaller market capitalizations (between \$125 million and \$1.9 billion). Because this fund invests in small companies it may be more volatile than a fund that invests in a broader market segment.

THE CONTRACT

CONTRACT OWNERS' RIGHTS

A Contract may be issued on a non-qualified basis. Non-qualified Contracts are subject to certain tax restrictions. See "Tax Consequences."

14

<Page>

Unless otherwise provided by law, and subject to the terms of any governing plan or trust, the Contract Owner may exercise all privileges of ownership, as defined in the Contract, without the consent of any other person. These privileges include the right during the period specified in the Contract to change the beneficiary designated in the Contract, subject to the rights of any irrevocable beneficiary, to designate a payee and to agree to a modification of the Contract terms.

This prospectus describes only the variable portions of the Contract. On the Annuity Date, the Contract Owner has certain rights to acquire fixed annuity payout options. See the Contract for details regarding fixed Annuity Payments.

PURCHASING THE CONTRACT

The Contract is offered and sold by HMLIC through its licensed life insurance sales personnel who are also registered representatives of HM Investors. In addition, the Contract may be offered and sold through independent agents and other broker/dealers. HMLIC has entered into a distribution agreement with HM Investors, principal underwriter of the Separate Account. HM Investors, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001, is a broker/dealer registered under the Securities Exchange Act of 1934. HM Investors is a member of the NASD and is a wholly-owned subsidiary of Horace Mann Educators Corporation. Sales commissions are paid by HMLIC to HM Investors and other broker/dealers. Sales commissions range from 1.00% to 11.00% of premium payments received.

In order to purchase the Contract offered by this prospectus, an applicant must complete an application bearing all requested signatures and a properly endorsed suitability questionnaire.

Applications are to be sent to HMLIC's Home Office. If an incomplete application is received, HMLIC will promptly request additional information needed to process the application. The initial premium payment will be held in a suspense account, without interest, for a period not exceeding five business days. If the necessary information is not received within these five business days HMLIC will return the initial premium payment, unless otherwise directed by the applicant.

PREMIUM PAYMENTS

AMOUNT AND FREQUENCY OF PREMIUM PAYMENTS -- Premium payments will be applied at the applicable Accumulation Unit Value next determined following receipt in good form. The minimum premium payment for your Contract is \$300 annually. The minimum premium increase is \$120 annually.

ALLOCATION OF PREMIUM PAYMENTS -- All or part of the net premium payments made may be allocated to one or more Subaccounts. The minimum premium payment amount allocated to any Subaccount in any given Contract year must equal or exceed \$100. A request to change the allocation of premium payments will be effective on the first Valuation Date following receipt of the request by HMLIC's Home Office unless a future date is requested.

ACCUMULATION UNITS AND ACCUMULATION UNIT VALUE -- Premium payments are credited on the basis of Accumulation Unit Value. The number of Accumulation Units purchased by net premium payments is determined by dividing the dollar amount credited to each Subaccount by the applicable Accumulation Unit Value next determined following receipt of the payment by HMLIC. The value of an Accumulation Unit is affected by the investment experience of the Underlying Fund, expenses and the deduction of certain charges.

Accumulation Units are valued on each Valuation Date. The Accumulation Unit Value for each Subaccount was determined for the date and for the value indicated below. The date for the Wilshire VIT Equity, Balanced, Income and Short-Term Investment Funds -- Horace Mann Shares refers to the date Wellington Management became their investment adviser.

<Table>

<Caption>

SUBACCOUNT -----	DATE ----	ACCUMULATION UNIT VALUE -----
<S>	<C>	<C>
JPMorgan U.S. Large Cap Core Equity Portfolio	09/05/00	\$ 17.33
Fidelity VIP Growth & Income Portfolio SC 2	09/05/00	16.03
Fidelity VIP Index 500 Portfolio SC 2	09/05/00	171.04
Fidelity VIP Growth Portfolio SC 2	09/05/00	53.82
AllianceBernstein Large Cap Growth Portfolio.	09/05/00	41.57
Wilshire VIT Equity Fund -- Horace Mann Shares	11/01/89	7.11
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares	03/10/97	9.85
Davis Value Portfolio	09/05/00	11.58
Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares	06/01/04	15.91
Fidelity VIP Mid Cap Portfolio SC 2	09/05/00	20.11
Delaware VIP Growth Opportunities Series	06/01/04	14.24
Lord Abbett Insurance Series Growth/Opportunities	06/01/04	12.00
Putnam VT Vista Fund	09/05/00	25.13
Wells Fargo Advantage Discovery Fund	09/05/00	35.99
Wells Fargo Advantage Opportunity Fund	09/05/00	28.55
Goldman Sachs VIT Core Small Cap Equity Fund	06/01/04	12.99
Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares	03/10/97	9.59
Credit Suisse Small Cap Growth Portfolio	09/05/00	27.32
Delaware VIP Trend Series	06/01/04	28.47
Royce Capital Fund Small-Cap Portfolio	06/01/04	8.10

</Table>

15

<Page>

<Table>

<Caption>

SUBACCOUNT -----	DATE ----	ACCUMULATION UNIT VALUE -----
<S>	<C>	<C>
Wilshire VIT International Equity Fund -- Horace Mann Shares	03/10/97	\$ 9.74
Fidelity VIP Overseas Portfolio SC 2	09/05/00	23.13
Wilshire VIT Balanced Fund -- Horace Mann Shares	11/01/89	6.71
Wilshire VIT Income Fund -- Horace Mann Shares	11/01/89	7.17
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares	11/01/89	6.99

Fidelity VIP High Income Portfolio SC 2	09/05/00	9.77
Fidelity VIP Investment Grade Bond Portfolio SC 2	09/05/00	11.98

The Accumulation Unit Value of a Subaccount for any Valuation Period is equal to:

- the net asset value of the corresponding Underlying Fund attributable to the Accumulation Units at the end of the Valuation Period;
- plus the amount of any income or capital gain distributions made by the Underlying Fund during the Valuation Period;
- minus the dollar amount of the mortality and expense risk fee we deduct for each day in the Valuation Period;
- divided by the total number of Accumulation Units outstanding at the end of the Valuation Period.

TRANSACTIONS

TRANSFERS -- Amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract, subject to Contract limitations, prior to the Annuity Date. HMLIC reserves the right to limit transfers from the fixed account to the Subaccounts as follows:

- No more than 25% of the fixed account can be transferred to the Subaccounts during a 365 day period.
- Any request for a total transfer from the fixed account to the Subaccounts will be transferred over a four-year period. No more than 25% of the amount will be transferred in any year prior to the final transfer.

You may transfer value from one existing investment option into as many as 10 other investment options. The minimum amount that can be transferred is \$100 or the entire dollar value of the Subaccount(s), whichever is less. A transfer may not leave a Subaccount balance or fixed account balance of less than \$100.

A Contract Owner may elect to transfer funds between Subaccounts and the fixed account by submitting a written request to Horace Mann Life Insurance Company at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section.

Depending on the means used to request a transfer, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the name of the Contract Owner and the Contract number and (3) specifically state the dollar amount, a whole percentage or the number of Accumulation Units to be transferred. The request also must specify the Subaccounts from which and to which the transfer is to be made. Transfers are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office unless a future date is requested.

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund
Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

DOLLAR COST AVERAGING -- Dollar cost averaging is a systematic method of investing in which securities are purchased at regular intervals in fixed dollar amounts so that the cost of the securities is averaged over time and possibly over various market cycles. Dollar cost averaging transfers are completed by periodically transferring equal amounts of money. You may preschedule a series of transfers between investment options to take advantage of dollar cost averaging. You may select from a 3-month, 6-month or 12-month period to complete the dollar cost averaging program. You may transfer value from one existing investment option into as many as 10 other investment options. You may request dollar cost averaging by the same means as described above for transfers.

The transfers will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office and will continue on this day each period until the program is completed. If the original request is received on the 29th, 30th or 31st of the month, all subsequent transfers will be processed as of the 28th of the month. If you should decide to cancel an existing dollar cost averaging program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

Because the values of the Subaccounts from which the transfers occur may decrease over time, the dollar cost averaging program may conclude earlier than

scheduled. In addition, the last dollar cost averaging transfer may be for less than all prior transfers. Finally, the value of a Subaccount may increase and result in a balance remaining at the end of the period selected.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

16

<Page>

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund
Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

REBALANCING -- Rebalancing is the periodic adjusting of investment option balances to maintain a pre-established asset allocation strategy. You may request a rebalancing of your portfolio either once or on a periodic basis.

For periodic rebalancing requests, you may select from a quarterly, semiannual or annual period. Rebalancing is continuous for the period(s) selected unless changed or discontinued by the Contract Owner. You may rebalance your portfolio value into as many as 10 other investment options. You may request rebalancing by the same means as described above for transfers.

Rebalancing will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office. For periodic rebalancing requests, subsequent rebalancing of your portfolio will continue to occur on the same calendar day of each scheduled month. If the original request is received on the 29th, 30th or 31st of the month, all subsequent rebalancing of your portfolio will be processed as of the 28th of the month. If you should decide to cancel an existing rebalancing program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund
Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

CHANGES TO PREMIUM ALLOCATIONS -- A Contract Owner may elect to change the allocation of future net premium payments at any time by mailing a written request to HMLIC at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section. Depending on the means used to request a change, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the Contract Owner's name and Contract number and (3) specify the new allocation percentage for each Subaccount (in whole percentages). Allocations made to the fixed portion of the Contract or to one or more Subaccounts must total 100%. HMLIC reserves the right to restrict the minimum premium amount allocated to any Subaccount in any given Contract Year to \$100. Changes in allocation instructions are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office. See "Other Information -- Forms Availability."

On and after June 1, 2004, new Contracts may not have allocations to the following Subaccounts, and existing Contracts may not begin or increase allocations to the following Subaccounts:

Wells Fargo Advantage Discovery Fund
Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

MARKET TIMING -- The Contracts and the Subaccounts are not designed for 'market timing' through frequent transfers or transfers that are large in

relation to the total assets of the Underlying Fund. HMLIC discourages and does not accommodate frequent transfers of contract value among the Subaccounts. Trading strategies that seek to benefit from short-term price fluctuations or price irregularities cause disruption to the Underlying Funds' investment strategies, with potential resulting harm to performance and increased trading costs or Underlying Fund expenses, and are thereby potentially harmful to investors and their Contract performance.

If HMLIC determines, in its sole discretion, that your transfer patterns among the Subaccounts reflect a market timing strategy, it will take action to protect the other investors and/or terminate the Contract. In making these determinations, we may consider the combined transfer activity of Contracts that we believe are under common ownership, control or direction. HMLIC does not include transfers made pursuant to the dollar cost averaging method when considering whether to take action. HMLIC applies its market timing policies and procedures uniformly to all owners of a particular Contract.

Such action will include requiring future transfer requests under the Contract to be submitted with an original signature via U.S. Mail for a period of time or for the duration of the Contract. If this restriction is imposed, we will reverse within one to two business days of any transaction inadvertently processed that is not in compliance with the restriction. You will receive written confirmation of any such reversal.

If HMLIC determines that you are engaging in a pattern of transfers that reflects a market timing strategy or is potentially harmful to other Contract Owners, it will notify you in writing of any restrictions.

The detection and deterrence of market timing involves judgments that are inherently subjective. Our ability to detect such activity may be limited by operational and technological systems, as well as our ability to predict strategies employed by others to avoid detection. Our ability to restrict transfers may also be limited by the provisions of the Contract. Accordingly, there is no assurance that we will deter all market timing activity. Therefore, Contract owners may be subject to the risks described above.

The Underlying Funds may have their own policies and procedures with respect to frequent purchases and redemptions of their shares, which are described in the Underlying Fund

17

<Page>

prospectuses. Such policies and procedures may be more or less restrictive than HMLIC's policies and procedures. As a result, we may not have the contractual obligation or the operational capacity to apply the frequent trading policies and procedures of the Underlying Funds. However, we reserve the right to defer or restrict transfers at any time that we are unable to purchase or redeem shares of any of the Underlying Funds, including any refusal or restriction on purchases or redemptions as a result of the frequent trading policies and procedures of the Underlying Funds. HMLIC also reserves the right to implement and administer redemption fees imposed by one or more of the Underlying Funds. The prospectuses of the Underlying Funds include more details on the ability of the Underlying Funds to refuse or restrict purchases or redemptions of their shares.

SURRENDER OR WITHDRAWAL BEFORE COMMENCEMENT OF ANNUITY PERIOD -- If not restricted by the IRC, a Contract Owner may surrender the contract in whole or withdraw in part for cash before Annuity Payments begin. Any partial withdrawal is subject to a \$100 minimum and may not reduce the Contract Owner's interest in a Subaccount to less than \$100.

The surrender or partial withdrawal of Variable Cash Value (rollover, exchange, etc.) is determined on the basis of the Accumulation Unit Value next computed following the receipt of a valid request for surrender or partial withdrawal in HMLIC's Home Office. A surrender or partial withdrawal may result in adverse federal income tax consequences to the Contract Owner. These consequences include current taxation of payments received, and may include penalties resulting from premature distribution. See "Tax Consequences."

A Contract Owner eligible to surrender or request a partial withdrawal may elect to do so by submitting a signed, written request to Horace Mann Life Insurance Company at HMLIC's Home Office at P.O. Box 4657, Springfield, Illinois 62708-4657. A partial withdrawal request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will be accepted if the proceeds are sent to the Contract Owner and the request is sent to (217) 527-2307. A surrender request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will not be accepted. See "Tax Consequences" and "Other Information -- Forms Availability."

Partial withdrawals and surrenders will be processed either on a date specified by you in a request, provided the date specified occurs on or after receipt of the request at HMLIC's Home Office, or at the next computed value following receipt of a valid request at HMLIC's Home Office.

For your protection, we will send a confirmation letter on all address changes. If you have requested an address change within 15 days prior to your surrender or withdrawal request, we will hold your request until we have acquired confirmation of the correct address. Upon receipt of your confirmation of the address, we will consider the surrender or withdrawal request to be received in good form.

Surrenders and partial withdrawals from any Variable Subaccount are subject to the Withdrawal Charges shown in "Deductions and Expenses -- Withdrawal Charges."

Withdrawal Charges are applied to the withdrawals based on the effective date of the contract and not on the date the premium payment is paid.

Any request for partial withdrawal, where the withdrawal is subject to a Withdrawal Charge, will be increased by the amount of the Withdrawal Charge. For example, a request to withdraw \$3,000 at a 4% Withdrawal Charge on cash value will require a withdrawal of \$3,125. This withdrawal represents a cash distribution of \$3,000 and a Withdrawal Charge of \$125. Any taxes withheld will reduce the dollar amount of the distribution received.

The Withdrawal Charge is assessed on the basis of the amount surrendered or withdrawn from the Subaccount(s), but will never exceed 9% of net premium payment(s) to a Subaccount during the lifetime of the contract. For example, if a Contract Owner's Subaccount value is \$12,000 and net premium payments to date equal \$10,000 and the Contract Owner withdraws \$2,000 (i.e., one sixth of the Subaccount value), then the Withdrawal Charge may not exceed 9% of \$1,666.66 (one sixth of the premium payment(s) to which the withdrawal relates).

If premium taxes are deducted prior to surrender or partial withdrawal, any reduction of HMLIC's premium tax liability due to the surrender or partial withdrawal will be to HMLIC's benefit.

DEFERMENT -- HMLIC ordinarily completes a transaction within seven calendar days after receipt of a proper request to transfer, surrender, partially withdraw or commence Annuity Payments. The value of the Contract is determined as of the Valuation Date on which a valid request is received. However, determination of Contract value and processing the transaction may be deferred for (1) any period during which the NYSE is closed for other than customary weekend or holiday closings or during which trading is restricted by the Securities and Exchange Commission; (2) any emergency period when it is not reasonably practicable to sell securities or fairly determine Accumulation Unit Values or Annuity Unit Values; or (3) any other period designated by the Securities and Exchange Commission to protect persons with interests in the Separate Account.

CONFIRMATIONS -- HMLIC mails written confirmations of premium payments to Contract Owners on a quarterly basis within five business days following the end of each calendar quarter. Written confirmations of transfers, changes in allocations, partial withdrawals and surrenders are mailed to Contract Owners within seven calendar days of the date the transaction occurred.

If a Contract Owner believes that the confirmation statement contains an error, the Contract Owner should notify HMLIC as soon as possible after receipt of the confirmation statement. Notice may be provided by writing to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll free).

18

<Page>

DEDUCTIONS AND EXPENSES

ANNUAL MAINTENANCE FEE -- An annual maintenance fee of no more than \$25 is deducted from each Contract on the Contract anniversary date. This fee will be waived if the Contract value equals or exceeds \$10,000 at the time the fee is assessed.

We reserve the right to deduct, in whole or in part, the annual maintenance fee in the event of a complete surrender. The annual maintenance fee ceases when Annuity Payments begin.

The annual maintenance fee is intended to reimburse HMLIC for actual expenses incurred in administering the Contract. HMLIC does not expect to profit from such fee and assumes the risk that this annual maintenance fee may be insufficient to cover the actual costs of administering the Contract.

MORTALITY AND EXPENSE RISK FEE ("M&E FEE") -- For assuming mortality and expense risk, HMLIC applies an asset charge to the Separate Account. The fee for mortality and expense risk may not exceed the annual rate of 1.25% of the daily net assets of the Separate Account (0.45% for mortality risk, and 0.80% for expense risk; these may vary from time to time); however, HMLIC reserves the right to change the fee (subject to the 1.25% ceiling) in the future. The fee is

computed on a daily basis.

WITHDRAWAL CHARGES -- If not restricted by the IRC, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin. Withdrawal Charges for your Contract are:

<Table>

<Caption>

DURING CONTRACT YEAR <S>	PERCENTAGE OF AMOUNT WITHDRAWN <C>
1	9%
2	8%
3	7%
4	6%
5	5%
6	4%
7	3%
8	2%
9	1%
Thereafter	0%

</Table>

For further information regarding surrender or partial withdrawals see "Surrender or Withdrawal Before Commencement of Annuity Period." In some situations, you may make a withdrawal with no Withdrawal Charge. Please see your Contract for further details.

OPERATING EXPENSES OF THE UNDERLYING FUNDS -- There are deductions from and expenses paid out of the assets of the Underlying Funds that are described in each Underlying Fund's prospectus.

PREMIUM TAXES -- Certain state and local governments levy a premium tax, currently between 0 and 3.5%, on the amount of premium payments made under this Contract. The premium tax, if any, is deducted when premium payments are received.

DEATH BENEFIT PROCEEDS

If a Contract Owner dies before the Annuity Date, a death benefit will be paid to the beneficiary designated by the Contract Owner. The death benefit is determined for each beneficiary as of the date proof of death is received by HMLIC from such beneficiary. Proof of death includes a certified death certificate or other satisfactory evidence of death and a completed claimant's statement.

If there have been no previous withdrawals or loans the death benefit is the greater of:

1. the Total Accumulation Value; or
2. the Net Premium paid to HMLIC.

If withdrawals or loans have been taken the death benefit is the greater of:

1. the Total Accumulation Value; or
2. the Net Premium paid to HMLIC, less the Net Premium attributable to both withdrawals and any outstanding loan balance.

For example, if a Contract Owner's Total Accumulation Value is \$8,000 and the Net Premium paid to date equals \$10,000 and the Contract Owner withdraws \$4,000 (50% of the Total Accumulation Value), then the death benefit would be the greater of the Total Accumulation Value (\$4,000) or 50% of the Net Premium (\$5,000).

All or part of the death benefit proceeds may be paid to the beneficiary under one of the Annuity Payment options described under "Annuity Payments -- Annuity Payment Options." If the form of Annuity Payment selected requires that payment be made by HMLIC after the death of the beneficiary, payments will be made to a payee designated by the beneficiary or, if no subsequent payee has been designated, to the beneficiary's estate. Any part of a Contract Owner's interest payable to a minor child will be paid to the child's legal guardian for the benefit of the child.

ANNUITY PAYMENTS

The Contract provides for fixed or Variable Annuity Payment options or a combination of both. The Contract Owner may elect to have Annuity Payments made under any one or more of the options described below or may elect a lump sum payment. To begin receiving Annuity Payments a properly completed request form must be received by HMLIC's Home Office. The request will be processed so that the Annuity Payments begin as of the first of the month following the month of receipt unless a later date is requested and approved by HMLIC. If a fixed

payment option is elected, the Separate Account value will be transferred to the fixed account on the date the request is received in HMLIC's Home Office. In addition, if a Variable payment is elected, any money in the

<Page>

fixed account will be transferred to the Separate Account on the date we receive the request in HMLIC's Home Office. Your premium payment allocation(s) will be changed to the fixed account or Separate Account, depending on the payment option elected. Not all Subaccount(s) may be available for annuity payments. Generally, at the time an Annuity Payment option is selected, a Contract Owner must elect whether to withhold for federal and state income taxes. See "Other Information -- Forms Availability" and "Tax Consequences."

In general, the longer Annuity Payments are guaranteed, the lower the amount of each payment. Fixed Annuity Payments are paid in monthly, quarterly, semiannual and annual installments. Variable Annuity Payments are paid only on a monthly basis. If the Contract value to be applied under any one fixed or Variable Annuity Payment option is less than \$2,000 or if the option chosen would provide Annuity Payments less than \$20 per month at the Annuity Date, then the Contract value may be paid in a lump sum.

ANNUITY PAYMENT OPTIONS

The following Annuity Payment options are available on a Variable basis unless otherwise stated.

LIFE ANNUITY WITH PAYMENTS GUARANTEED FOR 0, 10, 15 OR 20 YEARS -- These options guarantee Annuity Payments for the lifetime of the Annuitant. If a guaranteed period is selected (10, 15 or 20 years) and the Annuitant dies before the end of the period, Annuity Payments are guaranteed until the end of the period selected. If neither the Contract Owner nor any beneficiaries are living at the time of the Annuitant's death, the present value, if any, of the remaining guaranteed period payments will be paid in a single sum to the estate of the Contract Owner. Under the life payments guaranteed for 0 years option, it is possible that only one Annuity Payment may be made if the Annuitant's death occurred before the due date of the second Annuity Payment. This option usually provides the largest Annuity Payments. The Contract Owner cannot make unscheduled withdrawals or change to another option after the first Annuity Payment has been made. Guaranteed Annuity Payments cannot extend beyond the life expectancy of the Annuitant, as defined by the IRC.

If HMLIC does not receive written election of an annuity option from the Contract Owner at least 30 days prior to the Annuity Date, the annuity option will be Life Annuity with Payments Guaranteed for 10 years.

JOINT AND SURVIVOR ANNUITY -- This option provides Annuity Payments based upon the age and sex of two Annuitants and upon the specific survivor option selected. The available survivor options are to pay during the lifetime of the survivor: 1) 50%; 2) 66%; or 3) 100% of the Annuity Payments paid or the number of Variable Annuity Units while both Annuitants were living. After one Annuitant dies, the Annuity Payments will continue during the lifetime of the survivor based on the survivor percentage elected. The Annuity Payments cease after the last payment paid prior to the survivor's death. It could be possible for only one payment to be made under this option if both Annuitants die before the due date of the second payment. The Contract Owner cannot make unscheduled withdrawals or change to another income option after the first Annuity Payment has been made.

INCOME FOR FIXED PERIOD -- This option provides Annuity Payments for a fixed period not less than five years nor exceeding 30 years; however, payments may not extend beyond the life expectancy of the Annuitant as defined by the IRC. Upon the Annuitant's death, the Contract Owner will be paid the remaining Annuity Payments due, if any. If neither the Contract Owner nor any beneficiaries are living at the time of the Annuitant's death, the present value, if any, of the remaining Annuity Payments will be paid in a lump sum to the estate of the Contract Owner. This option is available on a fixed payment basis only.

OTHER INCOME OPTIONS -- If the Contract Owner does not wish to elect one or more Annuity Payment options, the Contract Owner may:

- a) receive the proceeds in a lump sum less any applicable Withdrawal Charges, or
- b) elect any other option that HMLIC makes available.

AMOUNT OF FIXED AND VARIABLE ANNUITY PAYMENTS

In general, the dollar amount of Annuity Payments under the Contract depends on Contract value. Contract value equals the value of the fixed portion of the Contract plus the value of each Subaccount. The value of each Subaccount is determined by multiplying the number of Accumulation Units credited to each Subaccount within the Contract by its respective Accumulation Unit Value.

Contract value may be more or less than the amount of net premium payments allocated to the Contract.

FIXED ANNUITY PAYMENTS -- The amount of each payment under a fixed Annuity Payment option is determined as described in the Contract. These guaranteed payments will not change regardless of investment, mortality or expense experience. Higher Annuity Payments may be made at the sole discretion of HMLIC.

VARIABLE ANNUITY PAYMENTS -- The amount of the first monthly Variable Annuity Payment is determined as described in the Contract. The income option payments vary with the form of income option payment selected and adjusted age of the Annuitant(s).

The first monthly Variable Annuity Payment is used to calculate the number of Annuity Units for each subsequent monthly Annuity Payment. The number of Annuity Units remains constant over the payment period except when a joint and survivor option is chosen. Under that option, the number of Annuity Units will be reduced upon the death of either Annuitant to the survivor percentage elected.

The amount of monthly Annuity Payments following the first Variable Annuity Payment varies from month to month. Annuity Payments are determined each month by multiplying the Annuity Units by the applicable Annuity Unit Value at the date of payment.

20

<Page>

ASSUMED INTEREST RATE -- The assumed interest rate for this Contract is 2%. The investment multiplier is one divided by the sum of one plus the assumed interest rate and the mortality and expense risk fee, adjusted to a monthly rate.

ANNUITY UNIT VALUE -- The Annuity Unit Value for the Wilshire VIT Equity Fund -- Horace Mann Shares, Wilshire VIT Balanced Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares Subaccounts was set at \$10.00 as of the date amounts first were allocated to provide Annuity Payments. The Annuity Unit Value for the Wilshire VIT Short-Term Investment Fund was established at \$10.00 on July 1, 2004. The Annuity Unit Value for all other Subaccounts was established at \$10.00 on March 1, 2005.

- The current Annuity Unit Value is equal to the prior Annuity Unit Value on the Valuation Date when payments were last determined, multiplied by the applicable net investment factor. This factor is computed by dividing the net asset value of a share of the Underlying Fund on the current Valuation Date, plus any dividends or other distributions, by the net asset value of a share on the Valuation Date of the preceding Valuation Period, and multiplying this result by the investment multiplier.
- If the net investment factor is equal to one, then monthly payments from that Subaccount will remain level. If the net investment factor is greater than one, the monthly payments from that Subaccount will increase. Conversely, if the net investment factor is less than one, the payments from that Subaccount will decrease.

MISSTATEMENT OF AGE OR SEX

If the age or sex of the Annuitant has been misstated, any Annuity Payment amount shall be adjusted to reflect the correct information. Any overpayments that have been made will be deducted from future payments, including interest of 2% per year. Any underpayments including 2% interest will be paid in one sum to the Contract Owner if living, otherwise to the beneficiary.

MODIFICATION OF THE CONTRACT

The Contract provides that it may be modified by HMLIC to maintain continued compliance with applicable state and federal laws. Contract Owners will be notified of any modification. Only officers designated by HMLIC may modify the terms of the Contract.

HMLIC reserves the right to offer Contract Owners, at some future date and in accordance with the requirements of the Investment Company Act of 1940, the option to direct their net premium payments to a Subaccount within the Separate Account other than one or more of those currently offered. If shares of the Underlying Funds are not available for purchase by the Separate Account, or if in the judgment of HMLIC further investment in these shares is no longer appropriate in view of the purposes of the Separate Account or Subaccount, then (i) shares of another portfolio may be substituted for the Underlying Fund shares held in the affected Subaccount and/or (ii) payments received after a date specified by HMLIC may be applied to the purchase of shares of another portfolio. No substitution will be made without prior approval of the Securities and Exchange Commission and any required Contract Owner approvals. Any substitution would be for shares of a portfolio with investment objectives similar to those of the Underlying Fund it replaces.

<Page>

TAX CONSEQUENCES

OTHER CONSIDERATIONS

This discussion of the federal income tax consequences is only a brief summary and is not intended as tax advice. The rules governing the provisions of annuity contracts are extremely complex and often difficult to comprehend. The discussion does not address special rules, prior tax laws or state or local tax laws. A Contract Owner or a prospective Contract Owner considering purchase of an annuity contract should first consult with a qualified and competent tax adviser before taking any action that could have tax consequences.

SEPARATE ACCOUNT

The operations of the Separate Account form part of the operations of HMLIC; however, the IRC provides that no federal income tax will be payable by HMLIC on the investment income and capital gains of the Separate Account if certain conditions are met. Provided the investments of the Underlying Funds continue to meet the diversification requirements of IRC Section 817(h), the Contract Owner will not pay federal income tax on the investment income and capital gains under a Contract until Annuity Payments begin or a full or partial withdrawal is made.

CONTRACT OWNERS

CONTRIBUTIONS -- No limitations are imposed on the amount of contributions made to a non-qualified Contract.

DISTRIBUTIONS UNDER NON-QUALIFIED CONTRACTS -- Contract Owners of non-qualified Contracts who are natural persons are not subject to federal income tax on earnings until Annuity Payments are received under the Contract. Contract Owners of non-qualified Contracts are not subject to the required minimum distribution rules under the IRC.

A distribution by surrender or partial withdrawal during the accumulation period may subject the Contract Owner to federal income tax under the rules of Section 72 of the IRC. If the distribution is a full or partial surrender, the amount of the distribution will be treated as gross income to the extent the cash value of the Contract (determined without regard to any Withdrawal Charge in the case of a partial withdrawal) immediately before the distribution exceeds the investment in the Contract. The investment in the Contract is the total of all premium payments paid under a Contract less any previous distributions that were excluded from the Contract Owner's income. Any taxable portion is taxed at ordinary income rates. This is known as the 'interest-first' rule.

For Contracts issued before August 14, 1982 distributions are taxed differently. If the Contract contains only premium payments and related earnings made before August 14, 1982, distributions are taxed under the cost recovery rule. The cost recovery rule provides that distributions are tax-free until they exceed the investment in the Contract. If a Contract issued before August 14, 1982 has premium payments and related earnings from both before and after August 14, 1982, the distributions are allocable in the following order: first from the investment made before August 14, 1982; second from earnings allocable to the investment made before August 14, 1982; third from earnings allocable to the investment made after August 13, 1982 and finally from the investment made after August 13, 1982.

If distributions are made pursuant to an Annuity Payment option, that portion of each Annuity Payment which represents the Contract Owner's investment in the Contract is excluded from income. The determination of the portion that represents the investment in the Contract is made using the exclusion ratio rules under Section 72 of the IRC. The exclusion ratio is the ratio that the total investment in the Contract bears to the total amount expected to be received under the Contract. For Contracts with annuity starting dates after December 31, 1986 the exclusion ratio will apply until the investment in the Contract has been fully recovered. Once the investment in the Contract has been recovered the entire amount of each subsequent Annuity Payment is fully taxable. For Contracts with annuity starting dates before December 31, 1986 the exclusion ratio applies to all payments.

CONTRACTS OWNED BY NON-NATURAL PERSONS -- Generally, if the Contract is owned by a non-natural person (for example, a corporation), the income on the Contract is includable in taxable income each year. In addition, the distribution rules discussed below will be applicable upon the death of or a change in the primary Annuitant. There are exceptions to these rules including Contracts held by certain retirement plans, estates of a decedent and certain trusts treated as individuals.

EXCHANGES -- The accumulated value of the Contract may be eligible for a tax-free exchange under Section 1035 of the IRC. A replacement Contract obtained in a tax-free exchange will maintain the same relationship of investments in the

Contract and allocable earnings as the replaced Contract for purposes of determining the amount of a distribution includable in income. However, a Contract issued before January 18, 1985 and not previously subject to the distribution at death rules (below) will generally be subject to such rules after an exchange.

DISTRIBUTION AT DEATH RULES -- In order to be treated as an annuity contract, a Contract must meet the following two distributions rules.

1. If the Contract Owner dies on or after the Annuity Date and has designated a beneficiary, any remaining balance must be distributed at least as rapidly as it was under the method of distribution in effect on the date of death.
2. If the Contract Owner dies before the Annuity Date, the balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the Contract Owner's death. If the Contract value is payable to a beneficiary other than a spouse, it may be paid over the life or life expectancy of that beneficiary provided distributions begin by December 31 of the calendar year following the year of the Contract Owner's death. If the beneficiary is the spouse, the spouse is treated as the owner.

PREMATURE DISTRIBUTION TAX -- An additional tax (penalty tax) will generally apply to distributions made before the

22

<Page>

Contract Owner reaches age 59 1/2. The penalty tax is 10% of the amount of the payment that is includable in income. Certain distributions are exempt from this penalty tax and include payments (i) made as the result of the Contract Owner's death or disability, (ii) that are part of a series of substantially equal periodic payments made at least annually over the life (or life expectancy) of the owner or joint lives (or joint life expectancy) of the owner and beneficiary and (iii) that are attributable to the investment in the Contract before August 14, 1982 (and related earnings on that investment).

WITHHOLDING -- Distributions that are includable in income are subject to withholding of federal income tax unless the Contract Owner can validly elect not to have federal income tax withheld. For periodic payments (Annuity Payments), the withholding is calculated like wage withholding. For all other payments withholding is at a rate of 10%. HMLIC will notify the Contract Owner at least annually of his or her right to revoke the election not to have federal income tax withheld.

State and/or local tax withholding may also apply.

VOTING RIGHTS

Each Contract Owner has the right to instruct HMLIC with respect to voting his or her interest in the shares of the Underlying Funds held by the Separate Account at all shareholder meetings.

The number of votes that may be cast by a Contract Owner is based on the number of units owned as of the record date of the meeting. Shares for which no instructions are received are voted in the same proportion as the shares for which instructions have been received. Any Underlying Fund shares attributable to investment by HMLIC will be voted in proportion to the vote by Contract Owners who have Separate Account units. Contract Owners receive various materials, such as proxy materials and voting instruction forms, that relate to voting Underlying Fund shares.

OTHER INFORMATION

LEGAL PROCEEDINGS -- There are no legal proceedings to which the Separate Account is a party or to which the assets of the Separate Account are subject. HMLIC is engaged in various kinds of routine litigation that, in HMLIC's judgment, are not material to its financial condition. None of this litigation relates to the Separate Account.

REGISTRATION STATEMENT -- A registration statement has been filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the Contract. This prospectus does not contain all information set forth in the registration statement, its amendments and exhibits. Statements contained in this prospectus as to the content of the Contract and other legal instruments are summaries. For a complete statement of the terms thereof, reference is made to these instruments as filed.

COMMUNICATIONS TO CONTRACT OWNERS -- To ensure receipt of communications, Contract Owners must notify HMLIC of address changes. Notice of a change in address may be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657. Contract Owners may also provide notice of an address change by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by calling (217) 789-2500 or (800) 999-1030

(toll-free).

HMLIC will attempt to locate Contract Owners for whom no current address is on file. In the event HMLIC is unable to locate a Contract Owner, HMLIC may be forced to surrender the value of the Contract to the Contract Owner's last known state of residence in accordance with the state's abandoned property laws.

CONTRACT OWNER INQUIRIES -- A toll-free number, (800) 999-1030, is available to telephone HMLIC's Annuity Customer Service Department. Written questions should be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657.

FORMS AVAILABILITY -- Specific forms are available from HMLIC to aid the Contract Owner in effecting many transactions allowed under the Contract. These forms may be obtained by calling the Annuity Customer Service Department toll-free at (800) 999-1030.

NASD REGULATION'S PUBLIC DISCLOSURE PROGRAM -- Information about HM Investors and your agent is available from the NASD at www.nasd.com or by calling (800) 289-9999 (toll-free).

ADDITIONAL INFORMATION

A copy of the Statement of Additional Information providing more detailed information about the Separate Account is available, without charge, upon request. The Table of Contents of this Statement of Additional Information follows:

<Table>	
<Caption>	
TOPIC	PAGE
-----	-----
<S>	<C>
General Information and History	2
Underwriter	2
Financial Statements	2
</Table>	

To receive, without charge, a copy of the Statement of Additional Information for the Separate Account, please complete the following request form and mail it to the address indicated below, send it by telefacsimile (FAX) transmission to (217) 535-7123 or telephone (217) 789-2500 or (800) 999-1030 (toll-free).

HORACE MANN LIFE INSURANCE COMPANY
P.O. BOX 4657
SPRINGFIELD, ILLINOIS 62708-4657

<Page>

Please provide free of charge the following information:

_____ Statement of Additional Information dated May 2, 2005 for the Separate Account

Please mail the above document to:

(Name)

(Address)

(City/State/Zip)

<Page>

PROSPECTUS

QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACTS

HORACE MANN LIFE INSURANCE COMPANY
SEPARATE ACCOUNT

MAY 2, 2005

<Page>

QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACTS ISSUED BY HORACE MANN LIFE
INSURANCE COMPANY
SEPARATE ACCOUNT
SINGLE PREMIUM CONTRACTS FOR INDIVIDUALS

This prospectus offers Variable, qualified annuity Contracts to individuals. These Contracts are issued by Horace Mann Life Insurance Company ("HMLIC") and can be issued as flexible premium Contracts or were issued as single premium Contracts. These Contracts are no longer issued by HMLIC as single premium Contracts. They are issued in connection with retirement plans or arrangements which may qualify for special tax treatment under the Internal Revenue Code of 1986, as amended ("IRC"). Amounts transferred to the HMLIC Separate Account as directed by a participant or Contract Owner are invested in one or more of the Subaccounts (sometimes referred to as Variable investment options or Variable accounts). Each Subaccount purchases shares in a corresponding Underlying Fund. The Underlying Funds are:

<Table>	<C>
<S>	
Large Company Stock Funds	Small Company Stock Funds
Large Blend	Small Blend
JPMorgan U.S. Large Cap Core Equity Portfolio	Goldman Sachs VIT Core Small Cap Equity Fund
Fidelity VIP Growth & Income Portfolio SC 2	T. Rowe Price Small-Cap Stock Fund --
Wilshire 5000 Index Portfolio(1)	Advisor Class
Fidelity VIP Index 500 Portfolio SC 2	Neuberger Berman Genesis Fund -- Advisor Class
Large Growth	Small Growth
Fidelity VIP Growth Portfolio SC 2	Wilshire VIT Small Cap Growth Fund -- Horace
AllianceBernstein Large Cap Growth Portfolio	Mann Shares
Wilshire Large Company Growth Portfolio(1)	Delaware VIP Trend Series
Large Value	Wilshire Small Company Growth Portfolio
Wilshire VIT Equity Fund -- Horace Mann Shares	Small Value
Wilshire VIT Socially Responsible Fund -- Horace	Ariel Fund
Mann Shares	Royce Capital Fund Small-Cap Portfolio
Davis Value Portfolio	T. Rowe Price Small-Cap Value Fund --
Wilshire Large Company Value Portfolio	Advisor Class
Mid-Size Company Stock Funds	Wilshire Small Company Value Portfolio
Mid Blend	International Stock Funds
Dreyfus Investment Portfolio: Mid Cap Stock	Wilshire VIT International Equity Fund -- Horace
Fund -- Service Shares	Mann Shares
Fidelity VIP Mid Cap Portfolio SC 2	Fidelity VIP Overseas Portfolio SC 2
Rainier Small/Mid Cap Equity Portfolio	Balanced Fund
Mid Growth	Wilshire VIT Balanced Fund -- Horace
Delaware VIP Growth Opportunities Series	Mann Shares
Lord Abbett Insurance Series Growth/Opportunities	Bond Funds
Putnam VT Vista Fund (IB Shares)	Wilshire VIT Income Fund -- Horace Mann Shares
Wells Fargo Advantage Discovery Fund	Wilshire VIT Short-Term Investment Fund --
Mid Value	Horace Mann Shares
Ariel Appreciation Fund	Fidelity VIP High Income Portfolio SC 2
Wells Fargo Advantage Opportunity Fund	Fidelity VIP Investment Grade Bond Portfolio SC 2
</Table>	

- (1) For Contracts issued prior to September 5, 2000, the Subaccounts of the HMLIC Separate Account invest in the Institutional Class of shares of each Fund. For Contracts issued on or after September 5, 2000, the Subaccounts invest in the Investment Class of shares of each Fund.

<Page>

This prospectus sets forth the information an investor should know before investing and should be kept for future reference. Additional information about the HMLIC Separate Account has been filed with the Securities and Exchange Commission in a Statement of Additional Information, dated May 2, 2005. The Statement of Additional Information is incorporated by reference and is available upon request, without charge. You may obtain the Statement of Additional Information by writing to Horace Mann Life Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile ("FAX") transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free). The table of contents of the Statement of Additional Information appears on page 41 of this prospectus.

The Securities and Exchange Commission maintains a website (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference, and other information that the HMLIC Separate Account files electronically with the Securities and Exchange Commission.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED
OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS
PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ANNUITIES OFFERED BY HMLIC ARE NOT INSURED BY THE FDIC OR ANY OTHER
GOVERNMENT AGENCY. THEY ARE NOT DEPOSITS OF, OBLIGATIONS OF OR GUARANTEED BY
ANY BANK. THEY INVOLVE INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF

The date of this prospectus is May 2, 2005.

2

<Page>

TABLE OF CONTENTS

<Table>

<Caption>

	PAGE

<S>	<C>
DEFINITIONS	4
SUMMARY	5
TABLE OF ANNUAL OPERATING EXPENSES	7
CONDENSED FINANCIAL INFORMATION	10
HORACE MANN LIFE INSURANCE COMPANY, THE SEPARATE ACCOUNT AND THE UNDERLYING FUNDS	15
Horace Mann Life Insurance Company	15
The Separate Account	15
The Underlying Funds	15
THE CONTRACTS	20
Contract Owners' Rights	20
Purchasing the Contract	20
Purchase Payments	21
Amount and Frequency of Purchase Payments	21
Allocation of Purchase Payments	21
Accumulation Units and Accumulation Unit Value	21
Transactions	22
Transfers	22
Dollar Cost Averaging	22
Rebalancing	23
Changes to Purchase Payment Allocations	23
Market Timing	23
Surrender or Withdrawal Before Commencement of Annuity Period	24
Deferment	24
Confirmations	24
Deductions and Expenses	25
Annual Maintenance Charge	25
Mortality and Expense Risk Fee	25
Surrender Charges	25
Operating Expenses of the Underlying Funds	25
Premium Taxes	25
Death Benefit Proceeds	25
Annuity Payments	25
Annuity Payment Options	26
Amount of Fixed and Variable Annuity Payments	26
Misstatement of Age	27
Modification of the Contract	27
INDIVIDUAL PRODUCT INFORMATION	28
TAX CONSEQUENCES	38
Other Considerations	38
Separate Account	38
Contract Owners	38
Contribution Limitations and General Requirements Applicable to Qualified Contracts	38
Taxation of Contract Benefits	39
Additional Taxes	40
VOTING RIGHTS	40
OTHER INFORMATION	41
ADDITIONAL INFORMATION	41

</Table>

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR SOLICITATION OF AN OFFER TO ACQUIRE, ANY INTEREST OR PARTICIPATION IN THE CONTRACTS OFFERED BY THIS PROSPECTUS IN ANY STATE TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH STATE.

3

<Page>

DEFINITIONS

ACCUMULATION UNIT: A unit of measurement used to determine the value of a Contract Owner's interest in a Subaccount before Annuity Payments begin.

ACCUMULATION UNIT VALUE: The value of an Accumulation Unit on any Valuation Date.

ANNUITANT: The recipient of Income Payments.

ANNUITY PAYMENTS: A series of payments that may be for life; for life with a guaranteed number of payments; for the joint lifetimes of the Annuitant and

another person, and thereafter, during the lifetime of the survivor; or for some fixed period. A fixed annuity provides a series of payments that will be substantially equal in amount throughout the Annuity Period. A fixed annuity does not participate in the investment experience of any Subaccount. A Variable annuity provides a series of payments that vary in amount depending upon the investment experience of the Subaccount(s) selected by the Contract Owner.

ANNUITY PERIOD: The period during which Income Payments are made to the Annuitant or the last surviving joint Annuitant, if any.

ANNUITY UNIT: A unit of measurement used in determining the amount of a Variable Annuity Payment during the Annuity Period.

ANNUITY UNIT VALUE: The value of an Annuity Unit on any Valuation Date.

CONTRACT: This prospectus offers Variable annuity Contracts to individuals as flexible premium Contracts. The term "Contract" in this prospectus generally will be used to describe Contracts issued to individuals.

CONTRACT OWNER: The individual to whom the Contract is issued.

CONTRACT YEAR: A year measured from the date a Contract was issued to an individual Contract Owner and each anniversary of this date.

FIXED CASH VALUE: The dollar value of the fixed account under the Contract prior to the time Annuity Payments begin.

MATURITY DATE: The date Annuity Payments begin. The individual Contracts offered by this prospectus describe the criteria for determining Maturity Dates.

In addition, Qualified Plans often place certain limitations upon election of a Maturity Date. Generally, distributions under Qualified Plans (except Roth IRAs) must begin by April 1 following the calendar year in which the Contract Owner reaches age 70 1/2. See "The Contract -- Required Minimum Distribution."

MUTUAL FUND(S): Open-end management investment companies in which the assets of the Subaccount(s) will be invested. These companies are generally registered under the Investment Company Act of 1940.

NET PURCHASE PAYMENT: The balance of each purchase payment received by HMLIC after deducting any applicable premium taxes, or the balance of any transfer amount from other Subaccounts after any applicable charges.

QUALIFIED PLAN: The term "Qualified Plan" in this prospectus will be used to describe the following Contracts: IRC Section 403(b) tax sheltered annuity ("403(b) Contract"); IRC Section 408 individual retirement annuity ("IRA"); IRC Section 408A Roth IRA; IRC Section 408(p) simple retirement annuity ("SIMPLE"); IRC Section 408(k) simplified employee pension ("SEP"); IRC Section 457(b) eligible governmental plan annuity ("457(b) Contract"); and IRC 401 qualified annuity.

SCHEDULED UPDATE: The date the Contract investment period and current interest rate of the fixed account are updated, if applicable.

SEPARATE ACCOUNT: The Horace Mann Life Insurance Company Separate Account, a segregated Variable investment account consisting of Subaccounts each of which invests in a corresponding Underlying Fund. The Separate Account was established by HMLIC under Illinois law and is registered as a unit investment trust under the Investment Company Act of 1940.

SUBACCOUNT: A division of the Separate Account which invests in shares of the corresponding Underlying Fund.

SURRENDER CHARGE: Also called a "contingent deferred sales charge." An amount kept by HMLIC if a withdrawal is made or if the Contract is surrendered. The charge is intended to compensate HMLIC for the cost of selling the Contract.

TOTAL ACCUMULATION VALUE: The sum of the Fixed Cash Value and the Variable Cash Value prior to the time Annuity Payments begin.

UNDERLYING FUNDS: All Mutual Funds listed in this document that are available for investment by the Separate Account.

VALUATION DATE: The Valuation Date ends at 3:00 p.m. Central time or the close of the New York Stock Exchange ("NYSE") if earlier. No valuations are made for any day that the NYSE is closed.

VALUATION PERIOD: The period from the end of a Valuation Date to the end of the next Valuation Date, excluding the day the period begins and including the day it ends.

VARIABLE: The values vary based on the investment performance of the Subaccount(s) selected.

VARIABLE CASH VALUE: The dollar value of the Separate Account investment options under the Contract prior to the time annuity Income Payments begin.

4

<Page>

SUMMARY

This summary is intended to provide a brief overview of the more significant aspects of the Contract(s). Further information can be found elsewhere in this prospectus, in the Separate Account Statement of Additional Information and in the Contract(s). This prospectus is intended to serve as a disclosure document for the Variable portion of the Contracts only. For information regarding the fixed portion, refer to the Contract(s).

Detailed information about the Underlying Funds is contained in each Underlying Fund's prospectus and in each Underlying Fund's Statement of Additional Information.

The expenses for the Underlying Funds, including advisory and management fees, are found in each Underlying Fund's prospectus.

WHAT IS THE "SEPARATE ACCOUNT"?

The Separate Account segregates assets dedicated to the Variable portion of the Contracts offered herein. The Separate Account is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as a unit investment trust. The Separate Account consists of Subaccounts, each investing in shares of a corresponding Underlying Fund.

WHO MAY PURCHASE THE CONTRACT OFFERED BY THIS PROSPECTUS?

Individuals may purchase the Variable flexible premium annuity, but may no longer purchase the single premium annuity. The Contracts offered by this prospectus are Qualified Plans.

The Contracts are offered and sold by HMLIC through its licensed life insurance sales personnel. These insurance sales personnel are registered representatives of Horace Mann Investors, Inc. ("HM Investors"). In addition, the Contracts may be offered and sold through independent agents and other broker/dealers. HM Investors is a broker/dealer registered under the Securities and Exchange Act of 1934. HMLIC has entered into a distribution agreement with HM Investors. HM Investors is a member of the NASD.

WHAT ARE MY INVESTMENT CHOICES?

You may have money allocated to or invested in no more than 24 Subaccounts at any one time.

(a) SEPARATE ACCOUNT

Includes Subaccounts each of which invests in one of the following Underlying Funds:

LARGE COMPANY STOCK FUNDS

Large Blend

JPMorgan U.S. Large Cap Core Equity Portfolio
Fidelity VIP Growth & Income Portfolio SC 2
Wilshire 5000 Index Portfolio(1)
Fidelity VIP Index 500 Portfolio SC 2

Large Growth

Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Wilshire Large Company Growth Portfolio(1)

Large Value

Wilshire VIT Equity Fund -- Horace Mann Shares
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
Davis Value Portfolio
Wilshire Large Company Value Portfolio

MID-SIZE COMPANY STOCK FUNDS

Mid Blend

Dreyfus Investment Portfolio: Mid Cap Stock Funds -- Service Shares
Fidelity VIP Mid Cap Portfolio SC 2
Rainier Small/Mid Cap Equity Portfolio

Mid Growth

Delaware VIP Growth Opportunities Series
Lord Abbett Insurance Series Growth/Opportunities
Putnam VT Vista Fund (IB Shares)

Wells Fargo Advantage Discovery Fund

Mid Value

Ariel Appreciation Fund(2)

Wells Fargo Advantage Opportunity Fund

SMALL COMPANY STOCK FUNDS

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund
T. Rowe Price Small-Cap Stock Fund -- Advisor Class(3)
Neuberger Berman Genesis Fund -- Advisor Class

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
Delaware VIP Trend Series
Wilshire Small Company Growth Portfolio

Small Value

Ariel Fund(2)
Royce Capital Fund Small-Cap Portfolio
T. Rowe Price Small-Cap Value Fund -- Advisor
Wilshire Small Company Value Portfolio

INTERNATIONAL STOCK FUNDS

Wilshire VIT International Equity Fund -- Horace Mann Shares
Fidelity VIP Overseas Portfolio SC 2

BALANCED FUND

Wilshire VIT Balanced Fund -- Horace Mann Shares

5

<Page>

BOND FUNDS

Wilshire VIT Income Fund -- Horace Mann Shares
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares
Fidelity VIP High Income Portfolio SC 2
Fidelity VIP Investment Grade Bond Portfolio SC 2

- (1) For Contracts issued prior to September 5, 2000, the Subaccounts of the Horace Mann Separate Account invest in the Institutional Class of shares of each Fund. For Contracts issued on or after September 5, 2000, the Subaccounts invest in the Investment Class of shares of each Fund.
- (2) This Fund is not available as an investment option for a 457(b) Contract.
- (3) On and after June 1, 2004, new Contracts may not have allocations to the following Subaccounts, and existing Contracts may not begin or increase allocations to the following Subaccounts or START ANY NEW TRANSFERS OF MONEY to the following Subaccounts:

Wells Fargo Advantage Discovery Fund

T. Rowe Price Small Cap Stock Fund

Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

T. Rowe Price Small Cap Value Fund

- (b) FIXED ACCOUNT (SEE THE CONTRACT)

WHEN CAN I TRANSFER BETWEEN ACCOUNTS?

At any time before the Contract's Maturity Date, amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract. Transfers from the fixed account of the Contract into a Subaccount could be subject to certain charges if the transferred amount is withdrawn or surrendered. For complete details see "The Contract -- Transactions -- Transfers."

MAY I WITHDRAW ALL OR PART OF THE CONTRACT VALUE BEFORE THE MATURITY DATE?

Unless restricted by the Internal Revenue Code of 1986 as amended ("IRC"), a Contract Owner may at any time before the Maturity Date surrender his or her Contract in whole or withdraw in part for cash. Each surrender or partial withdrawal is processed on the basis of the value of an Accumulation Unit of the Subaccount(s) from which the value is being surrendered or withdrawn. Surrenders and withdrawals may be subject to Surrender Charges as described in "Deductions and Expenses -- Surrender Charges."

WHAT ARE THE CHARGES OR DEDUCTIONS?

Contracts may be subject to deductions for applicable state or local government premium taxes. Premium taxes presently range from 0% to 3.5%.

A mortality and expense risk fee (M&E Fee) is deducted from the Separate Account. This fee is computed on a daily basis. See the "Individual Product Information" section for the mortality and expense risk fee of your product.

A fixed annual maintenance charge that may not exceed \$25 is assessed against the Contract on each anniversary, unless the Contract value equals or exceeds \$10,000, in which case such charge is waived. Maximum Solutions does not have an annual maintenance fee. See the "Individual Product Information" section for the annual maintenance fee of your product.

No deduction for sales expense is charged on purchase payments, but a decreasing Surrender Charge is assessed against certain withdrawals and surrenders. The charge is deducted from the Contract Owner's value in the Subaccount(s) from which the withdrawal is made. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

WHAT ARE THE FEDERAL INCOME TAX CONSEQUENCES OF INVESTING IN THIS CONTRACT?

The IRC provides penalties for premature distributions under various retirement plans. Values may not be withdrawn from Section 403(b) or Section 457(b) Contracts except under certain circumstances. See "Tax Consequences." These Contracts might not be suitable for short-term investment. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

IF I RECEIVE MY CONTRACT AND AM DISSATISFIED, MAY I RETURN IT?

Subject to various state insurance laws, generally the Contract Owner may return the Contract to HMLIC within 15 to 30 days of receipt of the Contract. HMLIC will refund the greater of the premium contributions or the market value of the assets purchased by payments paid to the Separate Account as of the date the request was received less any taxes, if applicable.

WHEN CAN I BEGIN RECEIVING ANNUITY PAYMENTS, AND WHAT OPTIONS ARE AVAILABLE?

Payments will begin on the Maturity Date set by the terms of your Contract. Variable Annuity Payments are made in monthly installments. An optional Maturity Date and various income payment options are available under the Contract.

Annuity Payments may be fixed or Variable or a combination of fixed and Variable payments. The following options are available for receiving Income Payments:

Life Annuity with or without Certain Period, Joint and Survivor Life Annuity, Income for Fixed Period, Income for Fixed Amount and Interest Income Payments.

<Page>

TABLE OF ANNUAL OPERATING EXPENSES

The following tables describe the maximum fees and expenses that you may pay when buying, owning and surrendering the Contract. The first table describes the fees and expenses that you will pay at the time that you buy the Contract, surrender the Contract or transfer cash value between investment options. State premium taxes may also be deducted. To determine the Contract you own, look in the bottom left hand corner of your Contract for the form number. This is the number referenced below the product name in the following tables. If you are in the process of purchasing a Contract, ask your registered representative which Contract you are purchasing.

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
 CONTRACT OWNER TRANSACTION EXPENSES:(1)

<Table>
 <Caption>

	ANNUITY ALTERNATIVES (IC-408000)	ANNUITY ALTERNATIVES 2 (IC-437000)	ANNUITY ALTERNATIVES 2 (IC-438000)	NEW SOLUTIONS (IC-441000)	VARIABLE RETIREMENT ANNUITY (IC-417000)	VARIABLE RETIREMENT ANNUITY (IC-418000)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Surrender Fees (as a percentage of amount surrendered, if applicable)	8%	8%	8%	8%	5%	5%
<Caption>	MAXIMUM	MAXIMUM	MAXIMUM	MAXIMUM	MAXIMUM	MAXIMUM

	SOLUTIONS (IC-426000)	SOLUTIONS (IC-427000)	SOLUTIONS (IC-428000)	SOLUTIONS (IC-429000)	SOLUTIONS (IC-430000)	SOLUTIONS (IC-431000)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Surrender Fees (as a percentage of amount surrendered, if applicable)	7%	6%	6%	7%	6%	6%

(1) Premium taxes, currently ranging between 0% and 3.5%, are not included. The rate of the premium tax varies depending upon the state of residence, and not all states impose premium taxes. Taxes are deducted at the time of purchase.

We guarantee that the aggregate surrender fee charged will never exceed 9% of your total purchase payments.

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including Underlying Fund fees and expenses.

	ANNUITY ALTERNATIVES (IC-408000)	ANNUITY ALTERNATIVES 2 (IC-437000)	ANNUITY ALTERNATIVES 2 (IC-438000)	NEW SOLUTIONS (IC-441000)	VARIABLE RETIREMENT ANNUITY (IC-417000)	VARIABLE RETIREMENT ANNUITY (IC-418000)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Annual Contract Fee(1)	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25
Separate Account Annual Expenses (as a percentage of average account value)						
Mortality and Expense Risk Fees	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Account Fees and Expenses	0%	0%	0%	0%	0%	0%
Total Separate Account Annual Expenses	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%

	MAXIMUM SOLUTIONS (IC-426000)	MAXIMUM SOLUTIONS (IC-427000)	MAXIMUM SOLUTIONS (IC-428000)	MAXIMUM SOLUTIONS (IC-429000)	MAXIMUM SOLUTIONS (IC-430000)	MAXIMUM SOLUTIONS (IC-431000)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Annual Contract Fee(1)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Separate Account Annual Expenses (as a percentage of average account value)						
Mortality and Expense Risk Fees	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%
Account Fees and Expenses	0%	0%	0%	0%	0%	0%
Total Separate Account Annual Expenses	0.95%	0.95%	0.95%	0.95%	0.95%	0.95%

(1) The annual contract fee is waived if the Contract value equals or exceeds \$10,000.

The next item shows the minimum and maximum total operating expenses charged by the Underlying Funds that you may pay periodically during the time that you own the Contract. More detail concerning each Underlying Fund's fees and expenses is contained in the prospectus for each Underlying Fund.

7

TOTAL ANNUAL UNDERLYING FUND OPERATING EXPENSES	MINIMUM	MAXIMUM
<S>	<C>	<C>
(expenses that are deducted from Underlying Fund assets, including management fees, distribution and/or service (12b-1) fees and other expenses)	0.35%	1.86%

EXAMPLE

This Example is intended to help you compare the cost of investing in the Contract with the cost of investing in other Variable annuity contracts. These costs include Contract Owner transaction expenses, Contract fees, Separate Account annual expenses and Underlying Fund fees and expenses.

The Example assumes that you invest \$10,000 in the Contract for the time periods indicated. The Example also assumes that your investment has a 5% return each year and assumes the maximum fees and expenses of any of the Underlying Funds as of December 31, 2004. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

ANNUITY ALTERNATIVES (IC-408000)

If you surrender or annuitize your Contract at the end of the applicable time period:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$ 1,151	\$ 1,606	\$ 1,852	\$ 3,381

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$ 336	\$ 975	\$ 1,634	\$ 3,381

ANNUITY ALTERNATIVES 2 (IC-437000 AND IC-438000)

If you surrender or annuitize your Contract at the end of the applicable time period:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$ 1,151	\$ 1,606	\$ 1,852	\$ 3,381

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$ 336	\$ 975	\$ 1,634	\$ 3,381

NEW SOLUTIONS (IC-441000)

If you surrender or annuitize your Contract at the end of the applicable time period:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$ 1,151	\$ 1,606	\$ 2,069	\$ 3,381

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
--------	---------	---------	----------

<S>	<C>	<C>	<C>
\$ 336	\$ 975	\$ 1,634	\$ 3,381

VARIABLE RETIREMENT ANNUITY (IC-417000 AND IC-418000)

If you surrender or annuitize your Contract at the end of the applicable time period:

<Caption>			
1 YEAR	3 YEARS	5 YEARS	10 YEARS
<S>	<C>	<C>	<C>
\$ 846	\$ 1,290	\$ 1,743	\$ 3,381

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Caption>			
1 YEAR	3 YEARS	5 YEARS	10 YEARS
<S>	<C>	<C>	<C>
\$ 336	\$ 975	\$ 1,634	\$ 3,381

<Page>

MAXIMUM SOLUTIONS (IC-426000)

If you surrender or annuitize your Contract at the end of the applicable time period:

<Caption>			
1 YEAR	3 YEARS	5 YEARS	10 YEARS
<S>	<C>	<C>	<C>
\$ 997	\$ 1,398	\$ 2,030	\$ 3,113

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Caption>			
1 YEAR	3 YEARS	5 YEARS	10 YEARS
<S>	<C>	<C>	<C>
\$ 282	\$ 864	\$ 1,473	\$ 3,113

MAXIMUM SOLUTIONS (IC-429000)

If you surrender or annuitize your Contract at the end of the applicable time period:

<Caption>			
1 YEAR	3 YEARS	5 YEARS	10 YEARS
<S>	<C>	<C>	<C>
\$ 997	\$ 1,398	\$ 1,807	\$ 3,113

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Table>

<Caption>	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
\$ 282	\$ 864	\$ 1,473	\$ 3,113	

MAXIMUM SOLUTIONS (IC-427000 AND IC-428000)

If you surrender or annuitize your Contract at the end of the applicable time period:

<Caption>	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
\$ 895	\$ 1,398	\$ 2,030	\$ 3,113	

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Caption>	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
\$ 282	\$ 864	\$ 1,473	\$ 3,113	

MAXIMUM SOLUTIONS (IC-430000 AND IC-431000)

If you surrender or annuitize your Contract at the end of the applicable time period:

<Caption>	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
\$ 895	\$ 1,291	\$ 1,695	\$ 3,113	

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Caption>	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
\$ 282	\$ 864	\$ 1,473	\$ 3,113	

CONDENSED FINANCIAL INFORMATION

The following information is taken from the Separate Account financial statements. The financial statements and reports are contained in the Annual Report for the Separate Account and are incorporated herein by reference and may be obtained by calling or writing HMLIC. The Wilshire VIT Equity Fund -- Horace Mann Shares commenced operations on May 21, 1957. The Wilshire VIT Income Fund -- Horace Mann Shares, Balanced Fund and Short-Term Investment Fund each commenced operations on January 1, 1983. The Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares, Wilshire VIT International Equity Fund -- Horace Mann Shares and Wilshire VIT Socially Responsible Fund -- Horace Mann Shares each commenced operations on March 10, 1997. The Wilshire 5000 Index Portfolio and the Wilshire Large Company Growth Portfolio were added to the Separate Account on May 1, 2000. The Ariel Fund and the Ariel Appreciation Fund were added to the Separate Account on May 1, 2001. The Delaware VIP Growth Opportunities Series, Royce Capital Fund Small-Cap Portfolio, Lord Abbett Insurance Series Growth/Opportunities, Goldman Sachs VIT Core Small Cap Equity Fund, Delaware VIP Trend Series and Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service

Shares were added to the Separate Account on June 1, 2004. All other Underlying Funds not specified above were added to the Separate Account on August 9, 2000.

<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
JPMORGAN U.S. LARGE CAP CORE EQUITY PORTFOLIO	12/31/04	\$ 12.22	\$ 13.22	1,143,649
	12/31/03	9.65	12.22	915,270
	12/31/02	12.97	9.65	690,067
	12/31/01	14.90	12.97	431,258
	12/31/00	17.33*	14.90	123,796
FIDELITY VIP GROWTH & INCOME PORTFOLIO SC 2	12/31/04	\$ 13.69	\$ 14.27	757,537
	12/31/03	11.23	13.69	535,029
	12/31/02	13.67	11.23	357,213
	12/31/01	15.20	13.67	230,640
	12/31/00	16.03*	15.20	53,980
WILSHIRE 5000 INDEX PORTFOLIO -- INSTITUTIONAL CLASS	12/31/04	\$ 9.19	\$ 10.12	1,924,243
	12/31/03	7.15	9.19	1,873,756
	12/31/02	9.18	7.15	1,773,671
	12/31/01	10.47	9.18	1,735,539
	12/31/00	11.19*	10.47	1,419,973
WILSHIRE 5000 INDEX PORTFOLIO -- INVESTMENT CLASS	12/31/04	\$ 9.05	\$ 9.94	787,993
	12/31/03	7.07	9.05	541,013
	12/31/02	9.08	7.07	365,881
	12/31/01	10.38	9.08	213,861
	12/31/00	12.23*	10.38	40,024
FIDELITY VIP INDEX 500 PORTFOLIO SC 2	12/31/04	\$ 124.84	\$ 136.05	277,917
	12/31/03	98.66	124.84	211,435
	12/31/02	128.86	98.66	151,544
	12/31/01	148.95	128.86	93,943
	12/31/00	171.04*	148.95	32,999
FIDELITY VIP GROWTH PORTFOLIO SC 2	12/31/04	\$ 31.79	\$ 32.38	974,205
	12/31/03	24.28	31.79	771,644
	12/31/02	35.28	24.28	595,943
	12/31/01	43.48	35.28	404,152
	12/31/00	53.82*	43.48	161,937
ALLIANCEBERNSTEIN LARGE CAP GROWTH PORTFOLIO	12/31/04	\$ 21.59	\$ 23.11	818,599
	12/31/03	17.71	21.59	676,885
	12/31/02	25.94	17.71	522,390
	12/31/01	31.81	25.94	357,364
	12/31/00	41.57*	31.81	130,232

</Table>

<Page>

<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
WILSHIRE LARGE COMPANY GROWTH PORTFOLIO -- INSTITUTIONAL CLASS	12/31/04	\$ 29.59	\$ 31.30	680,361
	12/31/03	23.62	29.59	652,842
	12/31/02	30.49	23.62	598,775
	12/31/01	36.90	30.49	587,742
	12/31/00	41.22*	36.90	451,094
WILSHIRE LARGE COMPANY GROWTH PORTFOLIO -- INVESTMENT CLASS	12/31/04	\$ 29.13	\$ 30.72	324,321
	12/31/03	23.32	29.13	228,018
	12/31/02	30.18	23.32	160,285
	12/31/01	36.63	30.18	99,528
	12/31/00	46.36*	36.63	16,962
WILSHIRE VIT EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$ 19.76	\$ 21.51	14,024,912
	12/31/03	15.68	19.76	15,075,890

12/31/02	19.70	15.68	15,849,770
12/31/01	20.82	19.70	17,361,722
12/31/00	22.10	20.82	18,713,068
12/31/99	22.97	22.10	23,693,305
12/31/98	21.62	22.97	24,141,182
12/31/97	17.74	21.62	21,736,131
12/31/96	14.33	17.74	18,086,814
12/31/95	10.88	14.33	14,363,155
12/31/94	11.03	10.88	12,072,982

WILSHIRE VIT SOCIALLY RESPONSIBLE FUND --
HORACE MANN SHARES

12/31/04	\$ 14.85	\$ 16.61	4,612,921
12/31/03	11.70	14.85	4,740,058
12/31/02	13.70	11.70	4,803,270
12/31/01	14.96	13.70	4,970,814
12/31/00	13.92	14.96	4,767,452
12/31/99	13.00	13.92	3,893,389
12/31/98	12.00	13.00	2,430,089
12/31/97	9.85	12.00	698,226

DAVIS VALUE PORTFOLIO

12/31/04	\$ 10.40	\$ 11.54	612,231
12/31/03	8.11	10.40	486,125
12/31/02	9.80	8.11	384,920
12/31/01	11.08	9.80	333,527
12/31/00	11.58*	11.08	134,363

WILSHIRE LARGE COMPANY VALUE PORTFOLIO

12/31/04	\$ 21.61	\$ 24.19	729,103
12/31/03	17.02	21.61	611,659
12/31/02	20.83	17.02	472,191
12/31/01	21.34	20.83	266,320
12/31/00	19.91*	21.34	23,435

DREYFUS INVESTMENT PORTFOLIO: MID CAP STOCK FUND --
SERVICE SHARES

12/31/04	\$ 15.91*	\$ 17.90	9,576
----------	-----------	----------	-------

FIDELITY VIP MID CAP PORTFOLIO SC 2

12/31/04	\$ 23.43	\$ 28.85	954,231
12/31/03	17.16	23.43	798,274
12/31/02	19.31	17.16	674,016
12/31/01	20.25	19.31	551,984
12/31/00	20.11*	20.25	231,555

</Table>

<Page>

<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
RAINIER SMALL/MID CAP EQUITY PORTFOLIO	12/31/04	\$ 30.15	\$ 34.96	303,239
	12/31/03	20.87	30.15	247,172
	12/31/02	26.42	20.87	194,166
	12/31/01	27.84	26.42	135,479
	12/31/00	30.39*	27.84	51,884
DELAWARE VIP GROWTH OPPORTUNITIES SERIES	12/31/04	\$ 14.24*	\$ 15.70	11,064
LORD ABBETT INSURANCE SERIES GROWTH/OPPORTUNITIES	12/31/04	\$ 12.00*	\$ 13.21	22,415
PUTNAM VT VISTA FUND (IB SHARES)	12/31/04	\$ 11.56	\$ 13.54	447,976
	12/31/03	8.79	11.56	431,300
	12/31/02	12.82	8.79	375,227
	12/31/01	19.52	12.82	326,406
	12/31/00	25.13*	19.52	146,933
WELLS FARGO ADVANTAGE DISCOVERY FUND	12/31/04	\$ 14.40	\$ 16.95	479,241
	12/31/03	10.86	14.40	443,966
	12/31/02	17.61	10.86	371,269
	12/31/01	25.76	17.61	279,260
	12/31/00	35.99*	25.76	131,868
ARIEL APPRECIATION FUND	12/31/04	\$ 42.98	\$ 48.02	798,279
	12/31/03	33.22	42.98	612,277
	12/31/02	37.51	33.22	411,440
	12/31/01	31.01*	37.51	115,976
WELLS FARGO ADVANTAGE OPPORTUNITY FUND	12/31/04	\$ 25.67	\$ 29.98	317,641
	12/31/03	18.96	25.67	298,172
	12/31/02	26.24	18.96	254,365

	12/31/01		27.60		26.24	169,801
	12/31/00		28.55*		27.60	47,165
GOLDMAN SACHS VIT CORE SMALL CAP EQUITY FUND	12/31/04	\$	12.99*	\$	15.00	17,423
T. ROWE PRICE SMALL-CAP STOCK FUND -- ADVISOR CLASS	12/31/04	\$	30.79	\$	36.03	401,917
	12/31/03		23.60		30.79	349,073
	12/31/02		27.92		23.60	280,393
	12/31/01		26.52		27.92	172,268
	12/31/00		26.99*		26.52	47,164
NEUBERGER BERMAN GENESIS FUND -- ADVISOR CLASS	12/31/04	\$	23.74	\$	27.77	642,198
	12/31/03		18.30		23.74	513,797
	12/31/02		19.14		18.30	409,931
	12/31/01		17.35		19.14	228,309
	12/31/00		15.84*		17.35	14,507
WILSHIRE VIT SMALL CAP GROWTH FUND -- HORACE MANN SHARES	12/31/04	\$	11.52	\$	11.88	4,302,146
	12/31/03		7.33		11.52	4,507,783
	12/31/02		12.16		7.33	4,361,425
	12/31/01		17.54		12.16	4,399,005
	12/31/00		19.92		17.54	4,284,826
	12/31/99		11.61		19.92	2,619,220
	12/31/98		11.10		11.61	2,103,641
	12/31/97		9.59		11.10	1,284,537

</Table>

12

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
C.S. SMALL CAP GROWTH PORTFOLIO	12/31/04	\$ 17.03	\$ 18.65	248,475
	12/31/03	11.61	17.03	236,965
	12/31/02	17.73	11.61	207,449
	12/31/01	21.37	17.73	165,082
	12/31/00	27.32*	21.37	76,760
DELAWARE VIP TREND SERIES	12/31/04	\$ 28.47*	\$ 30.27	2,275
WILSHIRE SMALL COMPANY GROWTH PORTFOLIO	12/31/04	\$ 17.54	\$ 20.30	121,774
	12/31/03	12.96	17.54	92,724
	12/31/02	15.23	12.96	65,352
	12/31/01	15.87	15.23	28,130
	12/31/00	17.80*	15.87	8,061
ARIEL FUND	12/31/04	\$ 45.16	\$ 54.42	486,122
	12/31/03	35.70	45.16	376,980
	12/31/02	38.12	35.70	255,196
	12/31/01	34.63*	38.12	65,549
ROYCE CAPITAL FUND SMALL-CAP PORTFOLIO	12/31/04	\$ 8.10*	\$ 9.42	93,281
T. ROWE PRICE SMALL-CAP VALUE FUND -- ADVISOR CLASS	12/31/04	\$ 32.96	\$ 40.85	439,605
	12/31/03	24.49	32.96	397,645
	12/31/02	25.32	24.49	314,495
	12/31/01	21.02	25.32	151,942
	12/31/00	20.52*	21.02	16,331
WILSHIRE SMALL COMPANY VALUE PORTFOLIO	12/31/04	\$ 19.45	\$ 23.60	140,474
	12/31/03	14.43	19.45	122,082
	12/31/02	15.88	14.43	115,069
	12/31/01	13.72	15.88	80,507
	12/31/00	12.31*	13.72	5,138
WILSHIRE VIT INTERNATIONAL EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$ 10.68	\$ 11.67	3,099,530
	12/31/03	8.16	10.68	3,072,915
	12/31/02	10.47	8.16	2,970,500
	12/31/01	14.39	10.47	2,935,800
	12/31/00	17.67	14.39	2,650,938
	12/31/99	11.72	17.67	1,187,606
	12/31/98	9.98	11.72	696,337
	12/31/97	9.74	9.98	464,676

FIDELITY VIP OVERSEAS PORTFOLIO SC 2	12/31/04	\$	17.21	\$	19.27	643,917
	12/31/03		12.18		17.21	430,503
	12/31/02		15.50		12.18	308,350
	12/31/01		19.91		15.50	209,742
	12/31/00		23.13*		19.91	70,810

</Table>

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
WILSHIRE VIT BALANCED FUND -- HORACE MANN SHARES	12/31/04	\$ 18.59	\$ 19.86	13,172,538
	12/31/03	15.74	18.59	14,094,671
	12/31/02	17.39	15.74	14,804,752
	12/31/01	17.36	17.39	16,254,478
	12/31/00	17.41	17.36	17,553,416
	12/31/99	17.83	17.41	22,621,955
	12/31/98	16.78	17.83	23,286,358
	12/31/97	14.28	16.78	22,095,620
	12/31/96	12.22	14.28	20,098,949
	12/31/95	9.75	12.22	17,804,536
	12/31/94	9.97	9.75	15,666,817
WILSHIRE VIT INCOME FUND -- HORACE MANN SHARES	12/31/04	\$ 16.30	\$ 16.89	1,300,042
	12/31/03	15.39	16.30	1,210,705
	12/31/02	14.29	15.39	1,187,910
	12/31/01	13.27	14.29	936,292
	12/31/00	12.34	13.27	827,539
	12/31/99	12.70	12.34	1,034,296
	12/31/98	11.90	12.70	1,060,399
	12/31/97	11.02	11.90	784,296
	12/31/96	10.78	11.02	942,068
	12/31/95	9.49	10.78	938,069
	12/31/94	9.85	9.49	945,569
WILSHIRE VIT SHORT-TERM INVESTMENT FUND -- HORACE MANN SHARES	12/31/04	\$ 10.86	\$ 10.85	270,993
	12/31/03	10.88	10.86	427,380
	12/31/02	10.83	10.88	367,360
	12/31/01	10.42	10.83	237,129
	12/31/00	9.97	10.42	205,055
	12/31/99	9.64	9.97	132,903
	12/31/98	9.30	9.64	120,651
	12/31/97	8.97	9.30	122,530
	12/31/96	8.65	8.97	125,251
	12/31/95	8.34	8.65	110,931
	12/31/94	8.13	8.34	125,199
FIDELITY VIP HIGH INCOME PORTFOLIO SC 2	12/31/04	\$ 9.06	\$ 9.79	256,027
	12/31/03	7.23	9.06	177,129
	12/31/02	7.09	7.23	90,168
	12/31/01	8.15	7.09	57,319
	12/31/00	9.77*	8.15	32,064
FIDELITY VIP INVESTMENT GRADE BOND SC 2 PORTFOLIO	12/31/04	\$ 15.10	\$ 15.54	975,233
	12/31/03	14.56	15.10	921,950
	12/31/02	13.39	14.56	677,140
	12/31/01	12.54	13.39	283,612
	12/31/00	11.98*	12.54	24,851

</Table>

* Inception price on date Underlying Fund was added to the Separate Account, as shown on page 21.

Financial statements of the Separate Account and of HMLIC are available with the Statement of Additional Information. A copy of the Statement of Additional Information and of the financial statements may be obtained without charge by mailing a written request to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission request to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free).

<Page>

HORACE MANN LIFE INSURANCE COMPANY,
THE SEPARATE ACCOUNT AND
THE UNDERLYING FUNDS

HORACE MANN LIFE INSURANCE COMPANY

HMLIC, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001 ("HMLIC's Home Office"), is an Illinois stock life insurance company organized in 1949. HMLIC is licensed to do business in 48 states and in the District of Columbia. HMLIC writes individual and group life insurance and annuity contracts on a nonparticipating basis.

HMLIC is an indirect wholly-owned subsidiary of Horace Mann Educators Corporation ("HMEC"), a publicly-held insurance holding company traded on the NYSE.

THE SEPARATE ACCOUNT

On October 9, 1965, HMLIC established the Separate Account under Illinois law. The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust under the Investment Company Act of 1940. The Separate Account and each Subaccount are administered and accounted for as a part of the business of HMLIC. However, the income, gains and losses, whether or not realized, of each Subaccount are credited to or charged against the amounts allocated to that Subaccount in accordance with the terms of the Contracts without regard to other income, gains or losses of the remaining Subaccounts or of HMLIC. The assets of the Separate Account may not be charged with liabilities arising out of any other business of HMLIC. All obligations arising under the Contracts, including the promise to make Annuity Payments, are general corporate obligations of HMLIC. Accordingly, all of HMLIC's assets are available to meet its obligations and expenses under the Contracts. While HMLIC is obligated to make payments under the Contracts, the amounts of Variable Annuity Payments are not guaranteed since the payment amounts fluctuate in accordance with the performance of the Subaccounts.

The Separate Account is divided into Subaccounts. HMLIC uses the assets of each Subaccount to buy shares of the Underlying Funds based on Contract Owner instructions.

THE UNDERLYING FUNDS

The Underlying Funds are listed below along with their primary investment objectives and a description of the adviser to each Underlying Fund. Detailed information on the Underlying Funds can be found in the current prospectus for each Underlying Fund. Prospectuses for the Underlying Funds should be read carefully in conjunction with this prospectus before investing. A copy of each prospectus may be obtained without charge from HMLIC by calling (800) 999-1030 (toll-free), sending a telefacsimile (FAX) transmission to (217) 527-2307 or writing to HMLIC, P.O. Box 4657, Springfield, IL 62708-4657. You may also access the prospectuses on HMLIC's website at www.horacemann.com in the "Retirement Planning" link.

ALLIANCEBERNSTEIN

The AllianceBernstein Large Cap Growth Portfolio's investment objective is growth of capital by pursuing aggressive investment policies. The Portfolio invests primarily in equity securities of U.S. companies. Unlike most equity funds, the Portfolio focuses on a relatively small number of intensively researched companies. Alliance selects the Portfolio's investments from a research universe of more than 500 companies that have strong management, superior industry positions, excellent balance sheets and superior earnings growth prospects. Normally, the Portfolio invests in about 40-60 companies, with the 25 most highly regarded of these companies usually constituting approximately 70% of the Portfolio's net assets. The AllianceBernstein Large Cap Growth Portfolio is a series of the AllianceBernstein Variable Products Series Fund and is advised by Alliance Capital Management.

ARIEL MUTUAL FUNDS

The investment objective of the Ariel Appreciation Fund is long-term capital appreciation. It seeks this objective through investing primarily in the stocks of medium-sized companies with market capitalizations generally between \$2.5 billion and \$15 billion at the time of initial purchase. The Ariel Appreciation Fund seeks stocks whose underlying value is currently unrecognized, but should increase over time.

Similar to the Ariel Appreciation Fund, the investment objective of the Ariel Fund is long-term capital appreciation. It seeks this objective through investing primarily in the stocks of smaller companies with market capitalizations generally between \$500 million and \$2.5 billion at the time of initial purchase. The Ariel Fund seeks stocks whose underlying value is currently unrecognized, but should increase over time.

The Ariel Appreciation Fund and the Ariel Fund are both advised by Ariel Capital Management, LLC ("Ariel"). Ariel believes ethical business practices make good investment sense. In the long run, a company that adopts environmentally sound policies will face less government intrusion. A company that fosters community involvement among its employees will inspire community support. Additionally, Ariel believes that a company which cultivates diversity is more likely to attract and retain the best talent and broaden its markets in profitable new directions. Ariel does not invest in corporations whose primary source of revenue is derived from the production or sale of tobacco products, the generation of nuclear energy or the manufacture of handguns as it believes these industries are more likely to face shrinking growth prospects, draining litigation costs and legal liability that cannot be quantified.

CREDIT SUISSE

The investment objective of the Credit Suisse Small Cap Growth Portfolio is to seek capital growth. To pursue this goal, it invests primarily in equity securities of small U.S. growth companies. Under normal market conditions, the Portfolio will invest at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of small U.S. companies. The Portfolio considers a "small" company to be one whose market capitalization is within the range of capitalizations of companies in the Russell 2000 Index. As of

15

<Page>

December 31, 2004, the market capitalization of the companies in the Russell 2000 Index ranged from \$4 million to \$3.6 billion. Some companies may outgrow the definition of a small company after the Portfolio has purchased their securities but will continue to be considered small for purposes of the Portfolio's minimum 80% allocation to small-company equities. The Credit Suisse Small Cap Growth Portfolio is a series of Credit Suisse Trust and is advised by Credit Suisse Asset Management, LLC.

DAVIS

The Davis Value Portfolio's investment objective is to seek long-term growth of capital. Under normal circumstances the Portfolio invests the majority of its assets in equity securities issued by companies with market capitalizations of at least \$10 billion that the adviser believes are of high quality and whose shares are selling at attractive prices. The Portfolio's adviser selects stocks with the intention of holding them for the long term. The Davis Value Portfolio is a series of the Davis Variable Account Fund and is advised by Davis Selected Advisers, L.P.

DELAWARE

The objective of the Delaware VIP Growth Opportunities Series is to seek long-term capital appreciation. The Delaware VIP Growth Opportunities Series invests primarily in securities of medium-sized companies that have established themselves within the industry but still have growth potential. The Series' management team invests in medium-size companies that they believe may offer strong opportunities for capital appreciation and generally less risk than investments in small companies, although mid-cap companies typically have greater risk than large-cap companies. The Delaware VIP Growth Opportunities Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc. Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

The objective of the Delaware VIP Trend Series is to seek long-term capital appreciation. The Delaware VIP Trend Series invests primarily in stocks of small growth-oriented or emerging companies that, in the management team's view, are market leaders with strong product cycles and innovative concepts. The Series' management team seeks to identify changing and dominant trends within the economy, the political arena and our society. The team conducts thorough research on companies, evaluating price-to-earnings ratios, estimated growth rates, market capitalization and cash flows to determine how attractive a company is relative to other companies. By focusing on companies in the early stages of their life cycles, the Series strives to capture the greatest potential for growth. The Delaware VIP Trend Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

THE DREYFUS CORPORATION

The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio (Service Shares) seeks investment returns that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor's MidCap 400 Index (S&P 400).

To pursue this goal, the Dreyfus Investment Portfolio: Mid Cap Stock Portfolio invests at least 80 percent of its assets in stocks of midsize

companies. The portfolio invests in growth and value stocks, which are chosen through a disciplined investment process that combines computer modeling techniques, fundamental analysis and risk management. Consistency of returns compared to the S&P 400 is a primary goal of the investment process. The portfolio's stock investments may include common stocks, preferred stocks, convertible securities and depositary receipts, including those issued in initial public offerings ("IPOs") or shortly thereafter. The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio is advised by The Dreyfus Corporation.

FIDELITY INVESTMENTS

The investment objective of the Fidelity VIP Growth Portfolio Service Class 2 shares is to achieve capital appreciation. The fund invests primarily in common stocks of companies that the adviser believes to have above-average growth potential (stocks of these companies are often called 'growth' stocks). The adviser may invest the fund's assets in securities of foreign issuers in addition to securities of domestic issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Overseas Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of the fund's assets in non-U.S. securities, primarily common stocks. The investments are allocated across different geographic regions and individual countries. The adviser will consider the size of the market in each country and region relative to the size of the international market as a whole. In buying and selling securities for the fund, the adviser relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position and economic and market conditions. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Overseas Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP High Income Portfolio Service Class 2 shares is to seek a high level of current income while also considering growth of capital. The adviser normally invests primarily in income-producing debt securities, preferred stocks and convertible securities, with an emphasis on lower-quality debt securities. The fund may also invest in non-income producing securities, including defaulted securities and common stocks and in companies that are in troubled or uncertain financial condition as well as domestic and foreign issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and

16

<Page>

economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP High Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Investment Grade Bond Portfolio Service Class 2 shares is to seek as high a level of current income as is consistent with the preservation of capital. The fund normally invests at least 80% of its total assets in investment-grade debt securities of all types and repurchase agreements for those securities. The adviser uses the Lehman Brother's Aggregate Bond Index as a guide for structuring the fund and selecting its investments and attempts to maintain an overall interest rate risk similar to the index. The adviser allocates assets across different market sectors and maturities and analyzes a security's structural features and current pricing, trading opportunities and the credit quality of its issuer to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Investment Grade Bond Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Mid Cap Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of its total assets in securities of companies with medium market capitalizations. The adviser normally invests the fund's assets primarily in common stocks. The fund may potentially invest in companies with smaller or larger market capitalizations, domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing

security prices or other factors that affect security values. The Fidelity VIP Mid Cap Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Growth & Income Portfolio Service Class 2 shares is to seek high total return through a combination of current income and capital appreciation. The fund invests primarily in common stocks with a focus on those that pay current dividends and show potential for capital appreciation. It also potentially invests in bonds, including lower-quality debt securities, as well as stocks that are not currently paying dividends, but offer prospects for future income or capital appreciation. The fund may potentially invest in domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth & Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Index 500 Portfolio is to seek investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the S&P 500. The fund normally invests at least 80% of its assets in common stocks included in the S&P 500. Because the adviser may use statistical sampling techniques to attempt to replicate the returns of the S&P 500, the fund may not always hold all of the same securities as the index and may not track the index perfectly. The fund may lend securities to earn income for the fund and the adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Index 500 Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

GOLDMAN SACHS

The Goldman Sachs VIT CORE Small Cap Equity Fund seeks long-term growth of capital. The Fund invests, under normal circumstances, at least 80% of its net assets ("Net Assets") plus any borrowings for investment purposes (measured at time of purchase) in a broadly diversified portfolio of equity investments in small-cap U.S. issuers, including foreign issuers that are traded in the United States. However, it is currently anticipated that, under normal circumstances the Fund will invest at least 95% of its Net Assets in such equity investments. These issues will have public stock market capitalizations (based upon shares available for trading on an unrestricted basis) within the range of the market capitalization of companies constituting the Russell 2000 Index at the time of investment. The Fund is not required to limit its investments to securities in the Russell 2000 Index. In addition, if the market capitalization of a company held by the Fund moves outside this range, the Fund may, but is not required to sell the securities. The capitalization range of the Russell 2000 Index is currently between \$68 million and \$2.4 billion.

JPMORGAN FLEMING

The investment objective of the JPMorgan U.S. Large Cap Core Equity Portfolio is to provide high total return from a portfolio of selected equity securities. Under normal circumstances, the portfolio invests at least 80% of its assets in equity investment of large-cap companies. "Assets" means net assets, plus the amount of borrowings for investment purposes. Large-cap companies have a market capitalization over \$2 billion at the time of purchase. Market capitalization is the total market value of a company's shares. Sector by sector, the portfolio's weightings are similar to those of the S&P 500. The portfolio seeks to maintain sector weightings within +/- 3% of the S&P 500. The JPMorgan U.S. Large Cap Core Equity Portfolio is a series of the J.P. Morgan Series Trust II and is advised by J.P. Morgan Investment Management Inc.

LORD ABBETT

The Lord Abnett Series Fund -- Growth Opportunities Portfolio seeks capital appreciation. To pursue this goal, the Portfolio normally invests at least 65% of its net assets in equity securities of mid-sized companies. A mid-sized company is defined as a company having a market capitalization at the time

<Page>

of purchase that falls within the market capitalization range of companies in the Russell Mid Cap Index, a widely used benchmark for mid-cap stock performance. As of January 31, 2005, the market capitalization range of the Russell Mid Cap Index was \$606 million to \$31.1 billion. This range varies daily. Equity securities in which the Portfolio may invest may include common stocks, preferred stocks, convertible securities, warrants and similar instruments. Common stocks, the most familiar type of equity security, represent an ownership interest in a company. The Lord Abnett Series Fund -- Growth

NEUBERGER BERMAN

The investment objective of the Neuberger Berman Genesis Fund -- Advisor Class is to seek growth of capital. To pursue this goal, the fund invests mainly in common stocks of small-capitalization companies, which it defines as those with a total market value of no more than \$1.5 billion at the time the fund first invests in them. The fund may continue to hold or add to a position in a stock after it has grown beyond \$1.5 billion. The fund seeks to reduce risk by diversifying among many companies and industries. Neuberger Berman Genesis Fund -- Advisor Class is advised by Neuberger Berman Management Inc. and subadvised by Neuberger Berman, LLC.

PUTNAM

The investment objective of Putnam VT Vista Fund is to seek capital appreciation. The fund invests mainly in common stocks of U.S. companies with a focus on growth stocks. Growth stocks are issued by companies that Putnam Investment Management, LLC ("Putnam Management") believes are fast-growing and whose earnings Putnam Management believes are likely to increase over time. Growth in earnings may lead to an increase in the price of the stock. The fund invests mainly in mid-sized companies. Putnam VT Vista Fund is a series of the Putnam Variable Trust and is advised by Putnam Management.

RAINIER

The investment objective of the Rainier Small/Mid Cap Equity Portfolio is to seek to maximize long-term appreciation. In pursuing its goal, the Portfolio invests primarily (at least 80% of its assets) in the equity securities of small and mid-capitalization U.S. companies with the prospects of strong earnings growth and attractive overall business fundamentals, selling at reasonable prices. The Rainier Small/Mid Cap Equity Portfolio is advised by Rainier Investment Management, Inc.

ROYCE

Royce Capital Fund Small-Cap Portfolio uses a disciplined value approach to invest in small-cap companies -- those with market caps below \$2.5 billion. They believe that investors in the Fund should have a long-term investment horizon of at least three-years. The Royce Capital Fund Small-Cap Portfolio is advised by Royce & Associates, LLC.

T. ROWE PRICE

The investment objective of the T. Rowe Price Small-Cap Value Fund -- Advisor Class is to seek long-term capital growth by investing primarily in small companies whose common stocks are believed to be undervalued. Reflecting a value approach to investing, the fund will seek the stocks of companies whose current stock prices do not appear to adequately reflect their underlying value as measured by assets, earnings, cash flow or business franchises. Normally, the fund will invest at least 80% of its net assets in companies with a market capitalization that is within or below the range of companies in the Russell 2000 Index. The T. Rowe Price Small-Cap Value Fund -- Advisor Class is advised by T. Rowe Price Associates.

The investment objective of the T. Rowe Price Small-Cap Stock Fund -- Advisor Class is to provide long-term capital growth by investing primarily in stocks of small companies. The fund normally invests at least 80% of its net assets in stocks of companies that have a market capitalization that falls (i) within or below the range of companies in either the Russell 2000 Index or the S&P Small-Cap 600 Index (ii) below the three year average maximum market cap of companies in either index as of December 31 for the three preceding years. Stock selection may reflect either a growth or value investment approach. The T. Rowe Price Small-Cap Stock Fund -- Advisor Class is advised by T. Rowe Price Associates.

WELLS FARGO

The Wells Fargo Advantage Opportunity Fund seeks long-term CAPITAL APPRECIATION. We invest in equity securities of medium-CAPITALIZATION companies that we believe are under-priced yet, have attractive growth prospects. We base the analysis on a comparison between the company's public value, based on market quotations, with its "private market value" -- the price an investor would be willing to pay for the entire company given its management strength, financial health and growth potential. We determine a company's private market value based on a fundamental analysis of a company's cash flows, asset valuations, competitive situation, and franchise value. The Wells Fargo Advantage Opportunity Fund is sub advised by Wells Capital Management, Inc.

The Wells Fargo Advantage Discovery Fund seeks long-term CAPITAL

APPRECIATION. We invest in securities of small- and medium-CAPITALIZATION companies that we believe offer attractive opportunities for growth. We define small- and medium CAPITALIZATION companies as those with market CAPITALIZATIONS equal to or lower than the company with the largest market CAPITALIZATION in the RUSSELL MIDCAP(R) INDEX, at the time of purchase. The range of the RUSSELL MIDCAP(R) INDEX was \$513 million to \$13.84 billion, as of June 30, 2004, and is expected to change frequently. We select securities through a combination of in-depth fundamental analysis of a company's financial reports and direct, on-site research during company visits. We may invest in any economic sector, and at times we may emphasize one or more particular sectors. The Wells Fargo Advantage Discovery Fund is sub advised by Wells Capital Management, Inc.

WILSHIRE MUTUAL FUNDS, INC.

Wilshire Mutual Funds, Inc. ("Wilshire Funds") is an open-end management investment company registered under the Investment Company Act of 1940. The Wilshire Mutual

18

<Page>

Funds are made up of a series of portfolios including the Dow Jones Wilshire 5000 Index Portfolio, Wilshire Large Company Growth Portfolio, Wilshire Large Company Value Portfolio, Wilshire Small Company Growth Portfolio, and Wilshire Small Company Value Portfolio. The Wilshire Mutual Funds issues shares that are continually offered for sale. The Wilshire Mutual Funds are advised by Wilshire Associates Incorporated.

The investment objective of the Wilshire Large Company Growth Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the large company growth sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Large Company Growth Portfolio focuses on the large company segment of the U.S. equity market and invests in companies with above-average earnings or sales growth histories and retention of earnings. Often such companies will have above-average price/earnings ratios. The Wilshire Large Company Growth Portfolio primarily invests in stocks of companies with the largest market capitalizations (at times may be as low as \$1.9 billion). Because this fund invests in large companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Dow Jones Wilshire 5000 Index Portfolio is to replicate as closely as possible the performance of the Dow Jones Wilshire 5000 Index before the deduction of fund expenses. This Portfolio is an index fund and primarily invests in the common stocks of companies included in the Index that are representative of the entire Index. The Dow Jones Wilshire 5000 Index Portfolio normally holds stocks representing at least 90% of the total market value of the Index. Since the Portfolio does not invest in all of the stocks included in the Index it may be more volatile than the Index.

The investment objective of the Wilshire Large Company Value Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the large company value sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Large Company Value Portfolio focuses on the large company value segment of the U.S. equity market. Typically such companies have relatively low price to book value ratios, low price to earnings ratios and higher than average dividend yields. The Wilshire Large Company Value Portfolio primarily invests in stocks with the largest market capitalization (at times may be as low as \$1.9 billion). Because this fund invests in large companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Wilshire Small Company Value Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the small company value sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Small Company Value Portfolio focuses on the small company value segment of the U.S. equity market. Typically such companies have relatively low price to book value ratios, low price to earnings ratios and relatively high dividend yields. The Wilshire Small Company Value Portfolio primarily invests in stocks with smaller market capitalizations (between \$125 million and \$1.9 billion). Because this fund invests in small companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Wilshire Small Company Growth Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the small company growth sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Small Company Growth Portfolio focuses on the small company growth segment of the U.S. equity market. Typically such companies have above-average earnings or sales growth histories and retention of earnings, and often they have higher price to earnings ratios. The Wilshire Small Company Growth Portfolio primarily invests in stocks with smaller market capitalizations (between \$125 million and \$1.9 billion). Because this fund invests in small companies it may be more volatile than a fund that invests in a broader market segment.

WILSHIRE VARIABLE INSURANCE TRUST (VIT)

The Wilshire VIT ("Trust") is an open-end, diversified, management investment company registered under the Investment Company Act of 1940. The Trust is made up of a series of portfolios ("Wilshire VIT Funds"). The Trust issues shares of beneficial interest that are continually offered for sale. The Wilshire VIT Funds, advised by Wilshire Associates Incorporated ("Wilshire"), invest in securities of different issuers and industry classifications in an attempt to spread and reduce the risks inherent in all investing. Wilshire has entered into an agreement with investment subadviser(s) for each of the Wilshire VIT Funds whereby the subadviser(s) manage the investment and reinvestment of the assets of a fund.

The primary investment objective of the Wilshire VIT Equity Fund -- Horace Mann Shares is long-term capital growth; conservation of principal and production of income are secondary objectives. The Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The Equity Fund ordinarily invests in common stocks of domestic companies. Wellington Management Company, LLP ("Wellington Management"), Alliance Capital Management LP ("Alliance") and Mellon Equity Associates, LLP ("Mellon Equity") serve as the investment subadvisers to the Equity Fund. This fund was referred to as the Growth Fund prior to May 1, 2000.

The primary investment objective of the Wilshire VIT Balanced Fund -- Horace Mann Shares is to realize high long-term total rate of return consistent with prudent investment risks. The Balanced Fund's assets are invested in a mix of common stocks, debt securities and money market instruments through investments in the Wilshire VIT Equity Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares.

The primary investment objective of the Wilshire VIT Income Fund -- Horace Mann Shares is to achieve a long-term total rate of return in excess of the U.S. bond market over a full market cycle. The Income Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in fixed income securities. The fixed income securities in which the Income Fund invests are primarily U.S. investment grade fixed income securities. Western Asset Management Company ("Western Asset"), Western Asset Management Limited ("WAML") and BlackRock Financial Management, Inc. ("BlackRock") serve as the investment subadvisers to the Income Fund.

<Page>

The primary investment objective of the Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares ("Short-Term Fund") is to realize maximum current income to the extent consistent with liquidity. Preservation of principal is a secondary objective. The Short-Term Fund attempts to realize its objectives through investments in short-term debt instruments; it is not a money market fund and does not maintain a stable net asset value per share. Western Asset serves as the investment subadviser to the Short-Term Fund.

The investment objective of the Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares is long-term capital appreciation. The Small Cap Growth Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in securities of small cap companies. The Fund ordinarily invests in small cap equity securities (less than \$2.5 billion at the time of investment) which a subadviser believes have earnings growth potential. The Small Cap Growth Fund invests primarily in small cap stocks, which a subadviser considers to have favorable and above-average earnings growth prospects. Accordingly, their stock prices may rise faster, but can also decline more in unfavorable business climates. As a result of these "higher highs" and "lower lows," they are more volatile. BlackRock, and Mazama Capital Management ("Mazama") serve as investment subadvisers to the Small Cap Growth Fund.

The primary investment objective of the Wilshire VIT International Equity Fund -- Horace Mann Shares is long-term capital growth primarily through diversified holding of marketable foreign equity investments. The International Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The International Equity Fund invests primarily in equity securities of established companies, listed on foreign exchanges, which the subadviser believes have favorable characteristics. It may also invest in fixed income securities of foreign governments and companies. Investing in foreign securities may involve a greater degree of risk than investing in domestic securities due to the possibility of currency fluctuations, more volatile markets, less securities regulation and political instability. Newstar Institutional Managers Limited and The Boston Company Asset Management, LLC serve as investment subadvisers to the International Equity Fund.

The investment objective of the Wilshire VIT Socially Responsible Fund -- Horace Mann Shares is long-term growth of capital, current income and growth of income. The Socially Responsible Fund invests in a diversified portfolio composed primarily of marketable equity securities including common stocks, preferred stocks and debt securities convertible into common stocks of seasoned U.S. traded companies. Investments in equity securities are limited to issuers

which in the subadviser's judgment meet the following criteria:

1. Do not produce tobacco products;
2. Do not produce alcoholic beverages;
3. Do not own and/or operate casinos or manufacture gaming devices;
4. Do not produce pornographic materials;
5. Do not produce nuclear weapons or guidance and/or delivery systems, specifically for nuclear weapons;
6. By popular standards, maintain non-discriminatory employment practices throughout a company's facilities; and
7. By popular standards, maintain environmental policies, practices and procedures which are currently acceptable, or which are exhibiting improvement.

Because this fund invests in companies with socially responsible business practices, it has limitations that may have an adverse impact on performance. Alliance serves as the investment subadviser to the Socially Responsible Fund.

THE CONTRACTS

CONTRACT OWNERS' RIGHTS

A Contract may be issued under a retirement plan on a qualified basis as defined in the IRC. Qualified contracts are subject to certain tax restrictions. See "Tax Consequences."

To participate in a Qualified Plan, the Contract Owner may be required to forego certain rights granted by the Contract and should refer to the provisions of his or her Contract, the provisions of the plan or trust instrument and/or applicable provisions of the IRC.

Unless otherwise provided by law, and subject to the terms of any governing plan or trust, the Contract Owner may exercise all privileges of ownership, as defined in the Contract, without the consent of any other person. These privileges include the right during the period specified in the Contract to change the beneficiary designated in the Contract, subject to the rights of any irrevocable beneficiary, to designate a payee and to agree to a modification of the Contract terms.

This prospectus describes only the Variable portions of the Contract. On the Maturity Date, the Contract Owner has certain rights to acquire fixed annuity payout options. See the Contract for details regarding fixed Annuity Payments.

PURCHASING THE CONTRACT

The Contracts are offered and sold by HMLIC through its licensed life insurance sales personnel who are also registered representatives of HM Investors. In addition, the Contracts may be offered and sold through independent agents and other broker/dealers. HMLIC has entered into a distribution agreement with HM Investors, principal underwriter of the Separate Account. HM Investors, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001, is a broker/dealer registered under the Securities Exchange Act of 1934. HM Investors is a member of the NASD and is a wholly-owned subsidiary of Horace Mann Educators Corporation. Sales commissions are paid by HMLIC to HM Investors and other broker/dealers. Sales commissions range from 1.00% to 6.75% of purchase payments received.

20

<Page>

In order to purchase a Contract offered by this prospectus, an applicant must complete an application bearing all requested signatures and a properly endorsed suitability questionnaire. For a Contract issued pursuant to Section 403(b) of the IRC, the applicant must sign an acknowledgment of the IRC restrictions on withdrawals applicable to such Contracts. For an IRA, Roth IRA, SIMPLE or a Contract issued under a SEP plan, the applicant must acknowledge receipt of the IRA disclosure form. For a 457(b) plan the employer will purchase the Contract on behalf of the employee. The employee will be required to complete an application and suitability form. The employee must also acknowledge receipt of the 457(b) disclosure form.

Applications for Contracts are to be sent to HMLIC's Home Office. If an incomplete application is received, HMLIC will promptly request additional information needed to process the application. The initial purchase payment will be held in a suspense account, without interest, for a period not exceeding five business days. If the necessary information is not received within these five business days HMLIC will return the initial purchase payment, unless otherwise

directed by the applicant.

PURCHASE PAYMENTS

AMOUNT AND FREQUENCY OF PURCHASE PAYMENTS -- Purchase payments will be applied at the applicable Accumulation Unit Value next determined following receipt in good form. See the "Individual Product Information" section for the minimum purchase payment of your product.

The IRC limits the amounts which may be contributed to Qualified Plans. See "Tax Consequences -- Contract Owners -- Contributions."

ALLOCATION OF PURCHASE PAYMENTS -- All or part of the Net Purchase Payments made may be allocated to one or more Subaccounts. The minimum purchase payment amount allocated to any Subaccount in any given Contract Year must equal or exceed \$100. A request to change the allocation of purchase payments will be effective on the first Valuation Date following receipt of the request by HMLIC's Home Office.

ACCUMULATION UNITS AND ACCUMULATION UNIT VALUE -- Purchase payments are credited on the basis of Accumulation Unit Value. The number of Accumulation Units purchased by Net Purchase Payments is determined by dividing the dollar amount credited to each Subaccount by the applicable Accumulation Unit Value next determined following receipt of the payment by HMLIC. The value of an Accumulation Unit is affected by the investment experience of the Underlying Fund, expenses and the deduction of certain charges.

Accumulation Units are valued on each Valuation Date. The Accumulation Unit Value for each Subaccount was established on the date and for the value indicated below. The date for the Wilshire VIT Equity, Balanced, Income and Short-Term Investment Funds -- Horace Mann Shares refers to the date Wellington Management became their investment adviser.

<Table>
<Caption>

SUBACCOUNT	DATE	ACCUMULATION UNIT VALUE
-----	-----	-----
<S>	<C>	<C>
JPMorgan U.S. Large Cap Core Equity Portfolio	09/05/00	\$ 17.33
Fidelity VIP Growth & Income Portfolio SC 2	09/05/00	16.03
Wilshire 5000 Index Portfolio (Institutional) (Investment)	05/01/00 09/05/00	11.19 12.23
Fidelity VIP Index 500 Portfolio SC 2	09/05/00	171.04
Fidelity VIP Growth Portfolio SC 2	09/05/00	53.82
AllianceBernstein Large Cap Growth Portfolio	09/05/00	41.57
Wilshire Large Company Growth Portfolio (Institutional) (Investment)	05/01/00 09/05/00	41.22 46.36
Wilshire VIT Equity Fund -- Horace Mann Shares	11/01/89	7.11
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares	03/10/97	9.85
Davis Value Portfolio	09/05/00	11.58
Wilshire Large Company Value Portfolio	09/05/00	19.91
Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares	06/01/04	15.91
Fidelity VIP Mid Cap Portfolio SC 2	09/05/00	20.11
Rainier Small/Mid Cap Equity Portfolio	09/05/00	30.39
Delaware VIP Growth Opportunities Series	06/01/04	14.24
Lord Abbett Insurance Series Growth/Opportunities	06/01/04	12.00
Putnam VT Vista Fund	09/05/00	25.13
Wells Fargo Advantage Discovery Fund	09/05/00	35.99
Ariel Appreciation Fund	05/01/01	34.63
Wells Fargo Advantage Opportunity Fund	09/05/00	28.55
T. Rowe Price Small-Cap Stock Fund -- Advisor Class	09/05/00	26.99
Goldman Sachs VIT Core		

Small Cap Equity Fund	06/01/04	12.99
Neuberger Berman Genesis Fund -- Advisor Class	09/05/00	15.84
Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares	03/10/97	9.59
C.S. Small Cap Growth Portfolio	09/05/00	27.32
Delaware VIP Trend Series	06/01/04	28.47
Wilshire Small Company Growth Portfolio	09/05/00	17.80
Ariel Fund	05/01/01	34.01

21

<Page>

<Table>
<Caption>

SUBACCOUNT	DATE	ACCUMULATION UNIT VALUE
-----	-----	-----
<S>	<C>	<C>
Royce Capital Fund Small-Cap Portfolio	06/01/04	\$ 8.10
T. Rowe Price Small-Cap Value Fund -- Advisor Class	09/05/00	20.52
Wilshire Small Company Value Portfolio	09/05/00	12.31
Wilshire VIT International Equity Fund -- Horace Mann Shares	03/10/97	9.74
Fidelity VIP Overseas Portfolio SC 2	09/05/00	23.13
Wilshire VIT Balanced Fund -- Horace Mann Shares	11/01/89	6.71
Wilshire VIT Income Fund -- Horace Mann Shares	11/01/89	7.17
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares	11/01/89	6.99
Fidelity VIP High Income Portfolio SC 2	09/05/00	9.77
Fidelity VIP Investment Grade Bond Portfolio SC 2	09/05/00	11.98

The Accumulation Unit Value of a Subaccount for any Valuation Period is equal to:

- the net asset value of the corresponding Underlying Fund attributable to the Accumulation Units at the end of the Valuation Period;
- plus the amount of any income or capital gain distributions made by the Underlying Fund during the Valuation Period;
- minus the dollar amount of the mortality and expense risk charge we deduct for each day in the Valuation Period;
- divided by the total number of Accumulation Units outstanding at the end of the Valuation Period.

TRANSACTIONS

TRANSFERS -- Amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract, prior to the Maturity Date. You may transfer value from one existing investment option into as many as 10 other investment options. The minimum amount that can be transferred is \$100 or the entire dollar value of the Subaccount(s), whichever is less.

A Contract Owner may elect to transfer funds between Subaccounts and the fixed account by submitting a written request to Horace Mann Life Insurance Company at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section.

Depending on the means used to request a transfer, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the name of the Contract Owner and the Contract number and (3) specifically state the dollar amount, a whole percentage or the number of Accumulation Units to be transferred. The request also must specify the Subaccounts from which and to which the transfer is to be made. Transfers are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office. See "Other Information -- Forms Availability."

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund

T. Rowe Price Small Cap Stock Fund

Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

T. Rowe Price Small Cap Value Fund

DOLLAR COST AVERAGING -- Dollar cost averaging is a systematic method of investing in which securities are purchased at regular intervals in fixed dollar amounts so that the cost of the securities is averaged over time and possibly over various market cycles. Dollar cost averaging transfers are completed by periodically transferring equal amounts of money. You may preschedule a series of transfers between investment options to take advantage of dollar cost averaging. You may select from a 3-month, 6-month or 12-month period to complete the dollar cost averaging program. You may transfer value from one existing investment option into as many as 10 other investment options. You may request dollar cost averaging by the same means as described above for transfers.

The transfers will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office and will continue on this day each period until the program is completed. If the original request is received on the 29th, 30th or 31st of the month, all subsequent transfers will be processed as of the 28th of the month. If you should decide to cancel an existing dollar cost averaging program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

Because the values of the Subaccounts from which the transfers occur may decrease over time, the dollar cost averaging program may conclude earlier than scheduled. In addition, the last dollar cost averaging transfer may be for less than all prior transfers. Finally, the value of a Subaccount may increase and result in a balance remaining at the end of the period selected.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund

T. Rowe Price Small Cap Stock Fund

Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

T. Rowe Price Small Cap Value Fund

22

<Page>

REBALANCING -- Rebalancing is the periodic adjusting of investment option balances to maintain a pre-established asset allocation strategy. Rebalancing can occur quarterly, semiannually or annually. Rebalancing is continuous for the period(s) selected unless changed or discontinued by the Contract Owner. You may request a rebalancing of your portfolio either once or on a periodic basis.

For periodic rebalancing requests, you may select from a quarterly, semiannual or annual period. You may rebalance your portfolio value into as many as 10 other investment options. You may request rebalancing by the same means as described above for transfers.

Rebalancing will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office. For periodic rebalancing requests, subsequent rebalancing of your portfolio will continue to occur on the same calendar day of each scheduled month. If the original request is received on the 29th, 30th or 31st of the month, all subsequent rebalancing of your portfolio will be processed as of the 28th of the month.

If you should decide to cancel an existing rebalancing program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper

authorization such as a signature on a form or validating information if using the telephone or company website.

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund

T. Rowe Price Small Cap Stock Fund

Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

T. Rowe Price Small Cap Value Fund

CHANGES TO PURCHASE PAYMENT ALLOCATIONS -- A Contract Owner may elect to change the allocation of future Net Purchase Payments at any time by mailing a written request to Horace Mann Life Insurance Company at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section. Depending on the means used to request a change, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the Contract Owner's name and Contract number and (3) specify the new allocation percentage for each Subaccount (in whole percentages). Allocations made to the fixed portion of the Contract or to one or more Subaccounts must total 100%. HMLIC reserves the right to restrict the minimum purchase payment amount allocated to any Subaccount in any given Contract Year to \$100. Changes in allocation instructions are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office. See "Other Information -- Forms Availability."

On and after June 1, 2004, new Contracts may not have allocations to the following Subaccounts, and existing Contracts may not begin or increase allocations to the following Subaccounts:

Wells Fargo Advantage Discovery Fund

T. Rowe Price Small Cap Stock Fund

Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

T. Rowe Price Small Cap Value Fund

MARKET TIMING -- The Contracts and the Subaccounts are not designed for 'market timing' through frequent transfers or transfers that are large in relation to the total assets of the Underlying Fund. HMLIC discourages and does not accommodate frequent transfers of contract value among the Subaccounts. Trading strategies that seek to benefit from short-term price fluctuations or price irregularities cause disruption to the Underlying Funds' investment strategies, with potential resulting harm to performance and increased trading costs or Underlying Fund expenses, and are thereby potentially harmful to investors and their Contract performance.

If HMLIC determines, in its sole discretion, that your transfer patterns among the Subaccounts reflect a market timing strategy, it will take action to protect the other investors and/or terminate the Contract. In making these determinations, we may consider the combined transfer activity of Contracts that we believe are under common ownership, control or direction. HMLIC does not include transfers made pursuant to the dollar cost averaging method when considering whether to take action. HMLIC applies its market timing policies and procedures uniformly to all owners of a particular Contract.

Such action will include requiring future transfer requests under the Contract to be submitted with an original signature via U.S. Mail for a period of time or for the duration of the Contract. If this restriction is imposed, we will reverse within one to two business days of any transaction inadvertently processed that is not in compliance with the restriction. You will receive written confirmation of any such reversal.

If HMLIC determines that you are engaging in a pattern of transfers that reflects a market timing strategy or is potentially harmful to other Contract Owners, it will notify you in writing of any restrictions.

The detection and deterrence of market timing involves judgments that are inherently subjective. Our ability to detect such activity may be limited by operational and technological systems, as well as our ability to predict strategies employed by others to avoid detection. Our ability to restrict transfers may also be limited by the provisions of the Contract. Accordingly, there is no assurance that we will deter all market timing activity. Therefore, Contract owners may be subject to the risks described above.

The Underlying Funds may have their own policies and procedures with respect to frequent purchases and redemptions of their shares, which are described in the Underlying Fund

<Page>

prospectuses. Such policies and procedures may be more or less restrictive than HMLIC's policies and procedures. As a result, we may not have the contractual obligation or the operational capacity to apply the frequent trading policies and procedures of the Underlying Funds. However, we reserve the right to defer or restrict transfers at any time that we are unable to purchase or redeem shares of any of the Underlying Funds, including any refusal or restriction on purchases or redemptions as a result of the frequent trading policies and procedures of the Underlying Funds. HMLIC also reserves the right to implement and administer redemption fees imposed by one or more of the Underlying Funds. The prospectuses of the Underlying Funds include more details on the ability of the Underlying Funds to refuse or restrict purchases or redemptions of their shares.

SURRENDER OR WITHDRAWAL BEFORE COMMENCEMENT OF ANNUITY PERIOD -- Values may not be withdrawn from Section 403(b) Contracts or 457(b) Contracts except under certain circumstances. See "Tax Consequences." However, if not restricted by the IRC or applicable retirement plan under which the Contract is issued, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin. Any partial withdrawal is subject to a \$100 minimum and may not reduce the Contract Owner's interest in a Subaccount to less than \$100.

The surrender or partial withdrawal of Variable Cash Value (rollover, exchange, etc.) is determined on the basis of the Accumulation Unit Value next computed following the receipt of a valid request for surrender or partial withdrawal in HMLIC's Home Office. A surrender or partial withdrawal may result in adverse federal income tax consequences to the Contract Owner. These consequences include current taxation of payments received, and may include penalties resulting from premature distribution. See "Tax Consequences."

A Contract Owner eligible to surrender or request a partial withdrawal may elect to do so by submitting a signed, written request to HMLIC at its Home Office at P.O. Box 4657, Springfield, Illinois 62708-4657. A partial withdrawal request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will be accepted if the proceeds are sent to the Contract Owner and the request is sent to (217) 527-2307. A surrender request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will not be accepted. See "Tax Consequences" and "Other Information -- Forms Availability."

Partial withdrawals and surrenders will be processed either on a date specified by you in a request, provided the date specified occurs on or after receipt of the request at HMLIC's Home Office, or at the next computed value following receipt of a valid request at HMLIC's Home Office.

For your protection, we will send a confirmation letter on all address changes. If you have requested an address change within 15 days prior to your surrender or withdrawal request, we will hold your request until we have acquired confirmation of the correct address. Upon receipt of your confirmation of the address, we will consider the surrender or withdrawal request to be received in good form.

Surrenders and partial withdrawals from any Subaccount are subject to the Surrender Charges shown in the "Individual Product Information" section.

Surrender Charges are applied to the withdrawals based on the effective date of the Contract and not on the date the purchase payment is paid.

Any request for partial withdrawal, where the withdrawal is subject to a Surrender Charge, will be increased by the amount of the Surrender Charge. For example, a request to withdraw \$3,000 at a 4% Surrender Charge will require a withdrawal of \$3,125. This withdrawal represents a cash distribution of \$3,000 and a Surrender Charge of \$125. Any taxes withheld will reduce the dollar amount of the distribution received.

The Surrender Charge is assessed on the basis of the amount surrendered or withdrawn from the Subaccount(s), but will never exceed 9% of Net Purchase Payment(s) to a Subaccount during the lifetime of the Contract. For example, if a Contract Owner's Subaccount value is \$12,000 and Net Purchase Payments to date equal \$10,000 and the Contract Owner withdraws \$2,000 (i.e., one sixth of the Subaccount value), then the Surrender Charge may not exceed 9% of \$1,666.66 (one sixth of the purchase payment(s) to which the withdrawal relates).

If premium taxes are deducted prior to surrender or partial withdrawal, any reduction of HMLIC's premium tax liability due to the surrender or partial withdrawal will be to HMLIC's benefit.

If you request a partial withdrawal from your 403(b) Contract or from your employer's 401(k) plan using the safe harbor regulations of the IRC, you may be suspended from making contributions to all other plans of your employer for six months. You should consult with your plan administrator for further guidance before making a hardship withdrawal. After the six-month period is completed, you may resume making contributions.

DEFERMENT -- HMLIC ordinarily completes a transaction within seven calendar days after receipt of a proper request to transfer, surrender, partially withdraw or commence Annuity Payments. The value of the Contract is determined as of the Valuation Date on which a valid request is received. However, determination of Contract value and processing the transaction may be deferred for (1) any period during which the NYSE is closed for other than customary weekend or holiday closings or during which trading is restricted by the Securities and Exchange Commission; (2) any emergency period when it is not reasonably practicable to sell securities or fairly determine Accumulation Unit Values or Annuity Unit values; or (3) any other period designated by the Securities and Exchange Commission to protect persons with interests in the Separate Account.

CONFIRMATIONS -- HMLIC mails written confirmations of purchase payments to Contract Owners on a quarterly basis within five business days following the end of each calendar quarter. Written confirmations of transfers, changes in allocations, partial withdrawals and surrenders are mailed to

24

<Page>

Contract Owners within seven calendar days of the date the transaction occurred.

If a Contract Owner believes that the confirmation statement contains an error, the Contract Owner should notify HMLIC as soon as possible after receipt of the confirmation statement. Notice may be provided by writing to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free).

DEDUCTIONS AND EXPENSES

ANNUAL MAINTENANCE CHARGE -- An annual maintenance charge of no more than \$25 is deducted from each Contract on the Contract anniversary date unless the Contract value equals or exceeds \$10,000. Maximum Solutions contracts do not have an annual maintenance fee. The annual maintenance charge is deducted from the Subaccount containing the greatest dollar amount or from the fixed portion of the Contract when none of the Subaccount(s) have any value.

We reserve the right to deduct, in whole or in part, the annual maintenance fee in the event of a complete surrender. The annual maintenance fee ceases when Annuity Payments begin.

The annual maintenance charge is intended to reimburse HMLIC for actual expenses incurred in administering the Contract. HMLIC does not expect to profit from such annual maintenance charge and assumes the risk that this annual maintenance charge may be insufficient to cover the actual costs of administering the Contract. See the "Individual Product Information" section for the maintenance charge on your Contract.

MORTALITY AND EXPENSE RISK FEE ("M & E FEE") -- For assuming mortality and expense risk, HMLIC applies an asset charge to the Separate Account. The fee for mortality and expense risk may not exceed the annual rate of 1.25% of the daily net assets of the Separate Account (0.45% for mortality risk, and 0.80% for expense risk; these may vary from time to time); however, HMLIC reserves the right to change the fee (subject to the 1.25% ceiling) in the future. The fee is computed on a daily basis. See the "Individual Product Information" section for the M & E Fee on your Contract.

SURRENDER CHARGES -- Withdrawals may not be made from Section 403(b) or 457(b) Contracts except under certain circumstances. (See "Tax Consequences.") However, if not restricted by the IRC or applicable retirement plan under which the Contract is issued, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin. Surrender Charges are specific to your Contract. HMLIC reserves the right to waive either a portion or the whole Withdrawal Charge in some situations. See the "Individual Product Information" section for the Surrender Charge on your Contract.

For further information regarding surrender or partial withdrawals see "Surrender or Withdrawal Before Commencement of Annuity Period."

OPERATING EXPENSES OF THE UNDERLYING FUNDS -- There are deductions from and expenses paid out of the assets of the Underlying Funds that are described in each Underlying Fund's prospectus.

PREMIUM TAXES -- Certain state and local governments levy a premium tax, presently ranging from 0 to 3.5%, on the amount of purchase payments made under this Contract. The premium tax, if any, is deducted when purchase payments are

received.

DEATH BENEFIT PROCEEDS

If a Contract Owner dies before the Maturity Date, a death benefit will be paid to the beneficiary designated by the Contract Owner. Additional information about the death benefit of a specific Contract is located in the "Individual Product Information" section. The death benefit is determined for each beneficiary as of the date proof of death is received by HMLIC from such beneficiary. Proof of death includes a certified death certificate and a completed claimant's statement.

All or part of the death benefit proceeds may be paid to the beneficiary under one of the Annuity Payment options described under "Annuity Payments -- Annuity Payment Options." If the form of Annuity Payment selected requires that payment be made by HMLIC after the death of the beneficiary, payments will be made to a payee designated by the beneficiary or, if no subsequent payee has been designated, to the beneficiary's estate. Any part of a Contract Owner's interest payable to a minor child will be paid to the child's legal guardian for the benefit of the child.

ANNUITY PAYMENTS

The Contract provides for fixed or Variable Annuity Payment options or a combination of both. The Contract Owner may elect to have Annuity Payments made under any one or more of the options described below or may elect a lump sum payment. Under some individual Contracts if the Contract Owner selects a lifetime option HMLIC will pay a bonus equal to a percentage of the amount placed on the settlement option. To begin receiving Annuity Payments a properly completed request form must be received by HMLIC's Home Office. The request will be processed so that the Annuity Payments begin as of the first of the month following the month of receipt unless a later date is requested and approved by HMLIC. If a fixed payment option is elected, the Separate Account value will be transferred to the fixed account on the date the request is received in HMLIC's Home Office. In addition, if a Variable payment is elected, any money in the fixed account will be transferred to the Separate Account on the date we receive the request in HMLIC's Home Office. Your purchase payment allocation(s) will be changed to the fixed account or Separate Account, depending on the payment option elected. Not all Subaccount(s) may be available for annuity payments. Generally, at the time an Annuity Payment option is selected, a Contract Owner must elect whether to withhold for federal and state income taxes. See "Other Information -- Forms Availability" and "Tax Consequences."

In general, the longer Annuity Payments are guaranteed, the lower the amount of each payment. Fixed Annuity

25

<Page>

Payments are paid in monthly, quarterly, semiannual and annual installments. Variable Annuity Payments are paid only on a monthly basis. If the Contract value to be applied under any one fixed or Variable Annuity Payment option is less than \$2,000 or if the option chosen would provide Annuity Payments less than \$20 per month at the Maturity Date, then the Contract value may be paid in a lump sum.

ANNUITY PAYMENT OPTIONS

The following Annuity Payment options are available on a Variable basis unless otherwise stated.

LIFE ANNUITY WITH OR WITHOUT PERIOD CERTAIN -- The life option guarantees Annuity Payments for the lifetime of the Annuitant. If a certain period is selected (5, 10, 15 or 20 years) and the Annuitant dies before the end of the period, Annuity Payments are guaranteed to the beneficiary until the end of the period selected. If no beneficiary is living at the time of the Annuitant's death, the present value, if any, of the remaining certain period payments will be paid in a single sum to the estate of the Annuitant. Under the life without period certain option, it is possible that only one Annuity Payment may be made if the Annuitant's death occurred before the due date of the second Annuity Payment. This option usually provides the largest Annuity Payments. The Annuitant cannot make unscheduled withdrawals or change to another option after the first Annuity Payment has been made.

JOINT AND SURVIVOR LIFE ANNUITY -- This life only option provides lifetime Annuity Payments during the lifetimes of two Annuitants. After one Annuitant dies, the Annuity Payments will continue during the lifetime of the survivor based on the survivor percentage elected (i.e., 100%, 50%, etc.). The Annuity Payments cease after the last payment paid prior to the survivor's death. It could be possible for only one payment to be made under this option if both Annuitants die before the due date of the second payment. The Annuitants cannot make unscheduled withdrawals or change to another income option after the first Annuity Payment has been made.

INCOME FOR FIXED PERIOD -- This option provides Annuity Payments for a

fixed period not less than one year nor exceeding 30 years; however, payments may not extend beyond the life expectancy of the Annuitant. Upon the Annuitant's death, the beneficiary will be paid the remaining Annuity Payments due, if any. If no beneficiary is living at the time of the Annuitant's death, the present value, if any, of the remaining Annuity Payments will be paid in a lump sum to the estate of the Annuitant. The Annuitant has the right to change to another income option or make unscheduled withdrawals subject to surrender penalties, if applicable, from the remaining present value, subject to IRC requirements. To determine the surrender penalty rate, Contract Years are counted from the original effective date of the accumulation Contract. Refer to "Individual Product Information" for the appropriate rate. This option is available on a fixed payment basis only.

INCOME FOR FIXED AMOUNT -- This option provides payments of a fixed amount until the account value, with interest, has been paid; however, payments may not extend beyond the life expectancy of the Annuitant. Upon the Annuitant's death, the beneficiary will be paid the remaining Annuity Payments due, if any. If no beneficiary is living at the time of the Annuitant's death, the present value, if any, of the remaining Annuity Payments will be paid in a lump sum to the estate of the Annuitant. The Annuitant has the right to change to another income option or make unscheduled withdrawals subject to surrender penalties, if applicable, from the remaining present value, subject to IRC requirements. To determine the surrender penalty rate, Contract Years are counted from the original effective date of the accumulation Contract. Refer to the "Individual Product Information" section for the appropriate rate. This option is available on a fixed payment basis only.

INTEREST INCOME PAYMENTS -- This option provides Annuity Payments based on interest earned from the proceeds of the Contract, at a rate determined by HMLIC, but never less than the annual guaranteed interest rate. Interest will be credited at the end of each payment period. Once the Annuitant reaches age 70 1/2, interest Annuity Payments may continue, however, the total annual distribution must meet the minimum required distribution requirements of the IRC. See "Required Minimum Distribution." The Annuitant may elect another income option at the end of any payment period, or subject to IRC requirements, may withdraw the Contract value in whole or in part upon written request, subject to surrender penalties if applicable. The request must be made prior to the end of the period that the Annuitant agreed to receive Annuity Payments. This option is available on a fixed payment basis only.

OTHER INCOME OPTIONS -- If the Annuitant does not wish to elect one or more Annuity Payment options, the Annuitant may:

- a) receive the proceeds in a lump sum, or
- b) leave the Contract with HMLIC and receive the value under the required minimum distribution requirements of IRC Section 401(a)(9), see "Required Minimum Distribution," or
- c) elect any other option that HMLIC makes available.

AMOUNT OF FIXED AND VARIABLE ANNUITY PAYMENTS

In general, the dollar amount of Annuity Payments under the Contract depends on Contract value. Contract value equals the value of the fixed portion of the Contract plus the value of each Subaccount. The value of each Subaccount is determined by multiplying the number of Accumulation Units credited to each Subaccount within the Contract by its respective Accumulation Unit Value.

Contract value may be more or less than the amount of Net Purchase Payments allocated to the Contract.

FIXED ANNUITY PAYMENTS -- The amount of each payment under a fixed Annuity Payment option is determined from the guaranteed income option tables in the Contract. These tables show the monthly payment for each \$1,000 of Contract value allocated to provide a guaranteed fixed Annuity Payment. These payments will not change regardless of investment, mortality or expense experience. Higher Annuity Payments may be made at the sole discretion of HMLIC.

26

<Page>

VARIABLE ANNUITY PAYMENTS -- The amount of the first monthly Variable Annuity Payment is determined from the guaranteed income option tables in the Contract. The tables show the amount of the Annuity Payment for each \$1,000 of value allocated to provide Annuity Payments. The income option tables vary with the form of income option payment selected and adjusted age of the Annuitant(s).

The first monthly Variable Annuity Payment is used to calculate the number of Annuity Units for each subsequent monthly Annuity Payment. The number of Annuity Units remains constant over the payment period except when a joint and survivor option is chosen. The number of Annuity Units will be reduced upon the death of either Annuitant to the survivor percentage elected.

The amount of monthly Annuity Payments following the first Variable Annuity

Payment varies from month to month to reflect the investment experience of each Subaccount funding those payments. Annuity Payments are determined each month by multiplying the Annuity Units by the applicable Annuity Unit Value at the date of payment. The Annuity Unit Value will change between Valuation Dates to reflect the investment experience of each Subaccount.

ASSUMED INTEREST RATE -- The assumed interest rate for this Contract is shown in the "Individual Product Information" section. The investment multiplier is one divided by the sum of one plus the assumed interest rate and the mortality and expense risk fee, adjusted to a monthly rate.

ANNUITY UNIT VALUE -- The Annuity Unit Value for the Wilshire VIT Equity Fund -- Horace Mann Shares, Wilshire VIT Balanced Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares Subaccounts was set at \$10.00 as of the date amounts first were allocated to provide Annuity Payments. The Annuity Unit Value for the Wilshire VIT Short-Term Investment Fund was established at \$10.00 on July 1, 2004. The Annuity Unit Value for all other Subaccounts was established at \$10.00 on March 1, 2005.

- The current Annuity Unit Value is equal to the prior Annuity Unit Value on the Valuation Date when payments were last determined, multiplied by the applicable net investment factor. The net investment factor reflects the investment performance of the Subaccount during the current month, including the value of any dividends and distributions during the current month. This factor is computed by dividing the net asset value of a share of the underlying fund on the current Valuation Date, plus any dividends or other distributions, by the net asset value of a share on the Valuation Date of the preceding Valuation Period, and multiplying this result by the investment multiplier.
- If the net investment factor is equal to one, then monthly payments from that Subaccount will remain level. If the net investment factor is greater than one, the monthly payments from that Subaccount will increase. Conversely, if the net investment factor is less than one, the payments from that Subaccount will decrease.

MISSTATEMENT OF AGE

If the age of the Annuitant has been misstated, any income payment amount shall be adjusted to reflect the correct age. If the Income Payments were too large because of a misstatement of age, HMLIC will deduct the difference with interest, at an effective annual interest rate of 6%, from future payments until totally repaid. If the Annuity Payments were too small, HMLIC will add the difference with interest, at an effective annual interest rate of 6%, to the next payment.

MODIFICATION OF THE CONTRACT

The Contract provides that it may be modified by HMLIC to maintain continued compliance with applicable state and federal laws. Contract Owners will be notified of any modification. Only officers designated by HMLIC may modify the terms of the Contract.

HMLIC reserves the right to offer Contract Owners, at some future date and in accordance with the requirements of the Investment Company Act of 1940, the option to direct their Net Purchase Payments to a Subaccount within the Separate Account other than one or more of those currently offered. If shares of the Underlying Funds are not available for purchase by the Separate Account, or if in the judgment of HMLIC further investment in these shares is no longer appropriate in view of the purposes of the Separate Account or Subaccount, then (i) shares of another portfolio may be substituted for the Underlying Fund shares held in the affected Subaccount and/or (ii) payments received after a date specified by HMLIC may be applied to the purchase of shares of another portfolio. No substitution will be made without prior approval of the Securities and Exchange Commission and any required Contract Owner approvals. Any substitution would be for shares of a portfolio with investment objectives similar to those of the Underlying Fund it replaces.

<Page>

INDIVIDUAL PRODUCT INFORMATION

<Table>
<S>

<C>
ANNUITY ALTERNATIVES (IC-40800) (NO LONGER FOR SALE IN MOST STATES)

ISSUE AGES	This Contract may be issued to anyone between the ages of 0-85.
MINIMUM CONTRIBUTION	\$25 per month
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.

M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract, less any applicable premium tax and any outstanding loan balance; or 2. the sum of all purchase payments paid under the Contract, less any applicable premium tax, any outstanding loan balance and withdrawals.
FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	4.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	4.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER (ONLY APPLIES TO TRANSFERS FROM THE FIXED ACCOUNT TO SUBACCOUNT(S))	\$5.00. However, HMLIC is currently waiving this fee.
EARLY WITHDRAWAL PENALTY FIXED ACCOUNT ONLY	5% at any time other than renewal through age 65.

The early withdrawal penalty is currently being waived on transfers within a Contract from the fixed account to a Subaccount.

If money is transferred from the fixed account to the Separate Account and withdrawn within 365 days of the transfer, the early withdrawal penalty will be charged.

- The early withdrawal penalty will not be charged if:
1. the transfer occurred on a Scheduled Update; or
 2. the Scheduled Update occurred between the transfer and withdrawal or surrender date(s).

</Table>

SURRENDER CHARGES

<Table>
<Caption>

DURING CONTRACT YEAR	PERCENT CHARGED
<S>	<C>
1	8%
2	8%
3	6%
4	4%
5	2%
Thereafter	0%

</Table>

<Table>
<S>
WAIVER OF SURRENDER CHARGE/
EARLY WITHDRAWAL PENALTY
(FREE OUT PROVISION)

- <C>
No Surrender Charge or early withdrawal penalty will be imposed:
1. on a withdrawal or surrender if all the following occur:
 - a. it is made after the Contract has been in force two years;
 - b. it is more than 12 months since the last withdrawal was made;
 - c. the amount is not more than 15 percent of the then current Fixed Cash Value; and
 - d. the amount is not more than 15 percent of the then current Variable Cash Value; or
 2. on any portion of the Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain or Variable income for joint life and survivor annuity; or
 3. on or after the Maturity Date if the Contract has been in force for at least 10 years; or
 4. if Annuity Payments are selected to be made in equal installments over a period of at least 5 years (during such period the elected annuity benefit cannot be surrendered); or
 5. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

<Page>

<Table>
<S>

ISSUE AGES	This Contract may be issued to anyone between the ages of 0-54.
MINIMUM CONTRIBUTION	\$25 per month
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract less any applicable premium tax and any outstanding loan balance, or 2. the sum of all purchase payments paid under the Contract, less any applicable premium tax, any outstanding loan balance and withdrawals.
FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	3.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	3.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER	\$0
EARLY WITHDRAWAL PENALTY FIXED ACCOUNT ONLY	5% starting in year 1. The penalty will be 5% until the Contract anniversary prior to the Annuitant's attainment of age 65. At that time the fee will decrease by 1% per year. The early withdrawal penalty is waived on each Scheduled Update. If money is transferred from the fixed account to the Separate Account and withdrawn within 365 days of the transfer, the early withdrawal penalty will be charged. The early withdrawal penalty will not be charged if: <ol style="list-style-type: none"> 1. the transfer occurred on a Scheduled Update; or 2. the Scheduled Update occurred between the transfer and withdrawal or surrender date(s).

</Table>

SURRENDER CHARGES

<Table>
<Caption>

DURING CONTRACT YEAR	PERCENT CHARGED
<S>	<C>
1	8%
2	7%
3	6%
4	4%
5	2%
Thereafter	0%

</Table>

<Table>
<S>

<C>

WAIVER OF SURRENDER CHARGE/
EARLY WITHDRAWAL PENALTY
(FREE OUT PROVISION)

No Surrender Charge or early withdrawal penalty will be imposed:

1. on a withdrawal or surrender if all of the following occur:
 - a. a withdrawal is made after the Contract has been in force two years;
 - b. it is more than 12 months since the last withdrawal was made; and
 - c. the amount withdrawn is not more than 15 percent of the Total Accumulation Value; or
2. on any portion of this Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
3. if Annuity Payments are selected to be made in equal installments over a period of at least five years (during such period the elected annuity benefit cannot be surrendered); or
4. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

<Page>

<Table>

<S>

<C>

ANNUITY ALTERNATIVES II (IC-438000) (NO LONGER OFFERED FOR SALE IN MOST STATES)

ISSUE AGES	This Contract may be issued to anyone between the ages of 55-85.
MINIMUM CONTRIBUTION	\$25 per month
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract less any applicable premium tax and any outstanding loan balance; or 2. the sum of all purchase payments paid under the Contract, less any applicable premium tax, any outstanding loan balance and withdrawals.
FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	3.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	3.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER	\$0
EARLY WITHDRAWAL PENALTY	None

</Table>

SURRENDER CHARGES

<Table>
<Caption>

DURING CONTRACT YEAR	PERCENT CHARGED
<S>	<C>
1	8%
2	7%
3	6%
4	4%
5	2%
Thereafter	0%

</Table>

<Table>
<S>

WAIVER OF SURRENDER CHARGE (FREE OUT PROVISION)

<C>

No Surrender Charge will be imposed:

1. on a withdrawal if all of the following occur:
 - a. a withdrawal or surrender is made after the Contract has been in force two years;
 - b. it is more than 12 months since the last withdrawal was made; and
 - c. the amount withdrawn is not more than 15 percent of the Total Accumulation Value; or
2. on any portion of this Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
3. if Annuity Payments are selected to be made in equal installments over a period of at least five years (during such period the elected annuity benefit cannot be surrendered); or
4. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

<Page>

<Table>
<S>

<C>

NEW SOLUTIONS (IC-441000) (NO LONGER OFFERED FOR SALE IN MOST STATES)

ISSUE AGES	This Contract may be issued to anyone between the ages of 0-85.
MINIMUM CONTRIBUTION	\$25 per month
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.

M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract less any applicable premium tax and any outstanding loan balance; or 2. the sum of all purchase payments paid under the Contract, less any applicable premium tax, any outstanding loan balance and withdrawals.
FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	3.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	3.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER	\$0
EARLY WITHDRAWAL PENALTY	None

SURRENDER CHARGES

<Table>
<Caption>

DURING CONTRACT YEAR	PERCENT CHARGED
<S>	<C>
1	8%
2	7%
3	6%
4	5%
5	4%
6	3%
7	2%
8	1%
Thereafter	0%

</Table>

<Table>
<S>

WAIVER OF SURRENDER CHARGE
(FREE OUT PROVISION)

<C>

No Surrender Charge will be imposed:

1. on a withdrawal if all of the following occur:
 - a. a withdrawal or surrender is made after the Contract has been in force two years;
 - b. it is more than 12 months since the last withdrawal was made; and
 - c. the amount withdrawn is not more than 15 percent of the Total Accumulation Value; or
2. on any portion of this Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
3. if Annuity Payments are selected to be made in equal installments over a period of at least five years (during such period the elected annuity benefit cannot be surrendered); or
4. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

<Page>

<Table>
<S>

INDIVIDUAL SINGLE PREMIUM DEFERRED FIXED AND VARIABLE RETIREMENT ANNUITY CONTRACT (IC-417000) (NO LONGER OFFERED FOR SALE)

ISSUE AGES	This Contract was issued to anyone between the ages of 0-54.
MINIMUM CONTRIBUTION	\$2,000
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%

DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract less any applicable premium tax; or 2. the purchase payment paid under the Contract less any applicable premium tax and withdrawals.
---------------	--

FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	4.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	4.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER	\$0
EARLY WITHDRAWAL PENALTY FIXED ACCOUNT ONLY	5% at any time other than renewal through age 65. The early withdrawal penalty is currently being waived on transfers within a Contract from the fixed account to a Subaccount.

If money is transferred from the fixed account to the Separate Account and withdrawn within 365 days of the transfer, the early withdrawal penalty will be charged.

The early withdrawal penalty will not be charged if:

1. the transfer occurred on a Scheduled Update; or
2. the Scheduled Update occurred between the transfer and withdrawal or surrender date(s).

</Table>

SURRENDER CHARGES

<Table>

<Caption>

DURING CONTRACT YEAR	PERCENT CHARGED
<S>	<C>
1	5%
2	4%
3	3%
4	2%
5	1%
Thereafter	0%

</Table>

<Table>

<S>

WAIVER OF SURRENDER CHARGE/
EARLY WITHDRAWAL PENALTY
(FREE OUT PROVISION)

<C>

No Surrender Charge or early withdrawal penalty will be imposed:

1. on a withdrawal or surrender if all the following occur:
 - a. it is made after the Contract has been in force 2 years;
 - b. it is more than 12 months since the last withdrawal was made;
 - c. the amount is not more than 15 percent of the then current Fixed Cash Value; and
 - d. the amount is not more than 15 percent of the then current Variable Cash Value; or
2. on any portion of the Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
3. on or after the Maturity Date if the Contract has been in force for at least 10 years; or
4. if a distribution is required by the IRC; or
5. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

<Page>

<Table>

<S>

INDIVIDUAL SINGLE PREMIUM DEFERRED FIXED AND VARIABLE RETIREMENT ANNUITY CONTRACT (IC-418000) (NO LONGER OFFERED FOR SALE)

ISSUE AGES	This Contract was issued to anyone between the ages of 55-85.
MINIMUM CONTRIBUTION	\$2,000
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract less any applicable premium tax; or 2. the purchase payment paid under the Contract less any applicable premium

tax and withdrawals.

FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	4.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	4.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER	\$0
EARLY WITHDRAWAL PENALTY </Table>	None

SURRENDER CHARGES

<Table>
<Caption>

DURING CONTRACT YEAR <S>	PERCENT CHARGED	
	FIXED <C>	VARIABLE <C>
1	8%	5%
2	7%	4%
3	6%	3%
4	5%	2%
5	4%	1%
6	3%	0%
7	2%	0%
8	1%	0%
Thereafter	0%	0%

</Table>

<Table>
<S>
WAIVER OF SURRENDER CHARGE
(FREE OUT PROVISION)

- <C>
No Surrender Charge will be imposed:
1. on a withdrawal or surrender if all the following occur:
 - a. it is made after the Contract has been in force 2 years;
 - b. it is more than 12 months since the last withdrawal was made;
 - c. the amount is not more than 15 percent of the then current Fixed Cash Value; and
 - d. the amount is not more than 15 percent of the then current Variable Cash Value; or
 2. on any portion of the Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
 3. if Annuity Payments are selected to be made in equal installments over a period which extends to or beyond the eighth Contract anniversary; or
 4. on or after the Maturity Date if the Contract has been in force for at least 8 years; or
 5. if a distribution is required by the IRC; or
 6. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

<Page>

<Table>
<S> <C>
MAXIMUM SOLUTIONS (IC-426000, IC-427000 AND IC-428000) (IC-427000 AND IC-428000 NO LONGER OFFERED FOR SALE)

ISSUE AGES <C>
</Table> This Contract may be issued to anyone between the ages of 0-54.

<Table> <S>	<C>	<C>	<C>
MINIMUM CONTRIBUTION	IC-426000	IC-427000	IC-428000
	\$ 50,000	\$ 100,000	\$ 250,000

</Table>

ANNUAL MAINTENANCE FEE <C>
<C>

<Table> <S>	<C>	<C>	<C>
M & E FEE	IC-426000	IC-427000	IC-428000
	0.95%	0.95%	0.95%

</Table>

<Table>
<S>
DEATH BENEFIT

<C>
The beneficiary will receive the greater of:

1. the Total Accumulation Value of the Contract less any applicable premium tax and any outstanding loan balance; or
2. the sum of all purchase payments paid under the Contract less any applicable premium tax, any outstanding loan balance and withdrawals; or
3. the purchase payments paid under the Contract, less any applicable premium tax, outstanding loan balances and withdrawals, increased by 3 percent compounded annually to the date of death if the Annuitant dies prior to the Maturity Date or attainment of age 70, whichever is earlier.

FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE 3.00%

SEPARATE ACCOUNT ASSUMED INTEREST RATE 3.00%

</Table>

<Table>
<S>
RETIREMENT BONUS

<C> <C>
IC-426000 IC-427000 and IC-428000
N/A If the Annuitant elects a life contingent income option, HMLIC will increase by 1 percent the Total Accumulation Value applied to the elected option. This bonus will apply only to the first \$1 million of Total Accumulation Value applied to these options.

The following income options qualify for the retirement bonus:

1. Fixed life income with or without period certain
2. Joint life and survivor annuity
3. Variable life income with or without period certain
4. Variable income for joint life and survivor annuity

</Table>

<Table>
<S>
PURCHASE PAYMENT ALLOCATION CHANGES

<C>
Unlimited

MAXIMUM # OF TRANSFERS PER YEAR Unlimited

FEE FOR EACH TRANSFER \$0

EARLY WITHDRAWAL PENALTY FIXED ACCOUNT ONLY

During Contract Years 1-5 the penalty will be zero. Thereafter the penalty will be 5% until the Contract anniversary prior to the Annuitant's attainment of age 65. At that time the fee will decrease by 1% per year. The early withdrawal penalty is waived on each Scheduled Update.

If money is transferred from the fixed account to the Separate Account and withdrawn within 365 days of the transfer, the early withdrawal penalty will be charged.

The early withdrawal penalty will not be charged if:

1. the transfer occurred on a Scheduled Update; or
2. the Scheduled Update occurred between the transfer and withdrawal or surrender date(s).

</Table>

SURRENDER CHARGES

<Table>
<Caption>

	IC-426000		IC-427000 and IC-428000	
DURING CONTRACT YEAR	PERCENT CHARGED	DURING CONTRACT YEAR	PERCENT CHARGED	
<S>	<C>	<C>	<C>	
1	7%	1	6%	
2	6%	2	5%	
3	5%	3	5%	
4	5%	4	5%	
5	5%	5	5%	
Thereafter	0%	Thereafter	0%	

</Table>

<Page>

<Table>
<S>
WAIVER OF SURRENDER CHARGE/ EARLY WITHDRAWAL PENALTY (FREE OUT PROVISION)

<C>
No Surrender Charge or early withdrawal penalty will be imposed:

1. on a withdrawal if all of the following occur:
 - a. a withdrawal or surrender is made after the Contract has been in force for two years;
 - b. it is more than 12 months since the last withdrawal was made; and
 - c. the amount withdrawn is not more than 15 percent of the Total Accumulation Value; or

2. on any portion of the Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
3. on or after the Maturity Date if the Contract has been in force for at least 10 years; or
4. if Annuity Payments are selected to be made in equal installments over a period of at least five years (during such period the elected annuity benefit cannot be surrendered); or
5. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office; or
6. on any Scheduled Update.

</Table>

35

<Page>

<Table>

<S>

<C>

MAXIMUM SOLUTIONS (IC-429000, IC-430000 AND IC-431000) (IC-430000 AND IC-431000 NO LONGER OFFERED FOR SALE)

ISSUE AGES

This Contract may be issued to anyone between the ages of 55-85.

</Table>

<Table>

<S>

<C>

<C>

<C>

MINIMUM CONTRIBUTION

IC-429000 IC-430000 IC-431000

\$ 50,000 \$ 100,000 \$ 250,000

</Table>

ANNUAL MAINTENANCE FEE

None

<Table>

<S>

<C>

<C>

<C>

M & E FEE

IC-429000 IC-430000 IC-431000

0.95% 0.95% 0.95%

</Table>

<Table>

<S>

<C>

DEATH BENEFIT

The beneficiary will receive the greater of:

1. the Total Accumulation Value of the Contract less any applicable premium tax and any outstanding loan balance; or
2. the sum of all purchase payments paid under the Contract less any applicable premium tax, any outstanding loan balance and withdrawals; or
3. the purchase payments paid under the Contract, less any applicable premium tax, outstanding loan balances and withdrawals, increased by 3 percent compounded annually to the date of death if the Annuitant dies prior to the Maturity Date or attainment of age 70, whichever is earlier.

FIXED ACCOUNT GUARANTEED

3.00%

ANNUITY INCOME OPTION RATE

SEPARATE ACCOUNT ASSUMED

3.00%

INTEREST RATE

</Table>

<Table>

<S>

<C>

<C>

RETIREMENT BONUS

IC-429000
N/A

IC-430000 and IC-431000

If the Annuitant elects a life contingent income option, HMLIC will increase by 1 percent the Total Accumulation Value applied to the elected option. This bonus will apply only to the first \$1 million of Total Accumulation Value applied to these options.

The following income options qualify for the retirement bonus:

1. Fixed life income with or without period certain
2. Joint life and survivor annuity
3. Variable life income with or without period certain
4. Variable income for joint life and survivor annuity

</Table>

<Table>

<S>

<C>

PURCHASE PAYMENT ALLOCATION CHANGES

Unlimited

MAXIMUM # OF TRANSFERS PER YEAR

Unlimited

FEE FOR EACH TRANSFER

\$0

EARLY WITHDRAWAL PENALTY

None

</Table>

SURRENDER CHARGES

<Table>
<Caption>

IC-429000		IC-430000 and IC-431000	
DURING CONTRACT YEAR	PERCENT CHARGED	DURING CONTRACT YEAR	PERCENT CHARGED
<S>	<C>	<C>	<C>
1	7%	1	6%
2	6%	2	5%
3	5%	3	4%
4	4%	4	3%
5	3%	5	2%
6	2%	6	1%
7	1%	Thereafter	0%
Thereafter	0%		

</Table>

36

<Page>

<Table>
<S>
WAIVER OF SURRENDER CHARGE
(FREE OUT PROVISION)

<C>
No Surrender Charge will be imposed:

1. on a withdrawal or surrender if all of the following occur:
 - a. a withdrawal is made after the Contract has been in force for two years;
 - b. it is more than 12 months since the last withdrawal was made; and
 - c. the amount withdrawn is not more than 15 percent of the Total Accumulation Value; or
2. on any portion of the Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
3. on or after the Maturity Date if the Contract has been in force for at least 10 years; or
4. if Annuity Payments are selected to be made in equal installments over a period of at least five years (during such period the elected annuity benefit cannot be surrendered); or
5. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

37

<Page>

TAX CONSEQUENCES

OTHER CONSIDERATIONS

This discussion of the federal income tax consequences is only a brief summary and is not intended as tax advice. The rules governing the provisions of annuity Contracts and Qualified Plans are extremely complex, often difficult to comprehend and may be changed at any time. The discussion does not address special rules, prior tax laws or state tax laws. In addition, many of the provisions, including contribution limitations, enacted by the Economic Growth and Tax Relief Reconciliation Act of 2001 are sunsetted or repealed in 2011 unless extended or made permanent. A Contract Owner or a prospective Contract Owner considering adoption of or purchase of an annuity Contract for a Qualified Plan should first consult with a qualified and competent tax adviser before taking any action that could have tax consequences.

SEPARATE ACCOUNT

The operations of the Separate Account form part of the operations of HMLIC; however, the IRC provides that no federal income tax will be payable by HMLIC on the investment income and capital gains of the Separate Account if certain conditions are met. Provided the investments of the Underlying Funds continue to meet the diversification requirements of IRC Section 817(h), the Contract Owner will not pay federal income tax on the investment income and capital gains under a Contract until Annuity Payments begin or a full or partial withdrawal is made.

CONTRACT OWNERS

CONTRIBUTION LIMITATIONS AND GENERAL REQUIREMENTS APPLICABLE TO QUALIFIED CONTRACTS

The tax rules applicable to participants in a Qualified Plan (as defined in this prospectus) vary according to the type of plan and according to the terms and conditions of the specific plan. The information provided here regarding the tax consequences of Qualified Plans is intended to be only general in nature.

You should consult with your tax advisor for the application of these rules to your specific facts before purchasing an annuity Contract for a Qualified Plan.

Contributions under Qualified Plans may be either excludable from income if made through a salary reduction agreement or deductible from gross income with the exception of Roth IRAs. Salary reduction contributions are subject to limitations imposed by the IRC. Any contributions allowed to be made by the employer other than through salary reduction agreements are generally subject to additional limitations and are not discussed here. Further, contributions and investment earnings credited to the Contract Owner's account are generally not taxable until such amounts are distributed as defined by the IRC. Purchasing a Contract as an investment vehicle for a Qualified Plan does not provide any additional tax advantage to that already available through the Qualified Plan.

SECTION 403(b) TAX-DEFERRED ANNUITY -- A Section 403(b) tax-deferred (or tax-sheltered) annuity contract is available for employees of public schools and certain organizations tax-exempt under Section 501(c)(3). Salary reduction contributions are limited to the lesser of \$14,000 in 2005 (\$15,000 in 2006) or 100% of income. Additional catch-up amounts, \$4,000 in 2005 (\$5,000 in 2006) may be contributed if the Contract Owner is age 50 or older. An additional special catch-up contribution is available to certain Contract Owners who have 15 years of service with his or her current employer. Both the maximum salary reduction contribution and additional amount if you are age 50 or older continue to increase after 2006. Employer contributions are allowed with additional limitations under the Qualified Plan rules. Contributions and earnings are not included in the Annuitant's income until distributed. Distributions from Section 403(b) annuities generally cannot be made until the Annuitant attains age 59 1/2. However, exceptions to this rule include severance from employment, death, disability and hardship and, generally, the balance in the Contract as of December 31, 1988. Section 403(b) annuity contract accumulations may be eligible for a tax-free rollover or transfer to another Section 403(b) annuity contract or an eligible Qualified Plan. Section 403(b) annuities are subject to the required minimum distributions rules.

SECTION 408 IRA -- Annual contributions (other than rollover contributions) to an IRA are limited to \$4,000 for 2005. Additional catch-up contributions of \$500 may be made if the Contract Owner is age 50 or older (\$1,000 for 2006). Contribution limits to an IRA are reduced if contributions are also made to a Roth IRA. Contributions cannot be made after age 70 1/2 (this limitation does not apply to Roth IRAs). The amount of any annual contribution that will be deductible from gross income is based upon the individual's compensation, coverage under a retirement plan and marital status. For 2005, if the owner of the IRA contract is covered by another Qualified Plan the deduction phases out when adjusted gross income ("AGI") is between \$50,000 and \$60,000 for single filers and between \$70,000 and \$80,000 for married individuals filing jointly. If the owner is not covered by a Qualified Plan but the owner's spouse is, the deduction phases out when AGI is between \$150,000 and \$160,000. IRA accumulations may be eligible for a tax-free rollover or transfer to another IRA or eligible Qualified Plan. IRAs are subject to required minimum distribution rules.

SIMPLIFIED EMPLOYEE PENSION (SEP) -- If the contract is used for a SEP IRA plan and the Contract Owner has elected to make IRA contributions, the same limitations regarding maximum contributions and deductibility apply as those described above under IRAs. If the SEP is offered under a salary reduction basis (SARSEP), the limitation for salary reduction contributions is \$14,000 for 2005 (\$15,000 in 2006). The additional catch-up amount if the individual is age 50 or older also applies, \$4,000 for 2005 (\$5,000 in 2006). Employer contributions are allowed subject to additional limitations and must be coordinated with other Qualified Plan limitations. SEP IRA plans are subject to certain minimum participation and nondiscrimination requirements. Contributions and earnings are not includable in income until distributed. Rollover and required minimum distribution rules apply the same as for IRAs.

<Page>

SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES (SIMPLE IRA) -- If the contract is used for a SIMPLE IRA, the salary reduction limitation is \$10,000 for 2005. As with IRAs, additional contributions are allowed for individuals age 50 and older, \$2,000 for 2005 (\$2,500 for 2006). Employer contributions are also required and are coordinated with the elective deferral limitations of other Qualified Plans. Rollover rules are similar to IRAs except that rollovers during the first two years of participation are limited to other SIMPLE IRAs. Required minimum distribution rules apply the same as those for IRAs.

ROTH IRAs -- Annual contributions to a Roth IRA are limited to \$4,000 for 2005 for both the individual and the spouse. This amount has additional limitations based upon the Contract Owner's income and marital status. The annual contribution maximum is phased out when AGI is between \$95,000 and \$110,000 for single taxpayers and those taxpayers filing Head of Household, between \$150,000 and \$160,000 for married taxpayers filing jointly and between \$0 and \$10,000 for married taxpayers filing separate. Contributions to an IRA are coordinated with Roth IRA contributions. An additional catch-up contribution is allowed if the individual is age 50 or older of \$500 for 2005 (\$1,000 for

2006). Contributions to a Roth IRA are not deductible and if the Contract has been in existence for more than five years, certain qualified distributions are not includable in income (e.g. distributions made to a Contract Owner reaching age 59 1/2 or becoming disabled). IRAs, SEP IRAs and SIMPLE IRAs (after 2 years of participation in a SIMPLE IRA) can generally be rolled over or converted to a Roth IRA if the Contract Owner's AGI is \$100,000 or less and the Contract Owner is not married filing a separate return. However, the converted amount is includable in income in the year of conversion. Roth IRAs are not subject to the required minimum distribution rules.

SECTION 457(b) ELIGIBLE GOVERNMENTAL PLAN -- A Section 457(b) deferred compensation plan is available for employees of eligible state or local governments. Salary reduction amounts are limited to the lesser of \$14,000 for 2005 (\$15,000 for 2006) or 100% of includable compensation. Additional catch-up amounts may be contributed if the Contract Owner is age 50 or older of \$4,000 for 2005 (\$5,000 for 2006). A special catch-up contribution is allowed in the last three years of employment before attaining normal retirement age. Contributions and earnings are not included in the Annuitant's income until distributed. Distributions are not generally allowed until the employee reaches age 70 1/2 except for severance from employment or for an unforeseeable emergency or severe financial hardship. Section 457(b) annuity contract accumulations can be rolled over or transferred to other Section 457(b) eligible governmental plan contracts or an eligible Qualified Plan. Section 457(b) annuity contracts are subject to the required minimum distribution rules.

SECTION 401 -- Section 401 permits employers to establish various types of retirement plans (e.g., pension, profit sharing, 401(k) plans) for their employees. Retirement plans established in accordance with Section 401 may permit the purchase of annuity contracts to provide benefits under the plan. In order for a retirement plan to be considered qualified under Section 401 it must: meet certain minimum standards with respect to participation, coverage and vesting; not discriminate in favor of highly compensated employees; provide contributions or benefits that do not exceed certain limitations; prohibit the use of plan assets for purposes other than the exclusive benefit of the plan participants and their beneficiaries covered by the plan; comply with certain minimum distribution requirements; provide for certain spousal survivor benefits; and comply with numerous other qualification requirements. A retirement plan qualified under Section 401 may be funded with employer contributions, employee contributions or a combination of both. Employee contributions may be made pre-tax (under a salary reduction agreement) or on an after-tax basis.

ROLLOVERS -- A rollover, direct rollover or trustee-to-trustee transfer is a tax-free transfer of a distribution from a Qualified Plan to an eligible retirement plan. Distributions that are properly rolled over or transferred are not includable in income until they are ultimately paid out of the Contract. A Section 401 plan can be rolled over or transferred to another Section 401 plan, an IRA, a Section 403(a) annuity, a Section 403(b) tax-deferred annuity or an eligible Section 457 governmental plan. An IRA can be rolled over or transferred to another IRA, a Section 401 plan, a Section 403(a) annuity, a Section 403(b) tax-deferred annuity or an eligible Section 457 governmental plan. A Section 403(b) tax-deferred annuity can be rolled over or transferred to an IRA, a Section 401 plan, a Section 403(a) annuity, a Section 403(b) tax-deferred annuity or an eligible Section 457 governmental plan. In all cases the eligible Section 457 plan must separately account for amounts rolled over or transferred from other non-Section 457 plans.

For a Section 403(b) annuity only amounts eligible for distribution can be rolled over. However, amounts may be transferred between tax-deferred annuities if the requirements of Revenue Ruling 90-24 are met. A SIMPLE IRA can only be rolled over to another SIMPLE IRA during the first two years of participation. Thereafter, a SIMPLE IRA can be rolled over or transferred tax free to an IRA, a qualified Section 401 plan, a Section 403(b) plan or a Section 457 plan. A Roth IRA can generally only be rolled over to another Roth IRA. If certain requirements are met, it may be possible to recharacterize a Roth IRA contribution as an IRA contribution.

TAXATION OF CONTRACT BENEFITS

Amounts contributed through salary reduction, employer contributions or deductible amounts in the case of IRAs are not taxed at the time of contribution. Earnings are also not taxed as they accumulate within the annuity Contract. Except for qualified distributions from Roth IRAs or after-tax contributions, Contract benefits will be taxable as ordinary income when received in accordance with Section 72 of the IRC.

Loans, if not made within certain terms of the IRC, will be treated as distributions. Loans from Sections 401 and 403(b) plans will not be treated as distributions if the terms require repayment within five years (except loans to acquire a home); the loans have substantially level payments over the term of the loan; the loans do not exceed \$50,000 and are evidenced by a legally enforceable agreement. Loans are not allowed for IRAs.

Qualified distributions from a Roth IRA are not taxable. A qualified distribution is any distribution made at least five years

<Page>

after issuance of the owner's first Roth IRA and made after attainment of age 59 1/2; as the result of death or disability; or as a qualified first-time homebuyer distribution.

ADDITIONAL TAXES

PREMATURE DISTRIBUTION TAX

An additional tax (penalty tax) will apply to premature distributions from a Qualified Plan. A premature distribution is generally any distribution made before the Contract Owner reaches age 59 1/2. The penalty tax is 10% of the amount of the payment that is includable in income. The penalty tax increases to 25% for distributions from a SIMPLE IRA if made within the first two years of participation. The penalty tax does not apply to conversions of IRAs to Roth IRAs and distributions from Section 457 plans. Certain payments may be exempt from the penalty tax depending upon the type of Qualified Plan such as payments made: 1) after age 59 1/2, 2) as the result of death or disability, 3) that are part of a series of substantially equal periodic payments over the life expectancy of the owner or the joint lives of the owner and beneficiary, 4) after separation from service and attainment of age 55, 5) for medical care, 6) under a qualified domestic relations order (QDRO) and 7) to correct excess contributions or elective deferrals. If the contract is an IRA or Roth IRA exception 4) listed above does not apply. In addition, for an IRA or Roth IRA there are additional exceptions, which include payments made: 1) for reimbursement of health insurance while the Contract Owner was unemployed, 2) for qualified education expenses and 3) for a qualified first-time home purchase.

REQUIRED MINIMUM DISTRIBUTION TAX -- If the amount distributed from a Qualified Plan is less than the required minimum distribution for the year, the Contract Owner is generally subject to a non-deductible excise tax of 50% on the difference between the required minimum distribution and the amount actually distributed.

REQUIRED MINIMUM DISTRIBUTIONS -- The Contract Owner of all Qualified Plans except Roth IRAs is generally required to take certain required minimum distributions during the Contract Owner's life and the beneficiary designated by the Contract Owner is required to take the balance of the Contract value within certain specified periods following the Contract Owner's death.

The Contract Owner must take the first required distribution by the required beginning date and subsequent required distributions by December 31 of that year and each year thereafter. Payments must be made over the life expectancy of the Contract Owner or the joint life expectancy of the Contract Owner and the beneficiary. The amount of the required minimum distribution depends upon the Contract value and the applicable life expectancy. The required beginning date for IRAs, SEPs and SIMPLE IRAs is no later than April 1 of the calendar year following the calendar year in which the Contract Owner attains age 70 1/2. The required beginning date for Section 403(b) annuities and Section 457 plans is the later of April 1 of the calendar year following the calendar year in which the Contract Owner attains age 70 1/2 or retires.

Upon the death of the Contract Owner, the beneficiary must take distributions under one of the following two rules.

1. If the Contract Owner dies on or after the required beginning date and has designated a beneficiary, any remaining balance must be distributed over the longer of the remaining life expectancy of the Contract Owner's designated beneficiary and the remaining life expectancy of the Contract Owner. If there is no designated beneficiary as of the date for determining a designated beneficiary, distributions shall continue over the remaining life expectancy of the Contract Owner.
2. If the Contract Owner dies before the required beginning date, the balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the Contract Owner's death. If the Contract value is payable to a beneficiary other than a spouse, it may be paid over the life expectancy of that beneficiary, provided distributions begin by December 31 of the calendar year following the year of the Contract Owner's death. If the beneficiary is the spouse, the spouse may defer payments until the end of the calendar year in which the Contract Owner would have reached age 70 1/2 or roll over the contract to an IRA or any other eligible retirement plan.

WITHHOLDING -- Mandatory federal income tax is generally required to be withheld at the rate of 20% on distributions from Qualified Plans with the following exceptions: distributions from IRAs or Roth IRAs; a direct rollover or direct transfer to an eligible retirement plan; periodic payments over the Contract Owner's life expectancy or the joint life expectancy of the Contract Owner and the beneficiary; periodic payments over a ten year period; required

minimum distributions; and hardship distributions.

For all amounts not subject to the mandatory 20% withholding except Roth IRAs, federal income tax is generally required to be withheld unless the Contract Owner elects not to have federal income tax withheld. For periodic payments (Annuity Payments), the withholding is calculated like wage withholding and the Contract Owner has the right to revoke his/her election. HMLIC will notify the Contract Owner at least annually of his or her right to revoke the election. For all other payments withholding is generally at a rate of 10%.

State and/or local tax withholding may also apply.

VOTING RIGHTS

Unless otherwise restricted by the plan under which a Contract is issued, each Contract Owner has the right to instruct HMLIC with respect to voting his or her interest in the shares of the Underlying Funds held by the Separate Account at all shareholder meetings.

The number of votes that may be cast by a Contract Owner is based on the number of units owned as of the record date of the meeting. Shares for which no instructions are received are voted in the same proportion as the shares for which instructions have been received. Any Underlying Fund shares attributable to investment by HMLIC will be voted in

40

<Page>

proportion to the vote by Contract Owners who have Separate Account units. Contract Owners receive various materials, such as proxy materials and voting instruction forms, that relate to voting Underlying Fund shares.

OTHER INFORMATION

LEGAL PROCEEDINGS -- There are no legal proceedings to which the Separate Account is a party or to which the assets of the Separate Account are subject. HMLIC is engaged in various kinds of routine litigation that, in HMLIC's judgment, are not material to its financial condition. None of this litigation relates to the Separate Account.

REGISTRATION STATEMENT -- A registration statement has been filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the Contract. This prospectus does not contain all information set forth in the registration statement, its amendments and exhibits. Statements contained in this prospectus as to the content of the Contract and other legal instruments are summaries. For a complete statement of the terms thereof, reference is made to these instruments as filed.

COMMUNICATIONS TO CONTRACT OWNERS -- To ensure receipt of communications, Contract Owners must notify HMLIC of address changes. Notice of a change in address may be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657. Contract Owners may also provide notice of an address change by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by calling (217) 789-2500 or (800) 999-1030 (toll-free).

HMLIC will attempt to locate Contract Owners for whom no current address is on file. In the event HMLIC is unable to locate a Contract Owner, HMLIC may be forced to surrender the value of the Contract to the Contract Owner's last known state of residence in accordance with the state's abandoned property laws.

CONTRACT OWNER INQUIRIES -- A toll-free number, (800) 999-1030, is available to telephone HMLIC's Annuity Customer Service Department. Written questions should be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657.

FORMS AVAILABILITY -- Specific forms are available from HMLIC to aid the Contract Owner in effecting many transactions allowed under the Contract. These forms may be obtained by calling the Annuity Customer Service Department toll-free at (800) 999-1030.

NASD REGULATION'S PUBLIC DISCLOSURE PROGRAM -- Information about HM Investors and your agent is available from the NASD at www.nasd.com or by calling (800) 289-9999 (toll-free).

ADDITIONAL INFORMATION

A copy of the Statement of Additional Information providing more detailed information about the Separate Account is available, without charge, upon request. The Table of Contents of this Statement of Additional Information follows:

<Table>
<Caption>
TOPIC

PAGE

-----	-----
<S>	<C>
General Information and History	2
Underwriter	2
Financial Statements	2
</Table>	

To receive, without charge, a copy of the Statement of Additional Information for the Separate Account, please complete the following request form and mail it to the address indicated below, send it by telefacsimile (FAX) transmission to (217) 535-7123 or telephone (217) 789-2500 or (800) 999-1030 (toll-free).

HORACE MANN LIFE INSURANCE COMPANY
P.O. BOX 4657
SPRINGFIELD, ILLINOIS 62708-4657

Please provide free of charge the following information:

____ Statement of Additional Information dated May 2, 2005 for the Separate Account

Please mail the above document to:

(Name)

(Address)

(City/State/Zip)

41

<Page>

PROSPECTUS

NON-QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACTS

HORACE MANN LIFE INSURANCE COMPANY
SEPARATE ACCOUNT

MAY 2, 2005

<Page>

NON-QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACTS ISSUED BY HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
SINGLE PREMIUM CONTRACTS FOR INDIVIDUALS
FLEXIBLE PREMIUM CONTRACTS FOR INDIVIDUALS

This prospectus offers Variable, non-qualified annuity Contracts to individuals. These Contracts are issued by Horace Mann Life Insurance Company ("HMLIC") and can be issued as flexible premium Contracts or were issued as single premium Contracts. These Contracts are no longer issued by HMLIC as single premium Contracts. Amounts transferred to the HMLIC Separate Account as directed by a Contract Owner are invested in one or more of the Subaccounts (sometimes referred to as Variable investment options or Variable accounts). Each Subaccount purchases shares in a corresponding Underlying Fund. The Underlying Funds are:

Large Company Stock Funds

Large Blend

- JPMorgan U.S. Large Cap Core Equity Portfolio
- Fidelity VIP Growth & Income Portfolio SC 2
- Fidelity VIP Index 500 Portfolio SC 2

Large Growth

- Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Large Value

- Wilshire VIT Equity Fund -- Horace Mann Shares
- Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
- Davis Value Portfolio Mid-Size Company Stock Funds

Mid Blend

- Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
- Fidelity VIP Mid Cap Portfolio SC 2

Mid Growth

- Delaware VIP Growth Opportunities Series
- Lord Abbett Insurance Series Growth/Opportunities
- Putnam VT Vista Fund (IB Shares)

Wells Fargo Advantage Discovery Fund

Mid Value

Wells Fargo Advantage Opportunity Fund

Small Company Stock Funds

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares

Credit Suisse Small Cap Growth Portfolio

Delaware VIP Trend Series

Small Value

Royce Capital Fund Small-Cap Portfolio

International Stock Funds

Wilshire VIT International Equity Fund -- Horace Mann Shares

Fidelity VIP Overseas Portfolio SC 2

Balanced Fund

Wilshire VIT Balanced Fund -- Horace Mann Shares

Bond Funds

Wilshire VIT Income Fund -- Horace Mann Shares

Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares

Fidelity VIP High Income Portfolio SC 2

Fidelity VIP Investment Grade Bond Portfolio SC 2

This prospectus sets forth the information an investor should know before investing and should be kept for future reference. Additional information about the HMLIC Separate Account has been filed with the Securities and Exchange Commission in a Statement of Additional Information, dated May 2, 2005. The Statement of Additional Information is incorporated by reference and is available upon request, without charge. You may obtain the Statement of Additional Information by writing to Horace Mann Life Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile ("FAX") transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free). The Table of Contents of the Statement of Additional Information appears on page 31 of this prospectus.

The Securities and Exchange Commission maintains a website (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference and other information that the HMLIC Separate Account files electronically with the Securities and Exchange Commission.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ANNUITIES OFFERED BY HMLIC ARE NOT INSURED BY THE FDIC OR ANY OTHER GOVERNMENT AGENCY. THEY ARE NOT DEPOSITS OF, OBLIGATIONS OF OR GUARANTEED BY ANY BANK. THEY INVOLVE INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED.

The date of this prospectus is May 2, 2005.

1

<Page>

TABLE OF CONTENTS

<Table>

<Caption>

	PAGE

<S>	<C>
DEFINITIONS	3
SUMMARY	4
TABLE OF ANNUAL OPERATING EXPENSES	6
CONDENSED FINANCIAL INFORMATION	8
HORACE MANN LIFE INSURANCE COMPANY, THE SEPARATE ACCOUNT AND THE UNDERLYING FUNDS	12
Horace Mann Life Insurance Company	12
The Separate Account	12
The Underlying Funds	12
THE CONTRACT	16
Contract Owners' Rights	16
Purchasing the Contract	16
Purchase Payments	16
Amount and Frequency of Purchase Payments	16
Allocation of Purchase Payments	16
Accumulation Units and Accumulation Unit Value	16
Transactions	17
Transfers	17
Dollar Cost Averaging	17
Rebalancing	18

Changes to Purchase Payment Allocations	18
Market Timing	18
Surrender or Withdrawal Before Commencement of Annuity Period	19
Deferment	19
Confirmations	20
Deductions and Expenses	20
Annual Maintenance Charge	20
Mortality and Expense Risk Fee	20
Surrender Charges	20
Operating Expenses of the Underlying Funds	20
Premium Taxes	20
Death Benefit Proceeds	20
Annuity Payments	20
Annuity Payment Options	21
Amount of Fixed and Variable Annuity Payments	21
Misstatement of Age	22
Modification of the Contract	22
INDIVIDUAL PRODUCT INFORMATION	23
TAX CONSEQUENCES	29
Other Considerations	29
Separate Account	29
Contract Owners	29
Contributions	29
Distributions Under Non-Qualified Contracts	29
Exchanges	29
Distribution at Death Rules	29
Premature Distribution Tax	29
Withholding	30
VOTING RIGHTS	30
OTHER INFORMATION	30
ADDITIONAL INFORMATION	31

</Table>

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR SOLICITATION OF AN OFFER TO ACQUIRE, ANY INTEREST OR PARTICIPATION IN THE CONTRACTS OFFERED BY THIS PROSPECTUS IN ANY STATE TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH STATE.

2

<Page>

DEFINITIONS

ACCUMULATION UNIT: A unit of measurement used to determine the value of a Contract Owner's interest in a Subaccount before Annuity Payments begin.

ACCUMULATION UNIT VALUE: The value of an Accumulation Unit on any Valuation Date.

ANNUITANT: The recipient of Annuity Payments.

ANNUITY PAYMENTS: A series of payments that may be for life; for life with a guaranteed number of payments; for the joint lifetimes of the Annuitant and another person, and thereafter, during the lifetime of the survivor; or for some fixed period. A fixed annuity provides a series of payments that will be substantially equal in amount throughout the annuity payout period. A fixed annuity does not participate in the investment experience of any Subaccount. A Variable annuity provides a series of payments that vary in amount depending upon the investment experience of the Subaccount(s) selected by the Contract Owner.

ANNUITY PERIOD: The period during which Annuity Payments are made to the Annuitant or the last surviving joint Annuitant, if any.

ANNUITY UNIT: A unit of measurement used in determining the amount of a Variable Annuity Payment during the Annuity Period.

ANNUITY UNIT VALUE: The value of an Annuity Unit on any Valuation Date.

CONTRACT: This prospectus offers Variable annuity Contracts to individuals as flexible premium Contracts. The term "contract" in this prospectus generally will be used to describe contracts issued to individuals.

CONTRACT OWNER: The individual or entity to whom the Contract is issued.

CONTRACT YEAR: A year measured from the date a Contract was issued to an individual Contract Owner and each anniversary of this date.

FIXED CASH VALUE: The dollar value of the fixed account under the Contract prior to the time Annuity Payments begin.

MATURITY DATE: The date Annuity Payments begin. The individual Contracts offered by this prospectus describe the criteria for determining Maturity Dates.

MUTUAL FUND(S): Open-end management investment companies in which the assets of the Subaccount(s) will be invested. These companies are generally registered under the Investment Company Act of 1940.

NET PURCHASE PAYMENT: The balance of each purchase payment received by HMLIC after deducting any applicable premium taxes, or the balance of any transfer amount from other Subaccounts after any applicable charges.

SCHEDULED UPDATE: The date the Contract investment period and current interest rate of the fixed account are updated, if applicable.

SEPARATE ACCOUNT: The Horace Mann Life Insurance Company Separate Account, a segregated Variable investment account consisting of Subaccounts each of which invests in a corresponding Underlying Fund. The Separate Account was established by HMLIC under Illinois law and is registered as a unit investment trust under the Investment Company Act of 1940.

SUBACCOUNT: A division of the Separate Account which invests in shares of the corresponding Underlying Fund.

SURRENDER CHARGE: Also called a "contingent deferred sales charge." An amount kept by HMLIC if a withdrawal is made or if the Contract is surrendered. The charge is intended to compensate HMLIC for the cost of selling the Contract.

TOTAL ACCUMULATION VALUE: The sum of the Fixed Cash Value and the Variable Cash Value prior to the time Annuity Payments begin.

UNDERLYING FUNDS: All Mutual Funds listed in this prospectus that are available for investment by the Separate Account.

VALUATION DATE: Any day on which the New York Stock Exchange ("NYSE") is open for trading. The Valuation Date ends at 3:00 p.m. Central time or the close of the NYSE if earlier.

VALUATION PERIOD: The period from the end of a Valuation Date to the end of the next Valuation Date, excluding the day the period begins and including the day it ends.

VARIABLE: The values vary based on the investment performance of the Subaccount(s) selected.

VARIABLE CASH VALUE: The dollar value of the Separate Account investment options under the Contract prior to the time Annuity Payments begin.

3

<Page>

SUMMARY

This summary is intended to provide a brief overview of the more significant aspects of the Contracts. Further information can be found in this prospectus, in the Separate Account Statement of Additional Information and in the Contracts. This prospectus is intended to serve as a disclosure document for the Variable portion of the Contract(s) only. For information regarding the fixed portion, refer to the Contract(s).

Detailed information about the Underlying Funds is contained in each Underlying Fund's prospectus and in each Underlying Fund's Statement of Additional Information.

The expenses for the Underlying Funds, including advisory and management fees, are found in each Underlying Fund's prospectus.

WHAT IS THE "SEPARATE ACCOUNT"?

The Separate Account segregates assets dedicated to the Variable portion of the Contracts offered herein. The Separate Account is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as a unit investment trust. The Separate Account consists of Subaccounts, each investing in shares of a corresponding Underlying Fund.

WHO MAY PURCHASE THE CONTRACT OFFERED BY THIS PROSPECTUS?

Individuals may purchase the Variable flexible premium annuity, but may no longer purchase the single premium annuity. The Contracts offered by this prospectus are designed to provide non-qualified retirement annuities.

The Contracts are offered and sold by HMLIC through its licensed life insurance sales personnel. These insurance sales personnel are registered representatives of Horace Mann Investors, Inc. ("HM Investors"). In addition, the Contracts may be offered and sold through independent agents and other broker/dealers. HM Investors is a broker/dealer registered under the Securities and Exchange Act of 1934. HMLIC has entered into a distribution agreement with HM Investors. HM Investors is a member of the NASD.

WHAT ARE MY INVESTMENT CHOICES?

You may have money allocated to or invested in no more than 24 Subaccounts at any one time.

(a) SEPARATE ACCOUNT

Includes Subaccounts each of which invests in one of the following Underlying Funds:

LARGE COMPANY STOCK FUNDS

Large Blend

JPMorgan U.S. Large Cap Core Equity Portfolio
Fidelity VIP Growth & Income Portfolio SC 2
Fidelity VIP Index 500 Portfolio SC 2

Large Growth

Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Large Value

Wilshire VIT Equity Fund -- Horace Mann Shares
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
Davis Value Portfolio

MID-SIZE COMPANY STOCK FUNDS

Mid Blend

Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
Fidelity VIP Mid Cap Portfolio SC 2

Mid Growth

Delaware VIP Growth Opportunities Series
Lord Abbett Insurance Series Growth/Opportunities
Putnam VT Vista Fund (IB Shares)

Wells Fargo Advantage Discovery Fund

Mid Value

Wells Fargo Advantage Opportunity Fund

SMALL COMPANY STOCK FUNDS

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
Credit Suisse Small Cap Growth Portfolio(1)
Delaware VIP Trend Series

Small Value

Royce Capital Fund Small-Cap Portfolio

INTERNATIONAL STOCK FUNDS

Wilshire VIT International Equity Fund -- Horace Mann Shares
Fidelity VIP Overseas Portfolio SC 2

BALANCED FUND

Wilshire VIT Balanced Fund -- Horace Mann Shares

4

<Page>

BOND FUNDS

Wilshire VIT Income Fund -- Horace Mann Shares
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares
Fidelity VIP High Income Portfolio SC 2
Fidelity VIP Investment Grade Bond Portfolio SC 2

(1) On and after June 1, 2004, new Contracts may not have allocations to these Subaccounts, and existing Contracts may not begin or increase allocations to these Subaccounts or START ANY NEW TRANSFERS OF MONEY to these Subaccounts:

Wells Fargo Advantage Discovery Fund
Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

(b) FIXED ACCOUNT (SEE THE CONTRACT)

WHEN CAN I TRANSFER BETWEEN ACCOUNTS?

At any time before the Contract's Maturity Date, amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract. Transfers from the fixed account of the Contract into a Subaccount could be subject to certain charges if the transferred amount is withdrawn or surrendered. For complete details see "The Contract -- Transactions -- Transfers."

MAY I WITHDRAW ALL OR PART OF THE CONTRACT VALUE BEFORE THE MATURITY DATE?

Unless restricted by the Internal Revenue Code of 1986, as amended ("IRC"), a Contract Owner may at any time before the Maturity Date surrender his or her Contract in whole or withdraw in part for cash. Each surrender or partial withdrawal is processed on the basis of the value of an Accumulation Unit of the Subaccount(s) from which the value is being surrendered or withdrawn. Surrenders and withdrawals may be subject to Surrender Charges as described in "Deductions and Expenses -- Surrender Charges."

WHAT ARE THE CHARGES OR DEDUCTIONS?

Contracts may be subject to deductions for applicable state or local government premium taxes. Premium taxes presently range from 0% to 3.5%.

A mortality and expense risk fee (M&E Fee), is deducted from the Separate Account. This fee is computed on a daily basis and will not exceed an annual rate of 1.25% of the daily net assets of the Separate Account.

A fixed annual maintenance charge that may not exceed \$25 is assessed against the Contract on each anniversary, unless the Contract value equals or exceeds \$10,000, in which case such charge is waived.

No deduction for sales expense is charged on purchase payments, but a decreasing Surrender Charge is assessed against certain withdrawals and surrenders. The charge is deducted from the Contract Owner's value in the Subaccount(s) from which the withdrawal is made. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

WHAT ARE THE FEDERAL INCOME TAX CONSEQUENCES OF INVESTING IN THIS CONTRACT?

The IRC provides penalties for premature distributions under various retirement plans. See "Tax Consequences." This Contract might not be suitable for short-term investment. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

IF I RECEIVE MY CONTRACT AND AM DISSATISFIED, MAY I RETURN IT?

Subject to various state insurance laws, generally the Contract Owner may return the Contract to HMLIC within 15 to 30 days of receipt of the Contract. HMLIC will refund the greater of the premium contributions or the market value of the assets purchased by payments paid to the Separate Account as of the date the request was received less any taxes, if applicable.

WHEN CAN I BEGIN RECEIVING ANNUITY PAYMENTS, AND WHAT OPTIONS ARE AVAILABLE?

Payments will begin on the Maturity Date set by the terms of your Contract. Variable Annuity Payments are made in monthly installments. An optional Maturity Date and various income payment options are available under the Contract.

Annuity Payments may be fixed or Variable or a combination of fixed and Variable payments. The following options are available for receiving Annuity Payments:

Life Annuity with or without Certain Period, Joint and Survivor Life Annuity, Income for Fixed Period, Income for Fixed Amount and Interest Income Payments.

<Page>

TABLE OF ANNUAL OPERATING EXPENSES

The following tables describe the maximum fees and expenses that you will pay when buying, owning and surrendering the Contract. The first table describes the fees and expenses that you will pay at the time that you buy the Contract, surrender the Contract or transfer cash value between investment options. State premium taxes may also be deducted. To determine the Contract you own, look in the bottom left hand corner of your Contract for the form number. This is the number referenced below the product name in the following tables. If you are in the process of purchasing a Contract, ask your registered representative which Contract you are purchasing.

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
CONTRACT OWNER TRANSACTION EXPENSES:(1)

<Table>
<Caption>

	ANNUITY ALTERNATIVES (IC-408000)	ANNUITY ALTERNATIVES 2 (IC-437000)	ANNUITY ALTERNATIVES 2 (IC-438000)	NEW SOLUTIONS (IC-441000)	VARIABLE RETIREMENT ANNUITY (IC-417000)	VARIABLE RETIREMENT ANNUITY (IC-418000)
	<C>	<C>	<C>	<C>	<C>	<C>
Surrender Fees (as a percentage of amount surrendered, if applicable)	8%	8%	8%	8%	5%	5%

(1) Premium taxes, currently ranging between 0% and 3.5%, are not included. The rate of the premium tax varies depending upon the state of residence, and not all states impose premium taxes. Taxes are deducted at the time of purchase.

We guarantee that the aggregate surrender fee charged will never exceed 9% of your total purchase payments.

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including Underlying Fund fees and expenses.

<Table>
<Caption>

	ANNUITY ALTERNATIVES (IC-408000)	ANNUITY ALTERNATIVES 2 (IC-437000)	ANNUITY ALTERNATIVES 2 (IC-438000)	NEW SOLUTIONS (IC-441000)	VARIABLE RETIREMENT ANNUITY (IC-417000)	VARIABLE RETIREMENT ANNUITY (IC-418000)
	<C>	<C>	<C>	<C>	<C>	<C>
Annual Contract Fee (1)	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25
Separate Account Annual Expenses (as a percentage of average account value)						
Mortality and Expense Risk Fees	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Account Fees and Expenses	0%	0%	0%	0%	0%	0%
Total Separate Account Annual Expenses	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%

(1) The annual contract fee is waived if the Contract value equals or exceeds \$10,000.

The next item shows the minimum and maximum total operating expenses charged by the Underlying Funds that you may pay periodically during the time that you own the Contract. More detail concerning each Underlying Fund's fees and expenses is contained in the prospectus for each Underlying Fund.

<Table>
<Caption>

TOTAL ANNUAL UNDERLYING FUND OPERATING EXPENSES	MINIMUM	MAXIMUM
	<C>	<C>
(expenses that are deducted from Underlying Fund assets, including management fees, distribution and/or service (12b-1) fees and other expenses)	0.35%	1.86%

6

<Page>

EXAMPLE

This Example is intended to help you compare the cost of investing in the Contract with the cost of investing in other Variable annuity contracts. These costs include Contract Owner transaction expenses, Contract fees, Separate Account annual expenses and Underlying Fund fees and expenses.

The Example assumes that you invest \$10,000 in the Contract for the time periods indicated. The Example also assumes that your investment has a 5% return each year and assumes the maximum fees and expenses of any of the Underlying Funds as of December 31, 2004. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

ANNUITY ALTERNATIVES (IC-408000)

If you surrender or annuitize your Contract at the end of the applicable

time period:

<Table>				
<Caption>				
1 YEAR	3 YEARS	5 YEARS	10 YEARS	
-----	-----	-----	-----	
<S>	<C>	<C>	<C>	
\$ 1,151	\$ 1,606	\$ 1,852	\$ 3,381	

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
1 YEAR	3 YEARS	5 YEARS	10 YEARS	
-----	-----	-----	-----	
<S>	<C>	<C>	<C>	
\$ 336	\$ 975	\$ 1,634	\$ 3,381	

ANNUITY ALTERNATIVES 2 (IC-437000 AND IC-438000)

If you surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
1 YEAR	3 YEARS	5 YEARS	10 YEARS	
-----	-----	-----	-----	
<S>	<C>	<C>	<C>	
\$ 1,151	\$ 1,606	\$ 1,852	\$ 3,381	

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
1 YEAR	3 YEARS	5 YEARS	10 YEARS	
-----	-----	-----	-----	
<S>	<C>	<C>	<C>	
\$ 336	\$ 975	\$ 1,634	\$ 3,381	

NEW SOLUTIONS (IC-441000)

If you surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
1 YEAR	3 YEARS	5 YEARS	10 YEARS	
-----	-----	-----	-----	
<S>	<C>	<C>	<C>	
\$ 1,151	\$ 1,606	\$ 2,069	\$ 3,381	

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
1 YEAR	3 YEARS	5 YEARS	10 YEARS	
-----	-----	-----	-----	
<S>	<C>	<C>	<C>	
\$ 336	\$ 975	\$ 1,634	\$ 3,381	

VARIABLE RETIREMENT ANNUITY (IC-417000 AND IC-418000)

If you surrender or annuitize your Contract at the end of the applicable time period:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$ 846	\$ 1,290	\$ 1,743	\$ 3,381

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

1 YEAR	3 YEARS	5 YEARS	10 YEARS
\$ 336	\$ 975	\$ 1,634	\$ 3,381

7

<Page>

CONDENSED FINANCIAL INFORMATION

The following information is taken from the Separate Account financial statements. The financial statements and reports are contained in the Annual Report for the Separate Account and are incorporated herein by reference and may be obtained by calling or writing HMLIC. The Wilshire VIT Equity Fund -- Horace Mann Shares commenced operations on May 21, 1957. The Wilshire VIT Balanced Fund -- Horace Mann Shares, Income Fund and Short-Term Investment Fund each commenced operations on January 1, 1983. The Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares, Wilshire VIT International Equity Fund -- Horace Mann Shares and Wilshire VIT Socially Responsible Fund -- Horace Mann Shares each commenced operations on March 10, 1997. The Delaware VIP Growth Opportunities Series, Lord Abbett Insurance Series Growth/Opportunities, Delaware VIP Trend Series, Goldman Sachs VIT Core Small Cap Equity Fund, Royce Capital Fund Small-Cap Portfolio and Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares were added to the Separate Account on June 1, 2004. All other Underlying Funds not specified above were added to the Separate Account on August 9, 2000.

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
JPMORGAN U.S. LARGE CAP CORE EQUITY PORTFOLIO	12/31/04	\$ 12.22	\$ 13.22	1,143,649
	12/31/03	9.65	12.22	915,270
	12/31/02	12.97	9.65	690,067
	12/31/01	14.90	12.97	431,258
	12/31/00	17.33*	14.90	123,796
FIDELITY VIP GROWTH & INCOME PORTFOLIO SC 2	12/31/04	\$ 13.69	\$ 14.27	757,537
	12/31/03	11.23	13.69	535,029
	12/31/02	13.67	11.23	357,213
	12/31/01	15.20	13.67	230,640
	12/31/00	16.03*	15.20	53,980
FIDELITY VIP INDEX 500 PORTFOLIO SC 2	12/31/04	\$ 124.84	\$ 136.05	277,917
	12/31/03	98.66	124.84	211,435
	12/31/02	128.86	98.66	151,544
	12/31/01	148.95	128.86	93,943
	12/31/00	171.04*	148.95	32,999
FIDELITY VIP GROWTH PORTFOLIO SC 2	12/31/04	\$ 31.79	\$ 32.38	974,205
	12/31/03	24.28	31.79	771,644
	12/31/02	35.28	24.28	595,943
	12/31/01	43.48	35.28	404,152
	12/31/00	53.82*	43.48	161,937
ALLIANCEBERNSTEIN LARGE CAP GROWTH PORTFOLIO	12/31/04	\$ 21.59	\$ 23.11	818,599
	12/31/03	17.71	21.59	676,885
	12/31/02	28.94	17.71	522,390
	12/31/01	31.81	28.94	357,364
	12/31/00	41.57*	31.81	130,232

WILSHIRE VIT EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$	19.76	\$	21.51	14,024,912
	12/31/03		15.68		19.76	15,075,890
	12/31/02		19.70		15.68	15,849,770
	12/31/01		20.82		19.70	17,361,722
	12/31/00		22.10		20.82	18,713,068
	12/31/99		22.97		22.10	23,693,305
	12/31/98		21.62		22.97	24,141,182
	12/31/97		17.74		21.62	21,736,131
	12/31/96		14.33		17.74	18,086,814
	12/31/95		10.88		14.33	14,363,155
	12/31/94		11.03		10.88	12,072,982

</Table>

8

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
WILSHIRE VIT SOCIALLY RESPONSIBLE FUND -- HORACE MANN SHARES	12/31/04	\$ 14.85	\$ 16.61	4,612,921
	12/31/03	11.70	14.85	4,740,058
	12/31/02	13.70	11.70	4,803,270
	12/31/01	14.96	13.70	4,970,814
	12/31/00	13.92	14.96	4,767,452
	12/31/99	13.00	13.92	3,893,389
	12/31/98	12.00	13.00	2,430,089
	12/31/97	9.85	12.00	698,226
DAVIS VALUE PORTFOLIO	12/31/04	\$ 10.40	\$ 11.54	612,231
	12/31/03	8.11	10.40	486,125
	12/31/02	9.80	8.11	384,920
	12/31/01	11.08	9.80	333,527
	12/31/00	11.58*	11.08	134,363
DREYFUS INVESTMENT PORTFOLIO: MID CAP STOCK FUND -- SERVICE SHARES	12/31/04	\$ 15.91*	\$ 17.90	9,576
FIDELITY VIP MID CAP PORTFOLIO SC 2	12/31/04	\$ 23.43	\$ 28.85	954,231
	12/31/03	17.16	23.43	798,274
	12/31/02	19.31	17.16	674,016
	12/31/01	20.25	19.31	551,984
	12/31/00	20.11*	20.25	231,555
DELAWARE VIP GROWTH OPPORTUNITIES SERIES	12/31/04	\$ 14.24*	\$ 15.70	11,064
LORD ABBETT INSURANCE SERIES GROWTH/ OPPORTUNITIES	12/31/04	\$ 12.00*	\$ 13.21	22,415
PUTNAM VT VISTA FUND (IB SHARES)	12/31/04	\$ 11.56	\$ 13.54	447,976
	12/31/03	8.79	11.56	431,300
	12/31/02	12.82	8.79	375,227
	12/31/01	19.52	12.82	326,406
	12/31/00	25.13*	19.52	146,933
WELLS FARGO ADVANTAGE DISCOVERY FUND	12/31/04	\$ 14.40	\$ 16.95	479,241
	12/31/03	10.86	14.40	443,966
	12/31/02	17.61	10.86	371,269
	12/31/01	25.76	17.61	279,260
	12/31/00	35.99*	25.76	131,868
WELLS FARGO ADVANTAGE OPPORTUNITY FUND	12/31/04	\$ 25.67	\$ 29.98	317,641
	12/31/03	18.96	25.67	298,172
	12/31/02	26.24	18.96	254,365
	12/31/01	27.60	26.24	169,801
	12/31/00	28.55*	27.60	47,165
GOLDMAN SACHS VIT CORE SMALL CAP EQUITY FUND	12/31/04	\$ 12.99*	\$ 15.00	17,423
WILSHIRE VIT SMALL CAP GROWTH FUND -- HORACE MANN SHARES	12/31/04	\$ 11.52	\$ 11.88	4,302,146
	12/31/03	7.33	11.52	4,507,783
	12/31/02	12.16	7.33	4,361,425
	12/31/01	17.54	12.16	4,399,005
	12/31/00	19.92	17.54	4,284,826
	12/31/99	11.61	19.92	2,619,220
	12/31/98	11.10	11.61	2,103,641

</Table>

<Page>
<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
C.S. SMALL CAP GROWTH PORTFOLIO	12/31/04	\$ 17.03	\$ 18.65	248,475
	12/31/03	11.61	17.03	236,965
	12/31/02	17.73	11.61	207,449
	12/31/01	21.37	17.73	165,082
	12/31/00	27.32*	21.37	76,760
DELAWARE VIP TREND SERIES	12/31/04	\$ 28.47*	\$ 30.27	2,275
ROYCE CAPITAL FUND SMALL-CAP PORTFOLIO	12/31/04	\$ 8.10*	\$ 9.42	93,281
WILSHIRE VIT INTERNATIONAL EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$ 10.68	\$ 11.67	3,099,530
	12/31/03	8.16	10.68	3,072,915
	12/31/02	10.47	8.16	2,970,500
	12/31/01	14.39	10.47	2,935,800
	12/31/00	17.67	14.39	2,650,938
	12/31/99	11.72	17.67	1,187,606
	12/31/98	9.98	11.72	696,337
	12/31/97	9.74	9.98	464,676
FIDELITY VIP OVERSEAS PORTFOLIO SC 2	12/31/04	\$ 17.21	\$ 19.27	643,917
	12/31/03	12.18	17.21	430,503
	12/31/02	15.50	12.18	308,350
	12/31/01	19.91	15.50	209,742
	12/31/00	23.13*	19.91	70,810
WILSHIRE VIT BALANCED FUND -- HORACE MANN SHARES	12/31/04	\$ 18.59	\$ 19.86	13,172,538
	12/31/03	15.74	18.59	14,094,671
	12/31/02	17.39	15.74	14,804,752
	12/31/01	17.36	17.39	16,254,478
	12/31/00	17.41	17.36	17,553,416
	12/31/99	17.83	17.41	22,621,955
	12/31/98	16.78	17.83	23,286,358
	12/31/97	14.28	16.78	22,095,620
	12/31/96	12.22	14.28	20,098,949
	12/31/95	9.75	12.22	17,804,536
	12/31/94	9.97	9.75	15,666,817
WILSHIRE VIT INCOME FUND -- HORACE MANN SHARES	12/31/04	\$ 16.30	\$ 16.89	1,300,042
	12/31/03	15.39	16.30	1,210,705
	12/31/02	14.29	15.39	1,187,910
	12/31/01	13.27	14.29	936,292
	12/31/00	12.34	13.27	827,539
	12/31/99	12.70	12.34	1,034,296
	12/31/98	11.90	12.70	1,060,399
	12/31/97	11.02	11.90	784,296
	12/31/96	10.78	11.02	942,068
	12/31/95	9.49	10.78	938,069
	12/31/94	9.85	9.49	945,569

</Table>

<Page>
<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
WILSHIRE VIT SHORT-TERM INVESTMENT FUND -- HORACE MANN SHARES	12/31/04	\$ 10.86	\$ 10.85	270,993
	12/31/03	10.88	10.86	427,380
	12/31/02	10.83	10.88	367,360
	12/31/01	10.42	10.83	237,129
	12/31/00	9.97	10.42	205,055

	12/31/99		9.64		9.97	132,903
	12/31/98		9.30		9.64	120,651
	12/31/97		8.97		9.30	122,530
	12/31/96		8.65		8.97	125,251
	12/31/95		8.34		8.65	110,931
	12/31/94		8.13		8.34	125,199
FIDELITY VIP HIGH INCOME PORTFOLIO SC 2	12/31/04	\$	9.06	\$	9.79	256,027
	12/31/03		7.23		9.06	177,129
	12/31/02		7.09		7.23	90,168
	12/31/01		8.15		7.09	57,319
	12/31/00		9.77*		8.15	32,064
FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO SC 2	12/31/04	\$	15.10	\$	15.54	975,233
	12/31/03		14.56		15.10	921,950
	12/31/02		13.39		14.56	677,140
	12/31/01		12.54		13.39	283,612
	12/31/00		11.98*		12.54	24,851

</Table>

* Inception price on date Underlying Fund was added to the Separate Account, as shown on page 16.

Financial statements of the Separate Account and of HMLIC are available with the Statement of Additional Information. A copy of the Statement of Additional Information and of the financial statements may be obtained without charge by mailing a written request to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission request to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free).

11

<Page>

HORACE MANN LIFE INSURANCE COMPANY,
THE SEPARATE ACCOUNT AND
THE UNDERLYING FUNDS

HORACE MANN LIFE INSURANCE COMPANY

HMLIC, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001 ("HMLIC's Home Office"), is an Illinois stock life insurance company organized in 1949. HMLIC is licensed to do business in 48 states and in the District of Columbia. HMLIC writes individual and group life insurance and annuity contracts on a nonparticipating basis.

HMLIC is an indirect wholly-owned subsidiary of Horace Mann Educators Corporation ("HMEC"), a publicly-held insurance holding company traded on the NYSE.

THE SEPARATE ACCOUNT

On October 9, 1965, HMLIC established the Separate Account under Illinois law. The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust under the Investment Company Act of 1940. The Separate Account and each Subaccount are administered and accounted for as a part of the business of HMLIC. However, the income, gains and losses, whether or not realized, of each Subaccount are credited to or charged against the amounts allocated to that Subaccount in accordance with the terms of the Contracts without regard to other income, gains or losses of the remaining Subaccounts or of HMLIC. The assets of the Separate Account may not be charged with liabilities arising out of any other business of HMLIC. All obligations arising under the Contracts, including the promise to make Annuity Payments, are general corporate obligations of HMLIC. Accordingly, all of HMLIC's assets are available to meet its obligations and expenses under the Contracts. While HMLIC is obligated to make payments under the Contracts, the amounts of Variable Annuity Payments are not guaranteed since the payment amounts fluctuate in accordance with the performance of the Subaccounts.

The Separate Account is divided into Subaccounts. HMLIC uses the assets of each Subaccount to buy shares of the Underlying Funds based on Contract Owner instructions.

THE UNDERLYING FUNDS

The Underlying Funds are listed below along with their primary investment objectives and a description of the adviser to each Underlying Fund. Detailed information on the Underlying Funds can be found in the current prospectus for each Underlying Fund. Prospectuses for the Underlying Funds should be read carefully in conjunction with this prospectus before investing. A copy of each prospectus may be obtained without charge from HMLIC by calling (800) 999-1030 (toll-free), sending a telefacsimile (FAX) transmission to (217) 527-2307 or writing to HMLIC, P.O. Box 4657, Springfield, IL 62708-4657. You may also access

the prospectuses on HMLIC's website at www.horacemann.com in the "Retirement Planning" link.

ALLIANCEBERNSTEIN

The AllianceBernstein Large Cap Growth Portfolio's investment objective is growth of capital by pursuing aggressive investment policies. The Portfolio invests primarily in equity securities of U.S. companies. Unlike most equity funds, the Portfolio focuses on a relatively small number of intensively researched companies. Alliance selects the Portfolio's investments from a research universe of more than 500 companies that have strong management, superior industry positions, excellent balance sheets and superior earnings growth prospects. Normally, the Portfolio invests in about 40-60 companies, with the 25 most highly regarded of these companies usually constituting approximately 70% of the Portfolio's net assets. The AllianceBernstein Large Cap Growth Portfolio is a series of the AllianceBernstein Variable Products Series Fund and is advised by Alliance Capital Management.

CREDIT SUISSE

The investment objective of the Credit Suisse Small Cap Growth Portfolio is to seek capital growth. To pursue this goal, it invests primarily in equity securities of small U.S. growth companies. Under normal market conditions, the Portfolio will invest at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of small U.S. companies. The Portfolio considers a "small" company to be one whose market capitalization is within the range of capitalizations of companies in the Russell 2000 Index. As of December 31, 2004, the market capitalization of the companies in the Russell 2000 Index ranged from \$4 million to \$3.6 billion. Some companies may outgrow the definition of a small company after the Portfolio has purchased their securities but will continue to be considered small for purposes of the Portfolio's minimum 80% allocation to small-company equities. The Credit Suisse Small Cap Growth Portfolio is a series of Credit Suisse Trust and is advised by Credit Suisse Asset Management, LLC.

DAVIS

The Davis Value Portfolio's investment objective is to seek long-term growth of capital. Under normal circumstances the Portfolio invests the majority of its assets in equity securities of companies with market capitalizations of at least \$10 billion that the adviser believes to be of high quality and whose shares are selling at attractive prices. The Fund's adviser selects stocks with the intention of holding them for the long term. The Davis Value Portfolio is a series of the Davis Variable Account Fund and is advised by Davis Selected Advisers, L.P.

DELAWARE

The objective of the Delaware VIP Growth Opportunities Series is to seek long-term capital appreciation. The Delaware VIP Growth Opportunities Series invests primarily in securities of medium-sized companies that have established themselves within the industry but still have growth potential. The Series' management team invests in medium-size companies that they believe may offer strong opportunities for capital appreciation and generally less risk than investments in small companies, although mid-cap companies typically have greater risk than large-cap companies. The Delaware VIP Growth Opportunities

12

<Page>

Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc. Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

The objective of the Delaware VIP Trend Series is to seek long-term capital appreciation. The Delaware VIP Trend Series invests primarily in stocks of small growth-oriented or emerging companies that, in the management team's view, are market leaders with strong product cycles and innovative concepts. The Series' management team seeks to identify changing and dominant trends within the economy, the political arena and our society. The team conducts thorough research on companies, evaluating price-to-earnings ratios, estimated growth rates, market capitalization and cash flows to determine how attractive a company is relative to other companies. By focusing on companies in the early stages of their life cycles, the Series strives to capture the greatest potential for growth. The Delaware VIP Trend Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

THE DREYFUS CORPORATION

The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio (Service Shares)

seeks investment returns that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor's MidCap 400 Index (S&P 400).

To pursue this goal, the Dreyfus Investment Portfolio: Mid Cap Stock Portfolio invests at least 80 percent of its assets in stocks of midsize companies. The portfolio invests in growth and value stocks, which are chosen through a disciplined investment process that combines computer modeling techniques, fundamental analysis and risk management. Consistency of returns compared to the S&P 400 is a primary goal of the investment process. The portfolio's stock investments may include common stocks, preferred stocks, convertible securities and depositary receipts, including those issued in initial public offerings ("IPOs") or shortly thereafter. The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio is advised by The Dreyfus Corporation.

FIDELITY INVESTMENTS

The investment objective of the Fidelity VIP Growth Portfolio Service Class 2 shares is to achieve capital appreciation. The fund invests primarily in common stocks of companies that the adviser believes to have above-average growth potential (stocks of these companies are often called 'growth' stocks). The adviser may invest the fund's assets in securities of foreign issuers in addition to securities of domestic issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Overseas Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of the fund's assets in non-U.S. securities, primarily common stocks. The investments are allocated across different geographic regions and individual countries. The adviser will consider the size of the market in each country and region relative to the size of the international market as a whole. In buying and selling securities for the fund, the adviser relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position and economic and market conditions. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Overseas Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP High Income Portfolio Service Class 2 shares is to seek a high level of current income while also considering growth of capital. The adviser normally invests primarily in income-producing debt securities, preferred stocks and convertible securities, with an emphasis on lower-quality debt securities. The fund may also invest in non-income producing securities, including defaulted securities and common stocks and in companies that are in troubled or uncertain financial condition as well as domestic and foreign issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP High Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Investment Grade Bond Portfolio Service Class 2 shares is to seek as high a level of current income as is consistent with the preservation of capital. The fund normally invests at least 80% of its total assets in investment-grade debt securities of all types and repurchase agreements for those securities. The adviser uses the Lehman Brother's Aggregate Bond Index as a guide for structuring the fund and selecting its investments and attempts to maintain an overall interest rate risk similar to the index. The adviser allocates assets across different market sectors and maturities and analyzes a security's structural features and current pricing, trading opportunities and the credit quality of its issuer to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Investment Grade Bond Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Mid Cap Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of its total assets in securities of companies with medium market capitalizations. The adviser normally invests the fund's assets primarily in common stocks. The fund may potentially invest in companies with smaller or larger market capitalizations, domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's

<Page>

financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Mid Cap Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Growth & Income Portfolio Service Class 2 shares is to seek high total return through a combination of current income and capital appreciation. The fund invests primarily in common stocks with a focus on those that pay current dividends and show potential for capital appreciation. It also potentially invests in bonds, including lower-quality debt securities, as well as stocks that are not currently paying dividends, but offer prospects for future income or capital appreciation. The fund may potentially invest in domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth & Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Index 500 Portfolio Service Class 2 shares is to seek investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the S&P 500. The fund normally invests at least 80% of its assets in common stocks included in the S&P 500. Because the adviser may use statistical sampling techniques to attempt to replicate the returns of the S&P 500, the fund may not always hold all of the same securities as the index and may not track the index perfectly. The fund may lend securities to earn income for the fund and the adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Index 500 Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

GOLDMAN SACHS

The Goldman Sachs VIT CORE Small Cap Equity Fund seeks long-term growth of capital. The Fund invests, under normal circumstances, at least 80% of its net assets ("Net Assets") plus any borrowings for investment purposes (measured at time of purchase) in a broadly diversified portfolio of equity investments in small-cap U.S. issuers, including foreign issuers that are traded in the United States. However, it is currently anticipated that, under normal circumstances the Fund will invest at least 95% of its Net Assets in such equity investments. These issues will have public stock market capitalizations (based upon shares available for trading on an unrestricted basis) within the range of the market capitalization of companies constituting the Russell 2000 Index at the time of investment. The Fund is not required to limit its investments to securities in the Russell 2000 Index. In addition, if the market capitalization of a company held by the Fund moves outside this range, the Fund may, but is not required to sell the securities. The capitalization range of the Russell 2000 Index is currently between \$68 million and \$2.4 billion.

JPMORGAN FLEMING

The investment objective of the JPMorgan U.S. Large Cap Core Equity Portfolio is to provide high total return from a portfolio of selected equity securities. Under normal circumstances, the portfolio invests at least 80% of its Assets in equity investment of large-cap companies. "Assets" means net assets, plus the amount of borrowings for investment purposes. Large-cap companies have a market capitalization over \$2 billion at the time of purchase. Market capitalization is the total market value of a company's shares. Sector by sector, the portfolio's weightings are similar to those of the S&P 500. The portfolio seeks to maintain sector weightings within +/- 3% of the S&P 500. The JPMorgan U.S. Large Cap Core Equity Portfolio is a series of the J.P. Morgan Series Trust II and is advised by J.P. Morgan Investment Management Inc.

LORD ABBETT

The Lord Abbett Series Fund -- Growth Opportunities Portfolio seeks capital appreciation. To pursue this goal, the Portfolio normally invests at least 65% of its net assets in equity securities of mid-sized companies. A mid-sized company is defined as a company having a market capitalization at the time of purchase that falls within the market capitalization range of companies in the Russell Mid Cap Index, a widely used benchmark for mid-cap stock performance. As of January 31, 2005, the market capitalization range of the Russell Mid Cap Index was \$606 million to \$31.1 billion. This range varies daily. Equity securities in which the Portfolio may invest may include common stocks,

preferred stocks, convertible securities, warrants and similar instruments. Common stocks, the most familiar type of equity security, represent an ownership interest in a company. The Lord Abbett Series Fund -- Growth Opportunities Portfolio is advised by Lord, Abbett & Co. LLC.

PUTNAM

The investment objective of Putnam VT Vista Fund is to seek capital appreciation. The fund invests mainly in common stocks of U.S. companies with a focus on growth stocks. Growth stocks are issued by companies that Putnam Investment Management, LLC ("Putnam Management") believes are fast-growing and whose earnings Putnam Management believes are likely to increase over time. Growth in earnings may lead to an increase in the price of the stock. The fund invests mainly in mid-sized companies. Putnam VT Vista Fund is a series of the Putnam Variable Trust and is advised by Putnam Management.

ROYCE

Royce Capital Fund Small-Cap Portfolio uses a disciplined value approach to invest in small-cap companies -- those with market caps below \$2.5 billion. They believe that investors in the Fund should have a long-term investment horizon of at least three-years. The Royce Capital Fund Small-Cap Portfolio is advised by Royce & Associates, LLC.

WELLS FARGO

The Wells Fargo Advantage Opportunity Fund seeks long-term CAPITAL APPRECIATION. We invest in equity securities of medium-CAPITALIZATION companies that we believe are under-priced

14

<Page>

yet, have attractive growth prospects. We base the analysis on a comparison between the company's public value, based on market quotations, with its "private market value" -- the price an investor would be willing to pay for the entire company given its management strength, financial health and growth potential. We determine a company's private market value based on a fundamental analysis of a company's cash flows, asset valuations, competitive situation, and franchise value. The Wells Fargo Advantage Opportunity Fund is sub advised by Wells Capital Management, Inc.

The Wells Fargo Advantage Discovery Fund seeks long-term CAPITAL APPRECIATION. We invest in securities of small- and medium-CAPITALIZATION companies that we believe offer attractive opportunities for growth. We define small- and medium CAPITALIZATION companies as those with market CAPITALIZATIONS equal to or lower than the company with the largest market CAPITALIZATION in the RUSSELL MIDCAP(R) INDEX, at the time of purchase. The range of the RUSSELL MIDCAP(R) INDEX was \$513 million to \$13.84 billion, as of June 30, 2004, and is expected to change frequently. We select securities through a combination of in-depth fundamental analysis of a company's financial reports and direct, on-site research during company visits. We may invest in any economic sector, and at times we may emphasize one or more particular sectors. The Wells Fargo Advantage Discovery Fund is sub advised by Wells Capital Management, Inc.

WILSHIRE VARIABLE INSURANCE TRUST (VIT)

The Wilshire VIT ("Trust") is an open-end, diversified, management investment company registered under the Investment Company Act of 1940. The Trust is made up of a series of portfolios ("Wilshire VIT Funds"). The Trust issues shares of beneficial interest that are continually offered for sale. The Wilshire VIT Funds, advised by Wilshire Associates Incorporated ("Wilshire"), invest in securities of different issuers and industry classifications in an attempt to spread and reduce the risks inherent in all investing. Wilshire has entered into an agreement with investment subadviser(s) for each of the Wilshire VIT Funds whereby the subadviser(s) manage the investment and reinvestment of the assets of a fund.

The primary investment objective of the Wilshire VIT Equity Fund -- Horace Mann Shares is long-term capital growth; conservation of principal and production of income are secondary objectives. The Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The Equity Fund ordinarily invests in common stocks of domestic companies. Wellington Management Company, LLP ("Wellington Management"), Alliance Capital Management LP ("Alliance") and Mellon Equity Associates, LLP ("Mellon Equity") serve as the investment subadvisers to the Equity Fund. This fund was referred to as the Growth Fund prior to May 1, 2000.

The primary investment objective of the Wilshire VIT Balanced Fund -- Horace Mann Shares is to realize high long-term total rate of return consistent with prudent investment risks. The Balanced Fund's assets are invested in a mix of common stocks, debt securities and money market instruments through investments in the Wilshire VIT Equity Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares.

The primary investment objective of the Wilshire VIT Income Fund -- Horace Mann Shares is to achieve a long-term total rate of return in excess of the U.S. bond market over a full market cycle. The Income Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in fixed income securities. The fixed income securities in which the Income Fund invests are primarily U.S. investment grade fixed income securities. Western Asset Management Company ("Western Asset"), Western Asset Management Limited ("WAML") and BlackRock Financial Management, Inc. ("BlackRock") serve as the investment subadvisers to the Income Fund.

The primary investment objective of the Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares ("Short-Term Fund") is to realize maximum current income to the extent consistent with liquidity. Preservation of principal is a secondary objective. The Short-Term Fund attempts to realize its objectives through investments in short-term debt instruments; it is not a money market fund and does not maintain a stable net asset value per share. Western Asset serves as the investment subadviser to the Short-Term Fund.

The investment objective of the Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares is long-term capital appreciation. The Small Cap Growth Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in securities of small cap companies. The Fund ordinarily invests in small cap equity securities (less than \$2.5 billion at the time of investment) which a subadviser believes have earnings growth potential. The Small Cap Growth Fund invests primarily in small cap stocks, which a subadviser considers to have favorable and above-average earnings growth prospects. Accordingly, their stock prices may rise faster, but can also decline more in unfavorable business climates. As a result of these "higher highs" and "lower lows," they are more volatile. BlackRock, and Mazama Capital Management ("Mazama") serve as investment subadvisers to the Small Cap Growth Fund.

The primary investment objective of the Wilshire VIT International Equity Fund -- Horace Mann Shares is long-term capital growth primarily through diversified holding of marketable foreign equity investments. The International Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The International Equity Fund invests primarily in equity securities of established companies, listed on foreign exchanges, which the subadviser believes have favorable characteristics. It may also invest in fixed income securities of foreign governments and companies. Investing in foreign securities may involve a greater degree of risk than investing in domestic securities due to the possibility of currency fluctuations, more volatile markets, less securities regulation and political instability. Newstar Institutional Managers Limited and The Boston Company Asset Management, LLC serve as investment subadvisers to the International Equity Fund.

15

<Page>

The investment objective of the Wilshire VIT Socially Responsible Fund -- Horace Mann Shares is long-term growth of capital, current income and growth of income. The Socially Responsible Fund invests in a diversified portfolio composed primarily of marketable equity securities including common stocks, preferred stocks and debt securities convertible into common stocks of seasoned U.S. traded companies. Investments in equity securities are limited to issuers which in the subadviser's judgment meet the following criteria:

1. Do not produce tobacco products;
2. Do not produce alcoholic beverages;
3. Do not own and/or operate casinos or manufacture gaming devices;
4. Do not produce pornographic materials;
5. Do not produce nuclear weapons or guidance and/or delivery systems, specifically for nuclear weapons;
6. By popular standards, maintain non-discriminatory employment practices throughout a company's facilities; and
7. By popular standards, maintain environmental policies, practices and procedures which are currently acceptable, or which are exhibiting improvement.

Because this fund invests in companies with socially responsible business practices, it has limitations that may have an adverse impact on performance. Alliance serves as the investment subadviser to the Socially Responsible Fund.

THE CONTRACT

CONTRACT OWNERS' RIGHTS

A Contract may be issued on a non-qualified basis. Non-qualified Contracts are subject to certain tax restrictions. See "Tax Consequences." Unless otherwise provided by law, and subject to the terms of any governing plan or trust, the Contract Owner may exercise all privileges of ownership, as defined in the Contract, without the consent of any other person. These privileges include the right during the period specified in the Contract to change the beneficiary designated in the Contract, subject to the rights of any irrevocable beneficiary, to designate a payee and to agree to a modification of the Contract terms.

This prospectus describes only the Variable portions of the Contract. On the Maturity Date, the Contract Owner has certain rights to acquire fixed annuity payout options. See the Contract for details regarding fixed Annuity Payments.

PURCHASING THE CONTRACT

The Contracts are offered and sold by HMLIC through its licensed life insurance sales personnel who are also registered representatives of HM Investors. In addition, the Contracts may be offered and sold through independent agents and other broker/dealers. HMLIC has entered into a distribution agreement with HM Investors, principal underwriter of the Separate Account. HM Investors, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001, is a broker/dealer registered under the Securities Exchange Act of 1934. HM Investors is a member of the NASD and is a wholly-owned subsidiary of Horace Mann Educators Corporation. Sales commissions are paid by HMLIC to HM Investors and other broker/dealers. Sales commissions range from 1.00% to 6.75% of purchase payments received.

In order to purchase a Contract offered by this prospectus, an applicant must complete an application bearing all requested signatures and a properly endorsed suitability questionnaire.

Applications for Contracts are to be sent to HMLIC's Home Office. If an incomplete application is received, HMLIC will promptly request additional information needed to process the application. The initial purchase payment will be held in a suspense account, without interest, for a period not exceeding five business days. If the necessary information is not received within these five business days HMLIC will return the initial purchase payment, unless otherwise directed by the applicant.

PURCHASE PAYMENTS

AMOUNT AND FREQUENCY OF PURCHASE PAYMENTS -- Purchase payments will be applied at the applicable Accumulation Unit Value next determined following receipt in good form. See the "Individual Product Information" section for the minimum purchase payment of your product.

ALLOCATION OF PURCHASE PAYMENTS -- All or part of the Net Purchase Payments made may be allocated to one or more Subaccounts. The minimum purchase payment amount allocated to any Subaccount in any given Contract Year must equal or exceed \$100. A request to change the allocation of purchase payments will be effective on the first Valuation Date following receipt of the request by HMLIC's Home Office.

ACCUMULATION UNITS AND ACCUMULATION UNIT VALUE -- Purchase payments are credited on the basis of Accumulation Unit Value. The number of Accumulation Units purchased by Net Purchase Payments is determined by dividing the dollar amount credited to each Subaccount by the applicable Accumulation Unit Value next determined following receipt of the payment by HMLIC. The value of an Accumulation Unit is affected by the investment experience of the Underlying Fund, expenses and the deduction of certain charges.

Accumulation Units are valued on each Valuation Date. The Accumulation Unit Value for each Subaccount was established on the date and for the value indicated below. The date for the Wilshire VIT Equity, Balanced, Income and Short-Term Investment Funds -- Horace Mann Shares refers to the date Wellington Management became their investment adviser.

<Table>
<Caption>

SUBACCOUNT	DATE	ACCUMULATION UNIT VALUE
-----	----	-----
<S>	<C>	<C>
J. P. Morgan U.S. Large Cap Core Equity Portfolio	09/05/00	\$ 17.33
Fidelity VIP Growth & Income Portfolio SC 2	09/05/00	16.03
Fidelity VIP Index 500 Portfolio SC 2	09/05/00	171.04

</Table>

<Table>
<Caption>

SUBACCOUNT	DATE	ACCUMULATION UNIT VALUE
-----	----	-----
<S>	<C>	<C>
Fidelity VIP Growth Portfolio SC 2	09/05/00	\$ 53.82
AllianceBernstein Large Cap Growth Portfolio	09/05/00	41.57
Wilshire VIT Equity Fund -- Horace Mann Shares	11/01/89	7.11
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares	03/10/97	9.85
Davis Value Portfolio	09/05/00	11.58
Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares	06/01/04	15.91
Fidelity VIP Mid Cap Portfolio SC 2	09/05/00	20.11
Delaware VIP Growth Opportunities Series	06/01/04	14.24
Lord Abbett Insurance Series Growth/Opportunities	06/01/04	12.00
Putnam VT Vista Fund	09/05/00	25.13
Goldman Sachs VIT Core Small Cap Equity Fund	06/01/04	12.99
Wells Fargo Advantage Discovery Fund	09/05/00	35.99
Wells Fargo Advantage Opportunity Fund	09/05/00	28.55
Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares	03/10/97	9.59
C.S. Small Cap Growth Portfolio	09/05/00	27.32
Wilshire VIT International Equity Fund -- Horace Mann Shares	03/10/97	9.74
Delaware VIP Trend Series	06/01/04	28.47
Royce Capital Fund Small-Cap Portfolio	06/01/04	8.10
Fidelity VIP Overseas Portfolio SC 2	09/05/00	23.13
Wilshire VIT Balanced Fund -- Horace Mann Shares	11/01/89	6.71
Wilshire VIT Income Fund -- Horace Mann Shares	11/01/89	7.17
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares	11/01/89	6.99
Fidelity VIP High Income Portfolio SC 2	09/05/00	9.77
Fidelity VIP Investment Grade Bond Portfolio SC 2	09/05/00	11.98

</Table>

The Accumulation Unit Value of a Subaccount for any Valuation Period is equal to:

- the net asset value of the corresponding Underlying Fund attributable to the Accumulation Units at the end of the Valuation Period;
- plus the amount of any income or capital gain distributions made by the Underlying Fund during the Valuation Period;
- minus the dollar amount of the mortality and expense risk charge we deduct for each day in the Valuation Period;
- divided by the total number of Accumulation Units outstanding at the end of the Valuation Period.

TRANSACTIONS

TRANSFERS -- Amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract, prior to the Maturity Date. You may transfer value from one existing investment option into as many as 10 other investment options. The minimum amount that can be transferred is \$100 or the entire dollar value of the Subaccount(s), whichever is less.

A Contract Owner may elect to transfer funds between Subaccounts and the fixed account by submitting a written request to Horace Mann Life Insurance Company at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section.

Depending on the means used to request a transfer, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the name of the Contract Owner and the Contract number, and (3) specifically state the dollar amount, a whole percentage or the number of Accumulation Units to be transferred. The request also must specify the Subaccounts from which and to which the transfer is to be made. Transfers are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office. See "Other Information -- Forms Availability."

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund
Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

DOLLAR COST AVERAGING -- Dollar cost averaging is a systematic method of investing in which securities are purchased at regular intervals in fixed dollar amounts so that the cost of the securities is averaged over time and possibly over various market cycles. Dollar cost averaging transfers are completed by periodically transferring equal amounts of money. You may preschedule a series of transfers between investment options to take advantage of dollar cost averaging. You may select from a 3-month, 6-month or 12-month period to complete the dollar cost averaging program. You may transfer value from one existing investment option into as many as 10 other investment options. You may request dollar cost averaging by the same means as described above for transfers.

The transfers will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office and will

17

<Page>

continue on this day each period until the program is completed. If the original request is received on the 29th, 30th or 31st of the month, all subsequent transfers will be processed as of the 28th of the month. If you should decide to cancel an existing dollar cost averaging program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

Because the values of the Subaccounts from which the transfers occur may decrease over time, the dollar cost averaging program may conclude earlier than scheduled. In addition, the last dollar cost averaging transfer may be for less than all prior transfers. Finally, the value of a Subaccount may increase and result in a balance remaining at the end of the period selected.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund
Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

REBALANCING -- Rebalancing is the periodic adjusting of investment option balances to maintain a pre-established asset allocation strategy. Rebalancing can occur quarterly, semiannually or annually. Rebalancing is continuous for the period(s) selected unless changed or discontinued by the Contract Owner. You may request a rebalancing of your portfolio either once or on a periodic basis.

For periodic rebalancing requests, you may select from a quarterly, semiannual or annual period. You may rebalance your portfolio value into as many as 10 other investment options. You may request rebalancing by the same means as described above for transfers.

Rebalancing will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office. For periodic rebalancing requests, subsequent rebalancing of your portfolio will continue to occur on the same calendar day of

each scheduled month. If the original request is received on the 29th, 30th or 31st of the month, all subsequent rebalancing of your portfolio will be processed as of the 28th of the month. If you should decide to cancel an existing rebalancing program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

On and after June 1, 2004, no new transfers of money are allowed to the following Subaccounts:

Wells Fargo Advantage Discovery Fund
Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

CHANGES TO PURCHASE PAYMENT ALLOCATIONS -- A Contract Owner may elect to change the allocation of future Net Purchase Payments at any time by mailing a written request to Horace Mann Life Insurance Company at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section. Depending on the means used to request a change, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the Contract Owner's name and Contract number and (3) specify the new allocation percentage for each Subaccount (in whole percentages). Allocations made to the fixed portion of the Contract or to one or more Subaccounts must total 100%. HMLIC reserves the right to restrict the minimum purchase payment amount allocated to any Subaccount in any given Contract Year to \$100. Changes in allocation instructions are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office. See "Other Information -- Forms Availability."

On and after June 1, 2004, new Contracts may not have allocations to the following Subaccounts, and existing Contracts may not begin or increase allocations to the following Subaccounts:

Wells Fargo Advantage Discovery Fund
Wells Fargo Advantage Opportunity Fund

Credit Suisse Small Cap Growth Portfolio

MARKET TIMING -- The Contracts and the Subaccounts are not designed for 'market timing' through frequent transfers or transfers that are large in relation to the total assets of the Underlying Fund. HMLIC discourages and does not accommodate frequent transfers of contract value among the Subaccounts. Trading strategies that seek to benefit from short-term price fluctuations or price irregularities cause disruption to the Underlying Funds' investment strategies, with potential resulting harm to performance and increased trading costs or Underlying Fund expenses, and are thereby potentially harmful to investors and their Contract performance.

If HMLIC determines, in its sole discretion, that your transfer patterns among the Subaccounts reflect a market timing strategy, it will take action to protect the other investors and/or terminate the Contract. In making these determinations, we may consider the combined transfer activity of Contracts that we believe are under common ownership, control or direction. HMLIC does not include transfers made pursuant to the dollar cost averaging method when considering whether to take action. HMLIC applies its market timing policies and procedures uniformly to all owners of a particular Contract.

Such action will include requiring future transfer requests under the Contract to be submitted with an original signature

<Page>

via U.S. Mail for a period of time or for the duration of the Contract. If this restriction is imposed, we will reverse within one to two business days of any transaction inadvertently processed that is not in compliance with the restriction. You will receive written confirmation of any such reversal.

If HMLIC determines that you are engaging in a pattern of transfers that reflects a market timing strategy or is potentially harmful to other Contract Owners, it will notify you in writing of any restrictions.

The detection and deterrence of market timing involves judgments that are

inherently subjective. Our ability to detect such activity may be limited by operational and technological systems, as well as our ability to predict strategies employed by others to avoid detection. Our ability to restrict transfers may also be limited by the provisions of the Contract. Accordingly, there is no assurance that we will deter all market timing activity. Therefore, Contract owners may be subject to the risks described above.

The Underlying Funds may have their own policies and procedures with respect to frequent purchases and redemptions of their shares, which are described in the Underlying Fund prospectuses. Such policies and procedures may be more or less restrictive than HMLIC's policies and procedures. As a result, we may not have the contractual obligation or the operational capacity to apply the frequent trading policies and procedures of the Underlying Funds. However, we reserve the right to defer or restrict transfers at any time that we are unable to purchase or redeem shares of any of the Underlying Funds, including any refusal or restriction on purchases or redemptions as a result of the frequent trading policies and procedures of the Underlying Funds. HMLIC also reserves the right to implement and administer redemption fees imposed by one or more of the Underlying Funds. The prospectuses of the Underlying Funds include more details on the ability of the Underlying Funds to refuse or restrict purchases or redemptions of their shares.

SURRENDER OR WITHDRAWAL BEFORE COMMENCEMENT OF ANNUITY PERIOD -- If not restricted by the IRC, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin. Any partial withdrawal is subject to a \$100 minimum and may not reduce the Contract Owner's interest in a Subaccount to less than \$100.

The surrender or partial withdrawal of Variable Cash Value (rollover, exchange, etc.) is determined on the basis of the Accumulation Unit Value next computed following the receipt of a valid request for surrender or partial withdrawal in HMLIC's Home Office. A surrender or partial withdrawal may result in adverse federal income tax consequences to the Contract Owner. These consequences include current taxation of payments received, and may include penalties resulting from premature distribution. See "Tax Consequences."

A Contract Owner eligible to surrender or request a partial withdrawal may elect to do so by submitting a signed, written request to HMLIC's Home Office at P.O. Box 4657, Springfield, Illinois 62708-4657. A partial withdrawal request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will be accepted if the proceeds are sent to the Contract Owner and the request is sent to (217) 527-2307. A surrender request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will not be accepted. See "Tax Consequences" and "Other Information -- Forms Availability."

Partial withdrawals and surrenders will be processed either on a date specified by you in a request, provided the date specified occurs on or after receipt of the request at HMLIC's Home Office, or at the next computed value following receipt of a valid request at HMLIC's Home Office.

For your protection, we will send a confirmation letter on all address changes. If you have requested an address change within 15 days prior to your surrender or withdrawal request, we will hold your request until we have acquired confirmation of the correct address. Upon receipt of your confirmation of the address, we will consider the surrender or withdrawal request to be received in good form.

Surrenders and partial withdrawals from any Subaccount are subject to the Surrender Charges shown in the "Individual Product Information" section.

Surrender Charges are applied to the withdrawals based on the effective date of the Contract and not on the date the purchase payment is paid.

Any request for partial withdrawal, where the withdrawal is subject to a Surrender Charge, will be increased by the amount of the Surrender Charge. For example, a request to withdraw \$3,000 at a 4% Surrender Charge on cash value will require a withdrawal of \$3,125. This withdrawal represents a cash distribution of \$3,000 and a Surrender Charge of \$125. Any taxes withheld will reduce the dollar amount of the distribution received.

The Surrender Charge is assessed on the basis of the amount surrendered or withdrawn from the Subaccount(s), but will never exceed 9% of Net Purchase Payment(s) to a Subaccount during the lifetime of the Contract. For example, if a Contract Owner's Subaccount value is \$12,000 and Net Purchase Payments to date equal \$10,000 and the Contract Owner withdraws \$2,000 (i.e., one sixth of the Subaccount value), then the Surrender Charge may not exceed 9% of \$1,666.66 (one sixth of the purchase payment(s) to which the withdrawal relates).

If premium taxes are deducted prior to surrender or partial withdrawal, any reduction of HMLIC's premium tax liability due to the surrender or partial withdrawal will be to HMLIC's benefit.

DEFERMENT -- HMLIC ordinarily completes a transaction within seven calendar

days after receipt of a proper request to transfer, surrender, partially withdraw or commence Annuity Payments. The value of the Contract is determined as of the Valuation Date on which a valid request is received. However, determination of Contract value and processing the transaction may be deferred for (1) any period during which the NYSE is closed for other than customary weekend or holiday closings or during which trading is restricted by the Securities and Exchange Commission; (2) any emergency period when it is not

19

<Page>

reasonably practicable to sell securities or fairly determine Accumulation Unit Values or Annuity Unit Values; or (3) any other period designated by the Securities and Exchange Commission to protect persons with interests in the Separate Account.

CONFIRMATIONS -- HMLIC mails written confirmations of purchase payments to Contract Owners on a quarterly basis within five business days following the end of each calendar quarter. Written confirmations of transfers, changes in allocations, partial withdrawals and surrenders are mailed to Contract Owners within seven calendar days of the date the transaction occurred.

If a Contract Owner believes that the confirmation statement contains an error, the Contract Owner should notify HMLIC as soon as possible after receipt of the confirmation statement. Notice may be provided by writing to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free).

DEDUCTIONS AND EXPENSES

ANNUAL MAINTENANCE CHARGE -- An annual maintenance charge of no more than \$25 is deducted from each Contract on the Contract anniversary date unless the Contract value equals or exceeds \$10,000. The annual maintenance charge is deducted from the Subaccount containing the greatest dollar amount or from the fixed portion of the Contract when none of the Subaccount(s) have any value.

We reserve the right to deduct, in whole or in part, the annual maintenance fee in the event of a complete surrender. The annual maintenance fee ceases when Annuity Payments begin.

The annual maintenance charge is intended to reimburse HMLIC for actual expenses incurred in administering the Contract. HMLIC does not expect to profit from such annual maintenance charge and assumes the risk that this annual maintenance charge may be insufficient to cover the actual costs of administering the Contract. See the "Individual Product Information" section for the maintenance charge on your Contract.

MORTALITY AND EXPENSE RISK FEE ("M&E FEE") -- For assuming mortality and expense risk, HMLIC applies an asset charge to the Separate Account. The fee for mortality and expense risk may not exceed the annual rate of 1.25% of the daily net assets of the Separate Account (0.45% for mortality risk, and 0.80% for expense risk; these may vary from time to time); however, HMLIC reserves the right to change the fee (subject to the 1.25% ceiling) in the future. The fee is computed on a daily basis. See the "Individual Product Information" section for the M&E Fee on your Contract.

SURRENDER CHARGES -- If not restricted by the IRC, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin. Surrender Charges are specific to your Contract. See the "Individual Product Information" section for the Surrender Charge on your Contract.

For further information regarding surrender or partial withdrawals see "Surrender or Withdrawal Before Commencement of Annuity Period."

OPERATING EXPENSES OF THE UNDERLYING FUNDS -- There are deductions from and expenses paid out of the assets of the Underlying Funds that are described in each Underlying Fund's prospectus.

PREMIUM TAXES -- Certain state and local governments levy a premium tax, presently ranging from 0 to 3.5%, on the amount of purchase payments made under this Contract. The premium tax, if any, is deducted when purchase payments are received.

DEATH BENEFIT PROCEEDS

If a Contract Owner dies before the Maturity Date, a death benefit will be paid to the beneficiary designated by the Contract Owner. Additional information about the death benefit of a specific Contract is located in the "Individual Product Information" section. The death benefit is determined for each beneficiary as of the date proof of death is received by HMLIC from such beneficiary. Proof of death includes a certified death certificate and a completed claimant's statement.

All or part of the death benefit proceeds may be paid to the beneficiary under one of the Annuity Payment options described under "Annuity Payments -- Annuity Payment Options." If the form of Annuity Payment selected requires that payment be made by HMLIC after the death of the beneficiary, payments will be made to a payee designated by the beneficiary or, if no subsequent payee has been designated, to the beneficiary's estate. Any part of a Contract Owner's interest payable to a minor child will be paid to the child's legal guardian for the benefit of the child.

ANNUITY PAYMENTS

The Contract provides for fixed or Variable Annuity Payment options or a combination of both. The Contract Owner may elect to have Annuity Payments made under any one or more of the options described below or may elect a lump sum payment. To begin receiving Annuity Payments a properly completed request form must be received in HMLIC's Home Office. The request will be processed so that the Annuity Payments begin as of the first of the month following the month of receipt unless a later date is requested and approved by HMLIC. If a fixed payment option is elected, the Separate Account value will be transferred to the fixed account on the date the request is received in HMLIC's Home Office. In addition, if a Variable payment is elected, any money in the fixed account will be transferred to the Separate Account on the date we receive the request in HMLIC's Home Office. Your purchase payment allocation(s) will be changed to the fixed account or Separate Account, depending on the payment option elected. Not all subaccount(s) may be available for annuity payments. Generally, at the time an Annuity Payment option is selected, a Contract Owner must elect whether to withhold for federal and state income taxes. See "Other Information -- Forms Availability" and "Tax Consequences."

20

<Page>

In general, the longer Annuity Payments are guaranteed, the lower the amount of each payment. Fixed Annuity Payments are paid in monthly, quarterly, semiannual & annual installments. Variable Annuity Payments are paid only on a monthly basis. If the Contract value to be applied under any one fixed or Variable Annuity Payment option is less than \$2,000 or if the option chosen would provide Annuity Payments less than \$20 per month at the Maturity Date, then the Contract value may be paid in a lump sum.

ANNUITY PAYMENT OPTIONS

The following Annuity Payment options are available on a Variable basis unless otherwise stated.

LIFE ANNUITY WITH OR WITHOUT PERIOD CERTAIN -- The life option guarantees Annuity Payments for the lifetime of the Annuitant. If a certain period is selected (5, 10, 15 or 20 years) and the Annuitant dies before the end of the period, Annuity Payments are guaranteed to the beneficiary until the end of the period selected. If no beneficiary is living at the time of the Annuitant's death, the present value, if any, of the remaining certain period payments will be paid in a single sum to the estate of the Annuitant. Under the life without period certain option, it is possible that only one Annuity Payment may be made if the Annuitant's death occurred before the due date of the second Annuity Payment. This option usually provides the largest Annuity Payments. The Annuitant cannot make unscheduled withdrawals or change to another option after the first Annuity Payment has been made.

JOINT AND SURVIVOR LIFE ANNUITY -- This life only option provides lifetime Annuity Payments during the lifetimes of two Annuitants. After one Annuitant dies, the Annuity Payments will continue during the lifetime of the survivor based on the survivor percentage elected (i.e., 100%, 50%, etc.). The Annuity Payments cease after the last payment paid prior to the survivor's death. It could be possible for only one payment to be made under this option if both Annuitants die before the due date of the second payment. The Annuitants cannot make unscheduled withdrawals or change to another income option after the first Annuity Payment has been made.

INCOME FOR FIXED PERIOD -- This option provides Annuity Payments for a fixed period not less than one year nor exceeding 30 years; however, payments may not extend beyond the life expectancy of the Annuitant. Upon the Annuitant's death, the beneficiary will be paid the remaining Annuity Payments due, if any. If no beneficiary is living at the time of the Annuitant's death, the present value, if any, of the remaining Annuity Payments will be paid in a lump sum to the estate of the Annuitant. The Annuitant has the right to change to another income option or make unscheduled withdrawals subject to surrender penalties, if applicable, from the remaining present value, subject to IRC requirements. To determine the surrender penalty rate, Contract Years are counted from the original effective date of the accumulation Contract. Refer to the "Individual Product Information" section for the appropriate rate. This option is available on a fixed payment basis only.

INCOME FOR FIXED AMOUNT -- This option provides payments of a fixed amount until the account value, with interest, has been paid; however, payments may not extend beyond the life expectancy of the Annuitant. Upon the Annuitant's death,

the beneficiary will be paid the remaining Annuity Payments due, if any. If no beneficiary is living at the time of the Annuitant's death, the present value, if any, of the remaining Annuity Payments will be paid in a lump sum to the estate of the Annuitant. The Annuitant has the right to change to another income option or make unscheduled withdrawals subject to surrender penalties, if applicable, from the remaining present value, subject to IRC requirements. To determine the surrender penalty rate, Contract Years are counted from the original effective date of the accumulation Contract. Refer to the "Individual Product Information" section for the appropriate rate. This option is available on a fixed payment basis only.

INTEREST INCOME PAYMENTS -- This option provides Annuity Payments based on interest earned from the proceeds of the Contract, at a rate determined by HMLIC, but never less than the annual guaranteed interest rate. Interest will be credited at the end of each payment period. The Annuitant may elect another income option at the end of any payment period, or may withdraw the Contract value in whole or in part upon written request subject to surrender penalties if applicable. The request must be made prior to the end of the period that the Annuitant agreed to receive Annuity Payments. This option is available on a fixed payment basis only.

OTHER INCOME OPTIONS -- If the Annuitant does not wish to elect one or more Annuity Payment options, the Annuitant may:

- a) receive the proceeds in a lump sum, or
- b) leave the Contract with HMLIC, or
- c) select any other option that HMLIC makes available.

AMOUNT OF FIXED AND VARIABLE ANNUITY PAYMENTS

In general, the dollar amount of Annuity Payments under the Contract depends on Contract value. Contract value equals the value of the fixed portion of the Contract plus the value of each Subaccount. The value of each Subaccount is determined by multiplying the number of Accumulation Units credited to each Subaccount within the Contract by its respective Accumulation Unit Value. Contract value may be more or less than the amount of Net Purchase Payments allocated to the Contract.

FIXED ANNUITY PAYMENTS -- The amount of each payment under a fixed Annuity Payment option is determined from the guaranteed income option tables in the Contract. These tables show the monthly payment for each \$1,000 of Contract value allocated to provide a guaranteed fixed Annuity Payment. These payments will not change regardless of investment, mortality or expense experience. Higher Annuity Payments may be made at the sole discretion of HMLIC.

VARIABLE ANNUITY PAYMENTS -- The amount of the first monthly Variable Annuity Payment is determined from the guaranteed income option tables in the Contract. The tables show the amount of the Annuity Payment for each \$1,000 of

<Page>

value allocated to provide Annuity Payments. The income option tables vary with the form of income option payment selected and adjusted age of the Annuitant(s).

The first monthly Variable Annuity Payment is used to calculate the number of Annuity Units for each subsequent monthly Annuity Payment. The number of Annuity Units remains constant over the payment period except when a joint and survivor option is chosen. The number of Annuity Units will be reduced upon the death of either Annuitant to the survivor percentage elected.

The amount of monthly Annuity Payments following the first Variable Annuity Payment varies from month to month to reflect the investment experience of each Subaccount funding those payments. Annuity Payments are determined each month by multiplying the Annuity Units by the applicable Annuity Unit value at the date of payment. The Annuity Unit value will change between Valuation Dates to reflect the investment experience of each Subaccount.

ASSUMED INTEREST RATE -- The assumed interest rate for this Contract is 2%. The investment multiplier is one divided by the sum of one plus the assumed interest rate and the mortality and expense risk fee, adjusted to a monthly rate.

ANNUITY UNIT VALUE -- The Annuity Unit Value for the Wilshire VIT Equity Fund -- Horace Mann Shares, Wilshire VIT Balanced Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares Subaccounts was set at \$10.00 as of the date amounts first were allocated to provide Annuity Payments. The Annuity Unit Value for the Wilshire VIT Short-Term Investment Fund was established at \$10.00 on July 1, 2004. The Annuity Unit Value for all other Subaccounts was established at \$10.00 on March 1, 2005.

- The current Annuity Unit Value is equal to the prior Annuity Unit Value on the Valuation Date when payments were last determined,

multiplied by the applicable net investment factor. The net investment factor reflects the investment performance of the Subaccount during the current month, including the value of any dividends and distributions during the current month. This factor is computed by dividing the net asset value of a share of the Underlying Fund on the current Valuation Date, plus any dividends or other distributions, by the net asset value of a share on the Valuation Date of the preceding Valuation Period, and multiplying this result by the investment multiplier.

- If the net investment factor is equal to one, then monthly payments from that Subaccount will remain level. If the net investment factor is greater than one, the monthly payments from that Subaccount will increase. Conversely, if the net investment factor is less than one, the payments from that Subaccount will decrease.

MISSTATEMENT OF AGE

If the age of the Annuitant has been misstated, any Annuity Payment amount shall be adjusted to reflect the correct age. If the Annuity Payments were too large because of a misstatement of age, HMLIC will deduct the difference with interest, at an effective annual interest rate of 6%, from future payments until totally repaid. If the Annuity Payments were too small, HMLIC will add the difference with interest, at an effective annual interest rate of 6%, to the next payment.

MODIFICATION OF THE CONTRACT

The Contract provides that it may be modified by HMLIC to maintain continued compliance with applicable state and federal laws. Contract Owners will be notified of any modification. Only officers designated by HMLIC may modify the terms of the Contract.

HMLIC reserves the right to offer Contract Owners, at some future date and in accordance with the requirements of the Investment Company Act of 1940, the option to direct their Net Purchase Payments to a Subaccount within the Separate Account other than one or more of those currently offered. If shares of the Underlying Funds are not available for purchase by the Separate Account, or if in the judgment of HMLIC further investment in these shares is no longer appropriate in view of the purposes of the Separate Account or Subaccount, then (i) shares of another portfolio may be substituted for the Underlying Fund shares held in the affected Subaccount and/or (ii) payments received after a date specified by HMLIC may be applied to the purchase of shares of another portfolio. No substitution will be made without prior approval of the Securities and Exchange Commission and any required Contract Owner approvals. Any substitution would be for shares of a portfolio with investment objectives similar to those of the Underlying Fund it replaces.

<Page>

INDIVIDUAL PRODUCT INFORMATION

ANNUITY ALTERNATIVES (IC-40800) (NO LONGER FOR SALE IN MOST STATES)

<Table>

<S>	<C>
ISSUE AGES	This Contract may be issued to anyone between the ages of 0-85.
MINIMUM CONTRIBUTION	\$25 per month
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract, less any applicable premium tax; or 2. the sum of all purchase payments paid under the Contract, less any applicable premium tax and withdrawals.
FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	4.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	4.00%

PURCHASE PAYMENT ALLOCATION CHANGES Unlimited

MAXIMUM # OF TRANSFERS PER YEAR Unlimited

FEE FOR EACH TRANSFER \$5.00. However, HMLIC is currently waiving
(ONLY APPLIES TO TRANSFERS FROM THE this fee.
FIXED ACCOUNT TO SUBACCOUNT(S))

EARLY WITHDRAWAL PENALTY 5% at any time other than renewal through
FIXED ACCOUNT ONLY age 65. The early withdrawal penalty is
currently being waived on transfers within
a Contract from the fixed account to a
Subaccount.

If money is transferred from the fixed account to the Separate Account and withdrawn within 365 days of the transfer, the early withdrawal penalty will be charged.

The early withdrawal penalty will not be charged if:

1. the transfer occurred on a Scheduled Update; or
2. the Scheduled Update occurred between the transfer and withdrawal or surrender date(s).

SURRENDER CHARGES

<Caption>

<S>	DURING CONTRACT YEAR <C>	PERCENT CHARGED <C>
	1	8%
	2	8%
	3	6%
	4	4%
	5	2%
	Thereafter	0%

WAIVER OF SURRENDER CHARGE/ EARLY WITHDRAWAL PENALTY (FREE OUT PROVISION)

No Surrender Charge or early withdrawal penalty will be imposed:

1. on a withdrawal or surrender if all the following occur:
 - a. it is made after the Contract has been in force two years;
 - b. it is more than 12 months since the last transfer or withdrawal was made;
 - c. the amount is not more than 15 percent of the then current Fixed Cash Value; and
 - d. the amount is not more than 15 percent of the then current Variable Cash Value; or
2. on any portion of the Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain or Variable income for joint life and survivor annuity; or
3. on or after the Maturity Date if the Contract has been in force for at least 10 years; or
4. if Annuity Payments are selected to be made in equal installments over a period of at least 5 years (during such period the elected annuity benefit cannot be surrendered); or
5. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

<Table>	
<S>	<C>
ISSUE AGES	This Contract may be issued to anyone between the ages of 0-54.
MINIMUM CONTRIBUTION	\$25 per month
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract less any applicable premium tax, or 2. the sum of all purchase payments paid under the Contract, less any applicable premium tax and withdrawals.
FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	3.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	3.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER	\$0
EARLY WITHDRAWAL PENALTY FIXED ACCOUNT ONLY	5% starting in year 1. The penalty will be 5% until the Contract anniversary prior to the Annuitant's attainment of age 65. At that time the fee will decrease by 1% per year. The early withdrawal penalty is waived on each Scheduled Update. If money is transferred from the fixed account to the Separate Account and withdrawn within 365 days of the transfer, the early withdrawal penalty will be charged. The early withdrawal penalty will not be charged if: <ol style="list-style-type: none"> 1. the transfer occurred on a Scheduled Update; or 2. the Scheduled Update occurred between the transfer and withdrawal or surrender date(s).

SURRENDER CHARGES

<Caption>		
<S>	DURING CONTRACT YEAR	PERCENT CHARGED
	<C>	<C>
	1	8%
	2	7%
	3	6%
	4	4%
	5	2%
	Thereafter	0%

WAIVER OF SURRENDER CHARGE/ EARLY WITHDRAWAL PENALTY (FREE OUT PROVISION)	No Surrender Charge or early withdrawal penalty will be imposed: <ol style="list-style-type: none"> 1. on a withdrawal or surrender if all of the following occur: <ol style="list-style-type: none"> a. a withdrawal is made after the Contract has been in force two years; and b. it is more than 12 months since the last withdrawal was made; and c. the amount withdrawn is not more than 15 percent of the Total Accumulation Value; or
---	---

2. on any portion of this Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
3. if Annuity Payments are selected to be made in equal installments over a period of at least five years (during such period the elected annuity benefit cannot be surrendered); or
4. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

<Page>

ANNUITY ALTERNATIVES II (IC-438000) (NO LONGER OFFERED FOR SALE IN MOST STATES)

<Table>

<S> ISSUE AGES	<C> This Contract may be issued to anyone between the ages of 55-85.
MINIMUM CONTRIBUTION	\$25 per month
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract less any applicable premium tax; or 2. the sum of all purchase payments paid under the Contract, less any applicable premium tax and withdrawals.
FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	3.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	3.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER	\$0
EARLY WITHDRAWAL PENALTY	None
SURRENDER CHARGES	

<Caption>

<S>	DURING CONTRACT YEAR <C>	PERCENT CHARGED <C>
	1	8%
	2	7%
	3	6%
	4	4%
	5	2%
	Thereafter	0%

WAIVER OF SURRENDER CHARGE (FREE OUT PROVISION)

- No Surrender Charge will be imposed:
1. on a withdrawal or surrender if all of the following occur:
 - a. a withdrawal is made after the Contract has been in force two

- years;
 - b. it is more than 12 months since the last withdrawal was made; and
 - c. the amount withdrawn is not more than 15 percent of the Total Accumulation Value; or
2. on any portion of this Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
 3. if Annuity Payments are selected to be made in equal installments over a period of at least five years (during such period the elected annuity benefit cannot be surrendered); or
 4. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m) (7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

25

<Page>

NEW SOLUTIONS (IC-441000) (NO LONGER OFFERED FOR SALE IN MOST STATES)

<Table>

<S> ISSUE AGES	<C> This Contract may be issued to anyone between the ages of 0-85.
MINIMUM CONTRIBUTION	\$25 per month
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract less any applicable premium tax; or 2. the sum of all purchase payments paid under the Contract, less any applicable premium tax and withdrawals.
FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	3.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	3.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER	\$0
EARLY WITHDRAWAL PENALTY	None
SURRENDER CHARGES	

<Caption>

<S>	DURING CONTRACT YEAR <C>	PERCENT CHARGED <C>
	1	8%
	2	7%
	3	6%
	4	5%
	5	4%
	6	3%

7	2%
8	1%
Thereafter	0%

WAIVER OF SURRENDER CHARGE
(FREE OUT PROVISION)

- No Surrender Charge will be imposed:
1. on a withdrawal or surrender if all of the following occur:
 - a. a withdrawal is made after the Contract has been in force two years;
 - b. it is more than 12 months since the last withdrawal was made; and
 - c. the amount withdrawn is not more than 15 percent of the Total Accumulation Value; or
 2. on any portion of this Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
 3. if Annuity Payments are selected to be made in equal installments over a period of at least five years (during such period the elected annuity benefit cannot be surrendered); or
 4. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m) (7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

26

<Page>

INDIVIDUAL SINGLE PREMIUM DEFERRED FIXED AND VARIABLE RETIREMENT ANNUITY
CONTRACT (IC-417000) (NO LONGER OFFERED FOR SALE)

<Table>

<S>	<C>
ISSUE AGES	This Contract was issued to anyone between the ages of 0-54.
MINIMUM CONTRIBUTION	\$2,000
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: <ol style="list-style-type: none"> 1. the Total Accumulation Value of the Contract less any applicable premium tax; or 2. the purchase payment paid under the Contract less any applicable premium tax and withdrawals.
FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE	4.00%
SEPARATE ACCOUNT ASSUMED INTEREST RATE	4.00%
PURCHASE PAYMENT ALLOCATION CHANGES	Unlimited
MAXIMUM # OF TRANSFERS PER YEAR	Unlimited
FEE FOR EACH TRANSFER	\$0
EARLY WITHDRAWAL PENALTY FIXED ACCOUNT ONLY	5% at any time other than renewal through age 65. The early withdrawal penalty is currently being waived on transfers within a Contract from the fixed account to a

Subaccount.

If money is transferred from the fixed account to the Separate Account and withdrawn within 365 days of the transfer, the early withdrawal penalty will be charged.

The early withdrawal penalty will not be charged if: 1. the transfer occurred on a Scheduled Update; or 2. the Scheduled Update occurred between the transfer and withdrawal or surrender date(s).

SURRENDER CHARGES

<Caption>

<S>	DURING CONTRACT YEAR <C>	PERCENT CHARGED <C>
	1	5%
	2	4%
	3	3%
	4	2%
	5	1%
	Thereafter	0%

WAIVER OF SURRENDER CHARGE/
EARLY WITHDRAWAL PENALTY
(FREE OUT PROVISION)

No Surrender Charge or early withdrawal penalty will be imposed:

1. on a withdrawal or surrender if all the following occur:
 - a. it is made after the Contract has been in force 2 years;
 - b. it is more than 12 months since the last transfer or withdrawal was made;
 - c. the amount is not more than 15 percent of the then current Fixed Cash Value; and
 - d. the amount is not more than 15 percent of the then current Variable Cash Value; or
2. on any portion of the Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
3. on or after the Maturity Date if the Contract has been in force for at least 10 years; or
4. if a distribution is required by the IRC; or
5. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m)(7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

</Table>

<Page>

INDIVIDUAL SINGLE PREMIUM DEFERRED FIXED AND VARIABLE RETIREMENT ANNUITY
CONTRACT (IC-418000) (NO LONGER OFFERED FOR SALE)

<Table>

<S>	<C>
ISSUE AGES	This Contract was issued to anyone between the ages of 55-85.
MINIMUM CONTRIBUTION	\$2,000
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%

DEATH BENEFIT

The beneficiary will receive the greater of:

1. the Total Accumulation Value of the Contract less any applicable premium tax; or
2. the purchase payment paid under the Contract less any applicable premium tax and withdrawals.

FIXED ACCOUNT GUARANTEED ANNUITY INCOME OPTION RATE 4.00%

SEPARATE ACCOUNT ASSUMED INTEREST RATE 4.00%

PURCHASE PAYMENT ALLOCATION CHANGES Unlimited

MAXIMUM # OF TRANSFERS PER YEAR Unlimited

FEE FOR EACH TRANSFER \$0

EARLY WITHDRAWAL PENALTY None

SURRENDER CHARGES

<Caption>

<S>	DURING CONTRACT YEAR	PERCENT CHARGED	
		FIXED	VARIABLE
<C>	<C>	<C>	<C>
	1	8%	5%
	2	7%	4%
	3	6%	3%
	4	5%	2%
	5	4%	1%
	6	3%	0%
	7	2%	0%
	8	1%	0%
	Thereafter	0%	0%

No Surrender Charge will be imposed:

1. on a withdrawal or surrender if all the following occur:
 - a. it is made after the Contract has been in force 2 years;
 - b. it is more than 12 months since; the last transfer or withdrawal was made
 - c. the amount is not more than 15 percent of the then current Fixed Cash Value; and
 - d. the amount is not more than 15 percent of the then current Variable Cash Value; or
2. on any portion of the Contract's Total Accumulation Value applied to the payment of one of the following income options: fixed life income with or without period certain, joint life and survivor annuity, Variable life income with or without period certain and Variable income for joint life or survivor annuity; or
3. if Annuity Payments are selected to be made in equal installments over a period which extends to or beyond the eighth Contract anniversary; or
4. on or after the Maturity Date if the Contract has been in force for at least 8 years; or
5. if a distribution is required by the IRC; or
6. if an Annuitant is disabled continuously for three months as defined by IRC Section 72(m) (7) and satisfactory proof of such disability is sent to HMLIC's Home Office.

WAIVER OF SURRENDER CHARGE (FREE OUT PROVISION)

</Table>

TAX CONSEQUENCES

OTHER CONSIDERATIONS

This discussion of the federal income tax consequences is only a brief summary and is not intended as tax advice. The rules governing the provisions of annuity Contracts are extremely complex and often difficult to comprehend. The discussion does not address special rules, prior tax laws or state or local tax laws. A Contract Owner or a prospective Contract Owner considering purchase of an annuity Contract should first consult with a qualified and competent tax adviser before taking any action that could have tax consequences.

SEPARATE ACCOUNT

The operations of the Separate Account form part of the operations of HMLIC; however, the IRC provides that no federal income tax will be payable by HMLIC on the investment income and capital gains of the Separate Account if certain conditions are met. Provided the investments of the Underlying Funds continue to meet the diversification requirements of IRC Section 817(h), the Contract Owner will not pay federal income tax on the investment income and capital gains under a Contract until Annuity Payments begin or a full or partial withdrawal is made.

CONTRACT OWNERS

CONTRIBUTIONS -- No limitations are imposed on the amount of contributions made to a non-qualified Contract.

DISTRIBUTIONS UNDER NON-QUALIFIED CONTRACTS -- Contract Owners of non-qualified Contracts who are natural persons are not subject to federal income tax on earnings until Annuity Payments are received under the Contract. Contract Owners of non-qualified Contracts are not subject to the required minimum distribution rules under the IRC.

A distribution by surrender or partial withdrawal during the accumulation period may subject the Contract Owner to federal income tax under the rules of Section 72 Of The IRC. If the distribution is a full or partial surrender, the amount of the distribution will be treated as gross income to the extent the cash value of the Contract (determined without regard to any Surrender Charge in the case of a partial withdrawal) immediately before the distribution exceeds the investment in the Contract. The investment in the Contract is the total of all purchase payments paid under a Contract less any previous distributions that were excluded from the Contract Owner's income. Any taxable portion is taxed at ordinary income rates. This is known as the 'interest-first' rule.

For Contracts issued before August 14, 1982, distributions are taxed differently. If the Contract contains only purchase payments and related earnings made before August 14, 1982, distributions are taxed under the cost recovery rule. The cost recovery rule provides that distributions are tax-free until they exceed the investment in the Contract. If a Contract issued before August 14, 1982 has purchase payments and related earnings from both before and after August 14, 1982, the distributions are allocable in the following order: first from the investment made before August 14, 1982; second from earnings allocable to the investment made before August 14, 1982; third from earnings allocable to the investment made after August 13, 1982; and finally from the investment made after August 13, 1982.

If distributions are made pursuant to an Annuity Payment option, that portion of each Annuity payment which represents the Contract Owner's investment in the Contract is excluded from income. The determination of the portion that represents the investment in the Contract is made using the exclusion ratio rules under Section 72 of the IRC. The exclusion ratio is the ratio that the total investment in the Contract bears to the total amount expected to be received under the Contract. For Contracts with annuity starting dates after December 31, 1986, the exclusion ratio will apply until the investment in the Contract has been fully recovered. Once the investment in the Contract has been recovered, the entire amount of each subsequent Annuity payment is fully taxable. For Contracts with annuity starting dates before December 31, 1986, the exclusion ratio applies to all payments.

EXCHANGES -- The accumulated value of the Contract may be eligible for a tax-free exchange under Section 1035 of the IRC. A replacement Contract obtained in a tax-free exchange will maintain the same relationship of investments in the Contract and allocable earnings as the replaced Contract for purposes of determining the amount of a distribution includable in income. However, a Contract issued before January 18, 1985 and not previously subject to the distribution at death rules (below) will generally be subject to such rules after an exchange.

DISTRIBUTION AT DEATH RULES -- In order to be treated as an annuity Contract, a Contract must meet the following two distributions rules.

1. If the Contract Owner dies on or after the required beginning date and has designated a beneficiary, any remaining balance must be distributed at least as rapidly as it was under the method of

distribution in effect on the date of death.

2. If the Contract Owner dies before the required beginning date, the balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the Contract Owner's death. If the Contract value is payable to a beneficiary other than a spouse, it may be paid over the life or life expectancy of that beneficiary provided distributions begin by December 31 of the calendar year following the year of the Contract Owner's death. If the beneficiary is the spouse, the spouse is treated as the owner.

PREMATURE DISTRIBUTION TAX -- An additional tax (penalty tax) will generally apply to distributions made before the Contract Owner reaches age 59 1/2. The penalty tax is 10% of the amount of the payment that is includable in income. Certain distributions are exempt from this penalty tax and include payments (i) made as the result of the Contract Owner's death or disability, (ii) that are part of a series of substantially equal periodic payments made at least annually over the life (or life expectancy) of the owner or joint lives (or joint life expectancy) of the owner and beneficiary and (iii) that are attributable to the

29

<Page>

investment in the Contract before August 14, 1982 (and related earnings on that investment).

WITHHOLDING -- Distributions that are includable in income are subject to withholding of federal income tax unless the Contract Owner can validly elect not to have federal income tax withheld. For periodic payments (Annuity Payments), the withholding is calculated like wage withholding and the Contract Owner has the right to revoke his or her election. For all other payments, withholding is at a rate of 10%. HMLIC will notify the Contract Owner at least annually of his or her right to revoke the election.

State and/or local tax withholding may also apply.

VOTING RIGHTS

Each Contract Owner has the right to instruct HMLIC with respect to voting his or her interest in the shares of the Underlying Funds held by the Separate Account at all shareholder meetings.

The number of votes that may be cast by a Contract Owner is based on the number of units owned as of the record date of the meeting. Shares for which no instructions are received are voted in the same proportion as the shares for which instructions have been received. Any Underlying Fund shares attributable to investment by HMLIC will be voted in proportion to the vote by Contract Owners who have Separate Account units. Contract Owners receive various materials, such as proxy materials and voting instruction forms, that relate to voting Underlying Fund shares.

OTHER INFORMATION

LEGAL PROCEEDINGS -- There are no legal proceedings to which the Separate Account is a party or to which the assets of the Separate Account are subject. HMLIC is engaged in various kinds of routine litigation that, in HMLIC's judgment, are not material to its financial condition. None of this litigation relates to the Separate Account.

REGISTRATION STATEMENT -- A registration statement has been filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the Contract. This prospectus does not contain all information set forth in the registration statement, its amendments and exhibits. Statements contained in this prospectus as to the content of the Contract and other legal instruments are summaries. For a complete statement of the terms thereof, reference is made to these instruments as filed.

COMMUNICATIONS TO CONTRACT OWNERS -- To ensure receipt of communications, Contract Owners must notify HMLIC of address changes. Notice of a change in address may be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657. Contract Owners may also provide notice of an address change by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by calling (217) 789-2500 or (800) 999-1030 (toll-free).

HMLIC will attempt to locate Contract Owners for whom no current address is on file. In the event HMLIC is unable to locate a Contract Owner, HMLIC may be forced to surrender the value of the Contract to the Contract Owner's last known state of residence in accordance with the state's abandoned property laws.

CONTRACT OWNER INQUIRIES -- A toll-free number, (800) 999-1030, is

available to telephone HMLIC's Annuity Customer Service Department. Written questions should be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657.

FORMS AVAILABILITY -- Specific forms are available from HMLIC to aid the Contract Owner in effecting many transactions allowed under the Contract. These forms may be obtained by calling the Annuity Customer Service Department toll-free at (800) 999-1030.

NASD REGULATION'S PUBLIC DISCLOSURE PROGRAM -- Information about HM Investors and your agent is available from the NASD at www.nasd.com or by calling (800) 289-9999 (toll-free).

30

<Page>

ADDITIONAL INFORMATION

A copy of the Statement of Additional Information providing more detailed information about the Separate Account is available, without charge, upon request. The Table of Contents of this Statement of Additional Information follows:

TOPIC	PAGE
General Information and History	2
Underwriter	2
Financial Statements	2

To receive, without charge, a copy of the Statement of Additional Information for the Separate Account, please complete the following request form and mail it to the address indicated below, send it by telefacsimile (FAX) transmission to (217) 535-7123 or telephone (217) 789-2500 or (800) 999-1030 (toll-free).

HORACE MANN LIFE INSURANCE COMPANY
P.O. BOX 4657
SPRINGFIELD, ILLINOIS 62708-4657

Please provide free of charge the following information:

____ Statement of Additional Information dated May 2, 2005 for the Separate Account

Please mail the above document to:

(Name)

(Address)

(City/State/Zip)

31

<Page>

PROSPECTUS

NON-QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACT

VARIABLE SOLUTIONS II

HORACE MANN LIFE INSURANCE COMPANY
SEPARATE ACCOUNT

MAY 2, 2005

<Page>

NON-QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACT ISSUED BY HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
FLEXIBLE PREMIUM CONTRACT FOR INDIVIDUALS

This prospectus offers a Variable, non-qualified annuity Contract to individuals. The Contract is issued by Horace Mann Life Insurance Company ("HMLIC") as a flexible premium Contract. Amounts transferred to the HMLIC

Separate Account as directed by a Contract Owner are invested in one or more of the Subaccounts (sometimes referred to as Variable investment options). Each Subaccount purchases shares in a corresponding Underlying Fund. The Underlying Funds are:

Large Company Stock Funds

Large Blend

JPMorgan U.S. Large Cap Core Equity Portfolio
Fidelity VIP Growth & Income Portfolio SC 2
Fidelity VIP Index 500 Portfolio SC 2

Large Growth

Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Large Value

Wilshire VIT Equity Fund -- Horace Mann Shares
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
Davis Value Portfolio

Mid-Size Company Stock Funds

Mid Blend

Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
Fidelity VIP Mid Cap Portfolio SC 2

Mid Growth

Delaware VIP Growth Opportunities Series
Lord Abbett Insurance Series Growth/Opportunities
Putnam VT Vista Fund (IB Shares)

Mid Value

Small Company Stock Funds

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
Delaware VIP Trend Series

Small Value

Royce Capital Fund Small-Cap Portfolio

International Stock Funds

Wilshire VIT International Equity Fund -- Horace Mann Shares
Fidelity VIP Overseas Portfolio SC 2

Balanced Fund

Wilshire VIT Balanced Fund -- Horace Mann Shares

Bond Funds

Wilshire VIT Income Fund -- Horace Mann Shares
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares
Fidelity VIP High Income Portfolio SC 2
Fidelity VIP Investment Grade Bond Portfolio SC 2

1

<Page>

This prospectus sets forth the information an investor should know before investing and should be kept for future reference. Additional information about the HMLIC Separate Account has been filed with the Securities and Exchange Commission in a Statement of Additional Information, dated May 2, 2005. The Statement of Additional Information is incorporated by reference and is available upon request, without charge. You may obtain the Statement of Additional Information by writing to Horace Mann Life Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free). The table of contents of the Statement of Additional Information appears on page 25 of this prospectus.

The Securities and Exchange Commission maintains a website (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference and other information that the HMLIC Separate Account files electronically with the Securities and Exchange Commission.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED
OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS.
ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ANNUITIES OFFERED BY HMLIC ARE NOT INSURED BY THE FDIC OR ANY OTHER
GOVERNMENT AGENCY. THEY ARE NOT DEPOSITS OF, OBLIGATIONS OF OR GUARANTEED BY
ANY BANK. THEY INVOLVE INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF
PRINCIPAL AMOUNT INVESTED.

The date of this prospectus is May 2, 2005.

2

<Page>

TABLE OF CONTENTS

<Table>
<Caption>

	PAGE

<S>	<C>
DEFINITIONS	4
SUMMARY	5
TABLE OF ANNUAL OPERATING EXPENSES	7
CONDENSED FINANCIAL INFORMATION	8
HORACE MANN LIFE INSURANCE COMPANY, THE SEPARATE ACCOUNT AND THE UNDERLYING FUNDS	12
Horace Mann Life Insurance Company	12
The Separate Account	12
The Underlying Funds	12
THE CONTRACT	15
Contract Owners' Rights	15
Purchasing the Contract	16
Premium Payments	16
Amount and Frequency of Premium Payments	16
Allocation of Premium Payments	16
Accumulation Units and Accumulation Unit Value	16
Transactions	17
Transfers	17
Dollar Cost Averaging	17
Rebalancing	17
Changes to Premium Payment Allocations	18
Market Timing	18
Surrender or Withdrawal Before Commencement of Annuity Period	18
Deferment	19
Confirmations	19
Deductions and Expenses	19
Annual Maintenance Fee	19
Mortality and Expense Risk Fee	19
Surrender Charges	19
Operating Expenses of the Underlying Funds	19
Premium Taxes	20
Death Benefit Proceeds	20
Annuity Payments	20
Annuity Payment Options	20
Amount of Fixed and Variable Annuity Payments	21
Misstatement of Age or Sex	21
Modification of the Contract	22
TAX CONSEQUENCES	23
Other Considerations	23
Separate Account	23
Contract Owners	23
Contributions	23
Distributions Under Non-Qualified Contracts	23
Contracts Owned by Non-Natural Persons	23
Exchanges	23
Distribution at Death Rules	23
Premature Distribution Tax	24
Withholding	24
VOTING RIGHTS	24
OTHER INFORMATION	24
ADDITIONAL INFORMATION	25

</Table>

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR SOLICITATION OF AN OFFER TO ACQUIRE, ANY INTEREST OR PARTICIPATION IN THE CONTRACT OFFERED BY THIS PROSPECTUS IN ANY STATE TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH STATE.

3

<Page>

DEFINITIONS

ACCUMULATION UNIT: A unit of measurement used to determine the value of a Contract Owner's interest in a Subaccount before Annuity Payments begin.

ACCUMULATION UNIT VALUE: The value of an Accumulation Unit on any Valuation Date.

ANNUITANT: The natural person whose life determines the Annuity Payments made under this contract.

ANNUITY DATE: The date Annuity Payments begin. The individual Contract offered by this prospectus describes the criteria for determining Annuity Dates.

ANNUITY PAYMENTS: A series of payments that may be for life; for life with a guaranteed number of payments; for the joint lifetimes of the Annuitant and another person, and thereafter, during the lifetime of the survivor; or for some fixed period. A fixed annuity provides a series of payments that will be equal

in amount throughout the annuity period. A fixed annuity does not participate in the investment experience of any Subaccount. A Variable annuity provides a series of payments that vary in amount.

ANNUITY PERIOD: The period during which Annuity Payments are made to the Annuitant or the last surviving joint Annuitant, if any.

ANNUITY UNIT: A unit of measurement used in determining the amount of a Variable Annuity Payment during the Annuity Period.

ANNUITY UNIT VALUE: The value of an Annuity Unit on any Valuation Date.

CONTRACT: The individual flexible premium deferred Variable annuity Contract this prospectus offers.

CONTRACT OWNER: The individual or entity to whom the Contract is issued.

CONTRACT YEAR: A year measured from the date a Contract was issued to an individual Contract Owner and each anniversary of this date.

FIXED CASH VALUE: The dollar value of the fixed account under the Contract prior to the time Annuity Payments begin.

MUTUAL FUND(s): Open-end management investment companies. These companies are generally registered under the Investment Company Act of 1940.

NET PREMIUM: The balance of each premium payment received by HMLIC after deducting any applicable premium taxes.

SEPARATE ACCOUNT: The Horace Mann Life Insurance Company Separate Account, a segregated Variable investment account consisting of Subaccounts each of which invests in a corresponding Underlying Fund. The Separate Account was established by HMLIC under Illinois law and is registered as a unit investment trust under the Investment Company Act of 1940.

SUBACCOUNT: A division of the Separate Account which invests in shares of the corresponding Underlying Fund.

TOTAL ACCUMULATION VALUE: The sum of the Fixed Cash Value and the Variable Cash Value prior to the time Annuity Payments begin.

UNDERLYING FUNDS: All Mutual Funds listed in this document that are available for investment by the Separate Account.

VALUATION DATE: Any day on which the New York Stock Exchange ("NYSE") is open for trading. The Valuation Date ends at 3:00 p.m. Central time or the close of the NYSE if earlier.

VALUATION PERIOD: The period from the end of a Valuation Date to the end of the next Valuation Date, excluding the day the period begins and including the day it ends.

VARIABLE: The values vary based on the investment performance of the Subaccount(s) selected.

VARIABLE CASH VALUE: The dollar value of the Separate Account investment options under the Contract prior to the time Annuity Payments begin.

SURRENDER CHARGE: Also called a "contingent deferred sales charge." An amount kept by HMLIC if a withdrawal is made or if the Contract is surrendered. The charge is intended to compensate HMLIC for the cost of selling the Contract.

4

<Page>

SUMMARY

This summary is intended to provide a brief overview of the more significant aspects of the Contract. Further information can be found in this prospectus, in the Separate Account Statement of Additional Information and in the Contract. This prospectus is intended to serve as a disclosure document for the Variable portion of the Contract only. For information regarding the fixed portion, refer to the Contract.

Detailed information about the Underlying Funds is contained in each Underlying Fund's prospectus and in each Underlying Fund's Statement of Additional Information.

The expenses for the Underlying Funds, including advisory and management fees, are found in each Underlying Fund's prospectus.

WHAT IS THE "SEPARATE ACCOUNT?"

The Separate Account segregates assets dedicated to the variable portion of the Contract offered herein. The Separate Account is registered with the

Securities and Exchange Commission under the Investment Company Act of 1940 as a unit investment trust. The Separate Account consists of Subaccounts, each investing in shares of a corresponding Underlying Fund.

WHO MAY PURCHASE THE CONTRACT OFFERED BY THIS PROSPECTUS?

Individuals may purchase the Variable flexible premium annuity. The Contract offered by this prospectus is designed to provide non-qualified retirement annuities.

The Contract is offered and sold by HMLIC through its licensed life insurance sales personnel. These insurance sales personnel are registered representatives of Horace Mann Investors, Inc. ("HM Investors"). In addition, the Contract may be offered and sold through independent agents and other broker/dealers. HM Investors is a broker/dealer registered under the Securities and Exchange Act of 1934. HMLIC has entered into a distribution agreement with HM Investors. HM Investors is a member of the NASD.

WHAT ARE MY INVESTMENT CHOICES?

You may have money allocated to or invested in up to 24 Subaccounts and/or the fixed account at any one time.

(a) SEPARATE ACCOUNT

Includes Subaccounts each of which invests in one of the following Underlying Funds:

LARGE COMPANY STOCK FUNDS

Large Blend

JPMorgan U.S. Large Cap Core Equity Portfolio
Fidelity VIP Growth & Income Portfolio SC 2
Fidelity VIP Index 500 Portfolio SC 2

Large Growth

Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Large Value

Wilshire VIT Equity Fund -- Horace Mann Shares
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
Davis Value Portfolio

MID-SIZE COMPANY STOCK FUNDS

Mid Blend

Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
Fidelity VIP Mid Cap Portfolio SC 2

Mid Growth

Delaware VIP Growth Opportunities Series
Lord Abbett Insurance Series Growth/Opportunities
Putnam VT Vista Fund (IB Shares)

Mid Value

SMALL COMPANY STOCK FUNDS

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
Delaware VIP Trend Series

Small Value

Royce Capital Fund Small-Cap Portfolio

INTERNATIONAL STOCK FUNDS

Wilshire VIT International Equity Fund -- Horace Mann Shares
Fidelity VIP Overseas Portfolio SC 2

BALANCED FUND

Wilshire VIT Balanced Fund -- Horace Mann Shares

BOND FUNDS

Wilshire VIT Income Fund -- Horace Mann Shares
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares
Fidelity VIP High Income Portfolio SC 2
Fidelity VIP Investment Grade Bond Portfolio SC 2

(b) FIXED ACCOUNT (SEE THE CONTRACT)

WHEN CAN I TRANSFER BETWEEN ACCOUNTS?

At any time before the Contract's Annuity Date, amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract. For complete details see "The Contract -- Transactions -- Transfers."

5

<Page>

MAY I WITHDRAW ALL OR PART OF THE CONTRACT VALUE BEFORE THE ANNUITY DATE?

Unless restricted by the Internal Revenue Code of 1986, as amended ("IRC"), a Contract Owner may at any time before the Annuity Date surrender his or her Contract in whole or withdraw in part for cash. Each surrender or partial withdrawal from the Variable Cash Value is processed on the basis of the value of an Accumulation Unit of the Subaccount(s) from which the value is being surrendered or withdrawn. Surrenders and withdrawals may be subject to Surrender Charges as described in "Deductions and Expenses -- Surrender Charges." For information specific to a withdrawal of the Fixed Cash Value, see your Contract.

WHAT ARE THE CHARGES OR DEDUCTIONS?

The Contract may be subject to deductions for applicable state or local government premium taxes. Premium taxes presently range from 0% to 3.5%.

A mortality and expense risk fee (M&E Fee), is deducted from the Separate Account. This fee is computed on a daily basis and will not exceed an annual rate of 1.25% of the daily net assets of the Separate Account.

A fixed annual maintenance fee that may not exceed \$25 is assessed against the Contract on each anniversary, unless the Contract value equals or exceeds \$10,000, in which case such charge is waived.

No deduction for sales expense is charged on premium payments, but a decreasing Surrender Charge is assessed against surrenders, and withdrawals. The charge is deducted from the Contract Owner's value in the Subaccount(s) from which the withdrawal is made. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

WHAT ARE THE FEDERAL INCOME TAX CONSEQUENCES OF INVESTING IN THIS CONTRACT?

The IRC provides penalties for premature distributions under various retirement plans. See "Tax Consequences." This Contract may not be suitable for short-term investment. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

IF I RECEIVE MY CONTRACT AND AM DISSATISFIED, MAY I RETURN IT?

Subject to various state insurance laws, the Contract Owner may return the Contract to HMLIC within 30 days of receipt of the Contract. HMLIC will refund the greater of the premium contributions or the market value of the assets purchased by payments paid to the Separate Account as of the date the request was received less any taxes, if applicable.

WHEN CAN I BEGIN RECEIVING ANNUITY PAYMENTS, AND WHAT OPTIONS ARE AVAILABLE?

Payments will begin on the Annuity Date set by the terms of your Contract. Variable Annuity Payments are made in monthly installments. Various Annuity Payment options are available under the Contract.

Annuity Payments may be fixed or Variable or a combination of fixed and Variable payments. The following options are available for receiving Annuity Payments:

Life Annuity with payments guaranteed for periods of Life Only, 10, 15 or 20 years, Joint and Survivor Annuity and Payments for a Specified Period.

6

<Page>

TABLE OF ANNUAL OPERATING EXPENSES

The following tables describe the maximum fees and expenses that you will pay when buying, owning and surrendering the Contract. The first table describes the fees and expenses that you will pay at the time that you buy the Contract, surrender the Contract or transfer cash value between investment options. State premium taxes may also be deducted.

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
CONTRACT OWNER TRANSACTION EXPENSES:(1)

<Table>

<S>	<C>
Surrender Fees (as a percentage of amount surrendered, if applicable)	8%

</Table>

(1) Premium taxes, currently ranging between 0% and 3.5%, are not included. The rate of the premium tax varies depending upon the state of residence, and not all states impose premium taxes. Taxes are deducted at the time of purchase.

We guarantee that the aggregate surrender fee charged will never exceed 9% of your total purchase payments.

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including Underlying Fund fees and expenses.

<Table>	
<S>	
Annual Contract Fee(1)	<C> \$ 25
Separate Account Annual Expenses (as a percentage of average account value)	
Mortality and Expense Risk Fees	1.25%
Account Fees and Expenses	0%
Total Separate Account Annual Expenses	1.25%
</Table>	

(1) The annual contract fee is waived if the Contract value equals or exceeds \$10,000.

The next item shows the minimum and maximum total operating expenses charged by the Underlying Funds that you may pay periodically during the time that you own the Contract. More detail concerning each Underlying Fund's fees and expenses is contained in the prospectus for each Underlying Fund.

<Table>			
<Caption>			
TOTAL ANNUAL UNDERLYING FUND OPERATING EXPENSES		MINIMUM	MAXIMUM
-----		-----	-----
<S>		<C>	<C>
(expenses that are deducted from Underlying Fund assets, including management fees, distribution and/or service (12b-1) fees and other expenses)		0.35%	1.86%
</Table>			

EXAMPLE

This Example is intended to help you compare the cost of investing in the Contract with the cost of investing in other Variable annuity contracts. These costs include Contract Owner transaction expenses, Contract fees, Separate Account annual expenses and Underlying Fund fees and expenses.

The Example assumes that you invest \$10,000 in the Contract for the time periods indicated. The Example also assumes that your investment has a 5% return each year and assumes the maximum fees and expenses of any of the Underlying Funds as of December 31, 2004. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

If you surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
	<S>	<C>	<C>	<C>
	\$ 1,151	\$ 1,711	\$ 2,178	\$ 3,381
</Table>				

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Table>				
<Caption>				
	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
	<S>	<C>	<C>	<C>
	\$ 336	\$ 975	\$ 1,634	\$ 3,381
</Table>				

<Page>

CONDENSED FINANCIAL INFORMATION

The following information is taken from the Separate Account financial statements. The financial statements and reports are contained in the Annual Report for the Separate Account and are incorporated herein by reference and may be obtained by calling or writing HMLIC. The Wilshire VIT Equity Fund -- Horace Mann Shares commenced operations on May 21, 1957. The Wilshire VIT Balanced Fund -- Horace Mann Shares, Income Fund and Short-Term Investment Fund each commenced operations on January 1, 1983. The Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares, Wilshire VIT International Equity Fund -- Horace Mann Shares and Wilshire VIT Socially Responsible Fund -- Horace Mann Shares each commenced operations on March 10, 1997. The Delaware VIP Growth Opportunities Series, Lord Abbett Insurance Series Growth/Opportunities, Delaware VIP Trend Series, Goldman Sachs VIT Core Small Cap Equity Fund, Royce Capital Fund Small-Cap Portfolio and Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares were added to the Separate Account on June 1, 2004. All other Underlying Funds not specified above were added to the Separate Account on August 9, 2000.

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
<S>	<C>	<C>	<C>	<C>
JPMORGAN U.S. LARGE CAP CORE EQUITY PORTFOLIO	12/31/04	\$ 12.22	\$ 13.22	1,143,649
	12/31/03	9.65	12.22	915,270
	12/31/02	12.97	9.65	690,067
	12/31/01	14.90	12.97	431,258
	12/31/00	17.33*	14.90	123,796
FIDELITY VIP GROWTH & INCOME PORTFOLIO SC 2	12/31/04	\$ 13.69	\$ 14.27	757,537
	12/31/03	11.23	13.69	535,029
	12/31/02	13.67	11.23	357,213
	12/31/01	15.20	13.67	230,640
	12/31/00	16.03*	15.20	53,980
FIDELITY VIP INDEX 500 PORTFOLIO SC 2	12/31/04	\$ 124.84	\$ 136.05	277,917
	12/31/03	98.66	124.84	211,435
	12/31/02	128.86	98.66	151,544
	12/31/01	148.95	128.86	93,943
	12/31/00	171.04*	148.95	32,999
FIDELITY VIP GROWTH PORTFOLIO SC 2	12/31/04	\$ 31.79	\$ 32.38	974,205
	12/31/03	24.28	31.79	771,644
	12/31/02	35.28	24.28	595,943
	12/31/01	43.48	35.28	404,152
	12/31/00	53.82*	43.48	161,937
ALLIANCEBERNSTEIN LARGE CAP GROWTH PORTFOLIO	12/31/04	\$ 21.59	\$ 23.11	818,599
	12/31/03	17.71	21.59	676,885
	12/31/02	25.94	17.71	522,390
	12/31/01	31.81	25.94	357,364
	12/31/00	41.57*	31.81	130,232
WILSHIRE VIT EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$ 19.76	\$ 21.51	14,024,912
	12/31/03	15.68	19.76	15,075,890
	12/31/02	19.70	15.68	15,849,770
	12/31/01	20.82	19.70	17,361,722
	12/31/00	22.10	20.82	18,713,068
	12/31/99	22.97	22.10	23,693,305
	12/31/98	21.62	22.97	24,141,182
	12/31/97	17.74	21.62	21,736,131
	12/31/96	14.33	17.74	18,086,814
	12/31/95	10.88	14.33	14,363,155
	12/31/94	11.03	10.88	12,072,982

</Table>

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
------------	------------	---	---------------------------------------	--

<S>	<C>	<C>	<C>	<C>
WILSHIRE VIT SOCIALLY RESPONSIBLE FUND -- HORACE MANN SHARES	12/31/04	\$ 14.85	\$ 16.61	4,612,921
	12/31/03	11.70	14.85	4,740,058
	12/31/02	13.70	11.70	4,803,270
	12/31/01	14.96	13.70	4,970,814
	12/31/00	13.92	14.96	4,767,452
	12/31/99	13.00	13.92	3,893,389
	12/31/98	12.00	13.00	2,430,089
	12/31/97	9.85	12.00	698,226
DAVIS VALUE PORTFOLIO	12/31/04	\$ 10.40	\$ 11.54	612,231
	12/31/03	8.11	10.40	486,125
	12/31/02	9.80	8.11	384,920
	12/31/01	11.08	9.80	333,527
	12/31/00	11.58*	11.08	134,363
DREYFUS INVESTMENT PORTFOLIO: MID CAP STOCK FUND -- SERVICE SHARES	12/31/04	\$ 15.91*	\$ 17.90	9,576
FIDELITY VIP MID CAP PORTFOLIO SC 2	12/31/04	\$ 23.43	\$ 28.85	954,231
	12/31/03	17.16	23.43	798,274
	12/31/02	19.31	17.16	674,016
	12/31/01	20.25	19.31	551,984
	12/31/00	20.11*	20.25	231,555
DELAWARE VIP GROWTH OPPORTUNITIES SERIES	12/31/04	\$ 14.24*	\$ 15.70	11,064
LORD ABBETT INSURANCE SERIES GROWTH/OPPORTUNITIES	12/31/04	\$ 12.00*	\$ 13.21	22,415
PUTNAM VT VISTA FUND (IB SHARES)	12/31/04	\$ 11.56	\$ 13.54	447,976
	12/31/03	8.79	11.56	431,300
	12/31/02	12.82	8.79	375,227
	12/31/01	19.52	12.82	326,406
	12/31/00	25.13*	19.52	146,933
GOLDMAN SACHS VIT CORE SMALL CAP EQUITY FUND	12/31/04	\$ 12.99*	\$ 15.00	17,423
WILSHIRE VIT SMALL CAP GROWTH FUND -- HORACE MANN SHARES	12/31/04	\$ 11.52	\$ 11.88	4,302,146
	12/31/03	7.33	11.52	4,507,783
	12/31/02	12.16	7.33	4,361,425
	12/31/01	17.54	12.16	4,399,005
	12/31/00	19.92	17.54	4,284,826
	12/31/99	11.61	19.92	2,619,220
	12/31/98	11.10	11.61	2,103,641
	12/31/97	9.59	11.10	1,284,537
DELAWARE VIP TREND SERIES	12/31/04	\$ 28.47*	\$ 30.27	2,275
ROYCE CAPITAL FUND SMALL-CAP PORTFOLIO	12/31/04	\$ 8.10*	\$ 9.42	93,281

9

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
<S>	<C>	<C>	<C>	<C>
WILSHIRE VIT INTERNATIONAL EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$ 10.68	\$ 11.67	3,099,530
	12/31/03	8.16	10.68	3,072,915
	12/31/02	10.47	8.16	2,970,500
	12/31/01	14.39	10.47	2,935,800
	12/31/00	17.67	14.39	2,650,938
	12/31/99	11.72	17.67	1,187,606
	12/31/98	9.98	11.72	696,337
	12/31/97	9.74	9.98	464,676
FIDELITY VIP OVERSEAS PORTFOLIO SC 2	12/31/04	\$ 17.21	\$ 19.27	643,917
	12/31/03	12.18	17.21	430,503
	12/31/02	15.50	12.18	308,350
	12/31/01	19.91	15.50	209,742
	12/31/00	23.13*	19.91	70,810
WILSHIRE VIT BALANCED FUND -- HORACE MANN SHARES	12/31/04	\$ 18.59	\$ 19.86	13,172,538
	12/31/03	15.74	18.59	14,094,671

	12/31/02		17.39		15.74	14,804,752
	12/31/01		17.36		17.39	16,254,478
	12/31/00		17.41		17.36	17,553,416
	12/31/99		17.83		17.41	22,621,955
	12/31/98		16.78		17.83	23,286,358
	12/31/97		14.28		16.78	22,095,620
	12/31/96		12.22		14.28	20,098,949
	12/31/95		9.75		12.22	17,804,536
	12/31/94		9.97		9.75	15,666,817
WILSHIRE VIT INCOME FUND -- HORACE MANN SHARES	12/31/04	\$	16.30	\$	16.89	1,300,042
	12/31/03		15.39		16.30	1,210,705
	12/31/02		14.29		15.39	1,187,910
	12/31/01		13.27		14.29	936,292
	12/31/00		12.34		13.27	827,539
	12/31/99		12.70		12.34	1,034,296
	12/31/98		11.90		12.70	1,060,399
	12/31/97		11.02		11.90	784,296
	12/31/96		10.78		11.02	942,068
	12/31/95		9.49		10.78	938,069
	12/31/94		9.85		9.49	945,569
WILSHIRE VIT SHORT-TERM INVESTMENT FUND -- HORACE MANN SHARES	12/31/04	\$	10.86	\$	10.85	270,993
	12/31/03		10.88		10.86	427,380
	12/31/02		10.83		10.88	367,360
	12/31/01		10.42		10.83	237,129
	12/31/00		9.97		10.42	205,055
	12/31/99		9.64		9.97	132,903
	12/31/98		9.30		9.64	120,651
	12/31/97		8.97		9.30	122,530
	12/31/96		8.65		8.97	125,251
	12/31/95		8.34		8.65	110,931
	12/31/94		8.13		8.34	125,199

</Table>

10

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED		ACCUMULATION UNIT VALUE BEGINNING OF PERIOD		ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----		-----		-----	-----
<S>	<C>		<C>		<C>	<C>
FIDELITY VIP HIGH INCOME PORTFOLIO SC 2	12/31/04	\$	9.06	\$	9.79	256,027
	12/31/03		7.23		9.06	177,129
	12/31/02		7.09		7.23	90,168
	12/31/01		8.15		7.09	57,319
	12/31/00		9.77*		8.15	32,064
FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO SC 2	12/31/04	\$	15.10	\$	15.54	975,233
	12/31/03		14.56		15.10	921,950
	12/31/02		13.39		14.56	677,140
	12/31/01		12.54		13.39	283,612
	12/31/00		11.98*		12.54	24,851

</Table>

* Inception price on date Underlying Fund was added to the Separate Account, as shown on page 16.

Financial statements of the Separate Account and of HMLIC are available with the Statement of Additional Information. A copy of the Statement of Additional Information and of the financial statements may be obtained without charge by mailing a written request to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission request to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free).

11

<Page>

HORACE MANN LIFE INSURANCE COMPANY,
THE SEPARATE ACCOUNT AND
THE UNDERLYING FUNDS

HORACE MANN LIFE INSURANCE COMPANY

HMLIC, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001 ("HMLIC's Home Office"), is an Illinois stock life insurance company organized in 1949. HMLIC is licensed to do business in 48 states and in the District of

Columbia. HMLIC writes individual and group life insurance and annuity contracts on a nonparticipating basis.

HMLIC is an indirect wholly-owned subsidiary of Horace Mann Educators Corporation ("HMEC"), a publicly-held insurance holding company traded on the NYSE.

THE SEPARATE ACCOUNT

On October 9, 1965, HMLIC established the Separate Account under Illinois law. The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust under the Investment Company Act of 1940. The Separate Account and each Subaccount are administered and accounted for as a part of the business of HMLIC. However, the income, gains and losses, whether or not realized, of each Subaccount are credited to or charged against the amounts allocated to that Subaccount in accordance with the terms of the Contract without regard to other income, gains or losses of the remaining Subaccounts or of HMLIC. The assets of the Separate Account may not be charged with liabilities arising out of any other business of HMLIC. All obligations arising under the Contract, including the promise to make Annuity Payments, are general corporate obligations of HMLIC. Accordingly, all of HMLIC's assets are available to meet its obligations and expenses under the Contract. While HMLIC is obligated to make payments under the Contract, the amounts of Variable Annuity Payments are not guaranteed.

The Separate Account is divided into Subaccounts. HMLIC uses the assets of each Subaccount to buy shares of the Underlying Funds based on Contract Owner instructions.

THE UNDERLYING FUNDS

The Underlying Funds are listed below along with their primary investment objectives and a description of the adviser to each Underlying Fund. Detailed information on the Underlying Funds can be found in the current prospectus for each Underlying Fund. Prospectuses for the Underlying Funds should be read carefully in conjunction with this prospectus before investing. A copy of each prospectus may be obtained without charge from HMLIC by calling (800) 999-1030 (toll-free), sending a telefacsimile (FAX) transmission to (217) 527-2307 or writing to HMLIC, P.O. Box 4657, Springfield, IL 62708-4657. You may also access the prospectuses on HMLIC's website at www.horacemann.com in the "Retirement Planning" link.

ALLIANCEBERNSTEIN

The AllianceBernstein Large Cap Growth Portfolio's investment objective is growth of capital by pursuing aggressive investment policies. The Portfolio invests primarily in equity securities of U.S. companies. Unlike most equity funds, the Portfolio focuses on a relatively small number of intensively researched companies. Alliance selects the Portfolio's investments from a research universe of more than 500 companies that have strong management, superior industry positions, excellent balance sheets and superior earnings growth prospects. Normally, the Portfolio invests in about 40-60 companies, with the 25 most highly regarded of these companies usually constituting approximately 70% of the Portfolio's net assets. The AllianceBernstein Large Cap Growth Portfolio is a series of the AllianceBernstein Variable Products Series Fund and is advised by Alliance Capital Management.

DAVIS

The Davis Value Portfolio's investment objective is to seek long-term growth of capital. Under normal circumstances the Portfolio invests the majority of its assets in equity securities of companies with market capitalizations of at least \$10 billion that the adviser believes to be of high quality and whose shares are selling at attractive prices. The Fund's adviser selects stocks with the intention of holding them for the long term. The Davis Value Portfolio is a series of the Davis Variable Account Fund and is advised by Davis Selected Advisers, L.P.

DELAWARE

The objective of the Delaware VIP Growth Opportunities Series is to seek long-term capital appreciation. The Delaware VIP Growth Opportunities Series invests primarily in securities of medium-sized companies that have established themselves within the industry but still have growth potential. The Series' management team invests in medium-size companies that they believe may offer strong opportunities for capital appreciation and generally less risk than investments in small companies, although mid-cap companies typically have greater risk than large-cap companies. The Delaware VIP Growth Opportunities Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc. Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

The objective of the Delaware VIP Trend Series is to seek long-term capital appreciation. The Delaware VIP Trend Series invests primarily in stocks of small growth-oriented or emerging companies that, in the management team's view, are market leaders with strong product cycles and innovative concepts. The Series' management team seeks to identify changing and dominant trends within the economy, the political arena and our society. The team conducts thorough research on companies, evaluating price-to-earnings ratios, estimated growth rates, market capitalization and cash flows to determine how attractive a company is relative to other companies. By focusing on companies in the early stages of their life cycles, the Series strives to capture the greatest potential for growth. The Delaware VIP Trend Series is advised by Delaware Management Company, a series of Delaware Management Business Trust,

12

<Page>

which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

THE DREYFUS CORPORATION

The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio (Service Shares) seeks investment returns that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor's MidCap 400 Index (S&P 400).

To pursue this goal, the Dreyfus Investment Portfolio: Mid Cap Stock Portfolio invests at least 80 percent of its assets in stocks of midsize companies. The portfolio invests in growth and value stocks, which are chosen through a disciplined investment process that combines computer modeling techniques, fundamental analysis and risk management. Consistency of returns compared to the S&P 400 is a primary goal of the investment process. The portfolio's stock investments may include common stocks, preferred stocks, convertible securities and depository receipts, including those issued in initial public offerings ("IPOs") or shortly thereafter. The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio is advised by The Dreyfus Corporation.

FIDELITY INVESTMENTS

The investment objective of the Fidelity VIP Growth Portfolio Service Class 2 shares is to achieve capital appreciation. The fund invests primarily in common stocks of companies that the adviser believes to have above-average growth potential (stocks of these companies are often called 'growth' stocks). The adviser may invest the fund's assets in securities of foreign issuers in addition to securities of domestic issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Overseas Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of the fund's assets in non-U.S. securities, primarily common stocks. The investments are allocated across different geographic regions and individual countries. The adviser will consider the size of the market in each country and region relative to the size of the international market as a whole. In buying and selling securities for the fund, the adviser relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position and economic and market conditions. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Overseas Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP High Income Portfolio Service Class 2 shares is to seek a high level of current income while also considering growth of capital. The adviser normally invests primarily in income-producing debt securities, preferred stocks and convertible securities, with an emphasis on lower-quality debt securities. The fund may also invest in non-income producing securities, including defaulted securities and common stocks and in companies that are in troubled or uncertain financial condition as well as domestic and foreign issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP High Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Investment Grade Bond

Portfolio Service Class 2 shares is to seek as high a level of current income as is consistent with the preservation of capital. The fund normally invests at least 80% of its total assets in investment-grade debt securities of all types and repurchase agreements for those securities. The adviser uses the Lehman Brother's Aggregate Bond Index as a guide for structuring the fund and selecting its investments and attempts to maintain an overall interest rate risk similar to the index. The adviser allocates assets across different market sectors and maturities and analyzes a security's structural features and current pricing, trading opportunities and the credit quality of its issuer to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Investment Grade Bond Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Mid Cap Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of its total assets in securities of companies with medium market capitalizations. The adviser normally invests the fund's assets primarily in common stocks. The fund may potentially invest in companies with smaller or larger market capitalizations, domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Mid Cap Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Growth & Income Portfolio Service Class 2 shares is to seek high total return through a combination of current income and capital appreciation. The fund invests primarily in common stocks with a focus on those that pay current dividends and show potential for capital appreciation. It also potentially invests in bonds, including lower-quality debt securities, as well as stocks that are not currently paying dividends, but offer prospects for future income or capital appreciation. The fund may potentially invest in domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's financial condition and industry position and

13

<Page>

market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth & Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Index 500 Portfolio Service Class 2 shares is to seek investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the S&P 500. The fund normally invests at least 80% of its assets in common stocks included in the S&P 500. Because the adviser may use statistical sampling techniques to attempt to replicate the returns of the S&P 500, the fund may not always hold all of the same securities as the index and may not track the index perfectly. The fund may lend securities to earn income for the fund and the adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Index 500 Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

GOLDMAN SACHS

The Goldman Sachs VIT CORE Small Cap Equity Fund seeks long-term growth of capital. The Fund invests, under normal circumstances, at least 80% of its net assets ("Net Assets") plus any borrowings for investment purposes (measured at time of purchase) in a broadly diversified portfolio of equity investments in small-cap U.S. issuers, including foreign issuers that are traded in the United States. However, it is currently anticipated that, under normal circumstances the Fund will invest at least 95% of its Net Assets in such equity investments. These issues will have public stock market capitalizations (based upon shares available for trading on an unrestricted basis) within the range of the market capitalization of companies constituting the Russell 2000 Index at the time of investment. The Fund is not required to limit its investments to securities in the Russell 2000 Index. In addition, if the market capitalization of a company held by the Fund moves outside this range, the Fund may, but is not required to sell the securities. The capitalization range of the Russell 2000 Index is currently between \$68 million and \$2.4 billion.

JPMORGAN FLEMING

The investment objective of the JPMorgan U.S. Large Cap Core Equity Portfolio is to provide high total return from a portfolio of selected equity

securities. Under normal circumstances, the portfolio invests at least 80% of its assets in equity investment of large-cap companies. "Assets" means net assets, plus the amount of borrowings for investment purposes. Large-cap companies have a market capitalization over \$2 billion at the time of purchase. Market capitalization is the total market value of a company's shares. Sector by sector, the portfolio's weightings are similar to those of the S&P 500. The portfolio seeks to maintain sector weightings within +/- 3% of the S&P 500. The JPMorgan U.S. Large Cap Core Equity Portfolio is a series of the J.P. Morgan Series Trust II and is advised by J.P. Morgan Investment Management Inc.

LORD ABBETT

The Lord Abnett Series Fund -- Growth Opportunities Portfolio seeks capital appreciation. To pursue this goal, the Portfolio normally invests at least 65% of its net assets in equity securities of mid-sized companies. A mid-sized company is defined as a company having a market capitalization at the time of purchase that falls within the market capitalization range of companies in the Russell Mid Cap Index, a widely used benchmark for mid-cap stock performance. As of January 31, 2005, the market capitalization range of the Russell Mid Cap Index was \$606 million to \$31.1 billion. This range varies daily. Equity securities in which the Portfolio may invest may include common stocks, preferred stocks, convertible securities, warrants and similar instruments. Common stocks, the most familiar type of equity security, represent an ownership interest in a company. The Lord Abnett Series Fund -- Growth Opportunities Portfolio is advised by Lord, Abnett & Co. LLC.

PUTNAM

The investment objective of Putnam VT Vista Fund is to seek capital appreciation. The fund invests mainly in common stocks of U.S. companies with a focus on growth stocks. Growth stocks are issued by companies that Putnam Investment Management, LLC ("Putnam Management") believes are fast-growing and whose earnings Putnam Management believes are likely to increase over time. Growth in earnings may lead to an increase in the price of the stock. The fund invests mainly in mid-sized companies. Putnam VT Vista Fund is a series of the Putnam Variable Trust and is advised by Putnam Management.

ROYCE

Royce Capital Fund Small-Cap Portfolio uses a disciplined value approach to invest in small-cap companies -- those with market caps below \$2.5 billion. They believe that investors in the Fund should have a long-term investment horizon of at least three-years. The Royce Capital Fund Small-Cap Portfolio is advised by Royce & Associates, LLC.

WILSHIRE VARIABLE INSURANCE TRUST (VIT)

The Wilshire VIT ("Trust") is an open-end, diversified, management investment company registered under the Investment Company Act of 1940. The Trust is made up of a series of portfolios ("Wilshire VIT Funds"). The Trust issues shares of beneficial interest that are continually offered for sale. The Wilshire VIT Funds, advised by Wilshire Associates Incorporated ("Wilshire"), invest in securities of different issuers and industry classifications in an attempt to spread and reduce the risks inherent in all investing. Wilshire has entered into an agreement with investment subadviser(s) for each of the Wilshire VIT Funds whereby the subadviser(s) manage the investment and reinvestment of the assets of a fund.

The primary investment objective of the Wilshire VIT Equity Fund -- Horace Mann Shares is long-term capital growth; conservation of principal and production of income are secondary objectives. The Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The Equity Fund

<Page>

ordinarily invests in common stocks of domestic companies. Wellington Management Company, LLP ("Wellington Management"), Alliance Capital Management LP ("Alliance") and Mellon Equity Associates, LLP ("Mellon Equity") serve as the investment subadvisers to the Equity Fund. This fund was referred to as the Growth Fund prior to May 1, 2000.

The primary investment objective of the Wilshire VIT Balanced Fund -- Horace Mann Shares is to realize high long-term total rate of return consistent with prudent investment risks. The Balanced Fund's assets are invested in a mix of common stocks, debt securities and money market instruments through investments in the Wilshire VIT Equity Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares.

The primary investment objective of the Wilshire VIT Income Fund -- Horace Mann Shares is to achieve a long-term total rate of return in excess of the U.S. bond market over a full market cycle. The Income Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for

investment purposes) in fixed income securities. The fixed income securities in which the Income Fund invests are primarily U.S. investment grade fixed income securities. Western Asset Management Company ("Western Asset"), Western Asset Management Limited ("WAML") and BlackRock Financial Management, Inc. ("BlackRock") serve as the investment subadvisers to the Income Fund.

The primary investment objective of the Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares ("Short-Term Fund") is to realize maximum current income to the extent consistent with liquidity. Preservation of principal is a secondary objective. The Short-Term Fund attempts to realize its objectives through investments in short-term debt instruments; it is not a money market fund and does not maintain a stable net asset value per share. Western Asset serves as the investment subadviser to the Short-Term Fund.

The investment objective of the Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares is long-term capital appreciation. The Small Cap Growth Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in securities of small cap companies. The Fund ordinarily invests in small cap equity securities (less than \$2.5 billion at the time of investment) which a subadviser believes have earnings growth potential. The Small Cap Growth Fund invests primarily in small cap stocks, which a subadviser considers to have favorable and above-average earnings growth prospects. Accordingly, their stock prices may rise faster, but can also decline more in unfavorable business climates. As a result of these "higher highs" and "lower lows," they are more volatile. BlackRock, and Mazama Capital Management ("Mazama") serve as investment subadvisers to the Small Cap Growth Fund.

The primary investment objective of the Wilshire VIT International Equity Fund -- Horace Mann Shares is long-term capital growth primarily through diversified holding of marketable foreign equity investments. The International Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The International Equity Fund invests primarily in equity securities of established companies, listed on foreign exchanges, which the subadviser believes have favorable characteristics. It may also invest in fixed income securities of foreign governments and companies. Investing in foreign securities may involve a greater degree of risk than investing in domestic securities due to the possibility of currency fluctuations, more volatile markets, less securities regulation and political instability. Newstar Institutional Managers Limited and The Boston Company Asset Management, LLC serve as investment subadvisers to the International Equity Fund.

The investment objective of the Wilshire VIT Socially Responsible Fund -- Horace Mann Shares is long-term growth of capital, current income and growth of income. The Socially Responsible Fund invests in a diversified portfolio composed primarily of marketable equity securities including common stocks, preferred stocks and debt securities convertible into common stocks of seasoned U.S. traded companies. Investments in equity securities are limited to issuers which in the subadviser's judgment meet the following criteria:

1. Do not produce tobacco products;
2. Do not produce alcoholic beverages;
3. Do not own and/or operate casinos or manufacture gaming devices;
4. Do not produce pornographic materials;
5. Do not produce nuclear weapons or guidance and/or delivery systems, specifically for nuclear weapons;
6. By popular standards, maintain non-discriminatory employment practices throughout a company's facilities; and
7. By popular standards, maintain environmental policies, practices and procedures which are currently acceptable, or which are exhibiting improvement.

Because this fund invests in companies with socially responsible business practices, it has limitations that may have an adverse impact on performance. Alliance serves as the investment subadviser to the Socially Responsible Fund.

THE CONTRACT

CONTRACT OWNERS' RIGHTS

A Contract may be issued on a non-qualified basis. Non-qualified Contracts are subject to certain tax restrictions. See "Tax Consequences."

Unless otherwise provided by law, and subject to the terms of any governing plan or trust, the Contract Owner may exercise all privileges of ownership, as defined in the Contract, without the consent of any other person. These privileges include the right during the period specified in the Contract to

change the beneficiary designated in the Contract, subject to the rights of any irrevocable beneficiary, to designate a payee and to agree to a modification of the Contract terms.

<Page>

This prospectus describes only the Variable portions of the Contract. On the Annuity Date, the Contract Owner has certain rights to acquire fixed annuity payout options. See the Contract for details regarding fixed Annuity Payments.

PURCHASING THE CONTRACT

The Contract is offered and sold by HMLIC through its licensed life insurance sales personnel who are also registered representatives of HM Investors. In addition, the Contract may be offered and sold through independent agents and other broker/dealers. HMLIC has entered into a distribution agreement with HM Investors, principal underwriter of the Separate Account. HM Investors, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001, is a broker/dealer registered under the Securities Exchange Act of 1934. HM Investors is a member of the NASD and is a wholly-owned subsidiary of Horace Mann Educators Corporation. Sales commissions are paid by HMLIC to HM Investors and other broker/dealers. Sales commissions range from 1.00% to 11.00% of premium payments received.

In order to purchase the Contract offered by this prospectus, an applicant must complete an application bearing all requested signatures and a properly endorsed suitability questionnaire.

Applications are to be sent to HMLIC's Home Office. If an incomplete application is received, HMLIC will promptly request additional information needed to process the application. The initial premium payment will be held in a suspense account, without interest, for a period not exceeding five business days. If the necessary information is not received within these five business days HMLIC will return the initial premium payment, unless otherwise directed by the applicant.

PREMIUM PAYMENTS

AMOUNT AND FREQUENCY OF PREMIUM PAYMENTS -- Premium payments will be applied at the applicable Accumulation Unit Value next determined following receipt in good form. The minimum premium payment for your Contract is \$300 annually. The minimum premium increase is \$120 annually.

ALLOCATION OF PREMIUM PAYMENTS -- All or part of the net premium payments made may be allocated to one or more Subaccounts. The minimum premium payment amount allocated to any Subaccount in any given Contract year must equal or exceed \$100. A request to change the allocation of premium payments will be effective on the first Valuation Date following receipt of the request by HMLIC's Home Office unless a future date is requested.

ACCUMULATION UNITS AND ACCUMULATION UNIT VALUE -- Premium payments are credited on the basis of Accumulation Unit Value. The number of Accumulation Units purchased by net premium payments is determined by dividing the dollar amount credited to each Subaccount by the applicable Accumulation Unit Value next determined following receipt of the payment by HMLIC. The value of an Accumulation Unit is affected by the investment experience of the Underlying Fund, expenses and the deduction of certain charges.

Accumulation Units are valued on each Valuation Date. The Accumulation Unit Value for each Subaccount was determined for the date and for the value indicated below. The date for the Wilshire VIT Equity, Balanced, Income and Short-Term Investment Funds -- Horace Mann Shares refers to the date Wellington Management became their investment adviser.

<Table>
<Caption>

SUBACCOUNT	DATE	ACCUMULATION UNIT VALUE
-----	----	-----
<S>	<C>	<C>
JPMorgan U.S. Large Cap Core Equity Portfolio	09/05/00	\$ 17.33
Fidelity VIP Growth & Income Portfolio SC 2	09/05/00	16.03
Fidelity VIP Index 500 Portfolio SC 2	09/05/00	171.04
Fidelity VIP Growth Portfolio SC 2	09/05/00	53.82
AllianceBernstein Large Cap Growth Portfolio	09/05/00	41.57
Wilshire VIT Equity Fund -- Horace Mann Shares	11/01/89	7.11
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares	03/10/97	9.85
Davis Value Portfolio	09/05/00	11.58
Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares	06/01/04	15.91
Fidelity VIP Mid Cap Portfolio SC 2	09/05/00	20.11
Delaware VIP Growth Opportunities Series	06/01/04	14.24

Lord Abbett Insurance Series Growth/Opportunities	06/01/04	12.00
Putnam VT Vista Fund	09/05/00	25.13
Goldman Sachs VIT Core Small Cap Equity Fund	06/01/04	12.99
Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares	03/10/97	9.59
Delaware VIP Trend Series	06/01/04	28.47
Royce Capital Fund Small-Cap Portfolio	06/01/04	8.10
Wilshire VIT International Equity Fund -- Horace Mann Shares	03/10/97	9.74
Fidelity VIP Overseas Portfolio SC 2	09/05/00	23.13
Wilshire VIT Balanced Fund -- Horace Mann Shares	11/01/89	6.71
Wilshire VIT Income Fund -- Horace Mann Shares	11/01/89	7.17
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares	11/01/89	6.99
Fidelity VIP High Income Portfolio SC 2	09/05/00	9.77
Fidelity VIP Investment Grade Bond Portfolio SC 2	09/05/00	11.98

</Table>

<Page>

The Accumulation Unit Value of a Subaccount for any Valuation Period is equal to:

- the net asset value of the corresponding Underlying Fund attributable to the Accumulation Units at the end of the Valuation Period;
- plus the amount of any income or capital gain distributions made by the Underlying Fund during the Valuation Period;
- minus the dollar amount of the mortality and expense risk fee we deduct for each day in the Valuation Period;
- divided by the total number of Accumulation Units outstanding at the end of the Valuation Period.

TRANSACTIONS

TRANSFERS -- Amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract, subject to Contract limitations, prior to the Annuity Date. HMLIC reserves the right to limit transfers from the fixed account to the Subaccounts as follows:

- No more than 25% of the fixed account can be transferred to the Subaccounts during a 365 day period.
- Any request for a total transfer from the fixed account to the Subaccounts will be transferred over a four-year period. No more than 25% of the amount will be transferred in any year prior to the final transfer.

You may transfer value from one existing investment option into as many as 10 other investment options. The minimum amount that can be transferred is \$100 or the entire dollar value of the Subaccount(s), whichever is less. A transfer may not leave a Subaccount balance or fixed account balance of less than \$100.

A Contract Owner may elect to transfer funds between Subaccounts and the fixed account by submitting a written request to Horace Mann Life Insurance Company at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section.

Depending on the means used to request a transfer, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the name of the Contract Owner and the Contract number and (3) specifically state the dollar amount, a whole percentage or the number of Accumulation Units to be transferred. The request also must specify the Subaccounts from which and to which the transfer is to be made. Transfers are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office unless a future date is requested.

DOLLAR COST AVERAGING -- Dollar cost averaging is a systematic method of investing in which securities are purchased at regular intervals in fixed dollar amounts so that the cost of the securities is averaged over time and possibly over various market cycles. Dollar cost averaging transfers are completed by periodically transferring equal amounts of money. You may preschedule a series of transfers between investment options to take advantage of dollar cost averaging. You may select from a 3-month, 6-month or 12-month period to complete the dollar cost averaging program. You may transfer value from one existing investment option into as many as 10 other investment options. You may request dollar cost averaging by the same means as described above for transfers.

The transfers will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office and will continue on this day each period

until the program is completed. If the original request is received on the 29th, 30th or 31st of the month, all subsequent transfers will be processed as of the 28th of the month. If you should decide to cancel an existing dollar cost averaging program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

Because the values of the Subaccounts from which the transfers occur may decrease over time, the dollar cost averaging program may conclude earlier than scheduled. In addition, the last dollar cost averaging transfer may be for less than all prior transfers. Finally, the value of a Subaccount may increase and result in a balance remaining at the end of the period selected.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

REBALANCING -- Rebalancing is the periodic adjusting of investment option balances to maintain a pre-established asset allocation strategy. You may request a rebalancing of your portfolio either once or on a periodic basis.

For periodic rebalancing requests, you may select from a quarterly, semiannual or annual period. Rebalancing is continuous for the period(s) selected unless changed or discontinued by the Contract Owner. You may rebalance your portfolio value into as many as 10 other investment options. You may request rebalancing by the same means as described above for transfers.

Rebalancing will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office. For periodic rebalancing requests, subsequent rebalancing of your portfolio will continue to occur on the same calendar day of each scheduled month. If the original request is received on the 29th, 30th or 31st of the month, all subsequent rebalancing of your portfolio will be processed as of the 28th of the month. If you should decide to cancel an existing rebalancing program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

17

<Page>

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

CHANGES TO PREMIUM PAYMENT ALLOCATIONS -- A Contract Owner may elect to change the allocation of future net premium payments at any time by mailing a written request to HMLIC at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section. Depending on the means used to request a change, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the Contract Owner's name and Contract number and (3) specify the new allocation percentage for each Subaccount (in whole percentages). Allocations made to the fixed portion of the Contract or to one or more Subaccounts must total 100%. HMLIC reserves the right to restrict the minimum premium amount allocated to any Subaccount in any given Contract Year to \$100. Changes in allocation instructions are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office. See "Other Information -- Forms Availability."

MARKET TIMING -- The Contracts and the Subaccounts are not designed for 'market timing' through frequent transfers or transfers that are large in relation to the total assets of the Underlying Fund. HMLIC discourages and does not accommodate frequent transfers of contract value among the Subaccounts. Trading strategies that seek to benefit from short-term price fluctuations or price irregularities cause disruption to the Underlying Funds' investment strategies, with potential resulting harm to performance and increased trading costs or Underlying Fund expenses, and are thereby potentially harmful to investors and their Contract performance.

If HMLIC determines, in its sole discretion, that your transfer patterns among the Subaccounts reflect a market timing strategy, it will take action to protect the other investors and/or terminate the Contract. In making these determinations, we may consider the combined transfer activity of Contracts that we believe are under common ownership, control or direction. HMLIC does not include transfers made pursuant to the dollar cost averaging method when considering whether to take action. HMLIC applies its market timing policies and procedures uniformly to all owners of a particular Contract.

Such action will include requiring future transfer requests under the

Contract to be submitted with an original signature via U.S. Mail for a period of time or for the duration of the Contract. If this restriction is imposed, we will reverse within one to two business days of any transaction inadvertently processed that is not in compliance with the restriction. You will receive written confirmation of any such reversal.

If HMLIC determines that you are engaging in a pattern of transfers that reflects a market timing strategy or is potentially harmful to other Contract Owners, it will notify you in writing of any restrictions.

The detection and deterrence of market timing involves judgments that are inherently subjective. Our ability to detect such activity may be limited by operational and technological systems, as well as our ability to predict strategies employed by others to avoid detection. Our ability to restrict transfers may also be limited by the provisions of the Contract. Accordingly, there is no assurance that we will deter all market timing activity. Therefore, Contract owners may be subject to the risks described above.

The Underlying Funds may have their own policies and procedures with respect to frequent purchases and redemptions of their shares, which are described in the Underlying Fund prospectuses. Such policies and procedures may be more or less restrictive than HMLIC's policies and procedures. As a result, we may not have the contractual obligation or the operational capacity to apply the frequent trading policies and procedures of the Underlying Funds. However, we reserve the right to defer or restrict transfers at any time that we are unable to purchase or redeem shares of any of the Underlying Funds, including any refusal or restriction on purchases or redemptions as a result of the frequent trading policies and procedures of the Underlying Funds. HMLIC also reserves the right to implement and administer redemption fees imposed by one or more of the Underlying Funds. The prospectuses of the Underlying Funds include more details on the ability of the Underlying Funds to refuse or restrict purchases or redemptions of their shares.

SURRENDER OR WITHDRAWAL BEFORE COMMENCEMENT OF ANNUITY PERIOD -- If not restricted by the IRC, a Contract Owner may surrender the contract in whole or withdraw in part for cash before Annuity Payments begin. Any partial withdrawal is subject to a \$100 minimum and may not reduce the Contract Owner's interest in a Subaccount to less than \$100.

The surrender or partial withdrawal of Variable Cash Value (rollover, exchange, etc.) is determined on the basis of the Accumulation Unit Value next computed following the receipt of a valid request for surrender or partial withdrawal in HMLIC's Home Office. A surrender or partial withdrawal may result in adverse federal income tax consequences to the Contract Owner. These consequences include current taxation of payments received, and may include penalties resulting from premature distribution. See "Tax Consequences."

A Contract Owner eligible to surrender or request a partial withdrawal may elect to do so by submitting a signed, written request to Horace Mann Life Insurance Company at HMLIC's Home Office at P.O. Box 4657, Springfield, Illinois 62708-4657. A partial withdrawal request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will be accepted if the proceeds are sent to the Contract Owner and the request is sent to (217) 527-2307. A surrender request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will not be accepted. See "Tax Consequences" and "Other Information -- Forms Availability."

Partial withdrawals and surrenders will be processed either on a date specified by you in a request, provided the date specified occurs on or after receipt of the request at HMLIC's Home Office, or at the next computed value following receipt of a valid request at HMLIC's Home Office.

<Page>

For your protection, we will send a confirmation letter on all address changes. If you have requested an address change within 15 days prior to your surrender or withdrawal request, we will hold your request until we have acquired confirmation of the correct address. Upon receipt of your confirmation of the address, we will consider the surrender or withdrawal request to be received in good form.

Surrenders and partial withdrawals from any Variable Subaccount are subject to the Surrender Charges shown in "Deductions and Expenses -- Surrender Charges."

Surrender Charges are applied to the withdrawals based on the effective date of the contract and not on the date the premium payment is paid.

Any request for partial withdrawal, where the withdrawal is subject to a Surrender Charge, will be increased by the amount of the Surrender Charge. For example, a request to withdraw \$3,000 at a 4% Surrender Charge on cash value will require a withdrawal of \$3,125. This withdrawal represents a cash distribution of \$3,000 and a Surrender Charge of \$125. Any taxes withheld will

reduce the dollar amount of the distribution received.

The Surrender Charge is assessed on the basis of the amount surrendered or withdrawn from the Subaccount(s), but will never exceed 9% of net premium payment(s) to a Subaccount during the lifetime of the contract. For example, if a Contract Owner's Subaccount value is \$12,000 and net premium payments to date equal \$10,000 and the Contract Owner withdraws \$2,000 (i.e., one sixth of the Subaccount value), then the Surrender Charge may not exceed 9% of \$1,666.66 (one sixth of the premium payment(s) to which the withdrawal relates).

If premium taxes are deducted prior to surrender or partial withdrawal, any reduction of HMLIC's premium tax liability due to the surrender or partial withdrawal will be to HMLIC's benefit.

DEFERMENT -- HMLIC ordinarily completes a transaction within seven calendar days after receipt of a proper request to transfer, surrender, partially withdraw or commence Annuity Payments. The value of the Contract is determined as of the Valuation Date on which a valid request is received. However, determination of Contract value and processing the transaction may be deferred for (1) any period during which the NYSE is closed for other than customary weekend or holiday closings or during which trading is restricted by the Securities and Exchange Commission; (2) any emergency period when it is not reasonably practicable to sell securities or fairly determine Accumulation Unit Values or Annuity Unit Values; or (3) any other period designated by the Securities and Exchange Commission to protect persons with interests in the Separate Account.

CONFIRMATIONS -- HMLIC mails written confirmations of premium payments to Contract Owners on a quarterly basis within five business days following the end of each calendar quarter. Written confirmations of transfers, changes in allocations, partial withdrawals and surrenders are mailed to Contract Owners within seven calendar days of the date the transaction occurred.

If a Contract Owner believes that the confirmation statement contains an error, the Contract Owner should notify HMLIC as soon as possible after receipt of the confirmation statement. Notice may be provided by writing to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll free).

DEDUCTIONS AND EXPENSES

ANNUAL MAINTENANCE FEE -- An annual maintenance fee of no more than \$25 is deducted from each Contract on the Contract anniversary date. This fee will be waived if the Contract value equals or exceeds \$10,000 at the time the fee is assessed.

We reserve the right to deduct, in whole or in part, the annual maintenance fee in the event of a complete surrender. The annual maintenance fee ceases when Annuity Payments begin.

The annual maintenance fee is intended to reimburse HMLIC for actual expenses incurred in administering the Contract. HMLIC does not expect to profit from such fee and assumes the risk that this annual maintenance fee may be insufficient to cover the actual costs of administering the Contract.

MORTALITY AND EXPENSE RISK FEE ("M&E FEE") -- For assuming mortality and expense risk, HMLIC applies an asset charge to the Separate Account. The fee for mortality and expense risk may not exceed the annual rate of 1.25% of the daily net assets of the Separate Account (0.45% for mortality risk, and 0.80% for expense risk; these may vary from time to time); however, HMLIC reserves the right to change the fee (subject to the 1.25% ceiling) in the future. The fee is computed on a daily basis.

SURRENDER CHARGES -- If not restricted by the IRC, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin. Surrender Charges for your Contract are:

<Table>
<Caption>

DURING CONTRACT YEAR	PERCENTAGE OF AMOUNT WITHDRAWN
<S>	<C>
1	8%
2	7.5%
3	7%
4	6%
5	5%
6	4%
7	3%
8	2%
9	1%
Thereafter	0%

</Table>

For further information regarding surrender or partial withdrawals see "Surrender or Withdrawal Before Commencement of Annuity Period." In some situations, you may make a withdrawal with no Surrender Charge. Please see your Contract for further details.

OPERATING EXPENSES OF THE UNDERLYING FUNDS -- There are deductions from and expenses paid out of the assets of the Underlying Funds that are described in each Underlying Fund's prospectus.

19

<Page>

PREMIUM TAXES -- Certain state and local governments levy a premium tax, currently between 0 and 3.5%, on the amount of premium payments made under this Contract. The premium tax, if any, is deducted when premium payments are received.

DEATH BENEFIT PROCEEDS

If a Contract Owner dies before the Annuity Date, a death benefit will be paid to the beneficiary designated by the Contract Owner. The death benefit is determined for each beneficiary as of the date proof of death is received by HMLIC from such beneficiary. Proof of death includes a certified death certificate or other satisfactory evidence of death and a completed claimant's statement.

If there have been no previous withdrawals or loans the death benefit is the greater of:

1. the Total Accumulation Value; or
2. the Net Premium paid to HMLIC.

If withdrawals or loans have been taken the death benefit is the greater of:

1. the Total Accumulation Value; or
2. the Net Premium paid to HMLIC, less the Net Premium attributable to both withdrawals and any outstanding loan balance.

For example, if a Contract Owner's Total Accumulation Value is \$8,000 and the Net Premium paid to date equals \$10,000 and the Contract Owner withdraws \$4,000 (50% of the Total Accumulation Value), then the death benefit would be the greater of the Total Accumulation Value (\$4,000) or 50% of the Net Premium (\$5,000).

All or part of the death benefit proceeds may be paid to the beneficiary under one of the Annuity Payment options described under "Annuity Payments -- Annuity Payment Options." If the form of Annuity Payment selected requires that payment be made by HMLIC after the death of the beneficiary, payments will be made to a payee designated by the beneficiary or, if no subsequent payee has been designated, to the beneficiary's estate. Any part of a Contract Owner's interest payable to a minor child will be paid to the child's legal guardian for the benefit of the child.

ANNUITY PAYMENTS

The Contract provides for fixed or Variable Annuity Payment options or a combination of both. The Contract Owner may elect to have Annuity Payments made under any one or more of the options described below or may elect a lump sum payment. To begin receiving Annuity Payments a properly completed request form must be received by HMLIC's Home Office. The request will be processed so that the Annuity Payments begin as of the first of the month following the month of receipt unless a later date is requested and approved by HMLIC. If a fixed payment option is elected, the Separate Account value will be transferred to the fixed account on the date the request is received in HMLIC's Home Office. In addition, if a Variable payment is elected, any money in the fixed account will be transferred to the Separate Account on the date we receive the request in HMLIC's Home Office. Your premium payment allocation(s) will be changed to the fixed account or Separate Account, depending on the payment option elected. Not all Subaccount(s) may be available for annuity payments. Generally, at the time an Annuity Payment option is selected, a Contract Owner must elect whether to withhold for federal and state income taxes. See "Other Information -- Forms Availability" and "Tax Consequences."

In general, the longer Annuity Payments are guaranteed, the lower the amount of each payment. Fixed Annuity Payments are paid in monthly, quarterly, semiannual and annual installments. Variable Annuity Payments are paid only on a monthly basis. If the Contract value to be applied under any one fixed or Variable Annuity Payment option is less than \$2,000 or if the option chosen would provide Annuity Payments less than \$20 per month at the Annuity Date, then the Contract value may be paid in a lump sum.

ANNUITY PAYMENT OPTIONS

The following Annuity Payment options are available on a Variable basis unless otherwise stated.

LIFE ANNUITY WITH PAYMENTS GUARANTEED FOR LIFE ONLY, 10, 15, OR 20 YEARS -- Annuity payments are made to the Contract Owner beginning with the Annuity Date. The annuity payments will be based upon the number of guaranteed payments selected, and the age and sex of the Annuitant on the Annuity Date. Annuity payments for this annuity option will continue as long as the Annuitant lives, or until all guaranteed payments have been made, whichever is later.

Guaranteed annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the IRC. If the Contract Owner dies before all annuity payments have been made, the remaining annuity payments will be paid to the Beneficiary(ies) as scheduled.

If the Annuitant dies before all guaranteed annuity payments have been made, the remaining guaranteed annuity payments will be paid to the Contract Owner, if living, otherwise to the Beneficiary(ies) as scheduled.

After the Annuity Date, this annuity option cannot be changed and withdrawals cannot be made.

PAYMENTS FOR A SPECIFIED PERIOD -- Annuity payments are made to the Contract Owner beginning with the Annuity Date and continue for the specified period of time as elected. The specified period can be as short as five years or as long as 30 years, so long as the payments extend beyond the surrender charge period. This option is available on a fixed payment basis only.

Annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the IRC. If the Contract Owner dies before all annuity payments have been made, the remaining annuity payments will be paid to the Beneficiary(ies) as scheduled.

If the Annuitant dies before all annuity payments have been made, the remaining annuity payments will be paid to the Contract Owner, if living, otherwise to the Beneficiary(ies) as scheduled.

20

<Page>

After the Annuity Date, the Contract Owner may change this annuity option, withdraw a portion of the Annuitized Value or surrender this option. Any change or withdrawal the Contract Owner makes may affect annuity payments. Surrender Charges may apply. If the Contract Owner surrenders this option, annuity payments will cease and the contract will terminate. Thereafter, HMLIC will be free of any liability for this terminated contract.

JOINT AND SURVIVOR ANNUITY Annuity payments are made to the Contract Owner beginning with the Annuity Date. The annuity payments will be based upon the specific survivor option selected, and the age and sex of the two Annuitants on the Annuity Date.

The available survivor options are to pay during the lifetime of the survivor: (1) 50 percent; (2) two-thirds; or (3) 100 percent of the annuity payments paid (or the number of Annuity Units) while both Annuitants were living.

Upon the death of one Annuitant, the selected survivor option percentage will be applied to determine the remaining payments during the lifetime of the survivor. Upon the death of the survivor, annuity payments cease.

If the Contract Owner dies while at least one Annuitant is living, the remaining annuity payments will be paid to the Beneficiary(ies) as scheduled. After the Annuity Date, this annuity option cannot be changed and Surrenders cannot be made.

The Annuitized Value applied to purchase variable annuity payments will be allocated to the Subaccount(s) as the Contract Owner instructs. Not all Subaccount(s) may be available for annuity payments. The first monthly annuity payment purchased per \$1,000 applied to each Subaccount under a variable annuity option will be the same amount as the initial monthly annuity payment purchased per \$1,000 applied to the corresponding fixed annuity option.

OTHER INCOME OPTIONS -- If the Contract Owner does not wish to elect one or more Annuity Payment options, the Contract Owner may:

- a) receive the proceeds in a lump sum less any applicable Surrender Charges, or
- b) elect any other option that HMLIC makes available.

AMOUNT OF FIXED AND VARIABLE ANNUITY PAYMENTS

In general, the dollar amount of Annuity Payments under the Contract depends on Contract value. Contract value equals the value of the fixed portion of the Contract plus the value of each Subaccount. The value of each Subaccount is determined by multiplying the number of Accumulation Units credited to each Subaccount within the Contract by its respective Accumulation Unit Value.

Contract value may be more or less than the amount of net premium payments allocated to the Contract.

FIXED ANNUITY PAYMENTS -- The amount of each payment under a fixed Annuity Payment option is determined as described in the Contract. These guaranteed payments will not change regardless of investment, mortality or expense experience. Higher Annuity Payments may be made at the sole discretion of HMLIC.

VARIABLE ANNUITY PAYMENTS -- The amount of the first monthly Variable Annuity Payment is determined as described in the Contract. The income option payments vary with the form of income option payment selected and adjusted age of the Annuitant(s).

The first monthly Variable Annuity Payment is used to calculate the number of Annuity Units for each subsequent monthly Annuity Payment. The number of Annuity Units remains constant over the payment period except when a joint and survivor option is chosen. Under that option, the number of Annuity Units will be reduced upon the death of either Annuitant to the survivor percentage elected.

The amount of monthly Annuity Payments following the first Variable Annuity Payment varies from month to month. Annuity Payments are determined each month by multiplying the Annuity Units by the applicable Annuity Unit Value at the date of payment.

ASSUMED INTEREST RATE -- The assumed interest rate for this Contract is 2%. The investment multiplier is one divided by the sum of one plus the assumed interest rate and the mortality and expense risk fee, adjusted to a monthly rate.

ANNUITY UNIT VALUE -- The Annuity Unit Value for the Wilshire VIT Equity Fund -- Horace Mann Shares, Wilshire VIT Balanced Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares Subaccounts was set at \$10.00 as of the date amounts first were allocated to provide Annuity Payments. The Annuity Unit Value for the Wilshire VIT Short-Term Investment Fund was established at \$10.00 on July 1, 2004. The Annuity Unit Value for all other Subaccounts was established at \$10.00 on March 1, 2005.

- The current Annuity Unit Value is equal to the prior Annuity Unit Value on the Valuation Date when payments were last determined, multiplied by the applicable net investment factor. This factor is computed by dividing the net asset value of a share of the Underlying Fund on the current Valuation Date, plus any dividends or other distributions, by the net asset value of a share on the Valuation Date of the preceding Valuation Period, and multiplying this result by the investment multiplier.
- If the net investment factor is equal to one, then monthly payments from that Subaccount will remain level. If the net investment factor is greater than one, the monthly payments from that Subaccount will increase. Conversely, if the net investment factor is less than one, the payments from that Subaccount will decrease.

MISSTATEMENT OF AGE OR SEX

If the age or sex of the Annuitant has been misstated, any Annuity Payment amount shall be adjusted to reflect the correct information. Any overpayments that have been made will be deducted from future payments, including interest of 6% per year. Any underpayments including 6% interest will be paid in one sum to the Contract Owner if living, otherwise to the beneficiary.

21

<Page>

MODIFICATION OF THE CONTRACT

The Contract provides that it may be modified by HMLIC to maintain continued compliance with applicable state and federal laws. Contract Owners will be notified of any modification. Only officers designated by HMLIC may modify the terms of the Contract.

HMLIC reserves the right to offer Contract Owners, at some future date and in accordance with the requirements of the Investment Company Act of 1940, the option to direct their net premium payments to a Subaccount within the Separate Account other than one or more of those currently offered. If shares of the Underlying Funds are not available for purchase by the Separate Account, or if in the judgment of HMLIC further investment in these shares is no longer appropriate in view of the purposes of the Separate Account or Subaccount, then (i) shares of another portfolio may be substituted for the Underlying Fund

shares held in the affected Subaccount and/or (ii) payments received after a date specified by HMLIC may be applied to the purchase of shares of another portfolio. No substitution will be made without prior approval of the Securities and Exchange Commission and any required Contract Owner approvals. Any substitution would be for shares of a portfolio with investment objectives similar to those of the Underlying Fund it replaces.

<Page>

TAX CONSEQUENCES

OTHER CONSIDERATIONS

This discussion of the federal income tax consequences is only a brief summary and is not intended as tax advice. The rules governing the provisions of annuity contracts are extremely complex and often difficult to comprehend. The discussion does not address special rules, prior tax laws or state or local tax laws. A Contract Owner or a prospective Contract Owner considering purchase of an annuity contract should first consult with a qualified and competent tax adviser before taking any action that could have tax consequences.

SEPARATE ACCOUNT

The operations of the Separate Account form part of the operations of HMLIC; however, the IRC provides that no federal income tax will be payable by HMLIC on the investment income and capital gains of the Separate Account if certain conditions are met. Provided the investments of the Underlying Funds continue to meet the diversification requirements of IRC Section 817(h), the Contract Owner will not pay federal income tax on the investment income and capital gains under a Contract until Annuity Payments begin or a full or partial withdrawal is made.

CONTRACT OWNERS

CONTRIBUTIONS -- No limitations are imposed on the amount of contributions made to a non-qualified Contract.

DISTRIBUTIONS UNDER NON-QUALIFIED CONTRACTS -- Contract Owners of non-qualified Contracts who are natural persons are not subject to federal income tax on earnings until Annuity Payments are received under the Contract. Contract Owners of non-qualified Contracts are not subject to the required minimum distribution rules under the IRC.

A distribution by surrender or partial withdrawal during the accumulation period may subject the Contract Owner to federal income tax under the rules of Section 72 of the IRC. If the distribution is a full or partial surrender, the amount of the distribution will be treated as gross income to the extent the cash value of the Contract (determined without regard to any Surrender Charge in the case of a partial withdrawal) immediately before the distribution exceeds the investment in the Contract. The investment in the Contract is the total of all premium payments paid under a Contract less any previous distributions that were excluded from the Contract Owner's income. Any taxable portion is taxed at ordinary income rates. This is known as the 'interest-first' rule.

For Contracts issued before August 14, 1982 distributions are taxed differently. If the Contract contains only premium payments and related earnings made before August 14, 1982, distributions are taxed under the cost recovery rule. The cost recovery rule provides that distributions are tax-free until they exceed the investment in the Contract. If a Contract issued before August 14, 1982 has premium payments and related earnings from both before and after August 14, 1982, the distributions are allocable in the following order: first from the investment made before August 14, 1982; second from earnings allocable to the investment made before August 14, 1982; third from earnings allocable to the investment made after August 13, 1982 and finally from the investment made after August 13, 1982.

If distributions are made pursuant to an Annuity Payment option, that portion of each Annuity Payment which represents the Contract Owner's investment in the Contract is excluded from income. The determination of the portion that represents the investment in the Contract is made using the exclusion ratio rules under Section 72 of the IRC. The exclusion ratio is the ratio that the total investment in the Contract bears to the total amount expected to be received under the Contract. For Contracts with annuity starting dates after December 31, 1986 the exclusion ratio will apply until the investment in the Contract has been fully recovered. Once the investment in the Contract has been recovered the entire amount of each subsequent Annuity Payment is fully taxable. For Contracts with annuity starting dates before December 31, 1986 the exclusion ratio applies to all payments.

CONTRACTS OWNED BY NON-NATURAL PERSONS -- Generally, if the Contract is owned by a non-natural person (for example, a corporation), the income on the Contract is includable in taxable income each year. In addition, the distribution rules discussed below will be applicable upon the death of or a change in the primary Annuitant. There are exceptions to these rules including

Contracts held by certain retirement plans, estates of a decedent and certain trusts treated as individuals.

EXCHANGES -- The accumulated value of the Contract may be eligible for a tax-free exchange under Section 1035 of the IRC. A replacement Contract obtained in a tax-free exchange will maintain the same relationship of investments in the Contract and allocable earnings as the replaced Contract for purposes of determining the amount of a distribution includable in income. However, a Contract issued before January 18, 1985 and not previously subject to the distribution at death rules (below) will generally be subject to such rules after an exchange.

DISTRIBUTION AT DEATH RULES -- In order to be treated as an annuity contract, a Contract must meet the following two distributions rules.

1. If the Contract Owner dies on or after the Annuity Date and has designated a beneficiary, any remaining balance must be distributed at least as rapidly as it was under the method of distribution in effect on the date of death.
2. If the Contract Owner dies before the Annuity Date, the balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the Contract Owner's death. If the Contract value is payable to a beneficiary other than a spouse, it may be paid over the life or life expectancy of that beneficiary provided distributions begin by December 31 of the calendar year following the year of the Contract Owner's death. If the beneficiary is the spouse, the spouse is treated as the owner.

23

<Page>

PREMATURE DISTRIBUTION TAX -- An additional tax (penalty tax) will generally apply to distributions made before the Contract Owner reaches age 59 1/2. The penalty tax is 10% of the amount of the payment that is includable in income. Certain distributions are exempt from this penalty tax and include payments (i) made as the result of the Contract Owner's death or disability, (ii) that are part of a series of substantially equal periodic payments made at least annually over the life (or life expectancy) of the owner or joint lives (or joint life expectancy) of the owner and beneficiary and (iii) that are attributable to the investment in the Contract before August 14, 1982 (and related earnings on that investment).

WITHHOLDING -- Distributions that are includable in income are subject to withholding of federal income tax unless the Contract Owner can validly elect not to have federal income tax withheld. For periodic payments (Annuity Payments), the withholding is calculated like wage withholding. For all other payments withholding is at a rate of 10%. HMLIC will notify the Contract Owner at least annually of his or her right to revoke the election not to have federal income tax withheld.

State and/or local tax withholding may also apply.

VOTING RIGHTS

Each Contract Owner has the right to instruct HMLIC with respect to voting his or her interest in the shares of the Underlying Funds held by the Separate Account at all shareholder meetings.

The number of votes that may be cast by a Contract Owner is based on the number of units owned as of the record date of the meeting. Shares for which no instructions are received are voted in the same proportion as the shares for which instructions have been received. Any Underlying Fund shares attributable to investment by HMLIC will be voted in proportion to the vote by Contract Owners who have Separate Account units. Contract Owners receive various materials, such as proxy materials and voting instruction forms, that relate to voting Underlying Fund shares.

OTHER INFORMATION

LEGAL PROCEEDINGS -- There are no legal proceedings to which the Separate Account is a party or to which the assets of the Separate Account are subject. HMLIC is engaged in various kinds of routine litigation that, in HMLIC's judgment, are not material to its financial condition. None of this litigation relates to the Separate Account.

REGISTRATION STATEMENT -- A registration statement has been filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the Contract. This prospectus does not contain all information set forth in the registration statement, its amendments and exhibits. Statements contained in this prospectus as to the content of the Contract and other legal instruments are summaries. For a complete statement of the terms thereof, reference is made to these instruments as filed.

COMMUNICATIONS TO CONTRACT OWNERS -- To ensure receipt of communications,

Contract Owners must notify HMLIC of address changes. Notice of a change in address may be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657. Contract Owners may also provide notice of an address change by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by calling (217) 789-2500 or (800) 999-1030 (toll-free).

HMLIC will attempt to locate Contract Owners for whom no current address is on file. In the event HMLIC is unable to locate a Contract Owner, HMLIC may be forced to surrender the value of the Contract to the Contract Owner's last known state of residence in accordance with the state's abandoned property laws.

CONTRACT OWNER INQUIRIES -- A toll-free number, (800) 999-1030, is available to telephone HMLIC's Annuity Customer Service Department. Written questions should be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657.

FORMS AVAILABILITY -- Specific forms are available from HMLIC to aid the Contract Owner in effecting many transactions allowed under the Contract. These forms may be obtained by calling the Annuity Customer Service Department toll-free at (800) 999-1030.

NASD REGULATION'S PUBLIC DISCLOSURE PROGRAM -- Information about HM Investors and your agent is available from the NASD at www.nasd.com or by calling (800) 289-9999 (toll-free).

24

<Page>

ADDITIONAL INFORMATION

A copy of the Statement of Additional Information providing more detailed information about the Separate Account is available, without charge, upon request. The Table of Contents of this Statement of Additional Information follows:

<Table>	
<Caption>	
TOPIC	PAGE
----	----
<S>	<C>
General Information and History	2
Underwriter	2
Financial Statements	2
</Table>	

To receive, without charge, a copy of the Statement of Additional Information for the Separate Account, please complete the following request form and mail it to the address indicated below, send it by telefacsimile (FAX) transmission to (217) 535-7123 or telephone (217) 789-2500 or (800) 999-1030 (toll-free).

HORACE MANN LIFE INSURANCE COMPANY
P.O. BOX 4657
SPRINGFIELD, ILLINOIS 62708-4657

Please provide free of charge the following information:

_____ Statement of Additional Information dated May 2, 2005 for the Separate Account

Please mail the above document to:

(Name)

(Address)

(City/State/Zip)

25

<Page>

PROSPECTUS

QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACTS

VARIABLE SOLUTIONS II AND MAXIMUM SOLUTIONS II

HORACE MANN LIFE INSURANCE COMPANY
SEPARATE ACCOUNT

<Page>

QUALIFIED VARIABLE DEFERRED ANNUITY CONTRACTS ISSUED BY HORACE MANN LIFE
INSURANCE COMPANY SEPARATE ACCOUNT
FLEXIBLE PREMIUM CONTRACTS FOR INDIVIDUALS

This prospectus offers Variable, qualified annuity Contracts to individuals. The Contracts are issued by Horace Mann Life Insurance Company ("HMLIC") as flexible premium Contracts. They are issued in connection with retirement plans or arrangements which may qualify for special tax treatment under the Internal Revenue Code of 1986 as amended ("IRC"). Amounts transferred to the HMLIC Separate Account as directed by a Contract Owner are invested in one or more of the Subaccounts (sometimes referred to as Variable investment options). Each Subaccount purchases shares in a corresponding Underlying Fund. The Underlying Funds are:

Large Company Stock Funds

Large Blend

JPMorgan U.S. Large Cap Core Equity Portfolio
Fidelity VIP Growth & Income Portfolio SC 2
Wilshire 5000 Index Portfolio
Fidelity VIP Index 500 Portfolio SC 2

Large Growth

Fidelity VIP Growth Portfolio SC 2

AllianceBernstein Large Cap Growth Portfolio

Wilshire Large Company Growth Portfolio

Large Value

Wilshire VIT Equity Fund -- Horace Mann Shares
Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
Davis Value Portfolio
Wilshire Large Company Value Portfolio

Mid-Size Company Stock Funds

Mid Blend

Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
Fidelity VIP Mid Cap Portfolio SC 2
Rainier Small/Mid Cap Equity Portfolio

Mid Growth

Delaware VIP Growth Opportunities Series
Lord Abbett Insurance Series Growth/Opportunities
Putnam VT Vista Fund (IB Shares)

Mid Value

Ariel Appreciation Fund

Small Company Stock Funds

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund
Neuberger Berman Genesis Fund -- Advisor Class

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
Delaware VIP Trend Series
Wilshire Small Company Growth Portfolio

Small Value

Ariel Fund
Royce Capital Fund Small-Cap Portfolio
Wilshire Small Company Value Portfolio

International Stock Funds

Wilshire VIT International Equity Fund -- Horace Mann Shares
Fidelity VIP Overseas Portfolio SC 2

Balanced Fund

Wilshire VIT Balanced Fund -- Horace Mann Shares

Bond Funds

Wilshire VIT Income Fund -- Horace Mann Shares
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares
Fidelity VIP High Income Portfolio SC 2
Fidelity VIP Investment Grade Bond Portfolio SC 2

<Page>

This prospectus sets forth the information an investor should know before investing and should be kept for future reference. Additional information about the HMLIC Separate Account has been filed with the Securities and Exchange Commission in a Statement of Additional Information, dated May 2, 2005. The Statement of Additional Information is incorporated by reference and is available upon request, without charge. You may obtain the Statement of Additional Information by writing to Horace Mann Life Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free). The table of contents of the Statement of Additional Information appears on page 30 of this prospectus.

The Securities and Exchange Commission maintains a website (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference, and other information that the HMLIC Separate Account files electronically with the Securities and Exchange Commission.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ANNUITIES OFFERED BY HMLIC ARE NOT INSURED BY THE FDIC OR ANY OTHER GOVERNMENT AGENCY. THEY ARE NOT DEPOSITS OF, OBLIGATIONS OF OR GUARANTEED BY ANY BANK. THEY INVOLVE INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED.

The date of this prospectus is May 2, 2005.

2

<Page>

TABLE OF CONTENTS

	PAGE

<S>	<C>
DEFINITIONS	4
SUMMARY	5
TABLE OF ANNUAL OPERATING EXPENSES	7
CONDENSED FINANCIAL INFORMATION	9
HORACE MANN LIFE INSURANCE COMPANY, THE SEPARATE ACCOUNT AND THE UNDERLYING FUNDS	14
Horace Mann Life Insurance Company	14
The Separate Account	14
The Underlying Funds	14
THE CONTRACTS	18
Contract Owners' Rights	18
Purchasing the Contract	19
Premium Payments	19
Amount and Frequency of Premium Payments	19
Allocation of Premium Payments	19
Accumulation Units and Accumulation Unit Value	19
Transactions	20
Transfers	20
Dollar Cost Averaging	20
Rebalancing	21
Changes to Premium Allocations	21
Market Timing	21
Surrender or Withdrawal Before Commencement of Annuity Period	22
Deferment	22
Confirmations	23
Deductions and Expenses	23
Annual Maintenance Fee	23
Mortality and Expense Risk Fee	23
Surrender Charges	23
Operating Expenses of the Underlying Funds	23
Premium Taxes	23
Death Benefit Proceeds	23
Annuity Payments	23
Annuity Payment Options	24
Amount of Fixed and Variable Annuity Payments	24
Misstatement of Age or Sex	25
Modification of the Contract	25
TAX CONSEQUENCES	27
Other Considerations	27
Separate Account	27
Contract Owners	27
Contribution Limitations and General Requirements Applicable to Qualified Contracts	27
Taxation of Contract Benefits	28
Additional Taxes	29
VOTING RIGHTS	29
OTHER INFORMATION	30
ADDITIONAL INFORMATION	30
</Table>	

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR SOLICITATION OF AN OFFER TO ACQUIRE, ANY INTEREST OR PARTICIPATION IN THE CONTRACTS OFFERED BY THIS PROSPECTUS IN ANY STATE TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH STATE.

3

DEFINITIONS

ACCUMULATION UNIT: A unit of measurement used to determine the value of a Contract Owner's interest in a Subaccount before Annuity Payments begin.

ACCUMULATION UNIT VALUE: The value of an Accumulation Unit on any Valuation Date.

ANNUITANT: The natural person whose life determines the Annuity Payments made under a Contract.

ANNUITY DATE: The date Annuity Payments begin. The individual Contracts offered by this prospectus describe the criteria for determining Annuity Dates.

In addition, Qualified Plans often place certain limitations upon election of an Annuity Date. Generally, distributions under Qualified Plans (except Roth IRAs) must begin by April 1 following the calendar year in which the Contract Owner reaches age 70 1/2. See "Tax Consequences -- Taxation of Contract Benefits."

ANNUITY PAYMENTS: A series of payments that may be for life; for life with a guaranteed number of payments; for the joint lifetimes of the Annuitant and another person, and thereafter, during the lifetime of the survivor; or for some fixed period. A fixed annuity provides a series of payments that will be equal in amount throughout the annuity period. A fixed annuity does not participate in the investment experience of any Subaccount. A Variable annuity provides a series of payments that vary in amount.

ANNUITY PERIOD: The period during which Annuity Payments are made to the Annuitant or the last surviving joint Annuitant, if any.

ANNUITY UNIT: A unit of measurement used in determining the amount of a Variable Annuity Payment during the Annuity Period.

ANNUITY UNIT VALUE: The value of an Annuity Unit on any Valuation Date.

CONTRACT: The individual flexible premium deferred Variable annuity Contracts this prospectus offers.

CONTRACT OWNER: The individual or entity to whom the Contract is issued.

CONTRACT YEAR: A year measured from the date a Contract was issued to an individual Contract Owner and each anniversary of this date.

FIXED CASH VALUE: The dollar value of the fixed account under the Contract prior to the time Annuity Payments begin.

MUTUAL FUND(S): Open-end management investment companies. These companies are generally registered under the Investment Company Act of 1940.

NET PREMIUM: The balance of each premium payment received by HMLIC after deducting any applicable premium taxes.

QUALIFIED PLAN: The term "Qualified Plan" in this prospectus will be used to describe the following contracts: IRC Section 403(b) tax sheltered annuity ("403(b) Contract"); IRC Section 408 individual retirement annuity ("IRA"); IRC Section 408A Roth IRA ("Roth IRA"); IRC Section 408(p) simple retirement annuity ("SIMPLE"); IRC Section 408(k) simplified employee pension ("SEP"); IRC Section 457(b) eligible governmental plan annuity ("457(b) Contract"); and IRC 401 qualified annuity.

SEPARATE ACCOUNT: The Horace Mann Life Insurance Company Separate Account, a segregated variable investment account consisting of Subaccounts each of which invests in a corresponding Underlying Fund. The Separate Account was established by HMLIC under Illinois law and is registered as a unit investment trust under the Investment Company Act of 1940.

SUBACCOUNT: A division of the Separate Account which invests in shares of the corresponding Underlying Fund.

TOTAL ACCUMULATION VALUE: The sum of the Fixed Cash Value and the Variable Cash Value prior to the time Annuity Payments begin.

UNDERLYING FUNDS: All Mutual Funds listed in this document that are available for investment by the Separate Account.

VALUATION DATE: Any day on which the New York Stock Exchange ("NYSE") is open for trading. The Valuation Date ends at 3:00 p.m. Central time or the close of the NYSE if earlier.

VALUATION PERIOD: The period from the end of a Valuation Date to the end of the next Valuation Date, excluding the day the period begins and including the day it ends.

VARIABLE: The values vary based on the investment performance of the Subaccount(s) selected.

VARIABLE CASH VALUE: The dollar value of the Separate Account investment options under the Contract prior to the time Annuity Payments begin.

SURRENDER CHARGE: (a contingent deferred sales charge) An amount kept by HMLIC if a withdrawal is made or if the Contract is surrendered. The charge is intended to compensate HMLIC for the cost of selling the Contract.

4

<Page>

SUMMARY

This summary is intended to provide a brief overview of the more significant aspects of the Contract(s). Further information can be found elsewhere in this prospectus, in the Separate Account Statement of Additional Information and in the Contracts. This prospectus is intended to serve as a disclosure document for the Variable portion of the Contracts only. For information regarding the fixed portion, refer to the Contract(s).

Detailed information about the Underlying Funds is contained in each Underlying Fund's prospectus and in each Underlying Fund Statement of Additional Information.

The expenses for the Underlying Funds, including advisory and management fees, are found in each Underlying Fund's prospectus.

WHAT IS THE "SEPARATE ACCOUNT?"

The Separate Account segregates assets dedicated to the Variable portion of the Contracts offered herein. The Separate Account is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 as a unit investment trust. The Separate Account consists of Subaccounts, each investing in shares of a corresponding Underlying Fund.

WHO MAY PURCHASE THE CONTRACT OFFERED BY THIS PROSPECTUS?

Individuals may purchase the Variable flexible premium annuity. The Contracts offered by this prospectus are Qualified Plans.

The Contracts are offered and sold by HMLIC through its licensed life insurance sales personnel. These insurance sales personnel are registered representatives of Horace Mann Investors, Inc. ("HM Investors"). In addition, the Contracts may be offered and sold through independent agents and other broker-dealers. HM Investors is a broker-dealer registered under the Securities and Exchange Act of 1934. HMLIC has entered into a distribution agreement with HM Investors. HM Investors is a member of the NASD.

WHAT ARE MY INVESTMENT CHOICES?

You may have money allocated to or invested in up to 24 Subaccounts and/or the fixed account at any one time.

(a) SEPARATE ACCOUNT

Includes Subaccounts each of which invests in one of the following Underlying Funds:

LARGE COMPANY STOCK FUNDS

Large Blend

- JPMorgan U.S. Large Cap Core Equity Portfolio
- Fidelity VIP Growth & Income Portfolio SC 2
- Wilshire 5000 Index Portfolio
- Fidelity VIP Index 500 Portfolio SC 2

Large Growth

- Fidelity VIP Growth Portfolio SC 2

- AllianceBernstein Large Cap Growth Portfolio

- Wilshire Large Company Growth Portfolio

Large Value

- Wilshire VIT Equity Fund -- Horace Mann Shares
- Wilshire VIT Socially Responsible Fund -- Horace Mann Shares
- Davis Value Portfolio
- Wilshire Large Company Value Portfolio

MID-SIZE COMPANY STOCK FUNDS

Mid Blend

- Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares
- Fidelity VIP Mid Cap Portfolio SC 2

Rainier Small/Mid Cap Equity Portfolio

Mid Growth

Delaware VIP Growth Opportunities Series
Lord Abbett Insurance Series Growth/Opportunities
Putnam VT Vista Fund (IB Shares)

Mid Value

Ariel Appreciation Fund(1)

SMALL COMPANY STOCK FUNDS

Small Blend

Goldman Sachs VIT Core Small Cap Equity Fund
Neuberger Berman Genesis Fund -- Advisor Class

Small Growth

Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares
Delaware VIP Trend Series
Wilshire Small Company Growth Portfolio

Small Value

Ariel Fund(1)
Royce Capital Fund Small-Cap Portfolio
Wilshire Small Company Value Portfolio

INTERNATIONAL STOCK FUNDS

Wilshire VIT International Equity Fund -- Horace Mann Shares
Fidelity VIP Overseas Portfolio SC 2

BALANCED FUND

Wilshire VIT Balanced Fund -- Horace Mann Shares

5

<Page>

BOND FUNDS

Wilshire VIT Income Fund -- Horace Mann Shares
Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares
Fidelity VIP High Income Portfolio SC 2
Fidelity VIP Investment Grade Bond Portfolio SC 2

(1) These Funds are not available as an investment option for a 457(b) Contract.

(b) FIXED ACCOUNT (SEE THE CONTRACT)

WHEN CAN I TRANSFER BETWEEN ACCOUNTS?

At any time before the Contract's Annuity Date, amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract. For complete details see "The Contract -- Transactions -- Transfers."

MAY I WITHDRAW ALL OR PART OF THE CONTRACT VALUE BEFORE THE ANNUITY DATE?

Unless restricted by the Internal Revenue Code of 1986, as amended ("IRC"), a Contract Owner may at any time before the Annuity Date surrender his or her Contract in whole or withdraw in part for cash. Each surrender or partial withdrawal from the Variable Cash Value is processed on the basis of the value of an Accumulation Unit of the Subaccount(s) from which the value is being surrendered or withdrawn. Surrenders and withdrawals may be subject to Surrender Charges as described in "Deductions and Expenses -- Surrender Charges." For information specific to a withdrawal of the Fixed Cash Value, see your Contract.

WHAT ARE THE CHARGES OR DEDUCTIONS?

The Contracts may be subject to deductions for applicable state or local government premium taxes. Premium taxes presently range from 0% to 3.5%.

A mortality and expense risk fee (M&E Fee) is deducted from the Separate Account. This fee is computed on a daily basis. See the "Individual Product Information" section for the mortality and expense risk fee of your product.

Variable Solutions II has an annual maintenance fee that may not exceed \$25 and is assessed against the Contract on each anniversary, unless the Contract value equals or exceeds \$10,000, in which case such charge is waived. Maximum Solutions II does not have an annual maintenance fee.

No deduction for sales expense is charged on premium payments, but a decreasing Surrender Charge is assessed against surrenders, and withdrawals. The charge is deducted from the Contract Owner's value in the Subaccount(s) from which the withdrawal is made. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

WHAT ARE THE FEDERAL INCOME TAX CONSEQUENCES OF INVESTING IN THIS CONTRACT?

The IRC provides penalties for premature distributions under various retirement plans. Values may not be withdrawn from Section 403(b) or Section 457(b) Contracts except under certain circumstances. See "Tax Consequences." These Contracts might not be suitable for short-term investment. See "The Contract -- Transactions -- Surrender or Withdrawal Before Commencement of Annuity Period."

IF I RECEIVE MY CONTRACT AND AM DISSATISFIED, MAY I RETURN IT?

Subject to various state insurance laws, the Contract Owner may return the Contract to HMLIC within 30 days of receipt of the Contract. HMLIC will refund the greater of the premium contributions or the market value of the assets purchased by payments paid to the Separate Account as of the date the request was received less any taxes, if applicable.

WHEN CAN I BEGIN RECEIVING ANNUITY PAYMENTS, AND WHAT OPTIONS ARE AVAILABLE?

Payments will begin on the Annuity Date set by the terms of your Contract. Variable Annuity Payments are only made in monthly installments. Various Annuity Payment options are available under the Contract.

Annuity Payments may be fixed or Variable or a combination of fixed and Variable payments. The following options are available for receiving Annuity Payments:

Life Annuity with payments guaranteed for periods of Life Only, 10, 15 or 20 years, Joint and Survivor Annuity and Payments for a Specified Period.

6

<Page>

TABLE OF ANNUAL OPERATING EXPENSES

The following tables describe the maximum fees and expenses that you may pay when buying, owning and surrendering the Contract. The first table describes the fees and expenses that you will pay at the time that you buy the Contract, surrender the Contract or transfer cash value between investment options. State premium taxes may also be deducted. To determine the Contract you own, look in the bottom left hand corner of your Contract for the form number. This is the number referenced below the product name in the following tables. If you are in the process of purchasing a Contract, ask your registered representative which Contract you are purchasing.

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
 CONTRACT OWNER TRANSACTION EXPENSES:(1)

<Table>
 <Caption>

	VARIABLE SOLUTIONS II (IC-450000)	MAXIMUM SOLUTIONS II (IC-451000)
	-----	-----
	<C>	<C>
Surrender Fees (as a percentage of amount surrendered, if applicable)	8%	7%

<S>
 Surrender Fees (as a percentage of amount surrendered, if applicable)
 </Table>

(1) Premium taxes, currently ranging between 0% and 3.5%, are not included. The rate of the premium tax varies depending upon the state of residence, and not all states impose premium taxes. Taxes are deducted at the time of purchase.

We guarantee that the aggregate surrender fee charged will never exceed 9% of your total purchase payments.

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including Underlying Fund fees and expenses.

<Table>
 <Caption>

	VARIABLE SOLUTIONS II (IC-450000)	MAXIMUM SOLUTIONS II (IC-451000)
	-----	-----
	<C>	<C>
Annual Contract Fee(1)	\$ 25	\$ 0
Separate Account Annual Expenses (as a percentage of average account value)		
Mortality and Expense Risk Fees	1.25%	0.95%
Account Fees and Expenses	0%	0%
Total Separate Account Annual Expenses	1.25%	0.95%

<S>
 Annual Contract Fee(1)
 Separate Account Annual Expenses (as a percentage of average account value)
 Mortality and Expense Risk Fees
 Account Fees and Expenses
 Total Separate Account Annual Expenses
 </Table>

(1) The annual contract fee is waived if the Contract value equals or exceeds

\$10,000.

The next item shows the minimum and maximum total operating expenses charged by the Underlying Funds that you may pay periodically during the time that you own the Contract. More detail concerning each Underlying Fund's fees and expenses is contained in the prospectus for each Underlying Fund.

TOTAL ANNUAL UNDERLYING FUND OPERATING EXPENSES	MINIMUM	MAXIMUM
(expenses that are deducted from Underlying Fund assets, including management fees, distribution and/or service (12b-1) fees and other expenses)	0.35%	1.86%

EXAMPLE

This Example is intended to help you compare the cost of investing in the Contract with the cost of investing in other Variable annuity contracts. These costs include Contract Owner transaction expenses, Contract fees, Separate Account annual expenses and Underlying Fund fees and expenses.

The Example assumes that you invest \$10,000 in the Contract for the time periods indicated. The Example also assumes that your investment has a 5% return each year and assumes the maximum fees and expenses of any of the Underlying Funds as of December 31, 2004. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

VARIABLE SOLUTIONS II (IC-450000)

If you surrender or annuitize your Contract at the end of the applicable time period:

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	\$ 1,151	\$ 1,711	\$ 2,178	\$ 3,381

<Page>

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	\$ 336	\$ 975	\$ 1,634	\$ 3,381

MAXIMUM SOLUTIONS II (IC-451000)

If you surrender or annuitize your Contract at the end of the applicable time period:

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	\$ 997	\$ 1,398	\$ 1,807	\$ 3,113

If you do NOT surrender or annuitize your Contract at the end of the applicable time period:

<Table>

<Caption>	1 YEAR	3 YEARS	5 YEARS	10 YEARS
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
	\$ 282	\$ 864	\$ 1,473	\$ 3,113

8

<Page>

CONDENSED FINANCIAL INFORMATION

The following information is taken from the Separate Account financial statements. The financial statements and reports are contained in the Annual Report for the Separate Account and are incorporated herein by reference and may be obtained by calling or writing HMLIC. The Wilshire VIT Equity Fund -- Horace Mann Shares commenced operations on May 21, 1957. The Wilshire VIT Balanced Fund -- Horace Mann Shares, Income Fund and the Short-Term Investment Fund each commenced operations on January 1, 1983. The Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares, Wilshire VIT International Equity Fund -- Horace Mann Shares and Wilshire VIT Socially Responsible Fund -- Horace Mann Shares each commenced operations on March 10, 1997. The Wilshire 5000 Index Portfolio and the Wilshire Large Company Growth Portfolio were added to the Separate Account on May 1, 2000. The Ariel Fund and the Ariel Appreciation Fund were added to the Separate Account on May 1, 2001. The Delaware VIP Growth Opportunities Series, Royce Capital Fund Small-Cap Portfolio, Lord Abbett Insurance Series Growth/Opportunities, Goldman Sachs VIT Core Small Cap Equity Fund, Delaware VIP Trend Series and Dreyfus Investment Portfolio: Mid Cap Stock Fund -- Service Shares were added to the Separate Account on June 1, 2004. All other Underlying Funds not specified above were added to the Separate Account on August 9, 2000.

<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
JPMORGAN U.S. LARGE CAP CORE EQUITY PORTFOLIO	12/31/04	\$ 12.22	\$ 13.22	1,143,649
	12/31/03	9.65	12.22	915,270
	12/31/02	12.97	9.65	690,067
	12/31/01	14.90	12.97	431,258
	12/31/00	17.33*	14.90	123,796
FIDELITY VIP GROWTH & INCOME PORTFOLIO SC 2	12/31/04	\$ 13.69	\$ 14.27	757,537
	12/31/03	11.23	13.69	535,029
	12/31/02	13.67	11.23	357,213
	12/31/01	15.20	13.67	230,640
	12/31/00	16.03*	15.20	53,980
WILSHIRE 5000 INDEX PORTFOLIO -- INVESTMENT CLASS	12/31/04	\$ 9.05	\$ 9.94	787,993
	12/31/03	7.07	9.05	541,013
	12/31/02	9.08	7.07	365,881
	12/31/01	10.38	9.08	213,861
	12/31/00	12.23*	10.38	40,024
FIDELITY VIP INDEX 500 PORTFOLIO SC 2	12/31/04	\$ 124.84	\$ 136.05	277,917
	12/31/03	98.66	124.84	211,435
	12/31/02	128.86	98.66	151,544
	12/31/01	148.95	128.86	93,943
	12/31/00	171.04*	148.95	32,999
FIDELITY VIP GROWTH PORTFOLIO SC 2	12/31/04	\$ 31.79	\$ 32.38	974,205
	12/31/03	24.28	31.79	771,644
	12/31/02	35.28	24.28	595,943
	12/31/01	43.48	35.28	404,152
	12/31/00	53.82*	43.48	161,937
ALLIANCEBERNSTEIN LARGE CAP GROWTH PORTFOLIO	12/31/04	\$ 21.59	\$ 23.11	818,599
	12/31/03	17.71	21.59	676,885
	12/31/02	25.94	17.71	522,390
	12/31/01	31.81	25.94	357,364
	12/31/00	41.57*	31.81	130,232

9

<Page>

<Table>
<Caption>

SUBACCOUNT -----	YEAR ENDED -----	ACCUMULATION UNIT VALUE		ACCUMULATION UNIT VALUE		# ACCUMULATION UNITS OUTSTANDING
		BEGINNING OF PERIOD -----	END OF PERIOD -----	BEGINNING OF PERIOD -----	END OF PERIOD -----	END OF PERIOD -----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
WILSHIRE LARGE COMPANY GROWTH PORTFOLIO -- INVESTMENT CLASS	12/31/04	\$ 29.13	\$ 30.72			324,321
	12/31/03	23.32	29.13			228,018
	12/31/02	30.18	23.32			160,285
	12/31/01	36.63	30.18			99,528
	12/31/00	46.36*	36.63			16,962
WILSHIRE VIT EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$ 19.76	\$ 21.51			14,024,912
	12/31/03	15.68	19.76			15,075,890
	12/31/02	19.70	15.68			15,849,770
	12/31/01	20.82	19.70			17,361,722
	12/31/00	22.10	20.82			18,713,068
	12/31/99	22.97	22.10			23,693,305
	12/31/98	21.62	22.97			24,141,182
	12/31/97	17.74	21.62			21,736,131
	12/31/96	14.33	17.74			18,086,814
	12/31/95	10.88	14.33			14,363,155
	12/31/94	11.03	10.88			12,072,982
WILSHIRE VIT SOCIALLY RESPONSIBLE FUND -- HORACE MANN SHARES	12/31/04	\$ 14.85	\$ 16.61			4,612,921
	12/31/03	11.70	14.85			4,740,058
	12/31/02	13.70	11.70			4,803,270
	12/31/01	14.96	13.70			4,970,814
	12/31/00	13.92	14.96			4,767,452
	12/31/99	13.00	13.92			3,893,389
	12/31/98	12.00	13.00			2,430,089
	12/31/97	9.85	12.00			698,226
DAVIS VALUE PORTFOLIO	12/31/04	\$ 10.40	\$ 11.54			612,231
	12/31/03	8.11	10.40			486,125
	12/31/02	9.80	8.11			384,920
	12/31/01	11.08	9.80			333,527
	12/31/00	11.58*	11.08			134,363
WILSHIRE LARGE COMPANY VALUE PORTFOLIO	12/31/04	\$ 21.61	\$ 24.19			729,103
	12/31/03	17.02	21.61			611,659
	12/31/02	20.83	17.02			472,191
	12/31/01	21.34	20.83			266,320
	12/31/00	19.91*	21.34			23,435
DREYFUS INVESTMENT PORTFOLIO: MID CAP STOCK FUND -- SERVICE SHARES	12/31/04	\$ 15.91*	\$ 17.90			9,576
FIDELITY VIP MID CAP PORTFOLIO SC 2	12/31/04	\$ 23.43	\$ 28.85			954,231
	12/31/03	17.16	23.43			798,274
	12/31/02	19.31	17.16			674,016
	12/31/01	20.25	19.31			551,984
	12/31/00	20.11*	20.25			231,555
RAINIER SMALL/MID CAP EQUITY PORTFOLIO	12/31/04	\$ 30.15	\$ 34.96			303,239
	12/31/03	20.87	30.15			247,172
	12/31/02	26.42	20.87			194,166
	12/31/01	27.84	26.42			135,479
	12/31/00	30.39*	27.84			51,884

</Table>

10

<Page>

<Table>

<Caption>

SUBACCOUNT -----	YEAR ENDED -----	ACCUMULATION UNIT VALUE		ACCUMULATION UNIT VALUE		# ACCUMULATION UNITS OUTSTANDING
		BEGINNING OF PERIOD -----	END OF PERIOD -----	BEGINNING OF PERIOD -----	END OF PERIOD -----	END OF PERIOD -----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
DELAWARE VIP GROWTH OPPORTUNITIES SERIES	12/31/04	\$ 14.24*	\$ 15.70			11,064
LORD ABBETT INSURANCE SERIES GROWTH/OPPORTUNITIES	12/31/04	\$ 12.00*	\$ 13.21			22,415
PUTNAM VT VISTA FUND (IB SHARES)	12/31/04	\$ 11.56	\$ 13.54			447,976
	12/31/03	8.79	11.56			431,300
	12/31/02	12.82	8.79			375,227
	12/31/01	19.52	12.82			326,406
	12/31/00	25.13*	19.52			146,933
ARIEL APPRECIATION FUND	12/31/04	\$ 42.98	\$ 48.02			798,279

	12/31/03		33.22		42.98	612,277
	12/31/02		37.51		33.22	411,440
	12/31/01		31.01*		37.51	115,976
GOLDMAN SACHS VIT CORE SMALL CAP EQUITY FUND	12/31/04	\$	12.99*	\$	15.00	17,423
NEUBERGER BERMAN GENESIS FUND -- ADVISOR CLASS	12/31/04	\$	23.74	\$	27.77	642,198
	12/31/03		18.30		23.74	513,797
	12/31/02		19.14		18.30	409,931
	12/31/01		17.35		19.14	228,309
	12/31/00		15.84*		17.35	14,507
WILSHIRE VIT SMALL CAP GROWTH FUND -- HORACE MANN SHARES	12/31/04	\$	11.52	\$	11.88	4,302,146
	12/31/03		7.33		11.52	4,507,783
	12/31/02		12.16		7.33	4,361,425
	12/31/01		17.54		12.16	4,399,005
	12/31/00		19.92		17.54	4,284,826
	12/31/99		11.61		19.92	2,619,220
	12/31/98		11.10		11.61	2,103,641
	12/31/97		9.59		11.10	1,284,537
DELAWARE VIP TREND SERIES	12/31/04	\$	28.47*	\$	30.27	2,275
WILSHIRE SMALL COMPANY GROWTH PORTFOLIO	12/31/04	\$	17.54	\$	20.30	121,774
	12/31/03		12.96		17.54	92,724
	12/31/02		15.23		12.96	65,352
	12/31/01		15.87		15.23	28,130
	12/31/00		17.80*		15.87	8,061
ARIEL FUND	12/31/04	\$	45.16	\$	54.42	486,122
	12/31/03		35.70		45.16	376,980
	12/31/02		38.12		35.70	255,196
	12/31/01		34.63*		38.12	65,549
ROYCE CAPITAL FUND SMALL-CAP PORTFOLIO	12/31/04	\$	8.10*	\$	9.42	93,281
WILSHIRE SMALL COMPANY VALUE PORTFOLIO	12/31/04	\$	19.45	\$	23.60	140,474
	12/31/03		14.43		19.45	122,082
	12/31/02		15.88		14.43	115,069
	12/31/01		13.72		15.88	80,507
	12/31/00		12.31*		13.72	5,138

</Table>

11

<Page>

<Table>

<Caption>

SUBACCOUNT	YEAR ENDED		ACCUMULATION	ACCUMULATION	# ACCUMULATION	
			UNIT VALUE	UNIT VALUE	UNITS	
			BEGINNING OF	END OF	OUTSTANDING	
			PERIOD	PERIOD	END OF	
					PERIOD	
<S>	<C>	<C>	<C>	<C>	<C>	
WILSHIRE VIT INTERNATIONAL EQUITY FUND -- HORACE MANN SHARES	12/31/04	\$	10.68	\$	11.67	3,099,530
	12/31/03		8.16		10.68	3,072,915
	12/31/02		10.47		8.16	2,970,500
	12/31/01		14.39		10.47	2,935,800
	12/31/00		17.67		14.39	2,650,938
	12/31/99		11.72		17.67	1,187,606
	12/31/98		9.98		11.72	696,337
	12/31/97		9.74		9.98	464,676
FIDELITY VIP OVERSEAS PORTFOLIO SC 2	12/31/04	\$	17.21	\$	19.27	643,917
	12/31/03		12.18		17.21	430,503
	12/31/02		15.50		12.18	308,350
	12/31/01		19.91		15.50	209,742
	12/31/00		23.13*		19.91	70,810
WILSHIRE VIT BALANCED FUND -- HORACE MANN SHARES	12/31/04	\$	18.59	\$	19.86	13,172,538
	12/31/03		15.74		18.59	14,094,671
	12/31/02		17.39		15.74	14,804,752
	12/31/01		17.36		17.39	16,254,478
	12/31/00		17.41		17.36	17,553,416
	12/31/99		17.83		17.41	22,621,955
	12/31/98		16.78		17.83	23,286,358
	12/31/97		14.28		16.78	22,095,620
	12/31/96		12.22		14.28	20,098,949
	12/31/95		9.75		12.22	17,804,536
	12/31/94		9.97		9.75	15,666,817
WILSHIRE VIT INCOME FUND -- HORACE MANN SHARES	12/31/04	\$	16.30	\$	16.89	1,300,042
	12/31/03		15.39		16.30	1,210,705
	12/31/02		14.29		15.39	1,187,910

12/31/01	13.27	14.29	936,292
12/31/00	12.34	13.27	827,539
12/31/99	12.70	12.34	1,034,296
12/31/98	11.90	12.70	1,060,399
12/31/97	11.02	11.90	784,296
12/31/96	10.78	11.02	942,068
12/31/95	9.49	10.78	938,069
12/31/94	9.85	9.49	945,569

WILSHIRE VIT SHORT-TERM INVESTMENT FUND --
HORACE MANN SHARES

12/31/04	\$ 10.86	\$ 10.85	270,993
12/31/03	10.88	10.86	427,380
12/31/02	10.83	10.88	367,360
12/31/01	10.42	10.83	237,129
12/31/00	9.97	10.42	205,055
12/31/99	9.64	9.97	132,903
12/31/98	9.30	9.64	120,651
12/31/97	8.97	9.30	122,530
12/31/96	8.65	8.97	125,251
12/31/95	8.34	8.65	110,931
12/31/94	8.13	8.34	125,199

</Table>

<Page>

<Table>
<Caption>

SUBACCOUNT	YEAR ENDED	ACCUMULATION UNIT VALUE BEGINNING OF PERIOD	ACCUMULATION UNIT VALUE END OF PERIOD	# ACCUMULATION UNITS OUTSTANDING END OF PERIOD
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
FIDELITY VIP HIGH INCOME PORTFOLIO SC 2	12/31/04	\$ 9.06	\$ 9.79	256,027
	12/31/03	7.23	9.06	177,129
	12/31/02	7.09	7.23	90,168
	12/31/01	8.15	7.09	57,319
	12/31/00	9.77*	8.15	32,064
FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO SC 2	12/31/04	\$ 15.10	\$ 15.54	975,233
	12/31/03	14.56	15.10	921,950
	12/31/02	13.39	14.56	677,140
	12/31/01	12.54	13.39	283,612
	12/31/00	11.98*	12.54	24,851

</Table>

* Inception price on date Underlying Fund was added to the Separate Account, as shown on page 19.

Financial statements of the Separate Account and of HMLIC are available with the Statement of Additional Information. A copy of the Statement of Additional Information and of the financial statements may be obtained without charge by mailing a written request to HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission request to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free).

<Page>

HORACE MANN LIFE INSURANCE COMPANY, THE SEPARATE ACCOUNT AND THE UNDERLYING FUNDS

HORACE MANN LIFE INSURANCE COMPANY

HMLIC, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001 ("HMLIC's Home Office"), is an Illinois stock life insurance company organized in 1949. HMLIC is licensed to do business in 48 states and in the District of Columbia. HMLIC writes individual and group life insurance and annuity contracts on a nonparticipating basis.

HMLIC is an indirect wholly-owned subsidiary of Horace Mann Educators Corporation ("HMEC"), a publicly-held insurance holding company traded on the NYSE.

THE SEPARATE ACCOUNT

On October 9, 1965, HMLIC established the Separate Account under Illinois law. The Separate Account is registered with the Securities and Exchange Commission as a unit investment trust under the Investment Company Act of 1940. The Separate Account and each Subaccount are administered and accounted for as a part of the business of HMLIC. However, the income, gains and losses, whether or

not realized, of each Subaccount are credited to or charged against the amounts allocated to that Subaccount in accordance with the terms of the Contracts without regard to other income, gains or losses of the remaining Subaccounts or of HMLIC. The assets of the Separate Account may not be charged with liabilities arising out of any other business of HMLIC. All obligations arising under the Contracts, including the promise to make Annuity Payments, are general corporate obligations of HMLIC. Accordingly, all of HMLIC's assets are available to meet its obligations and expenses under the Contracts. While HMLIC is obligated to make payments under the Contracts, the amounts of variable Annuity Payments are not guaranteed.

The Separate Account is divided into Subaccounts. HMLIC uses the assets of each Subaccount to buy shares of the Underlying Funds based on Contract Owner instructions.

THE UNDERLYING FUNDS

The Underlying Funds are listed below along with their primary investment objectives and a description of the adviser to each Underlying Fund. Detailed information on the Underlying Funds can be found in the current prospectus for each Underlying Fund. Prospectuses for the Underlying Funds should be read carefully in conjunction with this prospectus before investing. A copy of each prospectus may be obtained without charge from HMLIC by calling (800) 999-1030 (toll-free), sending a telefacsimile (FAX) transmission to (217) 527-2307 or writing to HMLIC, P.O. Box 4657, Springfield, IL 62708-4657. You may also access the prospectuses on HMLIC's website at www.horacemann.com in the "Retirement Planning" link.

ALLIANCEBERNSTEIN

The AllianceBernstein Large Cap Growth Portfolio's investment objective is growth of capital by pursuing aggressive investment policies. The Portfolio invests primarily in equity securities of U.S. companies. Unlike most equity funds, the Portfolio focuses on a relatively small number of intensively researched companies. Alliance selects the Portfolio's investments from a research universe of more than 500 companies that have strong management, superior industry positions, excellent balance sheets and superior earnings growth prospects. Normally, the Portfolio invests in about 40-60 companies, with the 25 most highly regarded of these companies usually constituting approximately 70% of the Portfolio's net assets. The AllianceBernstein Large Cap Growth Portfolio is a series of the AllianceBernstein Variable Products Series Fund and is advised by Alliance Capital Management.

ARIEL MUTUAL FUNDS

The investment objective of the Ariel Appreciation Fund is long-term capital appreciation. It seeks this objective through investing primarily in the stocks of medium-sized companies with market capitalizations generally between \$2.5 billion and \$15 billion at the time of initial purchase. The Ariel Appreciation Fund seeks stocks whose underlying value is currently unrecognized, but should increase over time.

Similar to the Ariel Appreciation Fund, the investment objective of the Ariel Fund is long-term capital appreciation. It seeks this objective through investing primarily in the stocks of smaller companies with market capitalizations generally between \$500 million and \$2.5 billion at the time of initial purchase. The Ariel Fund seeks stocks whose underlying value is currently unrecognized, but should increase over time.

The Ariel Appreciation Fund and the Ariel Fund are both advised by Ariel Capital Management, LLC ("Ariel"). Ariel believes ethical business practices make good investment sense. In the long run, a company that adopts environmentally sound policies will face less government intrusion. A company that fosters community involvement among its employees will inspire community support. Additionally, Ariel believes that a company which cultivates diversity is more likely to attract and retain the best talent and broaden its markets in profitable new directions. Ariel does not invest in corporations whose primary source of revenue is derived from the production or sale of tobacco products, the generation of nuclear energy or the manufacture of handguns as it believes these industries are more likely to face shrinking growth prospects, draining litigation costs and legal liability that cannot be quantified.

DAVIS

The Davis Value Portfolio's investment objective is to seek long-term growth of capital. Under normal circumstances the Portfolio invests the majority of its assets in equity securities issued by companies with market capitalizations of at least \$10 billion that the adviser believes are of high quality and whose shares are selling at attractive prices. The Portfolio's adviser selects stocks with the intention of holding them for the long term. The Davis Value Portfolio is a series of the Davis Variable Account Fund and is advised by Davis Selected Advisers, L.P.

DELAWARE

The objective of the Delaware VIP Growth Opportunities Series is to seek long-term capital appreciation. The Delaware VIP Growth Opportunities Series invests primarily in securities of medium-sized companies that have established themselves within the industry but still have growth potential. The Series' management team invests in medium-size companies that they believe may offer strong opportunities for capital appreciation and generally less risk than investments in small companies, although mid-cap companies typically have greater risk than large-cap companies. The Delaware VIP Growth Opportunities Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc. Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

The objective of the Delaware VIP Trend Series is to seek long-term capital appreciation. The Delaware VIP Trend Series invests primarily in stocks of small growth-oriented or emerging companies that, in the management team's view, are market leaders with strong product cycles and innovative concepts. The Series' management team seeks to identify changing and dominant trends within the economy, the political arena and our society. The team conducts thorough research on companies, evaluating price-to-earnings ratios, estimated growth rates, market capitalization and cash flows to determine how attractive a company is relative to other companies. By focusing on companies in the early stages of their life cycles, the Series strives to capture the greatest potential for growth. The Delaware VIP Trend Series is advised by Delaware Management Company, a series of Delaware Management Business Trust, which is an indirectly wholly-owned subsidiary of Delaware Management Holdings, Inc.

THE DREYFUS CORPORATION

The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio (Service Shares) seeks investment returns that are greater than the total return performance of publicly traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor's MidCap 400 Index (S&P 400).

To pursue this goal, the Dreyfus Investment Portfolio: Mid Cap Stock Portfolio invests at least 80 percent of its assets in stocks of midsize companies. The portfolio invests in growth and value stocks, which are chosen through a disciplined investment process that combines computer modeling techniques, fundamental analysis and risk management. Consistency of returns compared to the S&P 400 is a primary goal of the investment process. The portfolio's stock investments may include common stocks, preferred stocks, convertible securities and depository receipts, including those issued in initial public offerings ("IPOs") or shortly thereafter. The Dreyfus Investment Portfolio: Mid Cap Stock Portfolio is advised by The Dreyfus Corporation.

FIDELITY INVESTMENTS

The investment objective of the Fidelity VIP Growth Portfolio Service Class 2 shares is to achieve capital appreciation. The fund invests primarily in common stocks of companies that the adviser believes to have above-average growth potential (stocks of these companies are often called 'growth' stocks). The adviser may invest the fund's assets in securities of foreign issuers in addition to securities of domestic issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Overseas Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of the fund's assets in non-U.S. securities, primarily common stocks. The investments are allocated across different geographic regions and individual countries. The adviser will consider the size of the market in each country and region relative to the size of the international market as a whole. In buying and selling securities for the fund, the adviser relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position and economic and market conditions. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Overseas Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP High Income Portfolio Service Class 2 shares is to seek a high level of current income while also considering growth of capital. The adviser normally invests primarily in income-producing

debt securities, preferred stocks and convertible securities, with an emphasis on lower-quality debt securities. The fund may also invest in non-income producing securities, including defaulted securities and common stocks and in companies that are in troubled or uncertain financial condition as well as domestic and foreign issuers. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP High Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Investment Grade Bond Portfolio Service Class 2 shares is to seek as high a level of current income as is consistent with the preservation of capital. The fund normally invests at least 80% of its total assets in investment-grade debt securities of all types and repurchase agreements for those securities. The adviser uses the Lehman Brother's Aggregate Bond Index as a guide for structuring the fund and selecting its investments and attempts to maintain an overall interest rate risk similar to the index. The adviser allocates assets across different market sectors and maturities and analyzes a security's structural features and current pricing, trading opportunities, and the credit quality of its issuer to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect

15

<Page>

security values. The Fidelity VIP Investment Grade Bond Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Mid Cap Portfolio Service Class 2 shares is to seek long-term growth of capital. The fund normally invests at least 80% of its total assets in securities of companies with medium market capitalizations. The adviser normally invests the fund's assets primarily in common stocks. The fund may potentially invest in companies with smaller or larger market capitalizations, domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Mid Cap Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Growth & Income Portfolio Service Class 2 shares is to seek high total return through a combination of current income and capital appreciation. The fund invests primarily in common stocks with a focus on those that pay current dividends and show potential for capital appreciation. It also potentially invests in bonds, including lower-quality debt securities, as well as stocks that are not currently paying dividends, but offer prospects for future income or capital appreciation. The fund may potentially invest in domestic and foreign issuers and either "growth" stocks, "value" stocks or both. The adviser uses fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments. The adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Growth & Income Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

The investment objective of the Fidelity VIP Index 500 Portfolio is to seek investment results that correspond to the total return of common stocks publicly traded in the United States, as represented by the S&P 500. The fund normally invests at least 80% of its assets in common stocks included in the S&P 500. Because the adviser may use statistical sampling techniques to attempt to replicate the returns of the S&P 500, the fund may not always hold all of the same securities as the index and may not track the index perfectly. The fund may lend securities to earn income for the fund and the adviser may potentially use other investment strategies to increase or decrease the fund's exposure to changing security prices or other factors that affect security values. The Fidelity VIP Index 500 Portfolio is a series of the Fidelity VIP Series and is advised by Fidelity Management & Research Co.

GOLDMAN SACHS

The Goldman Sachs VIT CORE Small Cap Equity Fund seeks long-term growth of capital. The Fund invests, under normal circumstances, at least 80% of its net assets ("Net Assets") plus any borrowings for investment purposes (measured at time of purchase) in a broadly diversified portfolio of equity investments in small-cap U.S. issuers, including foreign issuers that are traded in the United States. However, it is currently anticipated that, under normal circumstances the Fund will invest at least 95% of its Net Assets in such equity investments. These issues will have public stock market capitalizations (based upon shares

available for trading on an unrestricted basis) within the range of the market capitalization of companies constituting the Russell 2000 Index at the time of investment. The Fund is not required to limit its investments to securities in the Russell 2000 Index. In addition, if the market capitalization of a company held by the Fund moves outside this range, the Fund may, but is not required to sell the securities. The capitalization range of the Russell 2000 Index is currently between \$68 million and \$2.4 billion.

JPMORGAN FLEMING

The investment objective of the JPMorgan U.S. Large Cap Core Equity Portfolio is to provide high total return from a portfolio of selected equity securities. Under normal circumstances, the portfolio invests at least 80% of its assets in equity investment of large-cap companies. "Assets" means net assets, plus the amount of borrowings for investment purposes. Large-cap companies have a market capitalization over \$2 billion at the time of purchase. Market capitalization is the total market value of a company's shares. Sector by sector, the portfolio's weightings are similar to those of the S&P 500. The portfolio seeks to maintain sector weightings within +/- 3% of the S&P 500. The JPMorgan U.S. Large Cap Core Equity Portfolio is a series of the J.P. Morgan Series Trust II and is advised by J.P. Morgan Investment Management Inc.

LORD ABBETT

The Lord Abnett Series Fund -- Growth Opportunities Portfolio seeks capital appreciation. To pursue this goal, the Portfolio normally invests at least 65% of its net assets in equity securities of mid-sized companies. A mid-sized company is defined as a company having a market capitalization at the time of purchase that falls within the market capitalization range of companies in the Russell Mid Cap Index, a widely used benchmark for mid-cap stock performance. As of January 31, 2005, the market capitalization range of the Russell Mid Cap Index was \$606 million to \$31.1 billion. This range varies daily. Equity securities in which the Portfolio may invest may include common stocks, preferred stocks, convertible securities, warrants and similar instruments. Common stocks, the most familiar type of equity security, represent an ownership interest in a company. The Lord Abnett Series Fund -- Growth Opportunities Portfolio is advised by Lord, Abnett & Co. LLC.

NEUBERGER BERMAN

The investment objective of the Neuberger Berman Genesis Fund -- Advisor Class is to seek growth of capital. To pursue this goal, the fund invests mainly in common stocks of small-capitalization companies, which it defines as those with a total market value of no more than \$1.5 billion at the time the fund first invests in them. The fund may continue to hold or add to a position in a stock after it has grown beyond \$1.5 billion. The fund seeks to reduce risk by diversifying among many companies and industries. Neuberger Berman Genesis

16

<Page>

Fund -- Advisor Class is advised by Neuberger Berman Management Inc. and subadvised by Neuberger Berman, LLC.

PUTNAM

The investment objective of Putnam VT Vista Fund is to seek capital appreciation. The fund invests mainly in common stocks of U.S. companies with a focus on growth stocks. Growth stocks are issued by companies that Putnam Investment Management, LLC ("Putnam Management") believes are fast-growing and whose earnings Putnam Management believes are likely to increase over time. Growth in earnings may lead to an increase in the price of the stock. The fund invests mainly in mid-sized companies. Putnam VT Vista Fund is a series of the Putnam Variable Trust and is advised by Putnam Management.

RAINIER

The investment objective of the Rainier Small/Mid Cap Equity Portfolio is to seek to maximize long-term appreciation. In pursuing its goal, the Portfolio invests primarily (at least 80% of its assets) in the equity securities of small and mid-capitalization U.S. companies with the prospects of strong earnings growth and attractive overall business fundamentals, selling at reasonable prices. The Rainier Small/Mid Cap Equity Portfolio is advised by Rainier Investment Management, Inc.

ROYCE

Royce Capital Fund Small-Cap Portfolio uses a disciplined value approach to invest in small-cap companies -- those with market caps below \$2.5 billion. They

believe that investors in the Fund should have a long-term investment horizon of at least three-years. The Royce Capital Fund Small-Cap Portfolio is advised by Royce & Associates, LLC.

WILSHIRE MUTUAL FUNDS, INC.

Wilshire Mutual Funds, Inc. ("Wilshire Funds") is an open-end management investment company registered under the Investment Company Act of 1940. The Wilshire Mutual Funds are made up of a series of portfolios including the Dow Jones Wilshire 5000 Index Portfolio, Wilshire Large Company Growth Portfolio, Wilshire Large Company Value Portfolio, Wilshire Small Company Growth Portfolio, and Wilshire Small Company Value Portfolio. The Wilshire Mutual Funds issues shares that are continually offered for sale. The Wilshire Mutual Funds are advised by Wilshire Associates Incorporated.

The investment objective of the Wilshire Large Company Growth Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the large company growth sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Large Company Growth Portfolio focuses on the large company segment of the U.S. equity market and invests in companies with above-average earnings or sales growth histories and retention of earnings. Often such companies will have above-average price/earnings ratios. The Wilshire Large Company Growth Portfolio primarily invests in stocks of companies with the largest market capitalizations (at times may be as low as \$1.9 billion). Because this fund invests in large companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Dow Jones Wilshire 5000 Index Portfolio is to replicate as closely as possible the performance of the Dow Jones Wilshire 5000 Index before the deduction of fund expenses. This Portfolio is an index fund and primarily invests in the common stocks of companies included in the Index that are representative of the entire Index. The Dow Jones Wilshire 5000 Index Portfolio normally holds stocks representing at least 90% of the total market value of the Index. Since the Portfolio does not invest in all of the stocks included in the Index it may be more volatile than the Index.

The investment objective of the Wilshire Large Company Value Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the large company value sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Large Company Value Portfolio focuses on the large company value segment of the U.S. equity market. Typically such companies have relatively low price to book value ratios, low price to earnings ratios and higher than average dividend yields. The Wilshire Large Company Value Portfolio primarily invests in stocks with the largest market capitalization (at times may be as low as \$1.9 billion). Because this fund invests in large companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Wilshire Small Company Value Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the small company value sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Small Company Value Portfolio focuses on the small company value segment of the U.S. equity market. Typically such companies have relatively low price to book value ratios, low price to earnings ratios and relatively high dividend yields. The Wilshire Small Company Value Portfolio primarily invests in stocks with smaller market capitalizations (between \$125 million and \$1.9 billion). Because this fund invests in small companies it may be more volatile than a fund that invests in a broader market segment.

The investment objective of the Wilshire Small Company Growth Portfolio is to provide investment results of a portfolio of publicly traded common stocks of companies in the small company growth sub-category of the Dow Jones Wilshire 5000 Index. The Wilshire Small Company Growth Portfolio focuses on the small company growth segment of the U.S. equity market. Typically such companies have above-average earnings or sales growth histories and retention of earnings, and often they have higher price to earnings ratios. The Wilshire Small Company Growth Portfolio primarily invests in stocks with smaller market capitalizations (between \$125 million and \$1.9 billion). Because this fund invests in small companies it may be more volatile than a fund that invests in a broader market segment.

WILSHIRE VARIABLE INSURANCE TRUST (VIT)

The Wilshire VIT ("Trust") is an open-end, diversified, management investment company registered under the Investment Company Act of 1940. The Trust is made up of a series of portfolios ("Wilshire VIT Funds"). The Trust issues shares of beneficial interest that are continually offered for sale. The Wilshire VIT Funds, advised by Wilshire Associates Incorporated ("Wilshire"), invest in securities of different issuers and industry classifications in an attempt to spread and reduce

the risks inherent in all investing. Wilshire has entered into an agreement with investment subadvisor(s) for each of the Wilshire VIT Funds whereby the

subadviser(s) manage the investment and reinvestment of the assets of a fund.

The primary investment objective of the Wilshire VIT Equity Fund -- Horace Mann Shares is long-term capital growth; conservation of principal and production of income are secondary objectives. The Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The Equity Fund ordinarily invests in common stocks of domestic companies. Wellington Management Company, LLP ("Wellington Management"), Alliance Capital Management LP ("Alliance") and Mellon Equity Associates, LLP ("Mellon Equity") serve as the investment subadvisers to the Equity Fund. This fund was referred to as the Growth Fund prior to May 1, 2000.

The primary investment objective of the Wilshire VIT Balanced Fund -- Horace Mann Shares is to realize high long-term total rate of return consistent with prudent investment risks. The Balanced Fund's assets are invested in a mix of common stocks, debt securities and money market instruments through investments in the Wilshire VIT Equity Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares.

The primary investment objective of the Wilshire VIT Income Fund -- Horace Mann Shares is to achieve a long-term total rate of return in excess of the U.S. bond market over a full market cycle. The Income Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in fixed income securities. The fixed income securities in which the Income Fund invests are primarily U.S. investment grade fixed income securities. Western Asset Management Company ("Western Asset"), Western Asset Management Limited ("WAML") and BlackRock Financial Management, Inc. ("BlackRock") serve as the investment subadvisers to the Income Fund.

The primary investment objective of the Wilshire VIT Short-Term Investment Fund -- Horace Mann Shares ("Short-Term Fund") is to realize maximum current income to the extent consistent with liquidity. Preservation of principal is a secondary objective. The Short-Term Fund attempts to realize its objectives through investments in short-term debt instruments; it is not a money market fund and does not maintain a stable net asset value per share. Western Asset serves as the investment subadviser to the Short-Term Fund.

The investment objective of the Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares is long-term capital appreciation. The Small Cap Growth Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in securities of small cap companies. The Fund ordinarily invests in small cap equity securities (less than \$2.5 billion at the time of investment) which a subadviser believes have earnings growth potential. The Small Cap Growth Fund invests primarily in small cap stocks, which a subadviser considers to have favorable and above-average earnings growth prospects. Accordingly, their stock prices may rise faster, but can also decline more in unfavorable business climates. As a result of these "higher highs" and "lower lows," they are more volatile. BlackRock, and Mazama Capital Management ("Mazama") serve as investment subadvisers to the Small Cap Growth Fund.

The primary investment objective of the Wilshire VIT International Equity Fund -- Horace Mann Shares is long-term capital growth primarily through diversified holding of marketable foreign equity investments. The International Equity Fund invests, under normal circumstances, at least 80% of net assets (plus the amount of any borrowings for investment purposes) in equity securities. The International Equity Fund invests primarily in equity securities of established companies, listed on foreign exchanges, which the subadviser believes have favorable characteristics. It may also invest in fixed income securities of foreign governments and companies. Investing in foreign securities may involve a greater degree of risk than investing in domestic securities due to the possibility of currency fluctuations, more volatile markets, less securities regulation and political instability. Newstar Institutional Managers Limited and The Boston Company Asset Management, LLC serve as investment subadvisers to the International Equity Fund.

The investment objective of the Wilshire VIT Socially Responsible Fund -- Horace Mann Shares is long-term growth of capital, current income and growth of income. The Socially Responsible Fund invests in a diversified portfolio composed primarily of marketable equity securities including common stocks, preferred stocks and debt securities convertible into common stocks of seasoned U.S. traded companies. Investments in equity securities are limited to issuers which in the subadviser's judgment meet the following criteria:

1. Do not produce tobacco products;
2. Do not produce alcoholic beverages;
3. Do not own and/or operate casinos or manufacture gaming devices;
4. Do not produce pornographic materials;
5. Do not produce nuclear weapons or guidance and/or delivery systems, specifically for nuclear weapons;

6. By popular standards, maintain non-discriminatory employment practices throughout a company's facilities; and
7. By popular standards, maintain environmental policies, practices and procedures which are currently acceptable, or which are exhibiting improvement.

Because this fund invests in companies with socially responsible business practices, it has limitations that may have an adverse impact on performance. Alliance serves as the investment subadviser to the Socially Responsible Fund.

THE CONTRACTS

CONTRACT OWNERS' RIGHTS

A Contract may be issued under a retirement plan on a qualified basis as defined in the IRC. Qualified Contracts are subject to certain tax restrictions. See "Tax Consequences."

18

<Page>

To participate in a Qualified Plan, the Contract Owner may be required to forego certain rights granted by the Contract and should refer to the provisions of his or her Contract, the provisions of the plan or trust instrument and/or applicable provisions of the IRC.

Unless otherwise provided by law, and subject to the terms of any governing plan or trust, the Contract Owner may exercise all privileges of ownership, as defined in the Contract, without the consent of any other person. These privileges include the right during the period specified in the Contract to change the beneficiary designated in the Contract, subject to the rights of any irrevocable beneficiary, to designate a payee and to agree to a modification of the Contract terms.

This prospectus describes only the variable portions of the Contract. On the Annuity Date, the Contract Owner has certain rights to acquire fixed annuity options. See the Contract for details regarding fixed Annuity Payments.

PURCHASING THE CONTRACT

The Contracts are offered and sold by HMLIC through its licensed life insurance sales personnel who are also registered representatives of HM Investors. In addition, the Contracts may be offered and sold through independent agents and other broker-dealers. HMLIC has entered into a distribution agreement with HM Investors, principal underwriter of the Separate Account. HM Investors, located at One Horace Mann Plaza, Springfield, Illinois 62715-0001, is a broker-dealer registered under the Securities Exchange Act of 1934. HM Investors is a member of the NASD and is a wholly-owned subsidiary of HMEC. Sales commissions are paid by HMLIC to HM Investors and other broker-dealers. Sales commissions range from 1.00% to 11.00% of premium payments received.

In order to purchase a Contract offered by this prospectus, an applicant must complete an application bearing all requested signatures and a properly endorsed suitability questionnaire. For a Contract issued pursuant to Section 403(b) of the IRC, the applicant must sign an acknowledgment of the IRC restrictions on withdrawals applicable to such contracts. For an IRA, Roth IRA, SIMPLE or a Contract issued under a SEP plan, the applicant must acknowledge receipt of the IRA disclosure form. For a 457(b) plan the employer will purchase the Contract on behalf of the employee. The employee will be required to complete an application and suitability form. The employee must also acknowledge receipt of the 457(b) disclosure form.

Applications are to be sent to HMLIC's Home Office. If an incomplete application is received, HMLIC will promptly request additional information needed to process the application. The initial premium payment will be held in a suspense account, without interest, for a period not exceeding five business days. If the necessary information is not received within these five business days HMLIC will return the initial premium payment, unless otherwise directed by the applicant.

PREMIUM PAYMENTS

AMOUNT AND FREQUENCY OF PREMIUM PAYMENTS -- Premium payments will be applied at the applicable Accumulation Unit Value next determined following receipt in good form. See the "Individual Product Information" section for the minimum purchase payment of your product.

The IRC limits the amounts which may be contributed to Qualified Plans. See "Tax Consequences -- Contract Owners -- Contribution Limitations and General Requirements Applicable to Qualified Contracts."

ALLOCATION OF PREMIUM PAYMENTS -- All or part of the net premium payments made may be allocated to one or more Subaccounts. The minimum premium payment amount allocated to any Subaccount in any given contract year must equal or exceed \$100. A request to change the allocation of premium payments will be effective on the first Valuation Date following receipt of the request by HMLIC's Home Office unless a future date is requested.

ACCUMULATION UNITS AND ACCUMULATION UNIT VALUE -- Premium payments are credited on the basis of Accumulation Unit Value. The number of Accumulation Units purchased by net premium payments is determined by dividing the dollar amount credited to each Subaccount by the applicable Accumulation Unit Value next determined following receipt of the payment by HMLIC. The value of an Accumulation Unit is affected by the investment experience of the Underlying Fund, expenses and the deduction of certain charges.

Accumulation Units are valued on each Valuation Date. The Accumulation Unit Value for each Subaccount was determined for the date and for the value indicated below. The date for the Wilshire VIT Equity, Balanced, Income and Short-Term Investment Funds -- Horace Mann Shares refers to the date Wellington Management became their investment adviser.

<Table>

<Caption>

SUBACCOUNT -----	DATE ----	ACCUMULATION UNIT VALUE -----
<S>	<C>	<C>
JPMorgan U.S. Large Cap Core Equity Portfolio	09/05/00	\$ 17.33
Fidelity VIP Growth & Income Portfolio SC 2	09/05/00	16.03
Wilshire 5000 Index Portfolio (Investment)	09/05/00	12.23
Fidelity VIP Index 500 Portfolio SC 2	09/05/00	171.04
Fidelity VIP Growth Portfolio SC 2	09/05/00	53.82
AllianceBernstein Large Cap Growth Portfolio	09/05/00	41.57
Wilshire Large Company Growth Portfolio (Investment)	09/05/00	46.36
Wilshire VIT Equity Fund -- Horace Mann Shares	11/01/89	7.11
WilshireVIT Socially Responsible Fund -- Horace Mann Shares	03/10/97	9.85
Davis Value Portfolio	09/05/00	11.58
Wilshire Large Company Value Portfolio	09/05/00	19.91

</Table>

19

<Page>

<Table>

<Caption>

SUBACCOUNT -----	DATE ----	ACCUMULATION UNIT VALUE -----
<S>	<C>	<C>
Dreyfus Investment Portfolio:		
Mid Cap Stock Fund -- Service Shares	06/01/04	\$ 15.91
Fidelity VIP Mid Cap Portfolio SC 2	09/05/00	20.11
Rainier Small/Mid Cap Equity Portfolio	09/05/00	30.39
Delaware VIP Growth Opportunities Series	06/01/04	14.24
Lord Abbett Insurance Series Growth/Opportunities	06/01/04	12.00
Putnam VT Vista Fund	09/05/00	25.13
Ariel Appreciation Fund	05/01/01	34.63
Goldman Sachs VIT Core Small Cap Equity Fund	06/01/04	12.99
Neuberger Berman Genesis Fund -- Advisor Class	09/05/00	15.84
Wilshire VIT Small Cap Growth Fund -- Horace Mann Shares	03/10/97	9.59
Delaware VIP Trend Series	06/01/04	28.47
Wilshire Small Company Growth Portfolio	09/05/00	17.80
Ariel Fund	05/01/01	34.01
Royce Capital Fund Small-Cap Portfolio	06/01/04	8.10
Wilshire Small Company Value Portfolio	09/05/00	12.31
Wilshire VIT International Equity Fund -- Horace Mann Shares	03/10/97	9.74
Fidelity VIP Overseas Portfolio SC 2	09/05/00	23.13
Wilshire VIT Balanced Fund -- Horace Mann Shares	11/01/89	6.71
Wilshire VIT Income Fund -- Horace Mann Shares	11/01/89	7.17
Wilshire VIT Short Term Investment Fund -- Horace Mann Shares	11/01/89	6.99
Fidelity VIP High Income Portfolio SC 2	09/05/00	9.77
Fidelity VIP Investment Grade Bond Portfolio SC 2	09/05/00	11.98

</Table>

The Accumulation Unit Value of a Subaccount for any Valuation Period is equal to:

- the net asset value of the corresponding Underlying Fund attributable

- to the Accumulation Units at the end of the Valuation Period;
- plus the amount of any income or capital gain distributions made by the Underlying Fund during the Valuation Period;
- minus the dollar amount of the mortality and expense risk fee we deduct for each day in the Valuation Period;
- divided by the total number of Accumulation Units outstanding at the end of the Valuation Period.

TRANSACTIONS

TRANSFERS -- Amounts may be transferred from one Subaccount to another, and to and from the fixed account of the Contract, subject to Contract limitations, prior to the Annuity Date. HMLIC reserves the right to limit transfers from the fixed account to the Subaccounts prior to the annuity date as follows:

- No more than 25% of the fixed account can be transferred to the Subaccounts during a 365 day period.
- Any request for a total transfer from the fixed account to the Subaccounts will be transferred over a four-year period. No more than 25% of the amount will be transferred in any year prior to the final transfer.

You may transfer value from one existing investment option into as many as 10 other investment options. The minimum amount that can be transferred is \$100 or the entire dollar value of the Subaccount(s), whichever is less. A transfer may not leave a Subaccount balance or fixed account balance of less than \$100.

A Contract Owner may elect to transfer funds between Subaccounts and the fixed account by submitting a written request to Horace Mann Life Insurance Company at P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission request to (217) 527-2307, by telephoning (217) 789-2500 or (800) 999-1030 (toll-free) or by accessing HMLIC's website at www.horacemann.com and looking in the "Retirement Planning" section.

Depending on the means used to request a transfer, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the name of the Contract Owner and the Contract number, and (3) specifically state the dollar amount, a whole percentage or the number of Accumulation Units to be transferred. The request also must specify the Subaccounts from which and to which the transfer is to be made. Transfers are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office unless a future date is requested. See "Other Information -- Forms Availability."

DOLLAR COST AVERAGING -- Dollar cost averaging is a systematic method of investing in which securities are purchased at regular intervals in fixed dollar amounts so that the cost of the securities is averaged over time and possibly over various market

20

<Page>

cycles. Dollar cost averaging transfers are completed by periodically transferring equal amounts of money. You may preschedule a series of transfers between investment options to take advantage of dollar cost averaging. You may select from a 3-month, 6-month or 12-month period to complete the dollar cost averaging program. You may transfer value from one existing investment option into as many as 10 other investment options. You may request dollar cost averaging by the same means as described above for transfers.

The transfers will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office and will continue on this day each period until the program is completed. If the original request is received on the 29th, 30th or 31st of the month, all subsequent transfers will be processed as of the 28th of the month. If you should decide to cancel an existing dollar cost averaging program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

Because the values of the Subaccounts from which the transfers occur may decrease over time, the dollar cost averaging program may conclude earlier than scheduled. In addition, the last dollar cost averaging transfer may be for less than all prior transfers. Finally, the value of a Subaccount may increase and result in a balance remaining at the end of the period selected.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

REBALANCING -- Rebalancing is the periodic adjusting of investment option balances to maintain a preestablished asset allocation strategy. You may request a rebalancing of your portfolio either once or on a periodic basis.

For periodic rebalancing requests, you may select from a quarterly, semiannual or annual period. Rebalancing is continuous for the period(s) selected unless changed or discontinued by the Contract Owner. You may rebalance your portfolio value into as many as 10 other investment options. You may request rebalancing by the same means as described above for transfers.

Rebalancing will begin on the first Valuation Date following receipt of the request in HMLIC's Home Office. For periodic rebalancing requests, subsequent rebalancing of your portfolio will continue to occur on the same calendar day of each scheduled month. If the original request is received on the 29th, 30th or 31st of the month, all subsequent rebalancing of your portfolio will be processed as of the 28th of the month. If you should decide to cancel an existing rebalancing program, you must notify HMLIC's Home Office either in writing, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section.

All requests must identify the Contract Owner's name and Contract number, specify the amounts and the investment options to be utilized and include proper authorization such as a signature on a form or validating information if using the telephone or company website.

CHANGES TO PREMIUM ALLOCATIONS -- A Contract Owner may elect to change the allocation of future net premium payments at any time by mailing a written request to HMLIC at P.O. Box 4657, Springfield, Illinois 62708-4657, by calling (800) 999-1030 (toll-free), by telefacsimile (FAX) transmission to (217) 527-2307 or by accessing our website at www.horacemann.com and looking in the "Retirement Planning" section. Depending on the means used to request a change, the request must: (1) be signed by the Contract Owner, or for telephone and website transactions, be made by the Contract Owner, (2) include the Contract Owner's name and Contract number and (3) specify the new allocation percentage for each Subaccount (in whole percentages). Allocations made to the fixed portion of the Contract or to one or more Subaccounts must total 100%. HMLIC reserves the right to restrict the minimum premium amount allocated to any Subaccount in any given Contract Year to \$100. Changes in allocation instructions are effective on the first Valuation Date following receipt of the request by HMLIC's Home Office. See "Other Information -- Forms Availability."

MARKET TIMING -- The Contracts and the Subaccounts are not designed for 'market timing' through frequent transfers or transfers that are large in relation to the total assets of the Underlying Fund. HMLIC discourages and does not accommodate frequent transfers of contract value among the Subaccounts. Trading strategies that seek to benefit from short-term price fluctuations or price irregularities cause disruption to the Underlying Funds' investment strategies, with potential resulting harm to performance and increased trading costs or Underlying Fund expenses, and are thereby potentially harmful to investors and their Contract performance.

If HMLIC determines, in its sole discretion, that your transfer patterns among the Subaccounts reflect a market timing strategy, it will take action to protect the other investors and/or terminate the Contract. In making these determinations, we may consider the combined transfer activity of Contracts that we believe are under common ownership, control or direction. HMLIC does not include transfers made pursuant to the dollar cost averaging method when considering whether to take action. HMLIC applies its market timing policies and procedures uniformly to all owners of a particular Contract.

Such action will include requiring future transfer requests under the Contract to be submitted with an original signature via U.S. Mail for a period of time or for the duration of the Contract. If this restriction is imposed, we will reverse within one to two business days of any transaction inadvertently processed that is not in compliance with the restriction. You will receive written confirmation of any such reversal.

If HMLIC determines that you are engaging in a pattern of transfers that reflects a market timing strategy or is potentially harmful to other Contract Owners, it will notify you in writing of any restrictions.

The detection and deterrence of market timing involves judgments that are inherently subjective. Our ability to detect

<Page>

such activity may be limited by operational and technological systems, as well as our ability to predict strategies employed by others to avoid detection. Our ability to restrict transfers may also be limited by the provisions of the Contract. Accordingly, there is no assurance that we will deter all market timing activity. Therefore, Contract owners may be subject to the risks described above.

The Underlying Funds may have their own policies and procedures with respect to frequent purchases and redemptions of their shares, which are described in the Underlying Fund prospectuses. Such policies and procedures may

be more or less restrictive than HMLIC's policies and procedures. As a result, we may not have the contractual obligation or the operational capacity to apply the frequent trading policies and procedures of the Underlying Funds. However, we reserve the right to defer or restrict transfers at any time that we are unable to purchase or redeem shares of any of the Underlying Funds, including any refusal or restriction on purchases or redemptions as a result of the frequent trading policies and procedures of the Underlying Funds. HMLIC also reserves the right to implement and administer redemption fees imposed by one or more of the Underlying Funds. The prospectuses of the Underlying Funds include more details on the ability of the Underlying Funds to refuse or restrict purchases or redemptions of their shares.

SURRENDER OR WITHDRAWAL BEFORE COMMENCEMENT OF ANNUITY PERIOD -- Values may not be withdrawn from Section 403(b) Contracts or 457(b) Contracts except under certain circumstances. See "Tax Consequences." However, if not restricted by the IRC or applicable retirement plan under which the Contract is issued, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin. Any partial withdrawal is subject to a \$100 minimum and may not reduce the Contract Owner's interest in a Subaccount to less than \$100.

The surrender or partial withdrawal of Variable Cash Value (rollover, exchange, etc.) is determined on the basis of the Accumulation Unit Value next computed following the receipt of a valid request for surrender or partial withdrawal in HMLIC's Home Office. A surrender or partial withdrawal may result in adverse federal income tax consequences to the Contract Owner. These consequences include current taxation of payments received, and may include penalties resulting from premature distribution. See "Tax Consequences."

A Contract Owner eligible to surrender or request a partial withdrawal may elect to do so by submitting a signed, written request to HMLIC at its Home Office at P.O. Box 4657, Springfield, Illinois 62708-4657. A partial withdrawal request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will be accepted if the proceeds are sent to the Contract Owner and the request is sent to (217) 527-2307. A surrender request must be in a form acceptable to HMLIC; telefacsimile (FAX) transmissions of the request will not be accepted. See "Tax Consequences" and "Other Information -- Forms Availability."

Partial withdrawals and surrenders will be processed either on a date specified by you in a request, provided the date specified occurs on or after receipt of the request at HMLIC's Home Office, or at the next computed value following receipt of a valid request at HMLIC's Home Office.

For your protection, we will send a confirmation letter on all address changes. If you have requested an address change within 15 days prior to your surrender or withdrawal request, we will hold your request until we have acquired confirmation of the correct address. Upon receipt of your confirmation of the address, we will consider the surrender or withdrawal request to be received in good form.

Surrenders and partial withdrawals from any variable Subaccount are subject to the Surrender Charges shown in the "Individual Product Information" section.

Surrender Charges are applied to the withdrawals based on the effective date of the Contract and not on the date the premium payment is paid.

Any request for a partial withdrawal, where the withdrawal is subject to a Surrender Charge, will be increased by the amount of the Surrender Charge. For example, a request to withdraw \$3,000 at a 4% Surrender Charge will require a withdrawal of \$3,125. This withdrawal represents a cash distribution of \$3,000 and a Surrender Charge of \$125. Any taxes withheld will reduce the dollar amount of the distribution received.

The Surrender Charge is assessed on the basis of the amount surrendered or withdrawn from the Subaccount(s), but will never exceed 9% of net premium(s) to a Subaccount during the lifetime of the Contract. For example, if a Contract Owner's Subaccount value is \$12,000 and net premium payments to date equal \$10,000 and the Contract Owner withdraws \$2,000 (i.e., one sixth of the Subaccount value), then the Surrender Charge may not exceed 9% of \$1,666.66 (one sixth of the premium payment(s) to which the withdrawal relates).

If premium taxes are deducted prior to surrender or partial withdrawal, any reduction of HMLIC's premium tax liability due to the surrender or partial withdrawal will be to HMLIC's benefit.

If you request a partial withdrawal for hardship purposes from your 403(b) Contract or from your employer's 401(k) plan using the safe harbor regulations of the IRC, you may be suspended from making contributions to all other plans of your employer for six months. You should consult with your plan administrator for further guidance before making a hardship withdrawal. After the six-month period is completed, you may resume making contributions.

DEFERMENT -- HMLIC ordinarily completes a transaction within seven calendar days after receipt of a proper request to transfer, surrender, partially

withdraw or commence Annuity Payments. The value of the Contract is determined as of the Valuation Date on which a valid request is received. However, determination of Contract value and processing the transaction may be deferred for (1) any period during which the NYSE is closed for other than customary weekend or holiday closings or during which trading is restricted by the Securities and Exchange Commission; (2) any emergency period when it is not reasonably practicable to sell securities or fairly determine Accumulation Unit Values or Annuity Unit Values; or (3) any other period designated by the Securities and Exchange

22

<Page>

Commission to protect persons with interests in the Separate Account.

CONFIRMATIONS -- HMLIC mails written confirmations of premium payments to Contract Owners on a quarterly basis within five business days following the end of each calendar quarter. Written confirmations of transfers, changes in allocations, partial withdrawals and surrenders are mailed to Contract Owners within seven calendar days of the date the transaction occurred.

If a Contract Owner believes that the confirmation statement contains an error, the Contract Owner should notify HMLIC as soon as possible after receipt of the confirmation statement. Notice May Be Provided By Writing To HMLIC, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by telephoning (217) 789-2500 or (800) 999-1030 (toll free).

DEDUCTIONS AND EXPENSES

ANNUAL MAINTENANCE FEE -- Variable Solutions II has an annual maintenance fee of no more than \$25 that is deducted from each Contract on the Contract anniversary date. This fee will be waived if the Contract value equals or exceeds \$10,000 at the time the fee is assessed. Maximum Solutions II does not have an annual maintenance fee.

We reserve the right to deduct, in whole or in part, the annual maintenance fee in the event of a complete surrender. The annual maintenance fee ceases when Annuity Payments begin.

The annual maintenance fee is intended to reimburse HMLIC for actual expenses incurred in administering the Contract. HMLIC does not expect to profit from such fee and assumes the risk that this annual maintenance fee may be insufficient to cover the actual costs of administering the Contract. See the "Individual Product Information" section for the maintenance charge on your Contract.

MORTALITY AND EXPENSE RISK FEE ("M&E FEE") -- For assuming mortality and expense risk, HMLIC applies an asset charge to the Separate Account. The fee for mortality and expense risk on Variable Solutions II may not exceed the annual rate of 1.25% of the daily net assets of the Separate Account (0.45% for mortality risk, and 0.80% for expense risk; these may vary from time to time); however, HMLIC reserves the right to change the fee (subject to the 1.25% ceiling) in the future. The fee for mortality and expense risk on Maximum Solutions II may not exceed the annual rate of 0.95% of the daily net assets of the Separate Account (0.45% for mortality risk, and 0.50% for expense risk; these may vary from time to time); however, HMLIC reserves the right to change the fee (subject to the 0.95% ceiling) in the future. The fee is computed on a daily basis.

SURRENDER CHARGES -- Withdrawals may not be made from Section 403(b) or 457(b) Contracts except under certain circumstances. (See "Tax Consequences.") However, if not restricted by the IRC or applicable retirement plan under which the Contract is issued, a Contract Owner may surrender the Contract in whole or withdraw in part for cash before Annuity Payments begin.

For further information regarding surrender or partial withdrawals see "Surrender or Withdrawal Before Commencement of Annuity Period." HMLIC reserves the right to waive either a portion or the whole Surrender Charge in some situations. In some situations, you may make a withdrawal with no Surrender Charge. Please see your Contract for further details. See the "Individual Product Information" section for the Surrender Charge on your Contract.

OPERATING EXPENSES OF THE UNDERLYING FUNDS -- There are deductions from and expenses paid out of the assets of the Underlying Funds that are described in each Underlying Fund's prospectus.

PREMIUM TAXES -- Certain state and local governments levy a premium tax, currently between 0 and 3.5%, on the amount of premium payments made under this Contract. The premium tax, if any, is deducted when premium payments are received.

DEATH BENEFIT PROCEEDS

If a Contract Owner dies before the Annuity Date, a death benefit will be

paid to the beneficiary designated by the Contract Owner. The death benefit is determined for each beneficiary as of the date proof of death is received by HMLIC from such beneficiary. Proof of death includes a certified death certificate or other satisfactory evidence of death and a completed claimant's statement. See the "Individual Product Information" section for the Death Benefit on your Contract.

All or part of the death benefit proceeds may be paid to the beneficiary under one of the Annuity Payment options described under "Annuity Payments -- Annuity Payment Options." If the form of Annuity Payment selected requires that payment be made by HMLIC after the death of the beneficiary, payments will be made to a payee designated by the beneficiary or, if no subsequent payee has been designated, to the beneficiary's estate. Any part of a Contract Owner's interest payable to a minor child will be paid to the child's legal guardian for the benefit of the child.

ANNUITY PAYMENTS

The Contract provides for fixed or Variable Annuity Payment options or a combination of both. The Contract Owner may elect to have Annuity Payments made under any one or more of the options described below or may elect a lump sum payment. To begin receiving Annuity Payments a properly completed request form must be received by HMLIC's Home Office. The request will be processed so that the Annuity Payments begin as of the first of the month following the month of receipt unless a later date is requested and approved by HMLIC. If a fixed payment option is elected, the Separate Account value will be transferred to the fixed account on the date the request is received in HMLIC's Home Office. In addition, if a Variable payment is elected, any money in the fixed account will be transferred to the Separate Account on the date we receive the request in HMLIC's Home Office. Your premium payment allocation(s) will be changed to the fixed

23

<Page>

account or Separate Account, depending on the payment option elected. Generally, at the time an Annuity Payment option is selected, a Contract Owner must elect whether to withhold for federal and state income taxes. See "Other Information -- Forms Availability" and "Tax Consequences."

In general, the longer Annuity Payments are guaranteed, the lower the amount of each payment. Fixed Annuity Payments are paid in monthly, quarterly, semiannual and annual installments. Variable Annuity Payments are paid only on a monthly basis. If the Contract value to be applied under any one fixed or variable Annuity Payment option is less than \$2,000 or if the option chosen would provide Annuity Payments less than \$20 per month at the Annuity Date, then the Contract value may be paid in a lump sum.

ANNUITY PAYMENT OPTIONS

The following Annuity Payment options are available on a variable basis unless otherwise stated.

LIFE ANNUITY WITH PAYMENTS GUARANTEED FOR LIFE ONLY, 10, 15, OR 20 YEARS -- Annuity payments are made to the Contract Owner beginning with the Annuity Date. The annuity payments will be based upon the number of guaranteed payments selected, and the age and sex of the Annuitant on the Annuity Date. Annuity payments for this annuity option will continue as long as the Annuitant lives, or until all guaranteed payments have been made, whichever is later.

Guaranteed annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the IRC. If the Contract Owner dies before all annuity payments have been made, the remaining annuity payments will be paid to the Beneficiary(ies) as scheduled.

If the Annuitant dies before all guaranteed annuity payments have been made, the remaining guaranteed annuity payments will be paid to the Contract Owner, if living, otherwise to the Beneficiary(ies) as scheduled.

After the Annuity Date, this annuity option cannot be changed and withdrawals cannot be made.

PAYMENTS FOR A SPECIFIED PERIOD -- Annuity payments are made to the Contract Owner beginning with the Annuity Date and continue for the specified period of time as elected. The specified period can be as short as five years or as long as 30 years, so long as the payments extend beyond the surrender charge period. This option is available on a fixed payment basis only.

Annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the IRC.

If the Contract Owner dies before all annuity payments have been made, the remaining annuity payments will be paid to the Beneficiary(ies) as scheduled.

If the Annuitant dies before all annuity payments have been made, the

remaining annuity payments will be paid to the Contract Owner, if living, otherwise to the Beneficiary(ies) as scheduled.

After the Annuity Date, the Contract Owner may change this annuity option, withdraw a portion of the Annuitized Value or surrender this option. Any change or withdrawal the Contract Owner makes may affect annuity payments. Surrender charges may apply. If the Contract Owner surrenders this option, annuity payments will cease and the contract will terminate. Thereafter, HMLIC will be free of any liability for this terminated contract.

JOINT AND SURVIVOR ANNUITY Annuity payments are made to the Contract Owner beginning with the Annuity Date. The annuity payments will be based upon the specific survivor option selected, and the age and sex of the two Annuitants on the Annuity Date.

The available survivor options are to pay during the lifetime of the survivor: (1) 50 percent; (2) two-thirds; or (3) 100 percent of the annuity payments paid (or the number of Annuity Units) while both Annuitants were living.

Upon the death of one Annuitant, the selected survivor option percentage will be applied to determine the remaining payments during the lifetime of the survivor. Upon the death of the survivor, annuity payments cease.

If the Contract Owner dies while at least one Annuitant is living, the remaining annuity payments will be paid to the Beneficiary(ies) as scheduled. After the Annuity Date, this annuity option cannot be changed and withdrawals cannot be made.

The Annuitized Value applied to purchase variable annuity payments will be allocated to the Subaccount(s) as the Contract Owner instructs. Not all Subaccount(s) may be available for annuity payments. The first monthly annuity payment purchased per \$1,000 applied to each Subaccount under a variable annuity option will be the same amount as the initial monthly annuity payment purchased per \$1,000 applied to the corresponding fixed annuity option.

OTHER INCOME OPTIONS -- If the Contract Owner does not wish to elect one or more Annuity Payment options, the Contract Owner may:

- a) receive the proceeds in a lump sum less any applicable Surrender Charges, or
- b) leave the Contract with HMLIC and receive the value under the required minimum distribution requirements of IRC Section 401(a)(9), see "Required Minimum Distributions," or
- c) elect any other option that HMLIC makes available.

AMOUNT OF FIXED AND VARIABLE ANNUITY PAYMENTS

In general, the dollar amount of Annuity Payments under the Contract depends on Contract value. Contract value equals the value of the fixed portion of the Contract plus the value of each Subaccount. The value of each Subaccount is determined by multiplying the number of Accumulation Units credited to each Subaccount within the Contract by its respective Accumulation Unit Value.

24

<Page>

Contract value may be more or less than the amount of net premium payments allocated to the Contract.

FIXED ANNUITY PAYMENTS -- The amount of each payment under a fixed Annuity Payment option is determined as described in the Contract. These guaranteed payments will not change regardless of investment, mortality or expense experience. Higher Annuity Payments may be made at the sole discretion of HMLIC.

VARIABLE ANNUITY PAYMENTS -- The amount of the first monthly Variable Annuity Payment is determined as described in the Contract. The income option payments vary with the form of income option payment selected and adjusted age of the Annuitant(s).

The first monthly Variable Annuity Payment is used to calculate the number of Variable Annuity Units for each subsequent monthly Annuity Payment. The number of Variable Annuity Units remains constant over the payment period except when a joint and survivor option is chosen. Under that option, the number of Variable Annuity Units will be reduced upon the death of either Annuitant to the survivor percentage elected.

The amount of monthly Annuity Payments following the first Variable Annuity Payment varies from month to month. Annuity Payments are determined each month by multiplying the Variable Annuity Units by the applicable Variable Annuity Unit Value at the date of payment.

ASSUMED INTEREST RATE -- The assumed interest rate for the Contract is 2%.

The investment multiplier is one divided by the sum of one plus the assumed interest rate and the mortality and expense risk fee, adjusted to a monthly rate.

ANNUITY UNIT VALUE -- The Annuity Unit Value for the Wilshire VIT Equity Fund -- Horace Mann Shares, Wilshire VIT Balanced Fund -- Horace Mann Shares and Wilshire VIT Income Fund -- Horace Mann Shares Subaccounts was set at \$10.00 as of the date amounts first were allocated to provide Annuity Payments. The Annuity Unit Value for the Wilshire VIT Short-Term Investment Fund was established at \$10.00 on July 1, 2004. The Annuity Unit Value for all other Subaccounts was established at \$10.00 on March 1, 2005.

- The current Variable Annuity Unit Value is equal to the prior Variable Annuity Unit Value on the Valuation Date when payments were last determined, multiplied by the applicable net investment factor. This factor is computed by dividing the net asset value of a share of the Underlying Fund on the current Valuation Date, plus any dividends or other distributions, by the net asset value of a share on the Valuation Date of the preceding Valuation Period, and multiplying this result by the investment multiplier.
- If the net investment factor is equal to one, then monthly payments from that Subaccount will remain level. If the net investment factor is greater than one, the monthly payments from that Subaccount will increase. Conversely, if the net investment factor is less than one, the payments from that Subaccount will decrease.

MISSTATEMENT OF AGE OR SEX

If the age or sex of the Annuitant has been misstated, any Annuity Payment amount shall be adjusted to reflect the correct information. Any overpayments that have been made will be deducted from future payments, including interest not to exceed 6% per year. Any underpayments will include not more than 6% interest to be paid in one sum to the Contract Owner if living, otherwise to the beneficiary.

MODIFICATION OF THE CONTRACT

The Contract provides that it may be modified by HMLIC to maintain continued compliance with applicable state and federal laws. Contract Owners will be notified of any modification. Only officers designated by HMLIC may modify the terms of the Contract.

HMLIC reserves the right to offer Contract Owners, at some future date and in accordance with the requirements of the Investment Company Act of 1940, the option to direct their net premium payments to a Subaccount within the Separate Account other than one or more of those currently offered. If shares of the Underlying Funds are not available for purchase by the Separate Account, or if in the judgment of HMLIC further investment in these shares is no longer appropriate in view of the purposes of the Separate Account or Subaccount, then (i) shares of another portfolio may be substituted for the Underlying Fund shares held in the affected Subaccount and/or (ii) payments received after a date specified by HMLIC may be applied to the purchase of shares of another portfolio. No substitution will be made without prior approval of the Securities and Exchange Commission and any required Contract Owner approvals. Any substitution would be for shares of a portfolio with investment objectives similar to those of the Underlying Fund it replaces.

25

<Page>

INDIVIDUAL PRODUCT INFORMATION

VARIABLE SOLUTIONS II -- INDIVIDUAL FLEXIBLE PREMIUM DEFERRED VARIABLE ANNUITY (IC-450000)

MINIMUM CONTRIBUTION	\$25 per month
ANNUAL MAINTENANCE FEE	\$25 per year. This fee will not be charged if the Total Accumulation Value equals or exceeds \$10,000.
M & E FEE	1.25%
DEATH BENEFIT	The beneficiary will receive the greater of: 1. the Total Accumulation Value; or 2. the net premium paid, less the net premium attributable to any withdrawals and any outstanding loan balance.

<Table>

<Caption>

SURRENDER CHARGES	DURING CONTRACT YEAR	SURRENDER CHARGE %
<S>	<C>	<C>
	1	8.0%
	2	7.5%

3	7.0%
4	6.0%
5	5.0%
6	4.0%
7	3.0%
8	2.0%
9	1.0%
Thereafter	0.0%

</Table>

MAXIMUM SOLUTIONS II -- INDIVIDUAL FLEXIBLE PREMIUM DEFERRED VARIABLE ANNUITY
(IC-451000)

MINIMUM CONTRIBUTION \$50,000

ANNUAL MAINTENANCE FEE None

M & E FEE 0.95%

DEATH BENEFIT If the Contract Owner dies prior to the attainment
of age 70, the beneficiary will receive the greater
of:

1. the Total Accumulation Value; or
2. the net premium paid, less the net premium
attributable to any withdrawals and any
outstanding loan balance, accumulated at 3
percent annually.

If the Contract Owner dies after the attainment of
age 70, the beneficiary will receive the greater of:

1. the Total Accumulation Value; or
2. the net premium paid, less the net premium
attributable to any withdrawals and any
outstanding loan balance.

<Table>

<Caption>

SURRENDER CHARGES	DURING CONTRACT YEAR	SURRENDER CHARGE %
<S>	<C>	<C>
	1	7.0%
	2	6.0%
	3	5.0%
	4	4.0%
	5	3.0%
	6	2.0%
	7	1.0%
	Thereafter	0.0%

</Table>

26

<Page>

TAX CONSEQUENCES

OTHER CONSIDERATIONS

This discussion of the federal income tax consequences is only a brief summary and is not intended as tax advice. The rules governing the provisions of annuity contracts and qualified plans are extremely complex, often difficult to comprehend and may be changed at any time. The discussion does not address special rules, prior tax laws or state tax laws. In addition, many of the provisions, including contribution limitations, enacted by the Economic Growth and Tax Relief Reconciliation Act of 2001 are sunsetted or repealed in 2011 unless extended or made permanent. A Contract Owner or a prospective Contract Owner considering adoption of or purchase of an annuity contract for a qualified plan should first consult with a qualified and competent tax adviser before taking any action that could have tax consequences.

SEPARATE ACCOUNT

The operations of the Separate Account form part of the operations of HMLIC; however, the IRC provides that no federal income tax will be payable by HMLIC on the investment income and capital gains of the Separate Account if certain conditions are met. Provided the investments of the Underlying Funds continue to meet the diversification requirements of IRC Section 817(h), the Contract Owner will not pay federal income tax on the investment income and capital gains under a Contract until Annuity Payments begin or a full or partial withdrawal is made.

CONTRACT OWNERS

CONTRIBUTION LIMITATIONS AND GENERAL REQUIREMENTS APPLICABLE TO QUALIFIED CONTRACTS

The tax rules applicable to participants in a Qualified Plan (as defined in

this prospectus) vary according to the type of plan and according to the terms and conditions of the specific plan. The information provided here regarding the tax consequences of Qualified Plans is intended to be only general in nature. You should consult with your tax adviser for the application of these rules to your specific facts before purchasing an annuity Contract for a Qualified Plan.

Contributions under Qualified Plans may be either excludable from income if made through a salary reduction agreement or deductible from gross income with the exception of Roth IRAs. Salary reduction contributions are subject to limitations imposed by the IRC. Any contributions allowed to be made by the employer other than through salary reduction agreements are generally subject to additional limitations and are not discussed here. Further, contributions and investment earnings credited to the Contract Owner's account are generally not taxable until such amounts are distributed as defined by the IRC. Purchasing a Contract as an investment vehicle for a Qualified Plan does not provide any additional tax advantage to that already available through the Qualified Plan.

SECTION 403(b) TAX-DEFERRED ANNUITY -- A Section 403(b) tax-deferred (or tax-sheltered) annuity Contract is available for employees of public schools and certain organizations tax-exempt under Section 501(c)(3). Salary reduction contributions are limited to the lesser of \$14,000 in 2005 (\$15,000 in 2006) or 100% of income. Additional catch-up amounts, \$4,000 in 2005 (\$5,000 in 2006) may be contributed if the Contract Owner is age 50 or older. An additional special catch-up contribution is available to certain Contract Owners who have 15 years of service with his or her current employer. Both the maximum salary reduction contribution and additional amount if you are age 50 or older continue to increase after 2006. Employer contributions are allowed with additional limitations under the Qualified Plan rules. Contributions and earnings are not included in the Annuitant's income until distributed. Distributions from Section 403(b) annuities generally cannot be made until the Annuitant attains age 59 1/2. However, exceptions to this rule include severance from employment, death, disability and hardship and, generally, the balance in the Contract as of December 31, 1988. Section 403(b) annuity Contract accumulations may be eligible for a tax-free rollover or transfer to another Section 403(b) annuity Contract or an eligible Qualified Plan. Section 403(b) annuities are subject to the required minimum distributions rules.

SECTION 408 IRA -- Annual contributions (other than rollover contributions) to an IRA are limited to \$4,000 for 2005. Additional catch-up contributions of \$500 may be made if the Contract Owner is age 50 or older (\$1,000 for 2006). Contribution limits to an IRA are reduced if contributions are also made to a Roth IRA. Contributions cannot be made after age 70 1/2 (this limitation does not apply to Roth IRAs). The amount of any annual contribution that will be deductible from gross income is based upon the individual's compensation, coverage under a retirement plan and marital status. For 2005, if the owner of the IRA Contract is covered by another Qualified Plan the deduction phases out when adjusted gross income ("AGI") is between \$50,000 and \$60,000 for single filers and between \$70,000 and \$80,000 for married individuals filing jointly. If the owner is not covered by a Qualified Plan but the owner's spouse is, the deduction phases out when AGI is between \$150,000 and \$160,000. IRA accumulations may be eligible for a tax-free rollover or transfer to another IRA or eligible Qualified Plan. IRAs are subject to required minimum distribution rules.

SIMPLIFIED EMPLOYEE PENSION (SEP) -- If the contract is used for a SEP IRA plan and the Contract Owner has elected to make IRA contributions, the same limitations regarding maximum contributions and deductibility apply as those described above under IRAs. If the SEP is offered under a salary reduction basis (SARSEP), the limitation for salary reduction contributions is \$14,000 for 2005. The additional catch-up amount if the individual is age 50 or older also applies, \$4,000 for 2005 (\$5,000 in 2006). Employer contributions are allowed subject to additional limitations and must be coordinated with other Qualified Plan limitations. SEP IRA plans are subject to certain minimum participation and nondiscrimination requirements. Contributions and earnings are not includable in income until distributed. Rollover and required minimum distribution rules apply the same as for IRAs.

SAVINGS INCENTIVE MATCH PLAN FOR EMPLOYEES (SIMPLE IRA) -- If the Contract is used for a SIMPLE IRA, the salary reduction limitation is \$10,000. As with IRAs, additional

<Page>

contributions are allowed for individuals age 50 and older, \$2,000 for 2005 (\$2,500 for 2006). Employer contributions are also required and are coordinated with the elective deferral limitations of other Qualified Plans. Rollover rules are similar to IRAs except that rollovers during the first two years of participation are limited to other SIMPLE IRAs. Required minimum distribution rules apply the same as those for IRAs.

ROTH IRAs -- Annual contributions to a Roth IRA are limited to \$4,000 for both the individual and the spouse. This amount has additional limitations based upon the Contract Owner's income and marital status. The annual contribution maximum is phased out when AGI is between \$95,000 and \$110,000 for single

taxpayers and those taxpayers filing Head of Household, between \$150,000 and \$160,000 for married taxpayers filing jointly and between \$0 and \$10,000 for married taxpayers filing separate. Contributions to an IRA are coordinated with Roth IRA contributions. An additional catch-up contribution is allowed if the individual is age 50 or older of \$500 for 2005 (\$1,000 for 2006). Contributions to a Roth IRA are not deductible and if the Contract has been in existence for more than five years, certain qualified distributions are not includable in income (e.g., distributions made to a Contract Owner reaching age 59 1/2 or becoming disabled). IRAs, SEP IRAs and SIMPLE IRAs (after 2 years of participation in a SIMPLE IRA) can generally be rolled over or converted to a Roth IRA if the Contract Owner's AGI is \$100,000 or less and the Contract Owner is not married filing a separate return. However, the converted amount is includable in income in the year of conversion. Roth IRAs are not subject to the required minimum distribution rules.

SECTION 457(b) ELIGIBLE GOVERNMENTAL PLAN -- A Section 457(b) deferred compensation plan is available for employees of eligible state or local governments. Salary reduction amounts are limited to the lesser of \$14,000 for 2005 (\$15,000 for 2006) or 100% of includable compensation. Additional catch-up amounts may be contributed if the Contract Owner is age 50 or older of \$4,000 for 2005 (\$5,000 for 2006). A special catch-up contribution is allowed in the last three years of employment before attaining normal retirement age. Contributions and earnings are not included in the Annuitant's income until distributed. Distributions are not generally allowed until the employee reaches age 70 1/2 except for severance from employment or for an unforeseeable emergency or severe financial hardship. Section 457(b) annuity Contract accumulations can be rolled over or transferred to other Section 457(b) eligible governmental plan contracts or an eligible Qualified Plan. Section 457(b) annuity Contracts are subject to the required minimum distribution rules.

SECTION 401 -- Section 401 permits employers to establish various types of retirement plans (e.g., pension, profit sharing, 401(k) plans) for their employees. Retirement plans established in accordance with Section 401 may permit the purchase of annuity contracts to provide benefits under the plan. In order for a retirement plan to be considered qualified under Section 401 it must: meet certain minimum standards with respect to participation, coverage and vesting; not discriminate in favor of highly compensated employees; provide contributions or benefits that do not exceed certain limitations; prohibit the use of plan assets for purposes other than the exclusive benefit of the plan participant and their beneficiaries covered by the plan; comply with certain minimum distribution requirements; provide for certain spousal survivor benefits; and comply with numerous other qualification requirements. A retirement plan qualified under Section 401 may be funded with employer contributions, employee contributions or a combination of both. Employee contributions may be made pre-tax (under a salary reduction agreement) or on an after-tax basis.

ROLLOVERS -- A rollover, direct rollover or trustee-to-trustee transfer is a tax-free transfer of a distribution from a Qualified Plan to an eligible retirement plan. Distributions that are properly rolled over or transferred are not includable in income until they are ultimately paid out of the Contract. A Section 401 plan can be rolled over or transferred to another Section 401 plan, an IRA, a Section 403(a) annuity, a Section 403(b) tax-deferred annuity or an eligible Section 457 governmental plan. An IRA can be rolled over or transferred to another IRA, a Section 401 plan, a Section 403(a) annuity, a Section 403(b) tax-deferred annuity or an eligible Section 457 governmental plan. A Section 403(b) tax-deferred annuity can be rolled over or transferred to an IRA, a Section 401 plan, a Section 403(a) annuity, a Section 403(b) tax-deferred annuity or an eligible Section 457 governmental plan. In all cases the eligible Section 457 plan must separately account for amounts rolled over or transferred from other non-Section 457 plans.

For a Section 403(b) annuity only amounts eligible for distribution can be rolled over. However, amounts may be transferred between tax-deferred annuities if the requirements of Revenue Ruling 90-24 are met. A SIMPLE IRA can only be rolled over to another SIMPLE IRA during the first two years of participation. Thereafter, a SIMPLE IRA can be rolled over or transferred tax-free to an IRA, a qualified Section 401 plan, a Section 403(b) plan or a Section 457 plan. A Roth IRA can generally only be rolled over to another Roth IRA. If certain requirements are met, it may be possible to recharacterize a Roth IRA contribution as an IRA contribution.

TAXATION OF CONTRACT BENEFITS

Amounts contributed through salary reduction, employer contributions or deductible amounts in the case of IRAs are not taxed at the time of contribution. Earnings are also not taxed as they accumulate within the annuity Contract. Except for qualified distributions from Roth IRAs or after-tax contributions, Contract benefits will be taxable as ordinary income when received in accordance with Section 72 of the IRC.

Loans, if not made within certain terms of the IRC, will be treated as distributions. Loans from Sections 401 and 403(b) plans will not be treated as distributions if the terms require repayment within five years (except loans to acquire a home); the loans have substantially level payments over the term of

the loan; the loans do not exceed \$50,000 and the loans are evidenced by a legally enforceable agreement. Loans are not allowed for IRAs.

Qualified distributions from a Roth IRA are not taxable. A qualified distribution is any distribution made at least five years after issuance of the owner's first Roth IRA and made after attainment of age 59 1/2; as the result of death or disability; or as a qualified first-time homebuyer distribution.

28

<Page>

ADDITIONAL TAXES

PREMATURE DISTRIBUTION TAX

An additional tax (penalty tax) will apply to premature distributions from a Qualified Plan. A premature distribution is generally any distribution made before the Contract Owner reaches age 59 1/2. The penalty tax is 10% of the amount of the payment that is includable in income. The penalty tax increases to 25% for distributions from a SIMPLE IRA if made within the first two years of participation. The penalty tax does not apply to conversions of IRAs to Roth IRAs and distributions from Section 457 plans. Certain payments may be exempt from the penalty tax depending on the type of Qualified Plan such as payments made: 1) after age 59 1/2, 2) as the result of death or disability, 3) that are part of a series of substantially equal periodic payments over the life expectancy of the owner or the joint lives of the owner and beneficiary, 4) after separation from service and attainment of age 55, 5) for medical care, 6) under a qualified domestic relations order (QDRO) and 7) to correct excess contributions or elective deferrals. If the Contract is an IRA or Roth IRA exception 4) listed above does not apply. In addition, for an IRA or Roth IRA there are additional exceptions, which include payments made: 1) for reimbursement of health insurance while the Contract Owner was unemployed, 2) for qualified education expenses and 3) for a qualified first-time home purchase.

REQUIRED MINIMUM DISTRIBUTION TAX -- If the amount distributed from a Qualified Plan is less than the required minimum distribution for the year (discussed below), the Contract Owner is generally subject to a non-deductible excise tax of 50% on the difference between the required minimum distribution and the amount actually distributed.

REQUIRED MINIMUM DISTRIBUTIONS -- The Contract Owner of all Qualified Plans except Roth IRAs is generally required to take certain required minimum distributions during the Contract Owner's life and the beneficiary designated by the Contract Owner is required to take the balance of the Contract value within certain specified periods following the Contract Owner's death.

The Contract Owner must take the first required distribution by the required beginning date and subsequent required distributions by December 31 of each year thereafter. Payments must be made over the life expectancy of the Contract Owner or the joint life expectancy of the Contract Owner and the beneficiary. The amount of the required minimum distribution depends upon the Contract value and the applicable life expectancy. The required beginning date for IRAs, SEPs and SIMPLE IRAs is no later than April 1 of the calendar year following the calendar year in which the Contract Owner attains age 70 1/2. The required beginning date for Section 403(b) annuities and Section 457 plans is the later of April 1 of the calendar year following the calendar year in which the Contract Owner attains age 70 1/2 or retires.

Upon the death of the Contract Owner, the beneficiary must take distributions under one of the following two rules.

1. If the Contract Owner dies on or after the required beginning date and has designated a beneficiary, any remaining balance must be distributed over the longer of the remaining life expectancy of the Contract Owner's designated beneficiary or the remaining life expectancy of the Contract Owner. If there is no designated beneficiary as of the date for determining a designated beneficiary, distributions shall continue over the remaining life expectancy of the Contract Owner.
2. If the Contract Owner dies before the required beginning date, the balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the Contract Owner's death. If the Contract value is payable to a beneficiary other than a spouse, it may be paid over the life expectancy of that beneficiary, provided distributions begin by December 31 of the calendar year following the year of the Contract Owner's death. If the beneficiary is the spouse, the spouse may defer payments until the end of the calendar year in which the Contract Owner would have reached age 70 1/2 or roll over the Contract to an IRA or any other eligible retirement plan.

WITHHOLDING -- Mandatory federal income tax is generally required to be withheld at the rate of 20% on distributions from Qualified Plans. Exceptions to this rule include: distributions from IRAs or Roth IRAs; a direct rollover or

direct transfer to an eligible retirement plan; periodic payments over the Contract Owner's life expectancy or the joint life expectancy of the Contract Owner and the beneficiary; periodic payments over a ten-year period; required minimum distributions; and hardship distributions.

For all amounts not subject to the mandatory 20% withholding except Roth IRAs, federal income tax is generally required to be withheld unless the Contract Owner elects not to have federal income tax withheld. For periodic payments (Annuity Payments), the withholding is calculated like wage withholding. For all other payments withholding is at a rate of 10%. HMLIC will notify the Contract Owner at least annually of his or her right to revoke the election not to have federal income tax withheld. State and/or local tax withholding may also apply.

VOTING RIGHTS

Unless otherwise restricted by the plan under which a Contract is issued, each Contract Owner has the right to instruct HMLIC with respect to voting his or her interest in the shares of the Underlying Funds held by the Separate Account at all shareholder meetings.

The number of votes that may be cast by a Contract Owner is based on the number of units owned as of the record date of the meeting. Shares for which no instructions are received are voted in the same proportion as the shares for which instructions have been received. Any Underlying Fund shares attributable to investment by HMLIC will be voted in

29

<Page>

proportion to the vote by Contract Owners who have Separate Account units. Contract Owners receive various materials, such as proxy materials and voting instruction forms, that relate to voting Underlying Fund shares.

OTHER INFORMATION

LEGAL PROCEEDINGS -- There are no legal proceedings to which the Separate Account is a party or to which the assets of the Separate Account are subject. HMLIC is engaged in various kinds of routine litigation that, in HMLIC's judgment, are not material to its financial condition. None of this litigation relates to the Separate Account.

REGISTRATION STATEMENT -- A registration statement has been filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the Contract. This prospectus does not contain all information set forth in the registration statement, its amendments and exhibits. Statements contained in this prospectus as to the content of the Contract and other legal instruments are summaries. For a complete statement of the terms thereof, reference is made to these instruments as filed.

COMMUNICATIONS TO CONTRACT OWNERS -- To ensure receipt of communications, Contract Owners must notify HMLIC of address changes. Notice of a change in address may be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 527-2307 or by calling (217) 789-2500 or (800) 999-1030 (toll-free).

HMLIC will attempt to locate Contract Owners for whom no current address is on file. In the event HMLIC is unable to locate a Contract Owner, HMLIC may be forced to surrender the value of the Contract to the Contract Owner's last known state of residence in accordance with the state's abandoned property laws.

CONTRACT OWNER INQUIRIES -- A toll-free number, (800) 999-1030, is available to telephone HMLIC's Annuity Customer Service Department. Written questions should be sent to Horace Mann Life Insurance Company, Annuity Customer Service, P.O. Box 4657, Springfield, Illinois 62708-4657.

FORMS AVAILABILITY -- Specific forms are available from HMLIC to aid the Contract Owner in effecting many transactions allowed under the Contract. These forms may be obtained by calling the Annuity Customer Service Department toll-free at (800) 999-1030.

NASD REGULATION'S PUBLIC DISCLOSURE PROGRAM -- Information about HM Investors and your agent is available from the NASD at www.nasd.com or by calling (800) 289-9999 (toll-free).

ADDITIONAL INFORMATION

A copy of the Statement of Additional Information providing more detailed information about the Separate Account is available, without charge, upon request. The Table of Contents of this Statement of Additional Information follows:

<Table>
<Caption>

TOPIC	PAGE
<S>	<C>
General Information and History	2
Underwriter	2
Financial Statements	2

To receive, without charge, a copy of the Statement of Additional Information for the Separate Account, please complete the following request form and mail it to the address indicated below, send it by telefacsimile (FAX) transmission to (217) 535-7123 or telephone (217) 789-2500 or (800) 999-1030 (toll-free).

HORACE MANN LIFE INSURANCE COMPANY
P.O. BOX 4657
SPRINGFIELD, ILLINOIS 62708-4657

Please provide free of charge the following information:

_____ Statement of Additional Information dated May 2, 2005 for the Separate Account

Please mail the above document to:

(Name)

(Address)

(City/State/Zip)

30

MAY 2, 2005

STATEMENT OF ADDITIONAL INFORMATION

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT

Individual Flexible Payment and Individual Single Payment
Variable Deferred Annuity Contracts

Horace Mann Life Insurance Company

This Statement of Additional Information is not a prospectus, but should be read in conjunction with the Prospectuses, dated May 1, 2005, for Horace Mann Life Insurance Company Separate Account. A copy of the Prospectuses may be obtained by writing to Horace Mann Life Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657, by sending a telefacsimile (FAX) transmission to (217) 535-7123 or by telephoning toll-free (800) 999-1030.

MAY 2, 2005

TABLE OF CONTENTS

TOPIC	PAGE
General Information and History.....	2
Underwriter.....	2
Financial Statements.....	2

GENERAL INFORMATION AND HISTORY

Horace Mann Life Insurance Company ("HMLIC") sponsors the Horace Mann Life Insurance Company Separate Account (the "Separate Account"). HMLIC is a wholly-owned subsidiary of Allegiance Life Insurance Company, whose business is to engage in the business of insurance. HMLIC is an indirect wholly-owned subsidiary of Horace Mann Educators Corporation ("HMEC"), a publicly-held insurance holding company traded on the New York Stock Exchange.

UNDERWRITER

HMLIC offers and sells the contracts on a continuous basis through its licensed life insurance sales personnel who are also registered representatives of Horace Mann Investors, Inc. ("HM Investors"), a broker/dealer registered with the Securities and Exchange Commission and a member of the NASD. In addition, the contracts may be offered and sold through independent agents and other broker-dealers. HMLIC contracts with HM Investors, principal underwriter of the Separate Account, to distribute the variable contracts of HMLIC. HM Investors,

located at One Horace Mann Plaza, Springfield, Illinois 62715-0001, is an affiliate of HMLIC and a wholly-owned subsidiary of HMEC. Commissions paid to HM Investors were, \$3,642,750, \$4,723,014 and \$5,738,930 for the years ended 2002, 2003 and 2004, respectively. HM Investors does not retain any of these commissions. Commissions received by HM Investors are paid to registered representatives who sell contracts offered by the Prospectuses.

FINANCIAL STATEMENTS

KPMG LLP, independent registered public accounting firm for the Separate Account and HMLIC, has offices at 303 East Wacker Drive, Chicago, Illinois 60601. KPMG LLP representatives perform an audit of the financial statements of the Account annually and provide services related to Securities and Exchange Commission filings throughout the year and perform an annual audit of the statutory financial statements of HMLIC.

The financial statements of the Separate Account, including the auditors' reports thereon, are incorporated herein by reference from the Annual Report for the Separate Account for the year ended December 31, 2004. A copy of this Annual Report accompanies the Statement of Additional Information. Additional copies may be obtained, upon request and without charge, by contacting Horace Mann Life

Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657, or by telephoning (217) 789-2500 or (800) 999-1030 (toll-free). The statutory financial statements for HMLIC, including the auditors' report thereon, which are included herein, should be considered only as bearing upon the ability of HMLIC to meet its obligations under the contracts.

<Page>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Horace Mann Life Insurance Company:

We have audited the accompanying statements of net assets of each of the forty portfolios comprising the Horace Mann Life Insurance Company Separate Account as of December 31, 2004, and the related statements of operations and changes in net assets, and the financial highlights for the year then ended. These financial statements and financial highlights are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2004, by correspondence with the third party administrator in regard to separate accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the forty portfolios comprising the Horace Mann Life Insurance Company Separate Account as of December 31, 2004, the results of their operations, changes in their net assets and financial highlights for the year then ended, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Chicago, Illinois
April 28, 2005
<Page>

HORACE MANN LIFE INSURANCE COMPANY
SEPARATE ACCOUNT

2004 ANNUAL REPORT

STATEMENTS OF NET ASSETS

DECEMBER 31, 2004

<Table>
<Caption>

ACCOUNT DIVISION

WILSHIRE VIT	WILSHIRE VIT	WILSHIRE VIT	WILSHIRE VIT
EQUITY FUND	BALANCED FUND	INCOME FUND	SHORT-TERM INVESTMENT FUND

	HM SHARES	HM SHARES	HM SHARES	HM SHARES
<S>	<C>	<C>	<C>	<C>
ASSETS				
Investments at market value	\$ 301,633,499	\$ 261,599,493	\$ 21,963,766	\$ 2,940,774
TOTAL ASSETS	\$ 301,633,499	\$ 261,599,493	\$ 21,963,766	\$ 2,940,774
NET ASSETS				
Net Assets (Indefinite units authorized)				
Active Contract Owners	299,968,246	260,586,914	21,851,990	2,927,081
Retired Contract Owners	1,665,253	1,012,579	111,776	13,693
TOTAL NET ASSETS	\$ 301,633,499	\$ 261,599,493	\$ 21,963,766	\$ 2,940,774
Total units	14,024,912	13,172,538	1,300,042	270,993
Blended unit value (Net assets divided by total units held)	\$ 21.51	\$ 19.86	\$ 16.89	\$ 10.85
INVESTMENTS				
Cost of investments	\$ 323,693,439	\$ 261,264,015	\$ 22,835,919	\$ 2,960,926
Unrealized appreciation (depreciation) on investments	\$ (22,059,940)	\$ 335,478	\$ (872,153)	\$ (20,152)
Number of shares in underlying mutual funds	14,134,648	14,573,824	1,806,227	290,878
Total Net Assets Represented by:				
Number of units outstanding:				
M&E Rate .0000	7,357	9,353	8	10
M&E Rate .0029	411,900	-	-	-
M&E Rate .0039	117,268	-	-	-
M&E Rate .0095	55,483	73,428	89,317	20,983
M&E Rate .0105	-	-	-	-
M&E Rate .0115	-	-	-	-
M&E Rate .0125	13,354,870	13,033,346	1,201,525	248,646
Retired Payout	78,034	56,411	9,192	1,354
Unit Value (Net assets divided by units outstanding)				
M&E Rate .0000	\$ 22.67	\$ 20.97	\$ 17.85	\$ 11.45
M&E Rate .0029	\$ 22.39	\$ -	\$ -	\$ -
M&E Rate .0039	\$ 22.29	\$ -	\$ -	\$ -
M&E Rate .0095	\$ 21.78	\$ 20.13	\$ 17.14	\$ 10.99
M&E Rate .0105	\$ -	\$ -	\$ -	\$ -
M&E Rate .0115	\$ -	\$ -	\$ -	\$ -
M&E Rate .0125	\$ 21.47	\$ 19.87	\$ 16.91	\$ 10.84
Retired Payout	\$ 21.34	\$ 17.95	\$ 12.16	\$ 10.11

<Caption>

ACCOUNT DIVISION

	WILSHIRE VIT SMALL CAP GROWTH FUND HM SHARES	WILSHIRE VIT INTERNATIONAL EQUITY FUND HM SHARES	WILSHIRE VIT SOCIALY RESPONSIBLE FUND HM SHARES	WILSHIRE 5000 INDEX PORTFOLIO- INSTITUTIONAL
<S>	<C>	<C>	<C>	<C>
ASSETS				
Investments at market value	\$ 51,123,355	\$ 36,179,259	\$ 76,641,597	\$ 19,478,297
TOTAL ASSETS	\$ 51,123,355	\$ 36,179,259	\$ 76,641,597	\$ 19,478,297
NET ASSETS				
Net Assets (Indefinite units authorized)				
Active Contract Owners	51,123,355	36,179,259	76,641,597	19,478,297
Retired Contract Owners	-	-	-	-
TOTAL NET ASSETS	\$ 51,123,355	\$ 36,179,259	\$ 76,641,597	\$ 19,478,297
Total units	4,302,146	3,099,530	4,612,921	1,924,243
Blended unit value (Net assets divided by total units held)	\$ 11.88	\$ 11.67	\$ 16.61	\$ 10.12
INVESTMENTS				
Cost of investments	\$ 63,827,849	\$ 32,836,130	\$ 66,389,347	\$ 19,253,819
Unrealized appreciation (depreciation) on investments	\$ (12,704,494)	\$ 3,343,129	\$ 10,252,250	\$ 224,478

Number of shares in underlying mutual funds	4,146,241	3,037,708	4,970,259	1,926,316
Total Net Assets Represented by:				
Number of units outstanding:				
M&E Rate .0000	9,028	2,959	7,283	3,300
M&E Rate .0029	-	-	-	-
M&E Rate .0039	-	-	-	-
M&E Rate .0095	51,453	61,609	39,075	27,641
M&E Rate .0105	-	-	-	-
M&E Rate .0115	-	-	-	-
M&E Rate .0125	4,241,665	3,034,962	4,566,563	1,893,302
Retired Payout	-	-	-	-
Unit Value (Net assets divided by units outstanding)				
M&E Rate .0000	\$ 12.55	\$ 12.32	\$ 17.53	\$ 10.68
M&E Rate .0029	\$ -	\$ -	\$ -	\$ -
M&E Rate .0039	\$ -	\$ -	\$ -	\$ -
M&E Rate .0095	\$ 12.04	\$ 11.82	\$ 16.83	\$ 10.25
M&E Rate .0105	\$ -	\$ -	\$ -	\$ -
M&E Rate .0115	\$ -	\$ -	\$ -	\$ -
M&E Rate .0125	\$ 11.88	\$ 11.67	\$ 16.61	\$ 10.12
Retired Payout	\$ -	\$ -	\$ -	\$ -

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION			
	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INSTITUTIONAL	WILSHIRE 5000 INDEX PORTFOLIO- INVESTMENT	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INVESTMENT	WILSHIRE LARGE CO. VALUE PORTFOLIO- INVESTMENT
<S>	<C>	<C>	<C>	<C>
ASSETS				
Investments at market value	\$ 21,293,761	\$ 7,833,095	\$ 9,962,280	\$ 17,633,502
TOTAL ASSETS	\$ 21,293,761	\$ 7,833,095	\$ 9,962,280	\$ 17,633,502
NET ASSETS				
Net Assets (Indefinite units authorized)				
Active Contract Owners	21,293,761	7,833,095	9,962,280	17,633,502
Retired Contract Owners	-	-	-	-
TOTAL NET ASSETS	\$ 21,293,761	\$ 7,833,095	\$ 9,962,280	\$ 17,633,502
Total units	680,361	787,993	324,321	729,103
Blended unit value (Net assets divided by total units held)	\$ 31.30	\$ 9.94	\$ 30.72	\$ 24.19
INVESTMENTS				
Cost of investments	\$ 23,530,264	\$ 6,740,801	\$ 8,933,329	\$ 15,736,763
Unrealized appreciation (depreciation) on investments	\$ (2,236,503)	\$ 1,092,294	\$ 1,028,951	\$ 1,896,739
Number of shares in underlying mutual funds	662,724	776,237	313,279	801,846
Total Net Assets Represented by:				
Number of units outstanding:				
M&E Rate .0000	931	17	4	10
M&E Rate .0029	-	-	-	-
M&E Rate .0039	-	-	-	-
M&E Rate .0095	2,949	100,788	39,972	42,668
M&E Rate .0105	-	-	-	-
M&E Rate .0115	-	-	-	-
M&E Rate .0125	676,481	687,188	284,345	686,425
Retired Payout	-	-	-	-
Unit Value (Net assets divided by units outstanding)				
M&E Rate .0000	\$ 33.05	\$ 10.52	\$ 32.45	\$ 25.43
M&E Rate .0029	\$ -	\$ -	\$ -	\$ -
M&E Rate .0039	\$ -	\$ -	\$ -	\$ -
M&E Rate .0095	\$ 31.70	\$ 10.10	\$ 31.03	\$ 24.38

M&E Rate .0105	\$	-	\$	-	\$	-	\$	-
M&E Rate .0115	\$	-	\$	-	\$	-	\$	-
M&E Rate .0125	\$	31.29	\$	9.92	\$	30.67	\$	24.09
Retired Payout	\$	-	\$	-	\$	-	\$	-

<Caption>

		ACCOUNT DIVISION			
		WILSHIRE SMALL CO. VALUE PORTFOLIO- INVESTMENT	WILSHIRE SMALL CO. GROWTH PORTFOLIO- INVESTMENT	T. ROWE PRICE SMALL-CAP VALUE FUND ADVISOR CLASS	T. ROWE PRICE SMALL-CAP STOCK FUND ADVISOR CLASS
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS	Investments at market value	\$ 3,315,399	\$ 2,471,845	\$ 17,957,864	\$ 14,483,081
TOTAL ASSETS		\$ 3,315,399	\$ 2,471,845	\$ 17,957,864	\$ 14,483,081
NET ASSETS	Net Assets (Indefinite units authorized)				
	Active Contract Owners	3,315,399	2,471,845.00	17,957,864	14,483,081
	Retired Contract Owners	-	-	-	-
TOTAL NET ASSETS		\$ 3,315,399	\$ 2,471,845	\$ 17,957,864	\$ 14,483,081
	Total units	140,474	121,774	439,605	401,917
	Blended unit value (Net assets divided by total units held)	\$ 23.60	\$ 20.30	\$ 40.85	\$ 36.03
INVESTMENTS	Cost of investments	\$ 2,712,519	\$ 1,978,871	\$ 12,686,158	\$ 11,428,985
	Unrealized appreciation (depreciation) on investments	\$ 602,880	\$ 492,974	\$ 5,271,706	\$ 3,054,096
	Number of shares in underlying mutual funds	152,737	139,133	505,857	457,168
Total Net Assets Represented by:	Number of units outstanding:				
	M&E Rate .0000	1,446	610	3,237	7
	M&E Rate .0029	-	-	-	-
	M&E Rate .0039	-	-	-	-
	M&E Rate .0095	9,258	8,713	17,451	22,457
	M&E Rate .0105	-	-	-	-
	M&E Rate .0115	-	-	-	-
	M&E Rate .0125	129,770	112,451	418,917	379,453
	Retired Payout	-	-	-	-
Unit Value (Net assets divided by units outstanding)					
	M&E Rate .0000	\$ 24.60	\$ 21.86	\$ 43.06	\$ 38.01
	M&E Rate .0029	\$ -	\$ -	\$ -	\$ -
	M&E Rate .0039	\$ -	\$ -	\$ -	\$ -
	M&E Rate .0095	\$ 23.52	\$ 21.02	\$ 41.26	\$ 36.37
	M&E Rate .0105	\$ -	\$ -	\$ -	\$ -
	M&E Rate .0115	\$ -	\$ -	\$ -	\$ -
	M&E Rate .0125	\$ 23.32	\$ 20.20	\$ 40.82	\$ 36.01
	Retired Payout	\$ -	\$ -	\$ -	\$ -

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

		ACCOUNT DIVISION			
		FIDELITY VIP GROWTH & INCOME PORTFOLIO	FIDELITY VIP INDEX 500 PORTFOLIO	FIDELITY VIP MID CAP PORTFOLIO	FIDELITY VIP GROWTH PORTFOLIO
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS	Investments at market value	\$ 10,812,187	\$ 37,811,520	\$ 27,532,251	\$ 31,546,843
TOTAL ASSETS		\$ 10,812,187	\$ 37,811,520	\$ 27,532,251	\$ 31,546,843

NET ASSETS

Net Assets (Indefinite units authorized)					
Active Contract Owners	10,812,187	37,811,520	27,532,251	31,546,843	
Retired Contract Owners	-	-	-	-	

TOTAL NET ASSETS \$ 10,812,187 \$ 37,811,520 \$ 27,532,251 \$ 31,546,843

Total units	757,537	277,917	954,231	974,205	
Blended unit value (Net assets divided by total units held)	\$ 14.27	\$ 136.05	\$ 28.85	\$ 32.38	

INVESTMENTS

Cost of investments	\$ 9,828,133	\$ 33,754,819	\$ 18,576,486	\$ 31,572,647	
Unrealized appreciation (depreciation) on investments	\$ 984,054	\$ 4,056,701	\$ 8,955,765	\$ (25,804)	
Number of shares in underlying mutual funds	788,634	276,582	921,428	997,056	

Total Net Assets Represented by:

Number of units outstanding:

M&E Rate .0000	3,612	379	407	449	
M&E Rate .0029	-	-	-	-	
M&E Rate .0039	-	-	-	-	
M&E Rate .0095	70,814	14,943	44,701	48,757	
M&E Rate .0105	-	-	-	-	
M&E Rate .0115	-	-	-	-	
M&E Rate .0125	683,111	262,595	909,123	924,999	
Retired Payout	-	-	-	-	

Unit Value (Net assets divided by units outstanding)

M&E Rate .0000	\$ 15.04	\$ 143.78	\$ 30.42	\$ 34.17	
M&E Rate .0029	\$ -	\$ -	\$ -	\$ -	
M&E Rate .0039	\$ -	\$ -	\$ -	\$ -	
M&E Rate .0095	\$ 14.43	\$ 133.70	\$ 29.19	\$ 32.69	
M&E Rate .0105	\$ -	\$ -	\$ -	\$ -	
M&E Rate .0115	\$ -	\$ -	\$ -	\$ -	
M&E Rate .0125	\$ 14.25	\$ 136.18	\$ 28.84	\$ 32.37	
Retired Payout	\$ -	\$ -	\$ -	\$ -	

<Caption>

ACCOUNT DIVISION

	FIDELITY VIP OVERSEAS PORTFOLIO	FIDELITY VIP HIGH INCOME PORTFOLIO	FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO	DAVIS VALUE PORTFOLIO
<S> ASSETS	<C>	<C>	<C>	<C>
Investments at market value	\$ 12,405,767	\$ 2,507,235	\$ 15,156,639	\$ 7,064,779
TOTAL ASSETS	\$ 12,405,767	\$ 2,507,235	\$ 15,156,639	\$ 7,064,779

NET ASSETS

Net Assets (Indefinite units authorized)				
Active Contract Owners	12,405,767	2,507,235	15,156,639	7,064,779
Retired Contract Owners	-	-	-	-

TOTAL NET ASSETS \$ 12,405,767 \$ 2,507,235 \$ 15,156,639 \$ 7,064,779

Total units	643,917	256,027	975,233	612,231
Blended unit value (Net assets divided by total units held)	\$ 19.27	\$ 9.79	\$ 15.54	\$ 11.54

INVESTMENTS

Cost of investments	\$ 10,753,646	\$ 2,421,969	\$ 15,081,610	\$ 5,940,777
Unrealized appreciation (depreciation) on investments	\$ 1,652,121	\$ 85,266	\$ 75,029	\$ 1,124,002
Number of shares in underlying mutual funds	713,385	362,841	1,158,766	599,726

Total Net Assets Represented by:

Number of units outstanding:

M&E Rate .0000	888	20	17	17
M&E Rate .0029	-	-	-	-
M&E Rate .0039	-	-	-	-
M&E Rate .0095	38,468	37,187	117,712	42,859
M&E Rate .0105	-	-	-	-
M&E Rate .0115	-	-	-	-
M&E Rate .0125	604,561	218,820	857,504	569,355
Retired Payout	-	-	-	-

Unit Value (Net assets divided by units outstanding)

M&E Rate .0000	\$ 20.32	\$ 10.31	\$ 16.38	\$ 12.26
M&E Rate .0029	\$ -	\$ -	\$ -	\$ -
M&E Rate .0039	\$ -	\$ -	\$ -	\$ -
M&E Rate .0095	\$ 19.50	\$ 9.93	\$ 15.67	\$ 11.77
M&E Rate .0105	\$ -	\$ -	\$ -	\$ -
M&E Rate .0115	\$ -	\$ -	\$ -	\$ -
M&E Rate .0125	\$ 19.25	\$ 9.77	\$ 15.52	\$ 11.52
Retired Payout	\$ -	\$ -	\$ -	\$ -

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

ACCOUNT DIVISION

	STRONG OPPORTUNITY FUND II	STRONG MID CAP GROWTH FUND II	J.P. MORGAN U.S. DISCIPLINED EQUITY PORTFOLIO	RAINIER SMALL/MID CAP EQUITY PORTFOLIO
<S>	<C>	<C>	<C>	<C>
ASSETS				
Investments at market value	\$ 9,521,371	\$ 8,123,906	\$ 15,116,981	\$ 10,602,737
TOTAL ASSETS	\$ 9,521,371	\$ 8,123,906	\$ 15,116,981	\$ 10,602,737

NET ASSETS

Net Assets (Indefinite units authorized)

Active Contract Owners
Retired Contract Owners

9,521,371	8,123,906	15,116,981	10,602,737
-	-	-	-

TOTAL NET ASSETS	\$ 9,521,371	\$ 8,123,906	\$ 15,116,981	\$ 10,602,737
------------------	--------------	--------------	---------------	---------------

Total units	317,641	479,241	1,143,649	303,239
Blended unit value (Net assets divided by total units held)	\$ 29.98	\$ 16.95	\$ 13.22	\$ 34.96

INVESTMENTS

Cost of investments	\$ 8,031,363	\$ 7,949,247	\$ 13,592,466	\$ 8,275,239
Unrealized appreciation (depreciation) on investments	\$ 1,490,008	\$ 174,659	\$ 1,524,515	\$ 2,327,498
Number of shares in underlying mutual funds	424,115	496,572	1,112,360	365,108

Total Net Assets Represented by:

Number of units outstanding:

M&E Rate .0000	7	3,479	12	373
M&E Rate .0029	-	-	-	-
M&E Rate .0039	-	-	-	-
M&E Rate .0095	13,146	20,742	71,779	23,948
M&E Rate .0105	-	0	-	-
M&E Rate .0115	-	0	-	-
M&E Rate .0125	304,488	455,020	1,071,858	278,918
Retired Payout	-	-	-	-

Unit Value (Net assets divided by units outstanding)

M&E Rate .0000	\$ 31.54	\$ 17.90	\$ 13.94	\$ 36.88
M&E Rate .0029	\$ -	\$ -	\$ -	\$ -
M&E Rate .0039	\$ -	\$ -	\$ -	\$ -
M&E Rate .0095	\$ 30.22	\$ 17.10	\$ 13.39	\$ 35.36
M&E Rate .0105	\$ -	\$ -	\$ -	\$ -
M&E Rate .0115	\$ -	\$ -	\$ -	\$ -
M&E Rate .0125	\$ 29.96	\$ 16.94	\$ 13.21	\$ 34.93
Retired Payout	\$ -	\$ -	\$ -	\$ -

<Caption>

ACCOUNT DIVISION

	NEUBERGER BERMAN GENESIS FUND	ALLIANCE PREMIER GROWTH PORTFOLIO	PUTNAM VT VISTA FUND	CREDIT SUISSE SMALL CO. GROWTH PORTFOLIO
<S>	<C>	<C>	<C>	<C>
ASSETS				
Investments at market value	\$ 17,832,489	\$ 18,913,881	\$ 6,067,620	\$ 4,634,469
TOTAL ASSETS	\$ 17,832,489	\$ 18,913,881	\$ 6,067,620	\$ 4,634,469
NET ASSETS				
Net Assets (Indefinite units authorized)				
Active Contract Owners	17,832,489	18,913,881	6,067,620	4,634,469
Retired Contract Owners	-	-	-	-
TOTAL NET ASSETS	\$ 17,832,489	\$ 18,913,881	\$ 6,067,620	\$ 4,634,469
Total units	642,198	818,599	447,976	248,475
Blended unit value (Net assets divided by total units held)	\$ 27.77	\$ 23.11	\$ 13.54	\$ 18.65
INVESTMENTS				
Cost of investments	\$ 13,465,011	\$ 19,132,119	\$ 5,206,269	\$ 3,921,108
Unrealized appreciation (depreciation) on investments	\$ 4,367,478	\$ (218,238)	\$ 861,351	\$ 713,361
Number of shares in underlying mutual funds	713,299	818,428	488,143	302,907
Total Net Assets Represented by:				
Number of units outstanding:				
M&E Rate .0000	470	486	8	7
M&E Rate .0029	-	-	-	-
M&E Rate .0039	-	-	-	-
M&E Rate .0095	48,790	40,081	30,018	9,538
M&E Rate .0105	-	-	-	-
M&E Rate .0115	-	-	-	-
M&E Rate .0125	592,938	778,032	417,950	238,930
Retired Payout	-	-	-	-
Unit Value (Net assets divided by units outstanding)				
M&E Rate .0000	\$ 29.29	\$ 24.37	\$ 14.28	\$ 19.68
M&E Rate .0029	\$ -	\$ -	\$ -	\$ -
M&E Rate .0039	\$ -	\$ -	\$ -	\$ -
M&E Rate .0095	\$ 27.90	\$ 23.28	\$ 13.71	\$ 18.84
M&E Rate .0105	\$ -	\$ -	\$ -	\$ -
M&E Rate .0115	\$ -	\$ -	\$ -	\$ -
M&E Rate .0125	\$ 27.76	\$ 23.10	\$ 13.53	\$ 18.64
Retired Payout	\$ -	\$ -	\$ -	\$ -

See notes to the financial statements.

<Page>

<Table>
<Caption>

ACCOUNT DIVISION

	ARIEL FUND	ARIEL APPRECIATION FUND	DELAWARE VIP GROWTH OPPORTUNITIES SERVICE CLASS	DELAWARE VIP TREND SERIES SERVICE CLASS
<S>	<C>	<C>	<C>	<C>
ASSETS				
Investments at market value	\$ 26,452,998	\$ 38,334,735	\$ 173,702	\$ 68,862
TOTAL ASSETS	\$ 26,452,998	\$ 38,334,735	\$ 173,702	\$ 68,862
NET ASSETS				
Net Assets (Indefinite				

units authorized)	Active Contract Owners	26,452,998	38,334,735	173,702	68,862			
Retired Contract Owners	-	-	-	-	-			
=====								
TOTAL NET ASSETS	\$	26,452,998	\$	38,334,735	\$	173,702	\$	68,862
=====								
Total units		486,122		798,279		11,064		2,275
Blended unit value (Net assets divided by total units held)	\$	54.42	\$	48.02	\$	15.70	\$	30.27
=====								
INVESTMENTS								
Cost of investments	\$	20,522,537	\$	31,118,100	\$	155,156	\$	61,370
Unrealized appreciation (depreciation) on investments	\$	5,930,461	\$	7,216,635	\$	18,546	\$	7,492
=====								
Number of shares in underlying mutual funds		497,517		804,169		10,987		2,261
=====								
Total Net Assets Represented by:								
Number of units outstanding:								
M&E Rate .0000		434		1,218		-		-
M&E Rate .0029		-		-		-		-
M&E Rate .0039		-		-		-		-
M&E Rate .0095		36,450		52,986		51		715
M&E Rate .0105		-		-		-		-
M&E Rate .0115		-		-		-		-
M&E Rate .0125		449,238		744,075		11,013		1,560
Retired Payout		-		-		-		-
=====								
Unit Value (Net assets divided by units outstanding)								
M&E Rate .0000	\$	56.89	\$	50.20	\$	-	\$	-
M&E Rate .0029	\$	-	\$	-	\$	-	\$	-
M&E Rate .0039	\$	-	\$	-	\$	-	\$	-
M&E Rate .0095	\$	54.94	\$	48.48	\$	15.72	\$	30.31
M&E Rate .0105	\$	-	\$	-	\$	-	\$	-
M&E Rate .0115	\$	-	\$	-	\$	-	\$	-
M&E Rate .0125	\$	54.37	\$	47.99	\$	15.70	\$	30.25
Retired Payout	\$	-	\$	-	\$	-	\$	-

<Caption>

		ACCOUNT DIVISION							
		DREYFUS MIDCAP STOCK SERVICE SHARES	GOLDMAN SACHS VIT CORE SMALL CAP EQUITY FUND	LORD ABBETT SERIES FUND GROWTH OPPORTUNITIES	ROYCE CAPITAL FUND SMALL CAP PORTFOLIO				
<S>	<C>	<C>	<C>	<C>	<C>				
ASSETS	Investments at market value	\$	171,393	\$	261,401	\$	296,065	\$	878,383
=====									
TOTAL ASSETS		\$	171,393	\$	261,401	\$	296,065	\$	878,383
=====									
NET ASSETS	Net Assets (Indefinite units authorized)								
	Active Contract Owners		171,393		261,401		296,065		878,383
	Retired Contract Owners		-		-		-		-
=====									
TOTAL NET ASSETS		\$	171,393	\$	261,401	\$	296,065	\$	878,383
=====									
Total units			9,576		17,423		22,415		93,281
Blended unit value (Net assets divided by total units held)	\$		17.90	\$	15.00	\$	13.21	\$	9.42
=====									
INVESTMENTS									
Cost of investments	\$		159,170	\$	247,092	\$	264,414	\$	839,342
Unrealized appreciation (depreciation) on investments	\$		12,223	\$	14,309	\$	31,651	\$	39,041
=====									
Number of shares in underlying mutual funds			9,755		18,153		22,260		97,598
=====									
Total Net Assets Represented by:									
Number of units outstanding:									
M&E Rate .0000			-		-		-		-
M&E Rate .0029			-		-		-		-
M&E Rate .0039			-		-		-		-

M&E Rate .0095	742	593	578	8,074
M&E Rate .0105	-	-	-	-
M&E Rate .0115	-	-	-	-
M&E Rate .0125	8,834	16,830	21,837	85,207
Retired Payout	-	-	-	-

Unit Value (Net assets divided by units outstanding)

M&E Rate .0000	\$ -	\$ -	\$ -	\$ -
M&E Rate .0029	\$ -	\$ -	\$ -	\$ -
M&E Rate .0039	\$ -	\$ -	\$ -	\$ -
M&E Rate .0095	\$ 17.93	\$ 15.03	\$ 13.23	\$ 9.43
M&E Rate .0105	\$ -	\$ -	\$ -	\$ -
M&E Rate .0115	\$ -	\$ -	\$ -	\$ -
M&E Rate .0125	\$ 17.90	\$ 15.00	\$ 13.21	\$ 9.41
Retired Payout	\$ -	\$ -	\$ -	\$ -

</Table>

See notes to the financial statements.

<Page>

STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

ACCOUNT DIVISION

	WILSHIRE VIT EQUITY FUND HM SHARES	WILSHIRE VIT BALANCED FUND HM SHARES	WILSHIRE VIT INCOME FUND HM SHARES	WILSHIRE VIT SHORT-TERM INVESTMENT FUND HM SHARES
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME				
Dividend income distribution	\$ 3,938,380	\$ 6,589,982	\$ 1,204,182	\$ 32,589
Net investment income	\$ 3,938,380	\$ 6,589,982	\$ 1,204,182	\$ 32,589
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(4,492,637)	(1,247,575)	(92,592)	(3,531)
Net unrealized appreciation (depreciation) on investments	28,883,404	14,898,333	(98,659)	6,465
Net gain (loss) on investments	24,390,767	13,650,758	(191,251)	2,934
EXPENSES				
Mortality and expense risk charge (Note 1)	(3,526,651)	(3,209,708)	(254,874)	(37,271)
Total Expenses	(3,526,651)	(3,209,708)	(254,874)	(37,271)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 24,802,496	\$ 17,031,032	\$ 758,056	\$ (1,748)

<Caption>

ACCOUNT DIVISION

	WILSHIRE VIT SMALL CAP GROWTH FUND HM SHARES	WILSHIRE VIT INTERNATIONAL EQUITY FUND HM SHARES	WILSHIRE VIT SOCIALY RESPONSIBLE FUND HM SHARES	WILSHIRE 5000 INDEX PORTFOLIO- INSTITUTIONAL
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME				
Dividend income distribution	\$ -	\$ 472,537	\$ 999,674	\$ 250,836
Net investment income	\$ -	\$ 472,537	\$ 999,674	\$ 250,836

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(2,932,405)	2,234,522	278,962	(406,833)
Net unrealized appreciation (depreciation) on investments	4,888,309	813,826	7,792,639	2,152,247
Net gain (loss) on investments	1,955,904	3,048,348	8,071,600	1,745,414
EXPENSES				
Mortality and expense risk charge (Note 1)	(623,643)	(415,193)	(895,752)	(224,032)
Total Expenses	(623,643)	(415,193)	(895,752)	(224,032)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS				
	\$ 1,332,261	\$ 3,105,692	\$ 8,175,522	\$ 1,772,218

</Table>

See notes to the financial statements.

<Page>

<Table>
<Caption>

	ACCOUNT DIVISION			
	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INSTITUTIONAL	WILSHIRE 5000 INDEX PORTFOLIO- INVESTMENT	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INVESTMENT	WILSHIRE LARGE CO. VALUE PORTFOLIO- INVESTMENT
<S> INVESTMENT INCOME	<C>	<C>	<C>	<C>
Dividend income distribution	\$ 92,255	\$ 80,023	\$ 9,185	\$ 1,006,927
Net investment income	\$ 92,255	\$ 80,023	\$ 9,185	\$ 1,006,927

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(526,831)	(14,918)	(44,882)	2,334
Net unrealized appreciation (depreciation) on investments	1,842,455	667,642	648,256	970,936
Net gain (loss) on investments	1,315,624	652,724	603,374	973,270
EXPENSES				
Mortality and expense risk charge (Note 1)	(247,123)	(74,442)	(97,015)	(185,171)
Total Expenses	(247,123)	(74,442)	(97,015)	(185,171)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS				
	\$ 1,160,756	\$ 658,305	\$ 515,544	\$ 1,795,026

<Caption>

ACCOUNT DIVISION			
WILSHIRE SMALL CO. VALUE PORTFOLIO-	WILSHIRE SMALL CO. GROWTH PORTFOLIO-	T. ROWE PRICE SMALL-CAP VALUE FUND	T. ROWE PRICE SMALL-CAP STOCK FUND

	INVESTMENT	INVESTMENT	ADVISOR CLASS	ADVISOR CLASS
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME				
Dividend income distribution	\$ 345,957	\$ 94,902	\$ 585,951	\$ 581,710
Net investment income	\$ 345,957	\$ 94,902	\$ 585,951	\$ 581,710
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	88,807	45,151	309,295	133,279
Net unrealized appreciation (depreciation) on investments	157,681	202,774	2,660,429	1,491,080
Net gain (loss) on investments	246,488	247,925	2,969,724	1,624,359
EXPENSES				
Mortality and expense risk charge (Note 1)	(33,385)	(24,130)	(186,070)	(152,813)
Total Expenses	(33,385)	(24,130)	(186,070)	(152,813)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 559,060	\$ 318,697	\$ 3,369,605	\$ 2,053,256

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

ACCOUNT DIVISION

	FIDELITY VIP GROWTH & INCOME PORTFOLIO	FIDELITY VIP INDEX 500 PORTFOLIO	FIDELITY VIP MID CAP PORTFOLIO	FIDELITY VIP GROWTH PORTFOLIO
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME				
Dividend income distribution	\$ 59,181	\$ 318,688	\$ -	\$ 33,262
Net investment income	\$ 59,181	\$ 318,688	\$ -	\$ 33,262
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(47,316)	(147,985)	269,816	(314,511)
Net unrealized appreciation (depreciation) on investments	555,756	3,194,767	4,915,096	1,243,824
Net gain (loss) on investments	508,440	3,046,782	5,184,912	929,313
EXPENSES				
Mortality and expense risk charge (Note 1)	(108,651)	(383,061)	(268,486)	(340,880)
Total Expenses	(108,651)	(383,061)	(268,486)	(340,880)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING				

FROM OPERATIONS \$ 458,970 \$ 2,982,409 \$ 4,916,426 \$ 621,695

<Caption>

	ACCOUNT DIVISION			
	FIDELITY VIP OVERSEAS PORTFOLIO	FIDELITY VIP HIGH INCOME PORTFOLIO	FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO	DAVIS VALUE PORTFOLIO
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME				
Dividend income distribution	\$ 81,543	\$ 142,920	\$ 975,247	\$ 55,680
Net investment income	\$ 81,543	\$ 142,920	\$ 975,247	\$ 55,680
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	95,402	4,214	36,437	(752)
Net unrealized appreciation (depreciation) on investments	1,184,678	58,556	(416,192)	673,975
Net gain (loss) on investments	1,280,080	62,770	(379,755)	673,223
EXPENSES				
Mortality and expense risk charge (Note 1)	(116,173)	(24,354)	(171,598)	(71,794)
Total Expenses	(116,173)	(24,354)	(171,598)	(71,794)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 1,245,450	\$ 181,336	\$ 423,894	\$ 657,109

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION			
	STRONG OPPORTUNITY FUND II	STRONG MID CAP GROWTH FUND II	J.P. MORGAN U.S. DISCIPLINED EQUITY PORTFOLIO	RAINIER SMALL/MID CAP EQUITY PORTFOLIO
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME				
Dividend income distribution	\$ -	\$ -	\$ 94,660	\$ 367,716
Net investment income	\$ -	\$ -	\$ 94,660	\$ 367,716
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(119,348)	(526,707)	(115,766)	(4,504)
Net unrealized appreciation (depreciation) on investments	1,566,258	1,822,515	1,259,387	1,167,553
Net gain (loss) on investments	1,446,910	1,295,808	1,143,621	1,163,049
EXPENSES				
Mortality and expense				

risk charge (Note 1)	(105,360)	(86,162)	(157,574)	(104,582)
Total Expenses	(105,360)	(86,162)	(157,574)	(104,582)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 1,341,550	\$ 1,209,646	\$ 1,080,707	\$ 1,426,183

<Caption>

	ACCOUNT DIVISION			
	NEUBERGER BERMAN GENESIS FUND	ALLIANCE PREMIER GROWTH PORTFOLIO	PUTNAM VT VISTA FUND	CREDIT SUISSE SMALL CO. GROWTH PORTFOLIO
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME				
Dividend income distribution	\$ 496,984	\$ -	\$ -	\$ -
Net investment income	\$ 496,984	\$ -	\$ -	\$ -
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	156,832	(291,469)	(566,680)	(200,637)
Net unrealized appreciation (depreciation) on investments	1,897,689	1,725,642	1,501,911	635,024
Net gain (loss) on investments	2,054,521	1,434,173	935,231	434,387
EXPENSES				
Mortality and expense risk charge (Note 1)	(175,872)	(199,377)	(65,410)	(52,966)
Total Expenses	(175,872)	(199,377)	(65,410)	(52,966)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 2,375,633	\$ 1,234,796	\$ 869,821	\$ 381,421

</Table>

See notes to the financial statements

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION			
	ARIEL FUND	ARIEL APPRECIATION FUND	DELAWARE VIP GROWTH OPPORTUNITIES SERVICE CLASS	DELAWARE VIP TREND SERIES SERVICE CLASS
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME				
Dividend income distribution	\$ 848,837	\$ 956,690	\$ -	\$ -
Net investment income	\$ 848,837	\$ 956,690	\$ -	\$ -
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	302,329	220,352	(699)	771

Net unrealized appreciation (depreciation) on investments	3,178,608	3,050,663	18,547	7,492
Net gain (loss) on investments	3,480,937	3,271,015	17,848	8,263
EXPENSES				
Mortality and expense risk charge (Note 1)	(257,683)	(382,722)	(486)	(227)
Total Expenses	(257,683)	(382,722)	(486)	(227)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS				
	\$ 4,072,091	\$ 3,844,983	\$ 17,362	\$ 8,036

<Caption>

	ACCOUNT DIVISION			
	DREYFUS MIDCAP STOCK SERVICE SHARES	GOLDMAN SACHS VIT CORE SMALL CAP EQUITY FUND	LORD ABBETT SERIES FUND GROWTH OPPORTUNITIES	ROYCE CAPITAL FUND SMALL CAP PORTFOLIO
<S>	<C>	<C>	<C>	<C>
INVESTMENT INCOME				
Dividend income distribution	\$ 4,166	\$ 11,149	\$ 70	\$ 33,494
Net investment income	\$ 4,166	\$ 11,149	\$ 70	\$ 33,494
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS				
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	1,235	(9)	(106)	(247)
Net unrealized appreciation (depreciation) on investments	12,223	14,309	31,651	39,041
Net gain (loss) on investments	13,458	14,300	31,545	38,794
EXPENSES				
Mortality and expense risk charge (Note 1)	(578)	(763)	(967)	(2,056)
Total Expenses	(578)	(763)	(967)	(2,056)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS				
	\$ 17,046	\$ 24,686	\$ 30,648	\$ 70,232

</Table>

See notes to the financial statements.

<Page>

HORACE MANN LIFE INSURANCE COMPANY
SEPARATE ACCOUNT

2004 ANNUAL REPORT

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2004

<Table>

<Caption>

	ACCOUNT DIVISION			
	WILSHIRE VIT EQUITY FUND HM SHARES	WILSHIRE VIT BALANCED FUND HM SHARES	WILSHIRE VIT INCOME FUND HM SHARES	WILSHIRE VIT SHORT-TERM INVESTMENT FUND HM SHARES
<S>	<C>	<C>	<C>	<C>

OPERATIONS

Net investment income	\$ 3,938,380	\$ 6,589,982	\$ 1,204,182	\$ 32,589
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(4,492,637)	(1,247,575)	(92,592)	(3,531)
Net unrealized appreciation (depreciation) on investments	28,883,404	14,898,333	(98,659)	6,465
Mortality and expense risk charge (Note 1)	(3,526,651)	(3,209,708)	(254,874)	(37,271)

Net increase (decrease) in net assets resulting from operations	24,802,496	17,031,032	758,056	(1,748)
---	------------	------------	---------	---------

CONTRACT OWNERS' TRANSACTIONS

Gross stipulated PAYMENTS RECEIVED	15,806,383	12,279,490	2,889,665	251,671
Sales and administrative expenses (Note 1)	(2,941)	(2,266)	(831)	(170)

Net consideration received on annuity contracts	15,803,442	12,277,224	2,888,834	251,501
Net transfer from (to) fixed accumulation account	(9,824,067)	(8,709,547)	244,133	1,064,484
Transfers from (to) other Divisions	(5,963,868)	(3,643,485)	130,093	(1,245,225)
Payments to contract owners Annual maintenance charge (Note 1)	(20,813,876)	(17,152,966)	(1,755,995)	(1,740,250)
	(285,353)	(158,350)	(17,948)	(1,752)
Surrender charges (Note 1)	(14,636)	(14,181)	(15,321)	(22,981)
Mortality guarantee adjustment	(41,367)	(11,284)	(4,193)	(3,146)

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	(21,139,725)	(17,412,589)	1,469,603	(1,697,369)
---	--------------	--------------	-----------	-------------

TOTAL INCREASE (DECREASE) IN NET ASSETS	3,662,771	(381,557)	2,227,659	(1,699,117)
--	-----------	-----------	-----------	-------------

NET ASSETS:

BEGINNING OF PERIOD	297,970,728	261,981,050	19,736,107	4,639,891
---------------------	-------------	-------------	------------	-----------

END OF PERIOD	\$ 301,633,499	\$ 261,599,493	\$ 21,963,766	\$ 2,940,774
---------------	----------------	----------------	---------------	--------------

<Caption>

ACCOUNT DIVISION

	WILSHIRE VIT SMALL CAP GROWTH FUND HM SHARES	WILSHIRE VIT INTERNATIONAL EQUITY FUND HM SHARES	WILSHIRE VIT SOCIALY RESPONSIBLE FUND HM SHARES	WILSHIRE 5000 INDEX PORTFOLIO- INSTITUTIONAL
<S>	<C>	<C>	<C>	<C>
OPERATIONS				
Net investment income	\$ -	\$ 472,537	\$ 999,674	\$ 250,836
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(2,932,405)	2,234,522	278,962	(406,833)
Net unrealized appreciation (depreciation) on investments	4,888,309	813,826	7,792,639	2,152,247
Mortality and expense risk charge (Note 1)	(623,643)	(415,193)	(895,752)	(224,032)
Net increase (decrease) in net assets resulting from operations	1,332,261	3,105,692	8,175,522	1,772,218
CONTRACT OWNERS' TRANSACTIONS				
Gross stipulated PAYMENTS RECEIVED	4,934,536	4,096,629	6,255,861	1,806,304
Sales and administrative expenses (Note 1)	(1,106)	(725)	(1,012)	(290)
Net consideration received				

on annuity contracts	4,933,430	4,095,904	6,254,849	1,806,014
Net transfer from (to) fixed accumulation account	(1,663,499)	(552,763)	(2,159,216)	(716,781)
Transfers from (to) other Divisions	(1,632,386)	653,251	(1,084,512)	659,884
Payments to contract owners Annual maintenance charge (Note 1)	(3,723,909)	(3,913,202)	(4,754,182)	(1,237,664)
Surrender charges (Note 1)	(59,266)	(29,437)	(153,658)	(16,074)
Mortality guarantee adjustment	(12,762)	(12,739)	(14,998)	(3,149)
	-	-	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	(2,158,392)	241,014	(1,911,717)	492,230
=====				
TOTAL INCREASE (DECREASE) IN NET ASSETS	(826,131)	3,346,706	6,263,805	2,264,448

NET ASSETS: BEGINNING OF PERIOD	51,949,486	32,832,553	70,377,792	17,213,849

END OF PERIOD	\$ 51,123,355	\$ 36,179,259	\$ 76,641,597	\$ 19,478,297
=====				

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION			
	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INSTITUTIONAL	WILSHIRE 5000 INDEX PORTFOLIO INVESTMENT	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INVESTMENT	WILSHIRE LARGE CO. VALUE PORTFOLIO- INVESTMENT
<S>	<C>	<C>	<C>	<C>
OPERATIONS				
Net investment income	\$ 92,255	\$ 80,023	\$ 9,185	\$ 1,006,927
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(526,831)	(14,918)	(44,882)	2,334
Net unrealized appreciation (depreciation) on investments	1,842,455	667,642	648,256	970,936
Mortality and expense risk charge (Note 1)	(247,123)	(74,442)	(97,015)	(185,171)

Net increase (decrease) in net assets resulting from operations	1,160,756	658,305	515,544	1,795,026
=====				
CONTRACT OWNERS' TRANSACTIONS				
Gross stipulated PAYMENTS RECEIVED	2,295,530	2,087,899	2,549,045	2,851,018
Sales and administrative expenses (Note 1)	(738)	(83)	(235)	(571)

Net consideration received on annuity contracts	2,294,792	2,087,816	2,548,810	2,850,447
Net transfer from (to) fixed accumulation account	(501,914)	449,713	588,382	223,095
Transfers from (to) other Divisions	255,601	(38,954)	(89,069)	541,282
Payments to contract owners Annual maintenance charge (Note 1)	(1,217,487)	(188,371)	(220,391)	(950,930)
Surrender charges (Note 1)	(12,287)	(23,326)	(14,799)	(33,166)
Mortality guarantee adjustment	(2,980)	(8,463)	(9,141)	(12,076)
	-	-	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	815,725	2,278,415	2,803,792	2,618,652
=====				

TOTAL INCREASE (DECREASE) IN NET ASSETS	1,976,481	2,936,720	3,319,336	4,413,678
NET ASSETS: BEGINNING OF PERIOD	19,317,280	4,896,375	6,642,944	13,219,824
END OF PERIOD	\$ 21,293,761	\$ 7,833,095	\$ 9,962,280	\$ 17,633,502

<Caption>

	ACCOUNT DIVISION			
	WILSHIRE SMALL CO. VALUE PORTFOLIO- INVESTMENT	WILSHIRE SMALL CO. GROWTH PORTFOLIO- INVESTMENT	T. ROWE PRICE SMALL-CAP VALUE FUND ADVISOR CLASS	T. ROWE PRICE SMALL-CAP STOCK FUND ADVISOR CLASS
<S> OPERATIONS	<C>	<C>	<C>	<C>
Net investment income	\$ 345,957	\$ 94,902	\$ 585,951	\$ 581,710
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	88,807	45,151	309,295	133,279
Net unrealized appreciation (depreciation) on investments	157,681	202,774	2,660,429	1,491,080
Mortality and expense risk charge (Note 1)	(33,385)	(24,130)	(186,070)	(152,813)
Net increase (decrease) in net assets resulting from operations	559,060	318,697	3,369,605	2,053,256
CONTRACT OWNERS' TRANSACTIONS				
Gross stipulated PAYMENTS RECEIVED	344,372	437,529	2,370,708	2,326,819
Sales and administrative expenses (Note 1)	(54)	(25)	(385)	(352)
Net consideration received on annuity contracts	344,318	437,504	2,370,323	2,326,467
Net transfer from (to) fixed accumulation account	15,159	122,171	(47,864)	(37,902)
Transfers from (to) other Divisions	215,986	75,334	50,589	126,882
Payments to contract owners Annual maintenance charge (Note 1)	(188,588)	(104,145)	(852,449)	(710,724)
Surrender charges (Note 1)	(3,463)	(1,587)	(29,445)	(12,055)
Mortality guarantee adjustment	(1,414)	(2,216)	(10,955)	(10,390)
Mortality guarantee adjustment	-	-	-	-
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	381,998	527,061	1,480,199	1,682,278
TOTAL INCREASE (DECREASE) IN NET ASSETS	941,058	845,758	4,849,804	3,735,534
NET ASSETS: BEGINNING OF PERIOD	2,374,341	1,626,087	13,108,060	10,747,547
END OF PERIOD	\$ 3,315,399	\$ 2,471,845	\$ 17,957,864	\$ 14,483,081

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION			
	FIDELITY VIP GROWTH & INCOME PORTFOLIO	FIDELITY VIP INDEX 500 PORTFOLIO	FIDELITY VIP MID CAP PORTFOLIO	FIDELITY VIP GROWTH PORTFOLIO

<S>	<C>	<C>	<C>	<C>
OPERATIONS				
Net investment income	\$ 59,181	\$ 318,688	\$ -	\$ 33,262
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(47,316)	(147,985)	269,816	(314,511)
Net unrealized appreciation (depreciation) on investments	555,756	3,194,767	4,915,096	1,243,824
Mortality and expense risk charge (Note 1)	(108,651)	(383,061)	(268,486)	(340,880)

Net increase (decrease) in net assets resulting from operations	458,970	2,982,409	4,916,426	621,695
=====				
CONTRACT OWNERS' TRANSACTIONS				
Gross stipulated PAYMENTS RECEIVED	2,686,897	7,210,776	3,711,525	6,077,705
Sales and administrative expenses (Note 1)	(489)	(1,311)	(401)	(723)

Net consideration received on annuity contracts	2,686,408	7,209,465	3,711,124	6,076,982
Net transfer from (to) fixed accumulation account	379,216	679,293	322,561	679,230
Transfers from (to) other Divisions	430,113	1,965,591	1,296,109	1,242,834
Payments to contract owners	(443,216)	(1,329,769)	(1,367,535)	(1,533,297)
Annual maintenance charge (Note 1)	(16,043)	(72,639)	(34,941)	(48,757)
Surrender charges (Note 1)	(8,574)	(19,302)	(14,847)	(23,838)
Mortality guarantee adjustment	-	-	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	3,027,904	8,432,639	3,912,471	6,393,154
=====				
TOTAL INCREASE (DECREASE) IN NET ASSETS	3,486,874	11,415,048	8,828,897	7,014,849

NET ASSETS: BEGINNING OF PERIOD	7,325,313	26,396,472	18,703,354	24,531,994

END OF PERIOD	\$ 10,812,187	\$ 37,811,520	\$ 27,532,251	\$ 31,546,843
=====				

<Caption>

	ACCOUNT DIVISION			
	FIDELITY VIP OVERSEAS PORTFOLIO	FIDELITY VIP HIGH INCOME PORTFOLIO	FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO	DAVIS VALUE PORTFOLIO
<S>	<C>	<C>	<C>	<C>
OPERATIONS				
Net investment income	\$ 81,543	\$ 142,920	\$ 975,247	\$ 55,680
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	95,402	4,214	36,437	(752)
Net unrealized appreciation (depreciation) on investments	1,184,678	58,556	(416,192)	673,975
Mortality and expense risk charge (Note 1)	(116,173)	(24,354)	(171,598)	(71,794)

Net increase (decrease) in net assets resulting from operations	1,245,450	181,336	423,894	657,109
=====				
CONTRACT OWNERS' TRANSACTIONS				
Gross stipulated PAYMENTS RECEIVED	2,748,638	635,427	2,959,996	1,062,835
Sales and administrative expenses (Note 1)	(170)	(162)	(836)	(39)

Net consideration received on annuity contracts	2,748,468	635,265	2,959,160	1,062,796
Net transfer from (to) fixed accumulation account	566,236	52,913	(423,837)	74,250
Transfers from (to) other Divisions	925,590	110,706	(567,325)	600,687
Payments to contract owners	(464,127)	(73,829)	(1,130,693)	(373,167)
Annual maintenance charge (Note 1)	(17,303)	(1,850)	(14,662)	(7,179)
Surrender charges (Note 1)	(7,878)	(1,578)	(15,058)	(4,415)
Mortality guarantee adjustment	-	-	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	3,750,986	721,627	807,585	1,352,972
=====				
TOTAL INCREASE (DECREASE) IN NET ASSETS	4,996,436	902,963	1,231,479	2,010,081

NET ASSETS:				
BEGINNING OF PERIOD	7,409,331	1,604,272	13,925,160	5,054,698

END OF PERIOD	\$ 12,405,767	\$ 2,507,235	\$ 15,156,639	\$ 7,064,779
=====				

</Table>

See notes to the financial statements.

<Page>

<Table>
<Caption>

	ACCOUNT DIVISION			
	STRONG OPPORTUNITY FUND II	STRONG MID CAP GROWTH FUND II	J.P. MORGAN U.S. DISCIPLINED EQUITY PORTFOLIO	RAINIER SMALL/MID CAP EQUITY PORTFOLIO
<S>	<C>	<C>	<C>	<C>
OPERATIONS				
Net investment income	\$ -	\$ -	\$ 94,660	\$ 367,716
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	(119,348)	(526,707)	(115,766)	(4,504)
Net unrealized appreciation (depreciation) on investments	1,566,258	1,822,515	1,259,387	1,167,553
Mortality and expense risk charge (Note 1)	(105,360)	(86,162)	(157,574)	(104,582)

Net increase (decrease) in net assets resulting from operations	1,341,550	1,209,646	1,080,707	1,426,183
=====				
CONTRACT OWNERS' TRANSACTIONS				
Gross stipulated PAYMENTS RECEIVED	1,158,319	1,148,255	2,991,745	1,638,351
Sales and administrative expenses (Note 1)	(129)	(133)	(827)	(201)

Net consideration received on annuity contracts	1,158,190	1,148,122	2,990,918	1,638,150
Net transfer from (to) fixed accumulation account	5,624	(63,459)	198,027	216,922
Transfers from (to) other Divisions	(232,463)	(233,439)	313,387	308,584
Payments to contract owners	(389,832)	(320,753)	(600,708)	(423,635)
Annual maintenance charge (Note 1)	(9,889)	(3,783)	(35,627)	(11,104)
Surrender charges (Note 1)	(5,513)	(5,885)	(15,873)	(5,278)
Mortality guarantee adjustment	-	-	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	526,117	520,803	2,850,124	1,723,639
=====				

TOTAL INCREASE (DECREASE) IN NET ASSETS	1,867,667	1,730,449	3,930,831	3,149,822
NET ASSETS: BEGINNING OF PERIOD	7,653,704	6,393,457	11,186,150	7,452,915

END OF PERIOD	\$ 9,521,371	\$ 8,123,906	\$ 15,116,981	\$ 10,602,737
=====				

<Caption>

	ACCOUNT DIVISION			
	NEUBERGER BERMAN GENESIS FUND	ALLIANCE PREMIER GROWTH PORTFOLIO	PUTNAM VT VISTA FUND	CREDIT SUISSE SMALL CO. GROWTH PORTFOLIO
<S>	<C>	<C>	<C>	<C>
OPERATIONS				
Net investment income	\$ 496,984	\$ -	\$ -	\$ -
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	156,832	(291,469)	(566,680)	(200,637)
Net unrealized appreciation (depreciation) on investments	1,897,689	1,725,642	1,501,911	635,024
Mortality and expense risk charge (Note 1)	(175,872)	(199,377)	(65,410)	(52,966)

Net increase (decrease) in net assets resulting from operations	2,375,633	1,234,796	869,821	381,421
=====				
CONTRACT OWNERS' TRANSACTIONS				
Gross stipulated PAYMENTS RECEIVED	2,740,169	3,407,288	766,799	537,378
Sales and administrative expenses (Note 1)	(234)	(451)	(171)	(63)

Net consideration received on annuity contracts	2,739,935	3,406,837	766,628	537,315
Net transfer from (to) fixed accumulation account	339,819	252,580	(42,803)	5,898
Transfers from (to) other Divisions	1,021,445	248,073	(186,269)	71,635
Payments to contract owners Annual maintenance charge (Note 1)	(813,803)	(808,524)	(317,417)	(390,148)
Surrender charges (Note 1)	(15,941)	(20,876)	(4,340)	(3,710)
Mortality guarantee adjustment	(12,973)	(12,347)	(3,464)	(3,948)

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	3,258,482	3,065,743	212,335	217,042
=====				
TOTAL INCREASE (DECREASE) IN NET ASSETS	5,634,115	4,300,539	1,082,156	598,463
NET ASSETS: BEGINNING OF PERIOD	12,198,374	14,613,342	4,985,464	4,036,006

END OF PERIOD	\$ 17,832,489	\$ 18,913,881	\$ 6,067,620	\$ 4,634,469
=====				

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION			
	ARIEL FUND	ARIEL APPRECIATION FUND	DELAWARE VIP GROWTH OPPORTUNITIES SERVICE CLASS	DELAWARE VIP TREND SERIES SERVICE CLASS

<S>	<C>	<C>	<C>	<C>
OPERATIONS				
Net investment income	\$ 848,837	\$ 956,690	\$ -	\$ -
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	302,329	220,352	(699)	771
Net unrealized appreciation (depreciation) on investments	3,178,608	3,050,663	18,547	7,492
Mortality and expense risk charge (Note 1)	(257,683)	(382,722)	(486)	(227)

Net increase (decrease) in net assets resulting from operations	4,072,091	3,844,983	17,362	8,036
=====				
CONTRACT OWNERS' TRANSACTIONS				
Gross stipulated PAYMENTS RECEIVED	4,586,631	7,175,431	50,749	38,660
Sales and administrative expenses (Note 1)	(664)	(891)	(5)	(18)

Net consideration received on annuity contracts	4,585,967	7,174,540	50,744	38,642
Net transfer from (to) fixed accumulation account	502,807	1,039,761	76,130	3,493
Transfers from (to) other Divisions	1,337,261	1,572,417	39,992	18,691
Payments to contract owners	(1,014,576)	(1,551,731)	(10,526)	-
Annual maintenance charge (Note 1)	(36,374)	(32,880)	-	-
Surrender charges (Note 1)	(19,634)	(30,061)	-	-
Mortality guarantee adjustment	-	-	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	5,355,451	8,172,046	156,340	60,826
=====				
TOTAL INCREASE (DECREASE) IN NET ASSETS	9,427,542	12,017,029	173,702	68,862

NET ASSETS:				
BEGINNING OF PERIOD	17,025,456	26,317,706	-	-

END OF PERIOD	\$ 26,452,998	\$ 38,334,735	\$ 173,702	\$ 68,862
=====				

<Caption>

<S>	ACCOUNT DIVISION			
	DREYFUS MIDCAP STOCK SERVICE SHARES	GOLDMAN SACHS VIT CORE SMALL CAP EQUITY FUND	LORD ABBETT SERIES FUND GROWTH OPPORTUNITIES	ROYCE CAPITAL FUND SMALL CAP PORTFOLIO
<C>	<C>	<C>	<C>	<C>
OPERATIONS				
Net investment income	\$ 4,166	\$ 11,149	\$ 70	\$ 33,494
Capital gain distribution	-	-	-	-
Net realized gain (loss) on investments	1,235	(9)	(106)	(247)
Net unrealized appreciation (depreciation) on investments	12,223	14,309	31,651	39,041
Mortality and expense risk charge (Note 1)	(578)	(763)	(967)	(2,056)

Net increase (decrease) in net assets resulting from operations	17,046	24,686	30,648	70,232
=====				
CONTRACT OWNERS' TRANSACTIONS				
Gross stipulated PAYMENTS RECEIVED	49,820	96,939	70,302	180,097
Sales and administrative expenses (Note 1)	(14)	(3)	(1)	(6)

Net consideration received on annuity contracts	49,806	96,936	70,301	180,091
Net transfer from (to) fixed accumulation account	42,483	28,278	63,893	220,678
Transfers from (to) other Divisions	62,058	111,551	135,086	407,605
Payments to contract owners	-	-	(3,817)	(148)
Annual maintenance charge (Note 1)	-	(50)	(25)	(75)
Surrender charges (Note 1)	-	-	(21)	-
Mortality guarantee adjustment	-	-	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	154,347	236,715	265,417	808,151
=====				
TOTAL INCREASE (DECREASE) IN NET ASSETS	171,393	261,401	296,065	878,383
=====				
NET ASSETS:				
BEGINNING OF PERIOD	-	-	-	-

END OF PERIOD	\$ 171,393	\$ 261,401	\$ 296,065	\$ 878,383
=====				

</Table>

See notes to the financial statements.

<Page>

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2003

<Table>

<Caption>

	ACCOUNT DIVISION				
	HORACE MANN EQUITY FUND	HORACE MANN BALANCED FUND	HORACE MANN INCOME FUND	HORACE MANN SHORT-TERM INVESTMENT FUND	HORACE MANN SMALL CAP GROWTH FUND
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS					
Net investment income	\$ 3,265,278	\$ 5,103,778	\$ 492,037	\$ 42,034	\$ -
Capital gain distribution	-	-	1,098,384	89	-
Net realized gain (loss) on investments	(7,258,911)	(3,337,578)	(10,541)	(17,205)	(1,956,885)
Net unrealized appreciation (depreciation) on investments	69,661,463	41,849,281	(211,717)	10,532	20,909,523
Mortality and expense risk charge (Note 1)	(3,168,635)	(3,009,354)	(239,966)	(43,485)	(499,026)

Net increase (decrease) in net assets resulting from operations	62,499,195	40,606,127	1,128,197	(8,035)	18,453,612
=====					
CONTRACT OWNERS' TRANSACTIONS					
Gross stipulated payments received	17,122,054	12,955,992	2,464,021	1,558,236	5,235,459
Sales and administrative expenses (Note 1)	(4,458)	(3,150)	(558)	(168)	(1,604)

Net consideration received on annuity contracts	17,117,596	12,952,842	2,463,463	1,558,068	5,233,855
Net transfer from (to) fixed accumulation account	(6,145,697)	(5,600,267)	737,554	380,197	(592,974)
Transfers from (to) other Divisions	(4,568,686)	(2,975,818)	21,100	600,049	(225,940)
Payments to contract owners	(19,121,620)	(15,774,125)	(2,864,369)	(1,868,524)	(2,800,843)
Annual maintenance charge (Note 1)	(336,497)	(228,023)	(19,722)	(2,071)	(65,019)
Surrender charges (Note 1)	(33,531)	(22,751)	(11,258)	(15,809)	(19,482)
Mortality guarantee adjustment	46,213	(3,296)	986	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM					

CONTRACT OWNERS' TRANSACTIONS	(13,042,222)	(11,651,438)	327,754	651,910	1,529,597
TOTAL INCREASE (DECREASE) IN NET ASSETS	49,456,973	28,954,689	1,455,951	643,875	19,983,209
NET ASSETS:					
BEGINNING OF PERIOD	248,513,755	233,026,361	18,280,156	3,996,016	31,966,277
END OF PERIOD	\$ 297,970,728	\$ 261,981,050	\$ 19,736,107	\$ 4,639,891	\$ 51,949,486

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION		
	HORACE MANN INTERNATIONAL EQUITY FUND	HORACE MANN SOCIALLY RESPONSIBLE FUND	WILSHIRE 5000 INDEX PORTFOLIO-INSTITUTIONAL
<S>	<C>	<C>	<C>
OPERATIONS			
Net investment income	\$ 252,542	\$ 858,215	\$ 99,740
Capital gain distribution	-	-	-
Net realized gain (loss) on investments	(12,322,283)	(503,428)	(419,136)
Net unrealized appreciation (depreciation) on investments	20,161,063	15,301,407	4,230,343
Mortality and expense risk charge (Note 1)	(332,718)	(756,798)	(178,864)
Net increase (decrease) in net assets resulting from operations	7,758,604	14,899,396	3,732,083
CONTRACT OWNERS' TRANSACTIONS			
Gross stipulated payments received	4,147,414	6,341,049	1,755,865
Sales and administrative expenses (Note 1)	(1,121)	(1,368)	(374)
Net consideration received on annuity contracts	4,146,293	6,339,681	1,755,491
Net transfer from (to) fixed accumulation account	(789,439)	(1,934,727)	(190,073)
Transfers from (to) other Divisions	(674,729)	(663,894)	222,453
Payments to contract owners	(1,813,151)	(4,273,325)	(969,184)
Annual maintenance charge (Note 1)	(28,932)	(165,719)	(16,513)
Surrender charges (Note 1)	(18,023)	(31,622)	(4,301)
Mortality guarantee adjustment	-	-	-
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	822,019	(729,606)	797,873
TOTAL INCREASE (DECREASE) IN NET ASSETS	8,580,623	14,169,790	4,529,956
NET ASSETS:			
BEGINNING OF PERIOD	24,251,930	56,208,002	12,683,893
END OF PERIOD	\$ 32,832,553	\$ 70,377,792	\$ 17,213,849

<Caption>

ACCOUNT DIVISION		
WILSHIRE	WILSHIRE	WILSHIRE

	LARGE CO. GROWTH PORTFOLIO- INSTITUTIONAL	5000 INDEX PORTFOLIO- INVESTMENT	LARGE CO. GROWTH PORTFOLIO- INVESTMENT
<S>	<C>	<C>	<C>
OPERATIONS			
Net investment income	\$ 46,536	\$ 17,449	\$ -
Capital gain distribution	-	-	-
Net realized gain (loss) on investments	(452,380)	(35,690)	(86,408)
Net unrealized appreciation (depreciation) on investments	4,369,960	1,003,303	1,301,672
Mortality and expense risk charge (Note 1)	(203,944)	(42,960)	(60,741)
Net increase (decrease) in net assets resulting from operations	3,760,172	942,102	1,154,523
CONTRACT OWNERS' TRANSACTIONS			
Gross stipulated payments received	2,324,832	1,163,131	1,674,727
Sales and administrative expenses (Note 1)	(792)	(92)	(292)
Net consideration received on annuity contracts	2,324,040	1,163,039	1,674,435
Net transfer from (to) fixed accumulation account	(176,870)	349,971	335,146
Transfers from (to) other Divisions	413,154	9,436	38,412
Payments to contract owners	(1,118,332)	(126,609)	(261,462)
Annual maintenance charge (Note 1)	(20,844)	(19,993)	(22,248)
Surrender charges (Note 1)	(4,384)	(7,184)	(13,665)
Mortality guarantee adjustment	-	-	-
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	1,416,764	1,368,660	1,750,618
TOTAL INCREASE (DECREASE) IN NET ASSETS	5,176,936	2,310,762	2,905,141
NET ASSETS: BEGINNING OF PERIOD	14,140,344	2,585,613	3,737,803
END OF PERIOD	\$ 19,317,280	\$ 4,896,375	\$ 6,642,944

</Table>

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION				
	WILSHIRE LARGE CO. VALUE PORTFOLIO- INVESTMENT	WILSHIRE SMALL CO. VALUE PORTFOLIO- INVESTMENT	WILSHIRE SMALL CO. GROWTH PORTFOLIO- INVESTMENT	T. ROWE PRICE SMALL-CAP VALUE FUND ADVISOR CLASS	T. ROWE PRICE SMALL-CAP STOCK FUND ADVISOR CLASS
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS					
Net investment income	\$ 50,835	\$ 5,092	\$ -	\$ 218,570	\$ 158,342
Capital gain distribution	-	-	-	-	-
Net realized gain (loss) on investments	(95,080)	23,041	5,997	121,620	(25,818)
Net unrealized appreciation (depreciation) on investments	2,733,620	595,379	388,357	2,896,087	2,295,457
Mortality and expense risk charge (Note 1)	(124,003)	(23,671)	(14,386)	(120,433)	(101,045)
Net increase (decrease) in net assets resulting from operations	2,565,372	599,841	379,968	3,115,844	2,326,936

CONTRACT OWNERS' TRANSACTIONS					
Gross stipulated payments received	2,275,311	329,910	302,279	2,078,432	1,720,880
Sales and administrative expenses (Note 1)	(638)	(63)	(54)	(447)	(404)

Net consideration received on annuity contracts	2,274,673	329,847	302,225	2,077,985	1,720,476
Net transfer from (to) fixed accumulation account	424,035	(13,639)	114,920	441,180	301,809
Transfers from (to) other Divisions	511,262	(96,413)	25,563	417,552	284,098
Payments to contract owners	(560,939)	(102,124)	(40,865)	(607,023)	(482,431)
Annual maintenance charge (Note 1)	(21,179)	(2,125)	(1,864)	(26,497)	(10,101)
Surrender charges (Note 1)	(12,413)	(1,542)	(701)	(13,737)	(10,801)
Mortality guarantee adjustment	-	-	-	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	2,615,439	114,004	399,278	2,289,460	1,803,050
=====					
TOTAL INCREASE (DECREASE) IN NET ASSETS	5,180,811	713,845	779,246	5,405,304	4,129,986

NET ASSETS: BEGINNING OF PERIOD	8,039,013	1,660,496	846,841	7,702,756	6,617,561

END OF PERIOD	\$ 13,219,824	\$ 2,374,341	\$ 1,626,087	\$ 13,108,060	\$ 10,747,547
=====					

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION		
	FIDELITY VIP GROWTH & INCOME PORTFOLIO	FIDELITY VIP INDEX 500 PORTFOLIO	FIDELITY VIP MID CAP PORTFOLIO
<S>	<C>	<C>	<C>
OPERATIONS			
Net investment income	\$ 45,882	\$ 215,072	\$ 33,592
Capital gain distribution	-	-	-
Net realized gain (loss) on investments	(54,345)	(197,535)	17,444
Net unrealized appreciation (depreciation) on investments	1,157,559	5,161,499	4,853,998
Mortality and expense risk charge (Note 1)	(64,883)	(242,167)	(172,175)

Net increase (decrease) in net assets resulting from operations	1,084,213	4,936,869	4,732,859
=====			
CONTRACT OWNERS' TRANSACTIONS			
Gross stipulated payments received	1,698,009	4,970,918	2,368,780
Sales and administrative expenses (Note 1)	(200)	(775)	(443)

Net consideration received on annuity contracts	1,697,809	4,970,143	2,368,337
Net transfer from (to) fixed accumulation account	375,992	1,283,209	359,215
Transfers from (to) other Divisions	502,385	1,203,140	506,175
Payments to contract owners	(318,754)	(874,747)	(784,381)
Annual maintenance charge (Note 1)	(19,113)	(56,699)	(27,691)
Surrender charges (Note 1)	(7,367)	(16,773)	(14,026)

Mortality guarantee adjustment	-	-	-
=====			
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	2,230,952	6,508,273	2,407,629
=====			
TOTAL INCREASE (DECREASE) IN NET ASSETS	3,315,165	11,445,142	7,140,488
=====			
NET ASSETS:			
BEGINNING OF PERIOD	4,010,148	14,951,330	11,562,866
=====			
END OF PERIOD	\$ 7,325,313	\$ 26,396,472	\$ 18,703,354
=====			

<Caption>

	ACCOUNT DIVISION		
	FIDELITY VIP GROWTH PORTFOLIO	FIDELITY VIP OVERSEAS PORTFOLIO	FIDELITY VIP HIGH INCOME PORTFOLIO
<S>	<C>	<C>	<C>
OPERATIONS			
Net investment income	\$ 19,197	\$ 21,358	\$ 53,381
Capital gain distribution	-	-	-
Net realized gain (loss) on investments	(340,817)	135,372	163,579
Net unrealized appreciation (depreciation) on investments	5,786,980	1,932,064	52,877
Mortality and expense risk charge (Note 1)	(231,724)	(63,561)	(14,475)
=====			
Net increase (decrease) in net assets resulting from operations	5,233,636	2,025,233	255,362
=====			
CONTRACT OWNERS' TRANSACTIONS			
Gross stipulated payments received	4,582,199	1,376,743	509,821
Sales and administrative expenses (Note 1)	(896)	(218)	(18)
=====			
Net consideration received on annuity contracts	4,581,303	1,376,525	509,803
Net transfer from (to) fixed accumulation account	787,436	371,546	141,048
Transfers from (to) other Divisions	749,529	159,197	195,197
Payments to contract owners	(1,211,796)	(262,804)	(141,518)
Annual maintenance charge (Note 1)	(55,935)	(9,652)	(1,188)
Surrender charges (Note 1)	(21,550)	(5,915)	(6,456)
Mortality guarantee adjustment	-	-	-
=====			
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	4,828,987	1,628,897	696,886
=====			
TOTAL INCREASE (DECREASE) IN NET ASSETS	10,062,623	3,654,130	952,248
=====			
NET ASSETS:			
BEGINNING OF PERIOD	14,469,371	3,755,201	652,024
=====			
END OF PERIOD	\$ 24,531,994	\$ 7,409,331	\$ 1,604,272
=====			

</Table>

<Page>

<Table>

<Caption>

ACCOUNT DIVISION

	FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO	DAVIS VALUE PORTFOLIO	STRONG OPPORTUNITY FUND II	STRONG MID CAP GROWTH FUND II	J.P. MORGAN U.S. DISCIPLINED EQUITY PORTFOLIO
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS					
Net investment income	\$ 530,051	\$ 33,240	\$ 5,114	\$ -	\$ 60,547
Capital gain distribution	-	-	-	-	-
Net realized gain (loss) on investments	127,087	(77,597)	(261,439)	(470,600)	(107,144)
Net unrealized appreciation (depreciation) on investments	(83,125)	1,104,169	2,209,576	1,955,222	2,297,547
Mortality and expense risk charge (Note 1)	(147,520)	(46,773)	(74,365)	(64,129)	(105,422)
Net increase (decrease) in net assets resulting from operations	426,493	1,013,039	1,878,886	1,420,493	2,145,528
CONTRACT OWNERS' TRANSACTIONS					
Gross stipulated payments received	2,362,674	889,605	1,200,894	1,221,883	2,327,345
Sales and administrative expenses (Note 1)	(421)	(37)	(223)	(209)	(425)
Net consideration received on annuity contracts	2,362,253	889,568	1,200,671	1,221,674	2,326,920
Net transfer from (to) fixed accumulation account	2,260,309	154,210	127,751	87,375	421,325
Transfers from (to) other Divisions	179,297	258,530	(57,069)	(44,397)	189,424
Payments to contract owners	(1,130,266)	(372,276)	(307,185)	(313,412)	(515,595)
Annual maintenance charge (Note 1)	(13,880)	(5,979)	(6,789)	(3,657)	(29,364)
Surrender charges (Note 1)	(21,115)	(4,046)	(6,542)	(7,070)	(14,592)
Mortality guarantee adjustment	-	-	-	-	-
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	3,636,598	920,007	950,837	940,513	2,378,118
TOTAL INCREASE (DECREASE) IN NET ASSETS	4,063,091	1,933,046	2,829,723	2,361,006	4,523,646
NET ASSETS: BEGINNING OF PERIOD	9,862,069	3,121,652	4,823,981	4,032,451	6,662,504
END OF PERIOD	\$ 13,925,160	\$ 5,054,698	\$ 7,653,704	\$ 6,393,457	\$ 11,186,150

</Table>

See notes to the financial statements.

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION				
	RAINIER SMALL/MID CAP EQUITY PORTFOLIO	NEUBERGER BERMAN GENESIS FUND	ALLIANCE PREMIER GROWTH PORTFOLIO	PUTNAM VT VISTA FUND	CREDIT SUISSE SMALL CO. GROWTH PORTFOLIO
<S>	<C>	<C>	<C>	<C>	<C>
OPERATIONS					
Net investment income	\$ -	\$ 5,476	\$ -	\$ -	\$ -
Capital gain distribution	-	-	-	-	-
Net realized gain (loss) on investments	(96,295)	75,924	(312,634)	(745,199)	(260,746)
Net unrealized appreciation (depreciation) on investments	2,223,410	2,637,457	2,810,793	1,921,413	1,518,466
Mortality and expense risk charge (Note 1)	(66,140)	(114,192)	(143,774)	(50,260)	(38,362)

Net increase (decrease) in net assets resulting from operations	2,060,975	2,604,665	2,354,385	1,125,954	1,219,358
=====					
CONTRACT OWNERS' TRANSACTIONS					
Gross stipulated payments received	1,194,075	2,044,490	2,976,902	867,679	570,203
Sales and administrative expenses (Note 1)	(234)	(313)	(646)	(145)	(134)

Net consideration received on annuity contracts	1,193,841	2,044,177	2,976,256	867,534	570,069
Net transfer from (to) fixed accumulation account	160,385	332,483	481,299	125,319	44,318
Transfers from (to) other Divisions	347,069	369,167	180,286	(154,890)	(32,331)
Payments to contract owners	(345,068)	(617,913)	(597,037)	(267,081)	(166,281)
Annual maintenance charge (Note 1)	(9,268)	(16,189)	(21,393)	(3,305)	(3,517)
Surrender charges (Note 1)	(6,830)	(17,884)	(14,570)	(4,956)	(3,321)
Mortality guarantee adjustment	-	-	-	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	1,340,129	2,093,841	3,004,841	562,621	408,937
=====					
TOTAL INCREASE (DECREASE) IN NET ASSETS	3,401,104	4,698,506	5,359,226	1,688,575	1,628,295

NET ASSETS: BEGINNING OF PERIOD	4,051,811	7,499,868	9,254,116	3,296,889	2,407,711

END OF PERIOD	\$ 7,452,915	\$ 12,198,374	\$ 14,613,342	\$ 4,985,464	\$ 4,036,006
=====					

<Caption>

	ACCOUNT DIVISION	
	ARIEL FUND	ARIEL APPRECIATION FUND
<S>	<C>	<C>
OPERATIONS		
Net investment income	\$ -	\$ -
Capital gain distribution	-	-
Net realized gain (loss) on investments	17,394	17,820
Net unrealized appreciation (depreciation) on investments	3,352,619	5,587,455
Mortality and expense risk charge (Note 1)	(152,908)	(230,978)

Net increase (decrease) in net assets resulting from operations	3,217,105	5,374,298
=====		
CONTRACT OWNERS' TRANSACTIONS		
Gross stipulated payments received	3,368,552	5,352,242
Sales and administrative expenses (Note 1)	(747)	(948)

Net consideration received on annuity contracts	3,367,805	5,351,294
Net transfer from (to) fixed accumulation account	910,364	1,431,007
Transfers from (to) other Divisions	945,264	1,517,127
Payments to contract owners	(495,325)	(966,546)
Annual maintenance charge (Note 1)	(17,198)	(32,334)
Surrender charges (Note 1)	(13,279)	(23,620)
Mortality guarantee adjustment	-	-

NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CONTRACT OWNERS' TRANSACTIONS	4,697,631	7,276,928
TOTAL INCREASE (DECREASE) IN NET ASSETS	7,914,736	12,651,226
NET ASSETS:		
BEGINNING OF PERIOD	9,110,720	13,666,480
END OF PERIOD	\$ 17,025,456	\$ 26,317,706

</Table>
<Page>

HORACE MANN LIFE INSURANCE COMPANY

2004 ANNUAL REPORT

SEPARATE ACCOUNT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2004

1. NATURE OF SEPARATE ACCOUNT - Horace Mann Life Insurance Company Separate Account ("the Account"), registered as a unit investment trust under the Investment Company Act of 1940, is used to fund variable annuity contracts. All assets are invested in shares of the Wilshire VIT Equity Fund, Wilshire VIT Balanced Fund, Wilshire VIT Income Fund, Wilshire VIT Short-Term Investment Fund, Wilshire VIT Small Cap Growth Fund, Wilshire VIT International Equity Fund, Wilshire VIT Socially Responsible Fund, Wilshire 5000 Index Portfolio-Institutional, Wilshire Large Co. Growth Portfolio-Institutional, Wilshire 5000 Index Portfolio-Investment, Wilshire Large Co. Growth Portfolio-Investment, Wilshire Large Co. Value Portfolio-Investment, Wilshire Small Co. Value Portfolio-Investment, Wilshire Small Co. Growth Portfolio-Investment, T.Rowe Price Small-Cap Value Fund-Advisor Class, T.Rowe Price Small-Cap Stock Fund-Advisor Class, Fidelity VIP Growth & Income Portfolio, Fidelity VIP Index 500 Portfolio, Fidelity VIP Mid Cap Portfolio, Fidelity VIP Growth Portfolio, Fidelity VIP Overseas Portfolio, Fidelity VIP High Income Portfolio, Fidelity VIP Investment Grade Bond Portfolio, Davis Value Portfolio, Strong Opportunity Fund II, Strong Mid Cap Growth Fund II, J.P. Morgan U.S. Disciplined Equity Portfolio, Rainier Small/Mid Cap Equity Portfolio, Neuberger Berman Genesis Fund, Alliance Premier Growth Portfolio, Putnam VT Vista Fund, Credit Suisse Small Co. Growth Portfolio, Ariel Fund, Ariel Appreciation Fund, Delaware VIP Growth Opportunities SC, Delaware VIP Trend Series SC, Dreyfus Midcap Stock Service Shares, Goldman Sachs VIT Core Small Cap Equity Fund, Lord Abbett Series Fund Growth Opportunities, and Royce Capital Fund Small Cap Portfolio. The funds collectively are referred to as the "Funds". Effective October 1, 2004, sponsorship of the Horace Mann Mutual Funds was transferred to Wilshire Associates Inc.

Certain specified amounts, as described in the annuity contracts, are paid to Horace Mann Life Insurance Company ("HMLIC") to cover death benefits, surrender charges, sales and administrative expenses and maintenance charges.

An annual contract maintenance charge of \$25 is deducted from each contract unless the contract value equals or exceeds \$10,000 to reimburse HMLIC for expenses incurred in administering the contract. The contract maintenance charge is assessed on the contract anniversary date. This charge may be reduced or eliminated on certain individual contracts and on some group plans. The annual maintenance charge is paid through a redemption of units and is deducted from the subaccount containing the greatest dollar amount or from the fixed portion of the contract when none of the variable subaccount(s) have any value. Charges for the annual maintenance charge cease on the maturity date. No annual maintenance charge is taken, in whole or in part, in the event of a complete surrender unless the surrender occurs on the contract anniversary date.

<Page>

HMLIC deducts a daily mortality and expense risk charge from the Separate Account for the assumption of mortality and expense risks. The fee for the mortality and expense risk may not exceed the annual rate of 1.25% of the daily net assets of the Separate Account (0.45% for mortality risk, and 0.80% for expense risk).

In certain circumstances in the event of a contract being surrendered or withdrawn from the subaccount, surrender charges are assessed by HMLIC and withheld from the proceeds of the withdrawals on the basis of the amount surrendered or withdrawn from the subaccount(s).

2. SIGNIFICANT ACCOUNTING POLICIES - Investments in the Fund are reported at market value using the accumulated unit value method (AUV).

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

3. FEDERAL INCOME TAXES - Investment income of the Account is included in the tax return of HMLIC; however, no tax accrues on income attributable to tax-deferred annuities which comprise the majority of the Account contracts. Income attributable to non tax-deferred annuities is not significant.

<Page>

4. PURCHASE AND SALES OF SEPARATE ACCOUNT FUND SHARES -- During the year ended December 31, 2004 purchases and proceeds from sales of fund shares were as follows:

<Table>
<Caption>

		ACCOUNT DIVISION							
		WILSHIRE VIT EQUITY FUND HM SHARES	WILSHIRE VIT BALANCED FUND HM SHARES	WILSHIRE VIT INCOME FUND HM SHARES	WILSHIRE VIT SHORT-TERM INVESTMENT FUND HM SHARES	WILSHIRE VIT SMALL CAP GROWTH FUND HM SHARES	WILSHIRE VIT INTERNATIONAL EQUITY FUND HM SHARES	WILSHIRE VIT SOCIALY RESPONSIBLE FUND HM SHARES	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Purchases	\$	22,842,308	\$ 21,781,096	\$ 7,086,290	\$ 16,890,660	\$ 8,272,576	\$ 22,390,619	\$ 8,919,178	
Sales	\$	48,062,940	\$ 37,060,987	\$ 4,759,972	\$ 18,596,242	\$ 13,987,017	\$ 19,857,739	\$ 10,448,013	

<Caption>

		WILSHIRE 5000 INDEX PORTFOLIO- INSTITUTIONAL	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INSTITUTIONAL	WILSHIRE 5000 INDEX PORTFOLIO- INVESTMENT	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INVESTMENT	WILSHIRE LARGE CO. VALUE PORTFOLIO- INVESTMENT	WILSHIRE SMALL CO. VALUE PORTFOLIO- INVESTMENT	WILSHIRE SMALL CO. GROWTH PORTFOLIO- INVESTMENT
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Purchases	\$	3,415,313	\$ 3,440,009	\$ 2,885,882	\$ 3,485,414	\$ 5,373,455	\$ 1,142,911	\$ 909,816
Sales	\$	3,303,112	\$ 3,305,984	\$ 616,804	\$ 814,335	\$ 1,930,714	\$ 359,534	\$ 266,832

<Caption>

		T. ROWE PRICE SMALL-CAP VALUE FUND ADVISOR CLASS	T. ROWE PRICE SMALL-CAP STOCK FUND ADVISOR CLASS	FIDELITY VIP GROWTH & INCOME PORTFOLIO	FIDELITY VIP INDEX 500 PORTFOLIO	FIDELITY VIP MID CAP PORTFOLIO	FIDELITY VIP GROWTH PORTFOLIO	FIDELITY VIP OVERSEAS PORTFOLIO
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Purchases	\$	3,777,255	\$ 3,933,409	\$ 4,195,164	\$ 11,956,293	\$ 6,854,633	\$ 9,545,548	\$ 5,686,841
Sales	\$	1,587,880	\$ 1,688,954	\$ 1,264,046	\$ 3,736,013	\$ 2,940,832	\$ 3,774,523	\$ 1,875,082

</Table>

<Page>

<Table>
<Caption>

		FIDELITY VIP HIGH INCOME PORTFOLIO	FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO	DAVIS VALUE PORTFOLIO	STRONG OPPORTUNITY FUND II	STRONG MID CAP GROWTH FUND II	J.P. MORGAN U.S. DISCIPLINED EQUITY PORTFOLIO	RAINIER SMALL/MID CAP EQUITY PORTFOLIO
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Purchases	\$	4,450,182	\$ 6,849,991	\$ 2,240,802	\$ 1,705,047	\$ 1,545,852	\$ 4,292,941	\$ 3,093,504
Sales	\$	3,605,775	\$ 5,202,320	\$ 904,695	\$ 1,403,638	\$ 1,637,919	\$ 1,621,496	\$ 1,111,235

<Caption>

		NEUBERGER BERMAN GENESIS FUND	ALLIANCE PREMIER GROWTH PORTFOLIO	POTNAM VT VISTA FUND	CREDIT SUISSE SMALL CO. GROWTH PORTFOLIO	ARIEL FUND	ARIEL APPRECIATION FUND	DELAWARE VIP VIP GROWTH OPPORTUNITIES SC SERVICE CLASS
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

Purchases	\$	5,283,749	\$	4,719,890	\$	1,188,607	\$	934,220	\$	8,855,811	\$	12,622,751	167,453
Sales	\$	1,547,324	\$	2,144,993	\$	1,608,362	\$	970,781	\$	2,606,877	\$	3,656,384	12,297

<Caption>

	DELAWARE VIP TREND SERIES SERVICE CLASS	DREYFUS MIDCAP STOCK PORTFOLIO SERVICE SHARES	GOLDMAN SACHS VIT CORE SMALL CAP EQUITY FUND	LORD ABBETT SERIES FUND GROWTH OPPORTUNITIES	ROYCE CAPITAL FUND SMALL CAP PORTFOLIO
<S>	<C>	<C>	<C>	<C>	<C>
Purchases	\$ 92,022	\$ 190,675	\$ 260,791	\$ 277,167	\$ 851,595
Sales	\$ 30,652	\$ 31,505	\$ 13,699	\$ 12,753	\$ 12,253

</Table>

<Page>

5. CHANGE IN CONTRACT OWNERS' ACCOUNT UNITS

<Table>

<Caption>

	ACCOUNT DIVISION			
	WILSHIRE VIT EQUITY FUND HM SHARES	WILSHIRE VIT BALANCED FUND HM SHARES	WILSHIRE VIT INCOME FUND HM SHARES	WILSHIRE VIT SHORT-TERM INVESTMENT FUND HM SHARES
<S>	<C>	<C>	<C>	<C>
Account units outstanding AT 01/01/2003	15,849,769	14,804,752	1,187,910	367,360
Consideration received	1,017,821	772,670	156,071	143,382
Net transfers	(641,690)	(523,364)	48,650	90,246
Payments to contract owners	(1,150,010)	(959,387)	(181,926)	(173,608)
Account units outstanding AT 12/31/2003	15,075,890	14,094,671	1,210,705	427,380
Consideration received	789,802	651,807	175,782	23,331
Net transfers	(786,517)	(653,929)	22,237	(16,628)
Payments to contract owners	(1,054,263)	(920,011)	(108,682)	(163,090)
Account units outstanding AT 12/31/2004	14,024,912	13,172,538	1,300,042	270,993

<Caption>

	ACCOUNT DIVISION			
	WILSHIRE VIT SMALL CAP GROWTH FUND HM SHARES	WILSHIRE VIT INTERNATIONAL EQUITY FUND HM SHARES	WILSHIRE VIT SOCIALY RESPONSIBLE FUND HM SHARES	WILSHIRE 5000 INDEX PORTFOLIO- INSTITUTIONAL
<S>	<C>	<C>	<C>	<C>
Account units outstanding AT 01/01/2003	4,361,425	2,970,500	4,803,270	1,773,671
Consideration received	625,079	477,659	500,488	224,582
Net transfers	(145,840)	(162,031)	(210,901)	1,826
Payments to contract owners	(332,881)	(213,213)	(352,799)	(126,323)
Account units outstanding AT 12/31/2003	4,507,783	3,072,915	4,740,058	1,873,756

Consideration received	438,173	382,028	408,376	192,688
Net transfers	(303,223)	8,703	(213,672)	(7,404)
Payments to contract owners	(340,587)	(364,116)	(321,841)	(134,797)
Account units outstanding AT 12/31/2004	4,302,146	3,099,530	4,612,921	1,924,243

<Page>

<Table>
<Caption>

	ACCOUNT DIVISION				
	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INSTITUTIONAL	WILSHIRE 5000 INDEX PORTFOLIO- INVESTMENT	WILSHIRE LARGE CO. GROWTH PORTFOLIO- INVESTMENT	WILSHIRE LARGE CO. VALUE PORTFOLIO- INVESTMENT	WILSHIRE SMALL CO. VALUE PORTFOLIO- INVESTMENT
<S>	<C>	<C>	<C>	<C>	<C>
Account units outstanding AT 01/01/2003	598,775	365,881	160,285	472,191	115,069
Consideration received	89,932	149,372	67,273	122,475	20,820
Net transfers	7,968	45,216	12,095	49,228	(7,101)
Payments to contract owners	(43,834)	(19,456)	(11,635)	(32,235)	(6,706)
Account units outstanding AT 12/31/2003	652,841	541,013	228,018	611,659	122,082
Consideration received	77,504	226,376	87,548	127,532	16,502
Net transfers	(8,428)	44,398	17,228	34,600	11,195
Payments to contract owners	(41,556)	(23,794)	(8,473)	(44,688)	(9,305)
Account units outstanding AT 12/31/2004	680,361	787,993	324,321	729,103	140,474

<Caption>

	ACCOUNT DIVISION			
	WILSHIRE SMALL CO. GROWTH PORTFOLIO- INVESTMENT	T. ROWE PRICE SMALL-CAP VALUE FUND ADVISOR CLASS	T. ROWE PRICE SMALL-CAP STOCK FUND ADVISOR CLASS	FIDELITY VIP GROWTH & INCOME PORTFOLIO
<S>	<C>	<C>	<C>	<C>
Account units outstanding AT 01/01/2003	65,352	314,495	280,393	357,213
Consideration received	20,693	75,915	66,253	135,865
Net transfers	9,582	30,221	21,993	69,877
Payments to contract owners	(2,903)	(22,986)	(19,566)	(27,926)
Account units outstanding AT 12/31/2003	92,724	397,645	349,073	535,029
Consideration received	23,922	66,939	72,660	197,641
Net transfers	10,798	515	2,995	59,151
Payments to contract owners	(5,670)	(25,494)	(22,811)	(34,284)
Account units outstanding AT 12/31/2004	121,774	439,605	401,917	757,537

</Table>

<Page>

<Table>

<Caption>

	ACCOUNT DIVISION				
	FIDELITY VIP INDEX 500 PORTFOLIO	FIDELITY VIP MID CAP PORTFOLIO	FIDELITY VIP GROWTH PORTFOLIO	FIDELITY VIP OVERSEAS PORTFOLIO	FIDELITY VIP HIGH INCOME PORTFOLIO
<S>	<C>	<C>	<C>	<C>	<C>
Account units outstanding AT 01/01/2003	151,544	674,016	595,943	308,350	90,168
Consideration received	45,758	125,394	168,451	101,376	61,559
Net transfers	22,868	43,177	54,370	41,032	43,795
Payments to contract owners	(8,735)	(44,313)	(47,120)	(20,255)	(18,393)
Account units outstanding AT 12/31/03	211,435	798,274	771,644	430,503	177,129
Consideration received	56,742	149,102	193,727	157,032	68,404
Net transfers	20,944	63,643	60,356	84,547	18,833
Payments to contract owners	(11,204)	(56,788)	(51,522)	(28,165)	(8,339)
Account units outstanding AT 12/31/04	277,917	954,231	974,205	643,917	256,027

<Caption>

	ACCOUNT DIVISION		
	FIDELITY VIP INVESTMENT GRADE BOND PORTFOLIO	DAVIS VALUE PORTFOLIO	STRONG OPPORTUNITY FUND II
<S>	<C>	<C>	<C>
Account units outstanding AT 01/01/2003	677,140	384,920	254,365
Consideration received	158,973	99,129	55,567
Net transfers	167,158	46,330	3,305
Payments to contract owners	(81,321)	(44,254)	(15,065)
Account units outstanding AT 12/31/03	921,950	486,125	298,172
Consideration received	194,535	99,072	42,499
Net transfers	(65,547)	62,465	(8,226)
Payments to contract owners	(75,705)	(35,431)	(14,804)
Account units outstanding AT 12/31/04	975,233	612,231	317,641

</Table>

<Page>

<Table>

<Caption>

ACCOUNT DIVISION				
STRONG MID CAP GROWTH FUND II	J.P. MORGAN U.S. DISCIPLINED EQUITY PORTFOLIO	RAINIER SMALL/MID CAP EQUITY PORTFOLIO	NEUBERGER BERMAN GENESIS FUND	ALLIANCE PREMIER GROWTH PORTFOLIO

<S>	<C>	<C>	<C>	<C>	<C>
Account units outstanding AT 01/01/2003	371,269	690,067	194,166	409,931	522,390
Consideration received	99,582	220,557	48,469	101,603	153,674
Net transfers	(858)	57,774	19,126	34,815	33,701
Payments to contract owners	(26,027)	(53,128)	(14,589)	(32,552)	(32,880)

Account units outstanding AT 12/31/03	443,966	915,270	247,172	513,797	676,885
Consideration received	76,824	240,310	53,108	108,412	157,812
Net transfers	(19,583)	40,785	17,125	53,522	23,021
Payments to contract owners	(21,966)	(52,716)	(14,166)	(33,533)	(39,119)
Account units outstanding AT 12/31/04	479,241	1,143,649	303,239	642,198	818,599

<Caption>

<S>	ACCOUNT DIVISION			
	PUTNAM VT VISTA FUND	CREDIT SUISSE SMALL CO. GROWTH PORTFOLIO	ARIEL FUND	ARIEL APPRECIATION FUND
Account units outstanding AT 01/01/2003	375,227	207,449	255,196	411,440
Consideration received	86,380	41,327	86,812	146,696
Net transfers	(2,946)	770	48,451	81,660
Payments to contract owners	(27,361)	(12,581)	(13,479)	(27,519)
Account units outstanding AT 12/31/03	431,300	236,965	376,980	612,277
Consideration received	63,004	30,733	93,460	162,849
Net transfers	(19,235)	3,797	37,671	59,816
Payments to contract owners	(27,092)	(23,020)	(21,989)	(36,663)
Account units outstanding AT 12/31/04	447,977	248,475	486,122	798,279

</Table>

<Page>

<Table>

<Caption>

<S>	ACCOUNT DIVISION						
	DELAWARE VIP GROWTH OPPORTUNITIES SERVICE CLASS	DELAWARE VIP TREND SERIES SERVICE CLASS	DREYFUS MIDCAP STOCK PORTFOLIO SERVICE SHARES	GOLDMAN SACHS VIT CORE SMALL CAP FUND	LORD ABBETT SERIES FUND GROWTH OPPORTUNITIES	ROYCE CAPITAL FUND SMALL CAP PORTFOLIO	
Account units outstanding AT 01/01/2004	-	-	-	-	-	-	
Consideration received	3,667	1,462	3,035	7,103	5,822	20,615	

Net transfers	8,171	813	6,541	10,324	17,606	72,692
Payments to contract owners	(774)	-	-	(4)	(1,013)	(26)

Account units outstanding AT 12/31/04	11,064	2,275	9,576	17,423	22,415	93,281
=====						

</Table>

<Page>

6. FINANCIAL HIGHLIGHTS

<Table>

<Caption>

ACCOUNT DIVISION	UNITS	UNIT VALUE	NET ASSETS
<S>	<C>	<C>	<C>
Wilshire VIT Equity Fund - HM Shares	14,024,912	\$21.34 to \$22.67	\$ 301,633,499
Wilshire VIT Balanced Fund - HM Shares	13,172,538	17.95 to 20.97	\$ 261,599,493
Wilshire VIT Income Fund - HM Shares	1,300,042	12.16 to 17.85	21,963,766
Wilshire VIT Short-Term Investment Fund - HM Shares	270,993	10.11 to 11.45	2,940,774
Wilshire VIT Small Cap Fund - HM Shares	4,302,146	11.88 to 12.55	51,123,355
Wilshire VIT International Equity Fund - HM Shares	3,099,530	11.67 to 12.32	36,179,259
Wilshire VIT Socially Responsible Fund - HM Shares	4,612,921	16.61 to 17.53	76,641,597
Wilshire 5000 Index Portfolio Institutional	1,924,243	10.12 to 10.68	19,478,297
Wilshire Large Co. Growth Portfolio Institutional	680,361	31.29 to 33.05	21,293,761
Wilshire 5000 Index Portfolio Investment	787,993	9.92 to 10.52	7,833,095
Wilshire Large Co. Growth Portfolio Investment	324,321	30.67 to 32.45	9,962,280
Wilshire Large Co. Value Portfolio Investment	729,103	24.09 to 25.43	17,633,502
Wilshire Small Co. Value Portfolio Investment	140,474	23.32 to 24.60	3,315,399
Wilshire Small Co. Growth Portfolio Investment	121,774	20.20 to 21.86	2,471,845
T.Rowe Price Small-Cap Value Fund Advisor Class	439,605	40.82 to 43.06	17,957,864
T.Rowe Small-Cap Stock Fund Advisor Class	401,917	36.01 to 38.01	14,483,081
Fidelity VIP Growth & Income Portfolio	757,537	14.25 to 15.04	10,812,187
Fidelity VIP Index 500 Portfolio	277,917	133.70 to 143.78	37,811,520
Fidelity VIP Mid Cap Portfolio	954,231	28.84 to 30.42	27,532,251
Fidelity VIP Growth Portfolio	974,205	32.37 to 34.17	31,546,843
Fidelity VIP Overseas Portfolio	643,917	19.25 to 20.32	12,405,767
Fidelity VIP High Income Portfolio	256,027	9.77 to 10.31	2,507,235
Fidelity VIP Investment Grade Bond Portfolio	975,233	15.52 to 16.38	15,156,639
Davis Value Portfolio	612,231	11.52 to 12.26	7,064,779
Strong Opportunity Fund II	317,641	29.96 to 31.54	9,523,371
Strong Mid Cap Growth Fund II	479,241	16.94 to 17.90	8,123,906
J.P. Morgan U.S. Disciplined Equity Portfolio	1,143,649	13.21 to 13.94	15,116,981
Rainier Small/Mid Cap Equity Portfolio	303,239	34.93 to 36.84	10,602,737
Neuberger Berman Genesis Fund	642,198	27.76 to 29.29	17,832,489
Alliance Premier Growth Portfolio	818,599	23.10 to 24.37	18,913,881
Putnam VT Vista Fund	447,977	13.53 to 14.28	6,067,620
Credit Suisse Small Co. Growth Portfolio	248,475	18.64 to 19.68	4,634,469
Ariel Fund	486,122	54.37 to 56.89	26,452,998
Ariel Appreciation Fund	798,279	47.99 to 50.20	38,334,735
Delaware VIP Growth Opportunities Service Class	11,064	15.70 to 15.72	173,702
Delaware VIP Trend Series Service Class	2,275	30.25 to 30.31	68,862
Dreyfus Midcap Stock Portfolio Service Shares	9,576	17.90 to 17.93	171,393
Goldman Sachs VIT Core Small Cap Equity Fund	17,423	15.00 to 15.03	261,401
Lord Abbett Series Fund Growth Opportunities	22,415	13.21 to 13.23	296,065
Royce Capital Fund Small Cap Portfolio	93,281	9.41 to 9.43	878,383

<Caption>

ACCOUNT DIVISION	EXPENSE AS A % OF AVERAGE NET ASSETS *	INVESTMENT INCOME RATIO	TOTAL RETURN **
<S>	<C>	<C>	<C>
Wilshire VIT Equity Fund - HM Shares	0.00% to 1.25%	1.31%	10.16% to 8.71%
Wilshire VIT Balanced Fund - HM Shares	0.00% to 1.25%	2.52	8.21% to 5.46%
Wilshire VIT Income Fund - HM Shares	0.00% to 1.25%	5.78	4.94% to (0.82%)
Wilshire VIT Short-Term Investment Fund - HM Shares	0.00% to 1.25%	0.86	1.22% to (0.05%)
Wilshire VIT Small Cap Fund - HM Shares	0.00% to 1.25%	0.00	4.39% to 3.12%
Wilshire VIT International Equity Fund - HM Shares	0.00% to 1.25%	1.37	10.62% to 9.26%
Wilshire VIT Socially Responsible Fund - HM Shares	0.00% to 1.25%	1.36	13.27% to 11.86%
Wilshire 5000 Index Portfolio Institutional	0.00% to 1.25%	1.37	11.52% to 10.22%
Wilshire Large Co. Growth Portfolio Institutional	0.00% to 1.25%	0.45	7.08% to 5.75%
Wilshire 5000 Index Portfolio Investment	0.00% to 1.25%	1.26	11.27% to 9.81%
Wilshire Large Co. Growth Portfolio Investment	0.00% to 1.25%	0.11	6.94% to 5.37%
Wilshire Large Co. Value Portfolio Investment	0.00% to 1.25%	6.53	12.99% to 11.53%
Wilshire Small Co. Value Portfolio Investment	0.00% to 1.25%	12.16	21.40% to 19.95%
Wilshire Small Co. Growth Portfolio Investment	0.00% to 1.25%	4.63	17.04% to 15.64%
T.Rowe Price Small-Cap Value Fund Advisor Class	0.00% to 1.25%	3.77	25.46% to 23.91%
T.Rowe Small-Cap Stock Fund Advisor Class	0.00% to 1.25%	4.61	18.45% to 17.01%
Fidelity VIP Growth & Income Portfolio	0.00% to 1.25%	0.65	5.56% to 4.18%

Fidelity VIP Index 500 Portfolio	0.00% to 1.25%	0.99	10.34% to 8.98%
Fidelity VIP Mid Cap Portfolio	0.00% to 1.25%	0.00	23.12% to 24.63%
Fidelity VIP Growth Portfolio	0.00% to 1.25%	0.12	3.14% to 1.84%
Fidelity VIP Overseas Portfolio	0.00% to 1.25%	0.82	13.33% to 11.92%
Fidelity VIP High Income Portfolio	0.00% to 1.25%	6.95	9.37% to 8.07%
Fidelity VIP Investment Grade Bond Portfolio	0.00% to 1.25%	6.71	4.22% to 2.87%
Davis Value Portfolio	0.00% to 1.25%	0.92	12.35% to 10.90%
Strong Opportunity Fund II	0.00% to 1.25%	0.00	18.16% to 16.77%
Strong Mid Cap Growth Fund II	0.00% to 1.25%	0.00	19.14% to 17.70%
J.P. Morgan U.S. Disciplined Equity Portfolio	0.00% to 1.25%	0.72	9.50% to 8.16%
Rainier Small/Mid Cap Equity Portfolio	0.00% to 1.25%	4.07	17.38% to 15.93%
Neuberger Berman Genesis Fund	0.00% to 1.25%	3.31	18.38% to 16.92%
Alliance Premier Growth Portfolio	0.00% to 1.25%	0.00	8.36% to 7.02%
Putnam VT Vista Fund	0.00% to 1.25%	0.00	18.64% to 17.17%
Credit Suisse Small Co. Growth Portfolio	0.00% to 1.25%	0.00	10.83% to 9.48%
Ariel Fund	0.00% to 1.25%	3.90	21.98% to 20.48%
Ariel Appreciation Fund	0.95% to 1.25%	2.96	13.12% to 11.70%
Delaware VIP Growth Opportunities Service Class	0.95% to 1.25%	0.00	11.08% to 10.79%
Delaware VIP Trend Series Service Class	0.95% to 1.25%	0.00	11.33% to 10.98%
Dreyfus Midcap Stock Portfolio Service Shares	0.95% to 1.25%	2.43	13.18% to 12.84%
Goldman Sachs VIT Core Small Cap Equity Fund	0.95% to 1.25%	4.27	15.26% to 14.91%
Lord Abbett Series Fund Growth Opportunities	0.95% to 1.25%	0.02	10.23% to 9.88%
Royce Capital Fund Small Cap Portfolio	0.95% to 1.25%	3.81	23.82% to 23.42%

* These ratios represent the annualized contract expenses of the active contract owners of the separate account, consisting primarily of mortality and expense charges, for the period indicated. The ratios include only those expenses that result in a direct reduction of unit values. Charges made directly to contract owner accounts through the redemption of units and expenses of the underlying fund are excluded.

** These amounts represent the total return for the period indicated, including changes in the value of the underlying fund, and reflect deductions for all items included in the expense ratio. The total return does not include any expenses assessed through the redemption of units; inclusion of these expenses in the calculation would result in a reduction in the total return presented.

<Page>

<Table>
<Caption>

ACCOUNT DIVISION	UNITS	UNIT VALUE	NET ASSETS
<S>	<C>	<C>	<C>
Horace Mann Equity Fund	15,075,890	\$19.63 to \$20.58	\$ 297,970,728
Horace Mann Balanced Fund	14,094,671	17.02 to 19.38	\$ 261,981,050
Horace Mann Income Fund	1,210,705	12.26 to 17.01	19,736,107
Horace Mann Short-Term Investment Fund	427,380	10.85 to 11.31	4,639,891
Horace Mann Small Cap Fund	4,507,783	11.52 to 12.02	51,949,486
Horace Mann International Equity Fund	3,072,915	10.68 to 11.14	32,832,553
Horace Mann Socially Responsible Fund	4,740,058	14.85 to 15.48	70,377,792
Wilshire 5000 Index Portfolio Institutional	1,873,756	9.18 to 9.58	17,213,849
Wilshire Large Co. Growth Portfolio Institutional	652,842	29.59 to 30.86	19,317,280
Wilshire 5000 Index Portfolio Investment	541,013	9.03 to 9.45	4,896,375
Wilshire Large Co. Growth Portfolio Investment	228,018	29.11 to 30.34	6,642,944
Wilshire Large Co. Value Portfolio Investment	611,659	21.60 to 22.51	13,219,824
Wilshire Small Co. Value Portfolio Investment	122,082	19.44 to 20.26	2,374,341
Wilshire Small Co. Growth Portfolio Investment	92,724	17.47 to 18.68	1,626,087
T.Rowe Price Small-Cap Value Fund Advisor Class	397,645	32.94 to 34.32	13,108,060
T.Rowe Small-Cap Stock Fund Advisor Class	349,073	30.78 to 32.09	10,747,547
Fidelity VIP Growth & Income Portfolio	535,029	13.68 to 14.25	7,325,313
Fidelity VIP Index 500 Portfolio	211,435	124.96 to 130.28	26,396,472
Fidelity VIP Mid Cap Portfolio	798,274	23.42 to 24.41	18,703,354
Fidelity VIP Growth Portfolio	771,644	31.78 to 33.13	24,531,994
Fidelity VIP Overseas Portfolio	430,503	17.20 to 17.93	7,409,331
Fidelity VIP High Income Portfolio	177,129	9.04 to 9.43	1,604,272
Fidelity VIP Investment Grade Bond Portfolio	921,950	15.09 to 15.72	13,925,160
Davis Value Portfolio	486,125	10.39 to 10.91	5,054,698
Strong Opportunity Fund II	298,172	25.66 to 26.69	7,653,704
Strong Mid Cap Growth Fund II	443,966	14.39 to 15.02	6,393,457
J.P. Morgan U.S. Disciplined Equity Portfolio	915,270	12.21 to 12.73	11,186,150
Rainier Small/Mid Cap Equity Portfolio	247,172	30.13 to 31.39	7,452,915
Neuberger Berman Genesis Fund	513,797	23.74 to 24.74	12,198,374
Alliance Premier Growth Portfolio	676,885	21.58 to 22.49	14,613,342
Putnam VT Vista Fund	431,300	11.55 to 12.04	4,985,464
Credit Suisse Small Co. Growth Portfolio	236,965	17.03 to 17.76	4,036,006
Ariel Fund	376,980	45.13 to 46.64	17,025,456
Ariel Appreciation Fund	612,277	42.96 to 44.38	26,317,706

<Caption>

EXPENSE AS A INVESTMENT
% OF AVERAGE INCOME TOTAL

ACCOUNT DIVISION	NET ASSETS *	RATIO	RETURN **
<S>	<C>	<C>	<C>
Horace Mann Equity Fund	0.00% to 1.25%	1.20%	27.59% to 25.97%
Horace Mann Balanced Fund	0.00% to 1.25%	2.06	19.56% to 17.22%
Horace Mann Income Fund	0.00% to 1.25%	2.59	7.32% to (1.37%)
Horace Mann Short-Term Investment Fund	0.00% to 1.25%	0.97	1.07% to (0.18%)
Horace Mann Small Cap Fund	0.00% to 1.25%	-	59.21% to 57.16%
Horace Mann International Equity Fund	0.00% to 1.25%	0.88	32.46% to 30.88%
Horace Mann Socially Responsible Fund	0.00% to 1.25%	1.36	28.46% to 26.92%
Wilshire 5000 Index Portfolio Institutional	0.00% to 1.25%	0.67	30.16% to 28.39%
Wilshire Large Co. Growth Portfolio Institutional	0.00% to 1.25%	0.28	26.89% to 25.33%
Wilshire 5000 Index Portfolio Investment	0.00% to 1.25%	0.47	29.45% to 27.90%
Wilshire Large Co. Growth Portfolio Investment	0.00% to 1.25%	-	26.31% to 24.88%
Wilshire Large Co. Value Portfolio Investment	0.00% to 1.25%	0.48	28.41% to 26.91%
Wilshire Small Co. Value Portfolio Investment	0.00% to 1.25%	0.25	36.43% to 34.72%
Wilshire Small Co. Growth Portfolio Investment	0.00% to 1.25%	-	37.05% to 35.32%
T.Rowe Price Small-Cap Value Fund Advisor Class	0.00% to 1.25%	2.10	36.19% to 34.56%
T.Rowe Small-Cap Stock Fund Advisor Class	0.00% to 1.25%	1.82	32.06% to 30.42%
Fidelity VIP Growth & Income Portfolio	0.00% to 1.25%	0.81	23.38% to 21.93%
Fidelity VIP Index 500 Portfolio	0.00% to 1.25%	1.04	28.09% to 26.53%
Fidelity VIP Mid Cap Portfolio	0.00% to 1.25%	0.22	38.30% to 36.56%
Fidelity VIP Growth Portfolio	0.00% to 1.25%	0.10	32.52% to 30.89%
Fidelity VIP Overseas Portfolio	0.00% to 1.25%	0.38	42.98% to 41.33%
Fidelity VIP High Income Portfolio	0.00% to 1.25%	4.73	26.75% to 25.03%
Fidelity VIP Investment Grade Bond Portfolio	0.00% to 1.25%	4.46	4.94% to 3.64%
Davis Value Portfolio	0.00% to 1.25%	0.81	29.88% to 28.27%
Strong Opportunity Fund II	0.00% to 1.25%	0.08	36.94% to 35.34%
Strong Mid Cap Growth Fund II	0.00% to 1.25%	-	34.23% to 32.50%
J.P. Morgan U.S. Disciplined Equity Portfolio	0.00% to 1.25%	0.68	28.07% to 26.53%
Rainier Small/Mid Cap Equity Portfolio	0.00% to 1.25%	-	46.20% to 44.44%
Neuberger Berman Genesis Fund	0.00% to 1.25%	0.06	31.39% to 29.73%
Alliance Premier Growth Portfolio	0.00% to 1.25%	-	23.37% to 21.85%
Putnam VT Vista Fund	0.00% to 1.25%	-	32.01% to 28.36%
Credit Suisse Small Co. Growth Portfolio	0.00% to 1.25%	-	48.62% to 46.81%
Ariel Fund	0.00% to 1.25%	-	28.13% to 26.45%
Ariel Appreciation Fund	0.00% to 1.25%	-	30.95% to 29.40%

* These ratios represent the annualized contract expenses of the active contract owners of the separate account, consisting primarily of mortality and expense charges, for the period indicated. The ratios include only those expenses that result in a direct reduction of unit values. Charges made directly to contract owner accounts through the redemption of units and expenses of the underlying fund are excluded.

** These amounts represent the total return for the period indicated, including changes in the value of the underlying fund, and reflect deductions for all items included in the expense ratio. The total return does not include any expenses assessed through the redemption of units; inclusion of these expenses in the calculation would result in a reduction in the total return presented.

<Page>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Horace Mann Life Insurance Company:

We have audited the accompanying statutory statements of admitted assets, liabilities and capital and surplus of Horace Mann Life Insurance Company (the Company) as of December 31, 2004 and 2003, and the related statutory statements of operations, capital and surplus, and cash flow for each of the years in the three-year period ended December 31, 2004. In connection with our audits of the statutory financial statements, we also have audited financial statement schedules I, III & VI, and IV. These statutory financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these statutory financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statutory financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statutory financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statutory financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in notes 1 and 7 to the financial statements, the Company prepared these financial statements using accounting practices prescribed or permitted by the Illinois Department of Financial and

Professional Regulation - Division of Insurance, which practices differ from U.S. generally accepted accounting principles. The effects on the financial statements of the variances between the statutory accounting practices and U.S. generally accepted accounting principles, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the Company as of December 31, 2004 and 2003, or the results of its operations or its cash flows for each of the years in the three-year period ended December 31, 2004.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus of the Company as of December 31, 2004 and 2003, and the results of its operations and its cash flow for each of the years in the three-year period ended December 31, 2004, on the basis of accounting described in note 1 and 7. Also in our opinion, the related financial statement schedules, when considered in relation to the basic statutory financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

Our audits were made for the purpose of forming an opinion on the basic statutory financial statements taken as a whole. The supplementary information included on Schedules A through C is presented for purposes of additional analysis and is not a required part of the basic statutory financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic statutory financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statutory statements taken as a whole.

/s/ KPMG LLP
Chicago, Illinois
April 28, 2005

<Page>

HORACE MANN LIFE INSURANCE COMPANY

Statutory Financial Statements

December 31, 2004 and 2003

(With Independent Auditors' Report Thereon)

<Page>

HORACE MANN LIFE INSURANCE COMPANY

Statutory Statements of Admitted Assets,
Liabilities and Capital and Surplus

December 31, 2004 and 2003

(In thousands)

<Table>

<Caption>

ADMITTED ASSETS	2004	2003

<S>	<C>	<C>
Cash and investments:		
Bonds	\$ 2,683,750	\$ 2,491,286
Preferred stocks	150	139
Mortgage loans on real estate	18,195	19,006
Policy loans	79,141	73,956
Cash	13,069	3,682
Short-term investments	15,643	29,901
Receivable for securities	-	699

Total cash and investments	2,809,948	2,618,669
Uncollected premiums and agents' balances in course of collection	1,658	1,885
Deferred premiums and agents' balances booked but deferred and not yet due	44,045	44,138
Investment income due and accrued	36,133	34,874
Net deferred tax asset	8,753	10,261

Federal income tax recoverable	5,810	2,695
Receivable from parent, subsidiaries and affiliates	-	2,774
Guaranty funds receivable or on deposit	306	332
Other assets	1,814	2,512
Variable annuity assets held in separate accounts	1,254,763	1,119,231

Total admitted assets	\$ 4,163,230	\$ 3,837,371

</Table>

See accompanying notes to statutory financial statements.

3

<Page>

(In thousands, except share data)

<Table>		
<Caption>		
LIABILITIES AND CAPITAL AND SURPLUS	2004	2003

<S>	<C>	<C>
Policy liabilities:		
Aggregate reserves:		
Life and annuity	\$ 2,473,280	\$ 2,272,858
Accident and health	10,073	11,063
Unpaid benefits:		
Life	7,436	8,283
Accident and health	447	494
Policyholder funds on deposit	139,298	125,943
Remittances not allocated	403	1,436

Total policy liabilities	2,630,937	2,420,077
Accrued expenses	3,046	4,094
Asset valuation reserve	9,591	4,621
Interest maintenance reserve	26,314	25,727
Funds held for loaned securities	-	22,021
Transfer from separate accounts	(10,530)	(9,521)
Amounts retained by Company as trustee	16,259	17,905
Payable to parent, subsidiaries and affiliates	1,097	-
Other liabilities	1,645	1,032
Variable annuity liabilities held in separate accounts	1,254,763	1,119,231

Total liabilities	3,933,122	3,605,187

Capital and surplus:		
Capital stock, \$1 par value.		
Authorized 5,000,000 shares,		
2,500,000 shares outstanding	2,500	2,500
Additional paid-in and contributed surplus	22,704	22,704
Unassigned surplus	204,904	206,980

Total capital and surplus	230,108	232,184

Total liabilities and capital and surplus	\$ 4,163,230	\$ 3,837,371

</Table>

See accompanying notes to statutory financial statements.

4

<Page>

Statutory Statements of Operations

Years ended December 31, 2004, 2003, and 2002

(In thousands)

<Table>

<Caption>	2004	2003	2002
<S>	<C>	<C>	<C>
Revenue:			
Premiums, annuity and supplementary contract considerations:			
Life	\$ 53,681	\$ (42,591)	\$ 106,395
Annuity	326,976	296,615	261,509
Accident and health	4,301	5,164	6,280
Supplementary contracts	9,854	6,509	4,778
Total premiums, annuity and supplementary contract considerations	394,812	265,697	378,962
Net investment income	158,175	153,391	161,410
Amortization of interest maintenance reserve	3,525	2,961	2,019
Commissions and expense allowances on reinsurance ceded	16,448	13,122	17,821
Reserve adjustments on reinsurance ceded	10,000	118,813	(50,000)
Management fee income from separate accounts	15,820	13,324	12,988
Mutual fund service fee income	1,225	1,099	1,170
Fees from sales of partner products	3,271	1,769	1,169
Other	(765)	392	317
Total revenue	602,511	570,568	525,856
Benefits and expenses:			
Provisions for claims and benefits:			
Life	73,763	80,417	43,673
Annuity	384,194	342,380	316,127
Accident and health	2,134	1,953	2,463
Supplementary contracts	22,562	18,646	17,160
Total claims and benefits	482,653	443,396	379,423
Commissions	30,598	28,166	27,903
General and other expenses	65,078	66,931	67,902
Total benefits and expenses	578,329	538,493	475,228
Net gain before dividends to policyholders and federal income tax	24,182	32,075	50,628
Dividends to policyholders	-	37	76

</Table>

See accompanying notes to statutory financial statements.

5

<Page>

<Caption>	2004	2003	2002
<S>	<C>	<C>	<C>
Net gain before federal income tax	24,182	32,038	50,552
Federal income tax expense	6,079	5,814	28,768
Net gain from operations	18,103	26,224	21,784
Realized investment gains (losses) net of tax and transfers to IMR	1,634	5,055	(43,998)
Net income (loss)	\$ 19,737	\$ 31,279	\$ (22,214)

</Table>

See accompanying notes to statutory financial statements.

6

<Page>

Statutory Statements of Capital and Surplus

Years ended December 31, 2004, 2003, and 2002

(In thousands)

<Table>

<Caption>

	2004	2003	2002
Capital stock	\$ 2,500	\$ 2,500	\$ 2,500
Additional paid-in capital and contributed surplus	22,704	22,704	22,704
Unassigned surplus:			
Balance at beginning of year	206,980	195,808	174,197
Net income (loss)	19,737	31,279	(22,214)
Change in net unrealized capital gains	-	135	509
Change in net deferred income tax	5,161	(9,142)	14,948
Change in non-admitted assets	(6,504)	12,143	(10,482)
Change in asset valuation reserve	(4,970)	(4,569)	11,850
Cumulative effect of changes in accounting principle	-	3,833	-
Dividends to parent	(9,000)	(14,500)	(5,500)
Change in surplus as a result of reinsurance	(6,500)	-	32,500
Correction of prior year exhibit 5 reserve error	-	(8,007)	-
Balance at end of year	204,904	206,980	195,808
Total capital and surplus	\$ 230,108	\$ 232,184	\$ 221,012

</Table>

See accompanying notes to statutory financial statements.

7

<Page>

Statutory Statements of Cash Flow

Years ended December 31, 2004, 2003, and 2002

(In thousands)

<Table>

<Caption>

	2004	2003	2002
Cash from operations:			
Revenue received:			
Premiums, considerations and deposits	\$ 395,848	\$ 268,443	\$ 380,221
Investment income	159,092	154,892	159,746
Commissions and expense allowances on reinsurance ceded	16,448	13,122	17,820
Management fee income from Separate Accounts	15,820	13,324	13,305
Mutual fund service fee income	1,225	1,099	1,170
Fees from sales of partner products	3,271	1,769	1,169
Other income (loss)	(765)	392	317
Total revenue received	590,939	453,041	573,748
Benefits and expenses paid:			
Claims, benefits and net transfers	274,430	171,457	343,889
Expenses	94,427	93,305	91,089
Dividends to policyholders	-	74	82
Federal income taxes	9,188	23,592	10,913
Total benefits and expenses paid	378,045	288,428	445,973

Net cash from operations	212,894	164,613	127,775
Cash from investments:			
From investments sold or matured:			
Bonds	771,424	1,250,700	1,226,386
Stocks	150	3,020	6
Mortgage loans	875	600	6,266
Real estate and other	-	3	109
Miscellaneous proceeds	699	7,201	27,290
Total investment proceeds	773,148	1,261,524	1,260,057
Cost of investments acquired:			
Bonds	(963,352)	(1,450,121)	(1,377,112)
Stocks	(150)	(930)	71
Miscellaneous applications	-	(27,491)	(510)
Total investments acquired	(963,502)	(1,478,542)	(1,377,693)
Net increase in policy loans	(5,185)	(5,027)	(3,326)
Total for investments acquired	(968,687)	(1,483,569)	(1,381,019)

</Table>

See accompanying notes to statutory financial statements.

8

<Page>

<Table>

<Caption>

	2004	2003	2002
<S>	<C>	<C>	<C>
Net cash used for investments	(195,539)	(222,045)	(120,962)
Cash from financing and miscellaneous:			
Cash provided (applied):			
Securities lending	(22,021)	20,779	(97,389)
Net deposits on deposit-type contract funds and other liabilities without life or disability contingencies	13,359	4,870	2,981
Change in surplus as a result of reinsurance	(6,500)	-	32,500
Dividends to parent	(9,000)	(15,000)	(5,000)
Other cash provided (applied)	1,936	(4,307)	7,837
Net cash (used in) from financing and miscellaneous	(22,226)	6,342	(59,071)
Net change in cash and short-term investments	(4,871)	(51,090)	(52,258)
Cash and short-term investments at beginning of year	33,583	84,673	136,931
Cash and short-term investments at end of year	\$ 28,712	\$ 33,583	\$ 84,673

</Table>

See accompanying notes to statutory financial statements.

9

<Page>

HORACE MANN LIFE INSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2004, 2003, and 2002

(In thousands)

ORGANIZATION

Horace Mann Life Insurance Company (the Company) is a wholly owned subsidiary of Allegiance Life Insurance Company (ALIC). The Company's ultimate parent is Horace Mann Educators Corporation (HMEC).

The Company markets and underwrites tax-qualified retirement annuities, individual life, group disability income, and group life insurance products primarily to educators and other employees of public schools and their families.

The Company has not participated in any new business combinations in 2004. The Company has not discontinued any operations in 2004.

BASIS OF PRESENTATION

The accompanying statutory financial statements have been prepared in conformity with the accounting practices prescribed or permitted by the Illinois Department of Financial and Professional Regulation - Division of Insurance and the National Association of Insurance Commissioners (NAIC), which differ materially in some respects from accounting principles generally accepted in the United States of America as more fully discussed in note 7. At December 31, 2004 and 2003 no transactions have been accounted for as a permitted practice. The significant statutory accounting practices follow.

10

<Page>

INVESTMENTS

Investments are valued in accordance with the requirements of the NAIC.

Bonds not backed by other loans are carried at amortized cost using the interest method. Significant changes in estimated cash flows from the original purchase assumptions are accounted for using the retrospective method. Market value is derived from the NAIC Valuation of Securities Manual for securities listed. Market value of bonds not listed is determined considering factors including quality of issuer, interest rates, and maturity dates. Loan backed bonds and structured securities are valued using currently anticipated prepayment assumptions. Prepayment assumptions were obtained from broker dealer survey values and are consistent with the current interest rate and economic environment. The retrospective method is used to value all securities. The Company used a pricing service in determining the market value of its loan-backed securities. The Company had no negative yield situations requiring a change from the retrospective to prospective method.

Preferred stocks are carried at cost.

Mortgage loans are carried at the unpaid principal balance less unamortized discount and were issued at a value of no more than 75% of the appraised value of the mortgaged property. No new mortgage loans were issued during the year. The Company did not reduce interest rates of any outstanding mortgage loans during the year. The Company had no non performing mortgage loans or loans with past due interest or principal payments.

Policy loans are carried at the unpaid principal balance.

The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date.

11

<Page>

ASSET VALUATION RESERVE

The Asset Valuation Reserve (AVR) was calculated as prescribed and required by the NAIC. This reserve is maintained for the purpose of stabilizing surplus against the effects of fluctuations in the value of certain bond, stock, mortgage loan and real estate investments. Changes in the AVR reserve are charged or credited to surplus.

The balance of the AVR by component as of December 31, 2004 and 2003, is as follows:

	2004	2003
Bonds, preferred stock and short-term investments	\$ 9,555	\$ 4,580
Mortgage loans	36	41
Total AVR	\$ 9,591	\$ 4,621

The AVR is held at a level equal to 48.5% of the maximum reserve level allowed by the NAIC. At December 31, 2003 the AVR was held at a level equal to 24.8% of the maximum reserve level allowed by the NAIC.

INTEREST MAINTENANCE RESERVE

The Interest Maintenance Reserve (IMR) was calculated as prescribed by the NAIC. This reserve is designed to capture the realized capital gains and losses which result from changes in the overall level of interest rates and amortize them into income over the approximate remaining life of the investment sold.

CASH AND SHORT-TERM INVESTMENTS

Amounts represent cash and short-term securities having a maturity of one year or less at the time of acquisition. Short-term investments are carried at cost which approximates market value.

VARIABLE ANNUITIES ASSETS AND LIABILITIES HELD IN SEPARATE ACCOUNTS

Assets held in trust for purchasers of variable annuity contracts and the related liabilities are included in the statutory statements of admitted assets, liabilities and capital and surplus. Variable annuity assets, carried at market value, and liabilities represent tax-qualified variable annuity funds invested in various mutual funds, including the Horace Mann mutual funds.

12

<Page>

Variable annuity assets were invested in the following mutual funds:

DECEMBER 31,	2004	2003
Wilshire VIT Equity Fund - Horace Mann shares	\$ 329,428	\$ -
Wilshire VIT Balanced Fund - Horace Mann shares	269,486	-
Wilshire VIT Socially Responsible Fund - Horace Mann shares	80,341	-
Wilshire VIT Small Cap Growth Fund - Horace Mann shares	56,293	-
Ariel Appreciation Fund	40,726	27,831
Wilshire VIT International Equity Fund - Horace Mann shares	39,286	-
Fidelity VIP Index 500 Portfolio SC2	37,812	26,397
Fidelity VIP Growth Portfolio SC2	33,270	25,960
Fidelity VIP Mid Cap Portfolio SC2	32,835	21,719
Ariel Fund	29,377	18,665
Wilshire Large Company Growth Portfolio - Institutional Class	24,176	21,705
Wilshire VIT Income Fund - Horace Mann shares	23,228	-
Wilshire 5000 Index Portfolio - Institutional Class	22,573	19,745
T. Rowe Price Small Cap Value Fund - Advisor Class	21,852	15,843
AllianceBernstein Premier Growth Portfolio	19,102	14,744
Neuberger Berman Genesis Fund Advisor Class	18,789	12,755
Wilshire Large Company Value Portfolio - Investment Class	17,633	13,220
T. Rowe Price Small-Cap Stock Fund - Advisor Class	16,412	11,984
JP Morgan U.S. Large Cap Core Equity Portfolio	15,713	11,535
Fidelity VIP Investment Grade Bond Portfolio SC2	15,157	13,925
Fidelity VIP Overseas Portfolio SC2	13,349	7,948
Strong Opportunity Fund II (Investor Class)	11,050	8,923
Fidelity VIP Growth & Income Portfolio SC2	10,812	7,325
Rainier Small/Mid Cap Equity Portfolio	10,603	7,453
Wilshire Large Company Growth Portfolio - Investment Class	9,962	6,643
Davis Value Portfolio	9,955	6,781
Strong Mid Cap Growth Fund II (Investor Class)	8,391	6,557
Wilshire 5000 Index Portfolio - Investment Class	7,833	4,896
Putnam VT Vista Fund (IB Shares)	6,697	5,490
Credit Suisse Trust Small Cap Growth Portfolio	4,634	4,036
Wilshire Small Company Value Portfolio (Investment Class)	3,315	2,374
Wilshire VIT Short-Term Investment Fund - Horace Mann shares	3,181	-
Fidelity VIP High Income Portfolio SC2	2,507	1,604
Wilshire Small Company Growth Portfolio (Investment Class)	2,472	1,626

BlackRock Index Equity Portfolio (Service Class)	1,767	1,186
Putnam VT The George Putnam Fund of Boston (Class IA shares)	895	414
Royce Capital Fund Small-Cap Portfolio	878	-
BlackRock Liquidity Temp Fund (Service Class)	586	371
BlackRock Core Bond Total Return Portfolio (Service Class)	476	209
Putnam VT International Equity Fund (Class IA shares)	436	263
Lord Abbett Services Fund - Growth Opportunities Portfolio	304	-
Goldman Sachs VIT Core Small Cap Equity Fund	261	-
BlackRock Low Duration Bond Portfolio (Service Class)	257	218
Delaware VIP Growth Opportunities Series (Service shares)	174	-
Dreyfus Investment Portfolio MidCap Stock Portfolio (Service Class)	171	-
T. Rowe Price Science & Technology Fund (Advisor Class)	169	111
Delaware VIP Trend Series (Service Class)	69	-
Templeton Foreign Smaller Companies Fund (Class A)	61	10
Goldman Sachs VIT International Equity Fund	9	-
Horace Mann Equity Fund	-	325,881
Horace Mann Balanced Fund	-	270,287
Horace Mann Socially Responsible Fund	-	73,947
Horace Mann Small Cap Growth Fund	-	57,210
Horace Mann International Equity Fund	-	35,754
Horace Mann Income Fund	-	20,843
Horace Mann Short-Term Investment Fund	-	4,843

Total	\$ 1,254,763	\$ 1,119,231
-------	--------------	--------------

</Table>

13

<Page>

On September 30, 2004, sponsorship of the Horace Mann Funds was transferred to Wilshire Associates, Inc.

The investment income, gains and losses of these accounts accrue directly to the policyholders and are not included in the operations of the Company.

Reconciliation of transfers to (from) separate account is as follows:

<Table>			
<Caption>			
		2004	2003
<S>	<C>		
Transfers to separate account	\$	132,118	\$ 115,342
Transfers from separate account		(101,582)	(76,260)
Net transfers to separate account	\$	30,536	\$ 39,082

</Table>

AGGREGATE RESERVES

Applicable state insurance laws require that the Company set up reserves in accordance with statutory regulations, carried as liabilities to meet future obligations under outstanding policies. These reserves are the amount that, with the additional premiums to be received and interest thereon compounded annually at certain rates, is calculated to be sufficient to meet the various policy and contract obligations as they occur.

Premium deficiency reserves at December 31, 2004 and 2003 were \$218 and \$237, respectively.

The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premiums beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.

The tabular interest, tabular less actual reserve released and tabular cost has been determined by formula as prescribed in the annual statement instructions. Tabular interest on funds not involving life contingencies is determined as the sum of the products of each valuation rate of interest and the mean of the funds subject to such rate held at the beginning and end of the valuation year.

14

<Page>

Aggregate reserves for life policies, annuity contracts, and supplementary contracts with life contingencies are based on statutory mortality tables and interest assumptions using either the net level, or commissioners'

reserve valuation method or commissioners' annuity reserve valuation method. The annuity reserves include the current declared interest rates through the valuation date. The composition of these liabilities at December 31 was as follows:

	AGGREGATE RESERVES		MORTALITY TABLE	INTEREST RATE
	2004	2003		
<S> Life	<C> \$	<C> \$	<C>	<C>
	601,048	551,686	1980 CSO	4.0-7.0%
	1,578	1,618	1958 CET	2.5-5.5
	162,029	164,546	1958 CSO	2.5-4.5
	43,640	47,353	Various	2.5-3.0
	8,037	8,388	1941 CSO	2.5-6.5
Annuity	1,215,385	1,145,869	1971 IAM	3.0-5.5
	80,209	82,131	a-1949	3.0-5.5
	1,470	1,506	1937 SAT	3.0
	104	155	Various	3.0
	127,345	71,906	a-2000	1.5-3.5
	126,590	97,220	1983a	3.0-4.5
Supplementary contract with life contingencies	58,406	61,967	1983a	6.25-11.0
	43,844	34,368	a-2000	5.5-7.0
	2,948	3,285	1971 IAM	4.5-11.25
	647	860	1937 SAT	3.5
Total	\$ 2,473,280	\$ 2,272,858		

ANALYSIS OF ANNUITY RESERVES AND DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS

	2004		2003	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
<S> Subject to discretionary withdrawal	<C>	<C>	<C>	<C>
With fair value adjustment	\$ 10,761	-	\$ 2,254	-
At book value less current surrender charge of 5% or more	1,099,328	36%	992,854	36%
At fair value	1,244,233	41%	1,109,710	41%
Total with adjustment or at fair value	2,354,322		2,104,818	
At book value without adjustment (minimal or no charge or adjustment)	579,754	19%	529,060	19%
Not subject to discretionary withdrawal	105,845	4%	100,480	4%
Total (gross)	3,039,921	100%	2,734,358	100%
Total (net)*	\$ 3,039,921		\$ 2,734,358	

*Reconciliation of total annuity actuarial reserves and deposit fund liabilities.

	2004	2003
<S> Life & Accident & Health Annual Statement:	<C>	<C>
Exhibit 5, Annuities Section, Total (net)	\$ 1,551,103	\$ 1,398,787
Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	105,845	100,480
Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	138,740	125,381

Subtotal	1,795,688	1,624,648
Separate Accounts Annual Statement:		
Exhibit 3, Line 0299999, Column 2	1,240,762	1,105,688
Exhibit 3, Line 0399999, Column 2	3,471	4,022
Subtotal	1,244,233	1,109,710
Combined Total	\$ 3,039,921	\$ 2,734,358

</Table>

16

<Page>

Policy reserves for losses for accident and health contracts are estimated by the Company's valuation actuary using statistical claim development models to develop best estimates of liabilities for medical expense business and using tabular reserves employing mortality/morbidity tables and discount rates specified by regulatory authorities for disability income business.

Aggregate reserves for accident and health policies include the present value of amounts not yet due on existing claims and unearned premiums at December 31 as follows:

<Table>

<Caption>

	AGGREGATE RESERVES	
	2004	2003
<S>	<C>	<C>
Present value of amounts not yet due on claims (3% interest rate)	\$ 9,355	\$ 10,272
Additional contract reserves	504	573
Unearned premiums and other	214	218
Aggregate accident and health reserves	\$ 10,073	\$ 11,063

</Table>

The Company discounts the liabilities for certain cancelable disability insurance business. The liabilities at December 31, 2004 included \$9,525 and \$10,126 of such discounted reserves at December 31, 2004 and 2003, respectively. The aggregate amount of discount at December 31, 2004 and 2003 were \$2,034 and \$2,026 respectively.

UNPAID BENEFITS

Unpaid benefits consists of case basis reserves and estimates of losses incurred but not reported. Estimates for losses incurred but not reported are based on prior experience modified for current trends.

Accident and health claim reserves and liabilities include the following:

<Table>

<Caption>

	2004	2003	2002
<S>	<C>	<C>	<C>
Aggregate reserves for accident and health	\$ 10,073	\$ 11,063	\$ 12,136
Unpaid benefits for accident and health	447	494	606
Less: Additional contract reserves	(504)	(573)	(679)
Unearned premiums and other	(214)	(218)	(524)
Accident and health claim reserves and liabilities	\$ 9,802	\$ 10,766	\$ 11,539

</Table>

17

<Page>

The following table sets forth an analysis of accident and health claim reserves and liabilities and provides a reconciliation of beginning and ending reserves for the periods indicated.

<Table>

	2004	2003	2002
<S>	<C>	<C>	<C>
Net balance at January 1	\$ 10,766	\$ 11,539	\$ 13,916
Incurred related to:			
Current year	2,155	2,205	2,515
Prior years	52	161	(89)
Total incurred	2,207	2,366	2,426
Paid related to:			
Current year	674	502	793
Prior years	2,497	2,637	4,010
Total paid	3,171	3,139	4,803
Net balance at December 31	\$ 9,802	\$ 10,766	\$ 11,539

RESERVE FOR SUPPLEMENTARY CONTRACTS WITHOUT LIFE CONTINGENCIES

This reserve represents the present value of future payments discounted with interest only. At December 31, 2004 and 2003 this liability was \$138,740 and \$125,381 respectively, based on average credited interest rates of 4.0% and 4.1% in 2004 and 2003, respectively and is included in "policyholder funds on deposit."

ACCOUNTING CHANGE AND CORRECTION OF ERRORS

In connection with the 2003 annual statement preparation, the Company discovered an error in the calculation of the Individual Life, Disabled Life Reserves for prior years. In 2002, the Aggregate Reserves for Life Contracts were understated by \$8,007. With the approval of the Illinois department of insurance, total liabilities, and capital and surplus were adjusted in 2003 to correct for this error.

In addition to the error described above, a change in the valuation basis for Individual Life, Disabled Life Reserves was also implemented. The 2002 reserves were recalculated using the Standard Valuation Law maximum interest rates as adopted by the Company's state of domicile. The amount of reserve decrease due to this valuation basis change was \$3,833. Total liabilities and capital and surplus and statutory statements of capital and surplus were adjusted in 2003 to reflect this valuation basis change.

<Page>

LIFE PREMIUMS

Life premiums are reflected as earned on the coverage anniversary date. Annuity and supplementary contracts with life contingencies premiums are reflected as earned when collected. Accident and health premiums are reported as revenue when due and earned on a pro rata basis over the period covered by the policy.

Deferred life premiums represent modal premiums (other than annual) to be billed in the year subsequent to the commencement of the policy year.

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2004, were as follows:

	GROSS	NET OF LOADING
<S>	<C>	<C>
Ordinary new business	\$ 2,295	\$ 1,576
Ordinary renewal	42,919	44,148
Group life	50	50
Totals	\$ 45,264	\$ 45,774

MUTUAL FUND SERVICE FEE INCOME

The Company has a service agreement where the Company provides certain services to the Wilshire VIT Funds (Funds) necessary to coordinate the Funds activities with those of the separate account of the Company other than the administrative agreement. For these services the Company receives a mutual fund service fee, accrued daily and paid monthly, based upon the combined assets for the Funds.

FEES FROM SALES OF PARTNER PRODUCTS

In 2000, the Company instituted a program to offer long-term care and variable universal life policies, with two third-party vendors underwriting such insurance. In 2003, the Company expanded its third-party vendor offerings with the addition of universal life insurance underwritten by Jefferson Pilot Financial. Also in 2003, the Company entered into a third-party agreement with American Funds Distributors, Inc. to market their retail mutual funds. In addition to retail mutual funds, a qualified tuition program (also known as a 529 plan) and Coverdell Education Savings Accounts are also offered through this marketing alliance. On business underwritten by third-party vendors, the Company receives a commission on the sale of that business.

INCOME TAXES

The Company is included in the consolidated federal income tax return of its parent, ALIC, and its ultimate parent, HMEC and its subsidiaries. Tax sharing agreements between the Company and HMEC, as approved by the Board of Directors of the Company, provide that tax on operating income is charged to the Company as if it were filing a separate federal income tax return. The Company receives the benefits of any losses or tax credits to the extent utilized in the consolidated return. Intercompany tax balances are settled quarterly with a subsequent final annual settlement.

Federal income taxes are charged to operations based on current taxable income. Current year federal income tax expense is based on financial reporting income or loss adjusted for certain temporary differences, which are the result of dissimilar financial reporting and tax basis accounting methods. A net deferred tax asset, for the tax effect of temporary differences between financial reporting and the tax basis of assets and liabilities, is only reported as an admitted asset to the extent that it will be realized within one year, with the change in net deferred tax asset or liability being charged directly to surplus.

ACQUISITION EXPENSES

The cost of acquiring new business, principally commissions, underwriting salaries, and related expenses, is charged to expense as incurred.

NON-ADMITTED ASSETS

Assets prescribed by the Illinois Insurance Code and the NAIC as "non-admitted" (principally non-admitted deferred tax assets) are charged as a direct reduction to unassigned surplus.

USE OF ESTIMATES

The preparation of statutory financial statements requires management to make estimates and assumptions that affect the reported financial statement balances as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

RECLASSIFICATION

The Company has reclassified the presentation of certain prior period information to conform with the 2004 presentation.

(2) INVESTMENTS

NET INVESTMENT INCOME

The components of net investment income are as follows:

	2004	2003	2002
<S>	<C>	<C>	<C>
Interest on bonds	\$ 154,021	\$ 148,811	\$ 156,782
Interest on mortgage loans	1,633	1,687	2,201
Interest on short-term investments	686	1,009	1,641
Interest on policy loans	4,758	4,759	3,277
Real estate income & other invested assets	-	-	4
Miscellaneous investment income (expense)	24	1	(17)
Gross investment income	161,122	156,267	163,888
Investment expenses	2,947	2,876	2,478
Net investment income	\$ 158,175	\$ 153,391	\$ 161,410

</Table>

The Company nonadmits investment income due and accrued if amounts are over 90 days past due. The Company had no amounts excluded at December 31, 2004 and 2003. Investment income reflects amortization of premiums and accrual of discounts on an effective-yield basis.

20

<Page>

REALIZED INVESTMENT GAINS (LOSSES) NET OF TAX AND TRANSFERS TO IMR

Realized investment gains and losses are determined on the basis of specific identification. Realized investment gains (losses) on most fixed income securities are transferred on an after tax basis to the IMR and amortized into income over the average remaining lives of the assets sold. Only realized investment gains (losses) which result from changes in the overall level of interest rates excluding securities whose NAIC rating classification at the end of the holding period is different from its NAIC rating classification at the beginning of the holding period by more than on NAIC rating classification are transferred to IMR. These gains (losses) are not included in net income in the year they occurred.

The IMR at December 31 is as follows:

	2004	2003	2002
<S>	<C>	<C>	<C>
Reserve balance, beginning of year	\$ 25,727	\$ 19,409	\$ 10,026
Current year capital gains, net of tax	4,112	9,279	11,402
Amortization of interest maintenance reserve	(3,525)	(2,961)	(2,019)
Reserve balance, end of year	\$ 26,314	\$ 25,727	\$ 19,409

</Table>

Realized investment gains (losses) reported in the statutory statement of operations net of tax and transfers to IMR are as follows:

	2004	2003	2002
<S>	<C>	<C>	<C>
Bonds	\$ 5,728	\$ 12,102	\$ (30,976)
Common stocks	-	2,229	(66)
Preferred stocks	12	-	-
Mortgage loans	-	-	13
Other	-	3	-
Realized investment gain (losses)	5,740	14,334	(31,029)
Less federal income tax (benefit) expense	(6)	-	1,567
Transferred to interest maintenance reserve	(4,112)	(9,279)	(11,402)

Realized investment gain (losses) net of tax and transfers to IMR	\$	1,634	\$	5,055	\$	(43,998)
--	----	-------	----	-------	----	----------

</Table>

21

<Page>

CHANGE IN NET UNREALIZED CAPITAL GAINS (LOSSES)

Certain investments, principally below investment grade bonds denoted by NAIC designations 3 through 6, are required to be carried at the lower of amortized cost or market. The resulting unrealized gains or losses are reflected as credits or charges to unassigned surplus. The ending unrealized capital gains (losses) also includes the change in non-admitted deferred tax assets related to unrealized gains (losses).

	2004	2003	2002
<S>	<C>	<C>	<C>
Unrealized capital gains (losses)			
Beginning of period	\$ 60	\$ (75)	\$ (584)
End of period	60	60	(75)
Increase for the period	\$ -	\$ 135	\$ 509

</Table>

BONDS

At December 31, 2004, the fair value and gross unrealized losses of investments in bonds segregated between securities having an unrealized loss for less than 12 months and securities having an unrealized loss for 12 months or longer were as follows:

	LESS THAN 12 MONTHS		12 MONTHS OR LONGER		TOTAL	
	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES	FAIR VALUE	UNREALIZED LOSSES
<S>	<C>	<C>	<C>	<C>	<C>	<C>
AS OF DECEMBER 31, 2004						
U.S. government and agency obligations						
Mortgage-backed securities	\$ 141,419	\$ 637	\$ 59,931	\$ 1,502	\$ 201,350	\$ 2,139
Other	58,636	353	389	26	59,025	379
Municipal bonds	-	-	14,453	547	14,453	547
Foreign government bonds	-	-	3,906	115	3,906	115
Corporate bonds	139,868	1,173	18,432	738	158,300	1,911
Other mortgage-backed securities	52,937	876	4,512	386	57,449	1,262
Totals	\$ 392,860	\$ 3,039	\$ 101,623	\$ 3,314	\$ 494,483	\$ 6,353

</Table>

At December 31, 2004, the gross unrealized loss position in the investment portfolio was \$6,353 (119 positions and less than 0.5% of the investment portfolio). There were no securities trading below 80% of amortized cost. Securities with an investment grade rating represented 91% of the unrealized loss. The largest single unrealized loss was \$763 on a FNMA mortgage-backed security purchased in June 2003 when interest rates hit 40 year lows. The majority of the unrealized losses were due to changes in interest rates. The portfolio included 20 securities that have been in an unrealized loss position for 12 months or greater, totaling \$3,314 (of which \$2,412 was from securities purchased in 2003 when interest rates were at record lows). The Company views the decrease in value of all of the securities with unrealized losses at December 31, 2004 as temporary, expects recovery in fair value, anticipates continued payments under the terms of the securities, and has the intent and ability to hold these securities until maturity or a recovery in fair value occurs. Therefore, no impairment of these securities was recorded at December 31, 2004.

22

<Page>

At December 31, 2004 and 2003, 3.9% and 3.3%, respectively, of the total bond portfolio (at amortized cost) consisted of private placement bonds. The market value of private placement bonds is estimated based upon

factors including credit quality, interest rates and maturity dates.

The carrying value and estimated fair value of investments in bonds and preferred stock as of December 31, 2004 and 2003 are as follows:

<Table>
<Caption>

DECEMBER 31, 2004	CARRYING VALUE	UNREALIZED GAINS	UNREALIZED LOSSES	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
U.S. government and agency obligations:				
Mortgage-backed securities	\$ 647,796	\$ 9,457	\$ (2,139)	\$ 655,114
Other	165,180	2,513	(379)	167,314
Municipal bonds	52,479	2,033	(547)	53,965
Foreign government bonds	30,660	3,809	(115)	34,354
Corporate securities	1,705,178	112,068	(1,911)	1,815,335
Other mortgage-backed securities	82,607	1,967	(1,262)	83,312
Total	\$ 2,683,900	\$ 131,847	\$ (6,353)	\$ 2,809,394

<Caption>

DECEMBER 31, 2003	CARRYING VALUE	UNREALIZED GAINS	UNREALIZED LOSSES	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
U.S. government and agency obligations:				
Mortgage-backed securities	\$ 652,977	\$ 13,772	\$ (1,815)	\$ 664,934
Other	241,801	5,900	(1,272)	246,429
Municipal bonds	52,479	1,551	(820)	53,210
Foreign government bonds	33,134	3,389	(329)	36,194
Corporate securities	1,443,517	92,549	(4,022)	1,532,044
Other mortgage-backed securities	67,517	2,832	(659)	69,690
Total	\$ 2,491,425	\$ 119,993	\$ (8,917)	\$ 2,602,501

</Table>

Fair value includes securities issued by Federal National Mortgage Association ("FNMA") of \$531,144 and \$472,764; Federal Home Loan Mortgage Association ("FHLMA") of \$177,700 and \$164,274; and Government National Mortgage Association ("GNMA") of \$21,004 and \$63,928 as of December 31, 2004 and 2003, respectively.

<Page>

At December 31, 2004, .65% of the Company's investment portfolio was invested in collateralized mortgage obligations ("CMOs") excluding mortgage obligations of United States governmental agencies. The average credit quality rating of the Company's investment in CMOs was AAA and NAIC 1 - the highest ratings. The market value of CMOs at December 31, 2004 was \$48,790 compared to a \$48,560 carrying value. The average duration of the Company's investment in CMOs was 3.19 years at December 31, 2004.

The carrying value and estimated fair value of bonds by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

<Table>
<Caption>

DECEMBER 31, 2004	CARRYING VALUE	ESTIMATED FAIR VALUE
<S>	<C>	<C>
Due in one year or less	\$ 221,994	\$ 232,373
Due after one year through five years	733,420	767,709
Due after five years through ten years	970,171	1,015,530
Due after ten years through twenty years	169,055	176,959
Due after twenty years	589,110	616,653

Total bonds	\$ 2,683,750	\$ 2,809,224
Preferred stock	150	170
Total bonds and preferred stock	\$ 2,683,900	\$ 2,809,394

</Table>

Proceeds from dispositions of investments in bonds and stocks during 2004, 2003 and 2002 were \$771,574, \$1,253,720 and \$1,226,392, respectively. Gross gains of \$9,059, \$30,336 and \$31,140 and gross losses of \$3,319, \$16,001 and \$62,182 were realized on those sales for 2004, 2003 and 2002, respectively.

In 2004, the Company had no fixed income security impairment charges. For the full year 2003, the Company recorded fixed income security impairment charges totaling \$7,200, \$4,077 related to two of the Company's collateralized debt obligation (CDO) securities and the remaining \$3,123 primarily related to two airline industry issuers. In 2002, the Company recorded charges of \$32,297 due to the impairment of fixed income securities primarily issued by companies in the communications sector. Gains realized in 2004 included \$526 loss from sales of securities for which impairment charges were recorded in 2003. Gains realized in 2003 included \$8,814 from sales of securities for which impairment charges were recorded in 2002.

In each of the periods, the impaired securities were marked to fair value, and the write-downs were recorded as realized investment losses in the statutory statement of operations. These impairments were deemed to be other-than-temporary for one or more of the following reasons: the recovery of full value was not likely, the issuer defaulted or was likely to default due to the need to restructure its debt, or the Company had an intent to sell the security in the near future.

<Page>

DEPOSITS

The carrying value of securities on deposit with governmental authorities, as required by law, as of December 31 were as follows:

<Table>

<Caption>

	2004	2003
<S>	<C>	<C>
Held for all policyholders	\$ 1,758	\$ 1,783
Held for policyholders in certain states	987	992
	\$ 2,745	\$ 2,775

</Table>

SECURITIES LENDING

The Company participates in a securities lending program. Acceptable collateral for this program is U.S. Government securities, U.S. Government Agency securities and cash. The collateral is not restricted. The initial collateral received is 102% of the market value of the loan, and the collateral is subsequently maintained at at least 101% of the market value of the loan. As of December 31, 2004 and 2003, the Company had \$0 and \$22,021 respectively, in outstanding securities loaned. The corresponding asset amounts for collateral received are included in short-term investments.

INVESTMENTS IN ENTITIES EXCEEDING 10% OF CAPITAL AND SURPLUS

There were no entities (other than the U.S. Government and government agencies and authorities) in which the total amount invested exceeds 10% of total capital and surplus at December 31, 2004.

(3) RELATED PARTY TRANSACTIONS

The Company has common management and shares office facilities with HMEC and other affiliates and is a party to several intercompany service agreements. Under these agreements, the Company paid \$97,490, \$114,262, and \$90,969 for management, administrative, data processing, commissions and agency services, utilization of personnel, and investment advisory services in 2004, 2003 and 2002, respectively. Intercompany balances are

settled monthly.

The Company had balances payable to affiliates of \$797 and \$1,215 at December 31, 2004 and 2003, respectively included in "accrued expenses" and "other liabilities" in the statutory statements of admitted assets, liabilities and capital and surplus.

25

<Page>

ALIC reinsures all of the Company's life insurance business in the state of Arizona. Effective January 1, 2001, ALIC also assumed a small block of Florida whole life business from the Company.

The Company holds a mortgage loan on the home office property from Horace Mann Service Corporation (HMSC), an affiliated company, in the amount of \$14,267 as of December 31, 2004.

HMEC recorded an after-tax charge of \$2.7 million in December 2001, representing HMEC's best estimate of the costs required to remedy problems with the life insurance tax status of certain life policies issued by the Company. In July 2003, HMEC entered into agreements with the Internal Revenue Service resolving its compliance with Internal Revenue Code Section 7702 (Definition of Life Insurance). The accrual established at December 31, 2001 was adequate to cover these costs. Due to the fact that all employees were employed by HMSC, HMEC, the parent of HMSC, was liable for such settlement costs. HMEC reimbursed the employer (HMSC) for these costs and held the Company harmless for all claims of HMSC.

The Company has no common stock investments in any upstream companies or affiliates.

(4) FEDERAL INCOME TAXES

Federal income tax expense for the years ended December 31, 2004, 2003 and 2002, consist of the following major components:

<Table>

	2004	2003	2002
<S>	<C>	<C>	<C>
Current income tax expense from operations	\$ 5,695	\$ 10,003	\$ 31,213
Prior year under (over) accrual of tax reserves	384	(4,189)	(2,445)
Federal income tax expense from operations	6,079	5,814	28,768
Federal income tax (benefit) expense on realized losses	(6)	-	1,567
Federal income tax expense	\$ 6,073	\$ 5,814	\$ 30,335

</Table>

26

<Page>

The components of the net admitted deferred tax assets as of December 31, 2004, and 2003 are as follows:

<Table>

	2004	2003
<S>	<C>	<C>
Total of all deferred tax assets (admitted and nonadmitted)	\$ 62,436	\$ 60,026
Total of all deferred tax liabilities	20,301	23,052
Net deferred tax assets	42,135	36,974
Total deferred tax assets non-admitted	33,382	26,713
Net admitted deferred tax assets	\$ 8,753	\$ 10,261

</Table>

<Page>

The net deferred tax asset is included in federal income taxes recoverable on the accompanying statutory statement of admitted assets, liabilities, capital and surplus. There are no temporary differences for which deferred tax liabilities have not been recognized. Accordingly, there are no events that would cause unrecognized temporary differences to become taxable.

DTAs resulting from book/tax differences in:

	2004	2003	CHANGE
<S>	<C>	<C>	<C>
Policy benefits	\$ 38,235	\$ 39,543	\$ (1,308)
Policy acquisition costs	10,763	10,700	63
Investments	824	2,394	(392)
Capital loss carry forwards	4,249	6,990	(1,570)
Allocated OPEB and pension accruals	5,144	-	(2,741)
General expense accruals	2,783	-	2,783
Other	438	-	39
Total DTAs	\$ 62,436	\$ 60,026	\$ 2,410
DTAs non-admitted	\$ 33,382	\$ 26,713	\$ 6,669
Admitted deferred tax asset	\$ 29,054	\$ 33,313	\$ (4,259)

</Table>

DTLs resulting from book/tax differences in:

	2004	2003	CHANGE
<S>	<C>	<C>	<C>
Investments	\$ 1,086	\$ 2,317	\$ (1,231)
Premiums deferred and uncollected	16,021	17,452	(1,431)
Policy benefits	3,194	3,283	(89)
Total DTLs	\$ 20,301	\$ 23,052	\$ (2,751)
Net deferred tax asset - admitted	\$ 8,753	\$ 10,261	\$ (1,508)

</Table>

<Page>

The Company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

	2004	2003
<S>	<C>	<C>
Current income tax expense incurred	\$ 6,073	\$ 5,814
Change in deferred income tax (without tax on unrealized gains and losses)	(5,161)	9,142
Total income tax reported	912	14,956
Income before taxes	29,922	46,372
	35%	35%
Expected income tax expense at 35% statutory rate	10,473	16,230
Increase (decrease) in actual tax reported resulting from:		
Dividends received deduction	(1,308)	(1,571)
Nondeductible expense for meals,		

penalties and lobbying	115	175
Tax adjustment for IMR	(1,234)	(1,035)
Deferred tax benefit on non-admitted assets	58	106
Reinsurance	(2,275)	-
Other	(4,917)	1,051

Total income tax reported	\$ 912	\$ 14,956

</Table>

At December 31, 2004, the Company did not have any unused operating loss carryforwards available to offset against future taxable income. There are capital loss carryforwards available of \$12,140.

The amount of federal income taxes incurred that are available for recoupment in the event of future net losses are \$5,695, \$8,576, and \$24,375 for 2004, 2003 and 2002, respectively.

(5) RESTRICTIONS OF SURPLUS

The amount of dividends which can be paid by Illinois insurance companies without prior approval of the State Insurance Commissioner is subject to restrictions relating to profitability and statutory surplus. Dividends which may be paid by the Company during 2005 without prior approval are approximately \$23,000. Dividend payments were \$9,000, \$15,000 and \$5,000 in 2004, 2003 and 2002, respectively.

Dividends declared and unpaid at December 31, 2002 were \$500. This amount was paid in February 2003.

Under applicable Illinois insurance laws and regulations, the Company is required to maintain a minimum capital and surplus of \$1,500.

29

<Page>

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

<Table>

	2004	2003
	-----	-----
<S>	<C>	<C>
Nonadmitted asset values	\$ (33,463)	\$ (26,958)
Asset valuation reserves	(9,591)	(4,621)

</Table>

(6) FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting principles generally accepted in the United States of America require that the Company disclose estimated fair values for certain financial instruments. Fair values of the Company's insurance contracts other than annuity contracts are not required to be disclosed. However, the fair values of liabilities under all insurance contracts are taken into consideration in the Company's overall management of interest rate risk through the matching of investment maturities with amounts due under insurance contracts. The following methods and assumptions were used to estimate the fair value of financial instruments.

Investments - For fixed maturities and short-term and other investments, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities, adjusted for differences between the quoted securities and the securities being valued. The fair value of mortgage loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and the same remaining maturities. The fair value of policy loans is based on estimates using discounted cash flow analysis and current interest rates being offered for new loans.

Annuity Contract Liabilities and Policyholder Account Balances on Interest-sensitive Life Contracts - The fair values of annuity contract liabilities and policyholder account balances on interest-sensitive life contracts are equal to the discounted estimated future cash flows (using the Company's current interest rates earned on its investments) including an adjustment for risk that the timing or amount of cash flows will vary from management's estimate.

Policyholder Funds On Deposit - Policyholder funds on deposit are supplementary contract reserves and dividend accumulations which represent deposits that do not have defined maturities. The carrying value of these funds is used as a reasonable estimate of fair value.

30

The carrying amounts and fair values of financial instruments at December 31, 2004 consisted of the following:

<Table>
<Caption>

	CARRYING AMOUNT	FAIR VALUE
<S>	<C>	<C>
Financial Assets		
Bonds	\$ 2,683,750	\$ 2,809,224
Mortgage loans	18,195	20,844
Short-term investments	15,643	15,643
Policy loans and preferred stock	79,291	79,795
Total investments	\$ 2,796,879	\$ 2,925,506
Asset valuation reserve	9,591	-
Total investments less asset valuation reserve	\$ 2,787,288	\$ 2,925,506
Cash	13,069	13,069
Financial Liabilities		
Policyholder account balances on interest-sensitive life contracts	\$ 85,594	\$ 83,685
Annuity contract liabilities	1,656,947	1,529,588
Policyholder funds on deposit	139,298	139,298

</Table>

Fair value estimates shown above are dependent upon subjective assumptions and involve significant uncertainties resulting in variability in estimates with changes in assumptions. Fair value assumptions are based upon subjective estimates of market conditions and perceived risks of financial instruments at a certain point in time. The disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial instrument. In addition, potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

(7) DIFFERENCES BETWEEN ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND STATUTORY ACCOUNTING PRACTICES

Statutory accounting practices differ in some respects from accounting principles generally accepted in the United States of America (GAAP). Under GAAP. The most significant differences between statutory accounting practices and GAAP are described as follows:

- (a) Aggregate reserves for future life benefits are computed on the net level premium method using estimates of future investment yield, mortality, and withdrawal.
- (b) Aggregate reserve for annuity contracts are carried at accumulated policyholder values without reduction for potential surrender or withdrawal charges.
- (c) Annuity considerations and other fund deposits are reflected as deposits rather than revenue.
- (d) Acquisition costs are deferred and amortized in proportion to anticipated premiums over the terms of the insurance policies for individual life contracts and amortized over 20 years in proportion to estimated gross profits for interest-sensitive life and investment (annuity) contracts.
- (e) Non-admitted assets less applicable allowance accounts are restored to the balance sheet.
- (f) Asset valuation and interest maintenance reserves are not provided.
- (g) The assets and liabilities are revalued as of the date of

acquisition of HMEC and its subsidiaries in August, 1989.

- (h) Realized investment gains (losses) resulting from changes in interest rates are recognized in income when the related security is sold.
- (i) Reinsurance ceded credits are recognized as assets in GAAP basis financial statements.
- (j) Fixed maturity investments (bonds) categorized as available for sale are carried at fair value with changes in fair value charged or credited to unassigned surplus, net of deferred income taxes.
- (k) The statement of cash flows is presented in a format as prescribed by Statement of Financial Accounting Standards No. 95.
- (l) A statement of comprehensive income is required.
- (m) Retroactive Coinsurance and modified coinsurance transactions are recognized as deposits. Statutory ceded premiums, ceded benefits paid, ceded change in reserves and change in surplus as the result of reinsurance are removed from GAAP reporting.

32

<Page>

- (n) The realization of deferred tax assets under GAAP is evaluated utilizing a "more likely than not" standard. A valuation allowance is established for deferred tax assets deemed not realizable using this standard. Under statutory accounting principles, the realization of deferred tax assets is determined utilizing an admissibility test outlined in statement of Statutory Accounting Principles No. 10 - Income Taxes. Any gross deferred tax assets determined to be not realizable are non-admitted for statutory accounting purposes. Additionally, changes in the balances of deferred tax assets and liabilities result in increases or decreases of income under GAAP, whereas under statutory accounting principles, these changes directly impact surplus.

The aggregate effect of the foregoing differences has not been determined separately for the Company.

(8) REINSURANCE

In the normal course of business, the Company cedes reinsurance to other insurers. Reinsurance is ceded primarily to limit losses from large exposures and to permit recovery of a portion of direct losses; however, such a transfer does not relieve the originating insurance company of contingent liability.

Information with respect to reinsurance ceded and assumed by the Company is set forth below.

<Table>

<Caption>

	2004	2003	2002
<S>	<C>	<C>	<C>
Direct life insurance premiums	\$ 107,503	\$ 111,223	\$ 110,645
Life insurance premiums ceded:			
To ALIC	1,533	1,525	1,521
Coinsurance and Modified coinsurance agreement	49,538	149,051	-
Other	2,751	3,238	2,729
Net life insurance premiums as reported	53,681	(42,591)	106,395
Modified coinsurance reclass*	-	-	(332,372)
	53,681	(42,591)	(225,977)
Reserve adjustment on reinsurance ceded as reported	10,000	118,813	(50,000)
Modified coinsurance reclass*	-	-	332,372
	10,000	118,813	282,372
Life insurance reserves ceded:			
To ALIC	11,382	10,198	9,688
To other companies	43,157	53,179	53,448
Accident and health premiums ceded:			
To other companies	2,685	2,866	2,779
Amounts recoverable from reinsurers on paid losses	347	1,040	1,250

The maximum amount of direct individual ordinary insurance retained on any standard life is \$200 and a maximum of \$100 or \$125 is retained on each group life policy depending on the type of coverage. Amounts in excess of the retained portion are ceded on a yearly renewable term basis of reinsurance. The Company also maintains a life catastrophe reinsurance program. The Company reinsures 100% of the catastrophe risk in excess of \$1,000 up to \$15,000 per occurrence. This program covers acts of terrorism but excludes nuclear, biological and chemical explosions as well as other acts of war.

During 2001, the Company entered into a quota share reinsurance agreement with Hartford Life and Accident Insurance Company to cede 50% of the Company's disability income policies.

On December 31, 2003, the Company entered into a reinsurance agreement with the United States branch of Sun Life Assurance Company of Canada ("SLACC") which replaced the 2002 agreement with Sun Life Reinsurance Company Limited ("SLRCL"), a member of the Sun Life Financial Group. Under the terms of the December 31, 2003 agreement, which is expected to be in place for a five year period, the Company ceded to SLACC, on a combination coinsurance and modified coinsurance basis, a 75% quota share of the Company's in force interest-sensitive life block of business issued prior to January 1, 2002, representing an increase from the 58% quota share which was in place under the 2002 agreement. SLACC assumes its proportional share of all risks attendant to the business reinsured such as mortality, persistency and investment risk, reducing the Company's liabilities under statutory accounting principles to the extent of the ceded commission. The initial ceding commission received by the Company was \$50.0 million and resulted in a \$32.5 million after-tax increase in the Company's statutory surplus. Subsequent growth in the Company's statutory surplus was reduced by \$6.5 million in 2004 and is anticipated that surplus growth will be reduced by approximately the same amount annually in 2005 through 2008, as the coinsurance reserve declines over the term of the agreement. Fees related to these transactions reduced the Company's pretax income by \$973 in 2004 and are expected to decline over the term of the agreement. These transactions improved the statutory operating leverage and risk-based capital ratio of the Company. The agreement contains a condition whereby the Company must maintain an S&P financial strength rating of BBB- or higher. If this condition is not maintained for a period of more than 60 consecutive days, the Company may recapture the agreement without penalty after giving 30 days written notice.

At December 31, 2004 and 2003 the Company has outstanding surplus relief of \$40,000 and \$50,000 and modified coinsurance reserves of \$437,338 and \$405,279, respectively, related to the contract with SLACC.

(9) PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

The Company is a member of the Horace Mann group of insurance companies. All the Company's personnel are employees of HMSC. Salaries, pension and related benefits are allocated to the Company for these services.

PENSION PLANS

HMSC has the following retirement plans: a defined contribution plan; a 401(k) plan; a defined benefit plan for employees hired on or before December 31, 1998; and certain employees participate in a supplemental defined benefit plan or a supplemental defined contribution plan or both.

After completing the first year of employment, all employees participate in the defined contribution plan. Under this plan, HMSC makes contributions to each participant's account based on eligible compensation and years of service. Contribution percentages are currently as follows: (1) employees hired on or after April 1, 1997, 5% of eligible compensation; (2) employees hired prior to April 1, 1997 with less than 15 years of service, 6% of eligible compensation; and (3) employees hired prior to April 1, 1997 with 15 or more years of service, 7% of eligible compensation. Participants are 100% vested in this plan after 5 years of service.

All employees participate in a 401(k) plan. Beginning January 1, 2002, HMSC automatically contributes 3% of eligible compensation to each employee's account, which is 100% vested at the time of the contribution. In addition, employees may voluntarily contribute up to 20% of their

eligible compensation into their account.

Effective April 1, 2002, participants stopped accruing benefits under the defined benefit and supplemental defined benefit plans but continue to retain the benefits they had accrued to date. Amounts earned under the defined benefit and supplemental defined benefit plans have been based on years of service and the highest 36 consecutive months of earnings while under the plan (through March 31, 2002). Participants are 100% vested in these defined benefit plans after 5 years of service.

HMSC's policy with respect to funding the defined benefit plan is to contribute amounts which are actuarially determined to provide the plan with sufficient assets to meet future benefit payments consistent with the funding requirements of federal laws and regulations. For the defined contribution, 401(k) and defined benefit plans, investments have been set aside in a trust fund. The supplemental retirement plans are non-qualified, unfunded plans.

Employees whose compensation exceeds the limits covered under the qualified plans participate in an unfunded, non-qualified defined contribution plan. HMSC accrues an amount for each participant based on their compensation, years of service and account balance. Participants are 100% vested in this plan after 5 years of service.

The Company has no obligations to current or former employees for benefits after their employment but before their retirement.

Total allocated pension expense was \$5,384, \$6,025, and \$7,716 for 2004, 2003 and 2002, respectively.

POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, HMSC also provides certain health care and life insurance benefits to retired employees and eligible dependents. Effective January 1, 2001, the eligibility requirement was age 55 and 20 years of service. Employees hire on or after January 1, 2001 are not eligible for postretirement medical benefits. Effective January 1, 2004, only employees who were at least age 50 with at least 15 years of service by December 31, 2003 are eligible to participate in this program. Postretirement benefits other than pensions of active and retired employees are accrued as expense over the employees' service years. The allocated cost of these benefits totaled \$102, \$195, and \$912 for the years ended December 31, 2004, 2003 and 2002, respectively.

35

<Page>

(10) LAWSUITS AND LEGAL PROCEEDINGS

There are various lawsuits and legal proceedings against the Company. Management and legal counsel are of the opinion that the ultimate disposition of such litigation will have no material adverse effect on the Company's financial position or results of operation.

(11) RISK-BASED CAPITAL

The insurance departments of various states, including the Company's domiciliary state of Illinois impose risk-based capital (RBC) requirements on insurance enterprises. The RBC calculation serves as a benchmark for the regulation of life insurance companies by state insurance regulators. The requirements apply various weighted factors to financial balances or activity levels based on their perceived degree of risk.

The RBC guidelines define specific capital levels where regulatory intervention is required based on the ratio of the Company's actual total adjusted capital (sum of capital and surplus and AVR) to control levels determined by the RBC formula. At December 31, 2004, the Company's actual total adjusted capital was \$237,969 and the authorized control level risk-based capital was \$27,775.

(12) OTHER ITEMS

The Company had one life claim as a result of the September 11 events which totaled \$30.

(13) RECONCILIATION TO THE ANNUAL STATEMENT

Subsequent to the filing of the 2004 annual statement, the Company made adjustments to correct differences between the annual statement as filed with the Illinois Department of Financial and Professional Regulation - Division of Insurance and other regulatory authorities and the accompanying 2004 statutory financial statements. These adjustments were to correct errors identified in the 2004 annual statement subsequent to filing the statement with the Illinois Department of Financial and

<Table>
<Caption>

	ADMITTED ASSETS	LIABILITIES	SURPLUS	NET INCOME
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
December 31, 2004				
Balances as filed	\$4,162,893	\$3,932,821	\$230,072	\$22,524
Federal income tax on operations	(569)	-	(569)	(569)
Federal income tax on gains	(1,531)	-	(1,531)	(1,531)
Other expense	168	856	(688)	(687)
Deferred income tax	2,824	-	2,824	-
Outstanding checks reclassification	(555)	(555)	-	-
Balances, as reported herein	\$4,163,230	\$3,933,122	\$230,108	\$19,737
December 31, 2003:				
Balances as filed	\$3,837,891	\$3,605,707	\$232,184	\$31,279
Outstanding checks reclassification	(520)	(520)	-	-
Balances, as reported herein	\$3,837,371	\$3,605,187	\$232,184	\$31,279
	=====	=====	=====	=====

</Table>

<Page>

HORACE MANN LIFE INSURANCE COMPANY

SUPPLEMENTAL SCHEDULE OF ASSETS AND LIABILITIES - SCHEDULE A

ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2004

The following is a summary of certain financial data included in other exhibits and schedules subjected to audit procedures by independent auditors and utilized by actuaries in the determination of reserves.

<Table>	<C>
<S>	
INVESTMENT INCOME EARNED:	
U. S. Government Bonds	\$ 9,205,079
Other bonds (unaffiliated)	144,815,601
Bonds of affiliates	-
Preferred stocks (unaffiliated)	5,829
Preferred stocks of affiliates	-
Common stocks (unaffiliated)	-
Common stocks of affiliates	-
Mortgage loans	1,632,888
Real estate	-
Premium notes, policy loans & liens	4,757,733
Cash on hand and on deposit	-
Short-term investments	686,411
Other invested assets	-
Derivative instruments	-
Aggregate write-ins for investment income	18,651
Gross investment income	161,122,192
	=====
REAL ESTATE OWNED - BOOK VALUE LESS ENCUMBRANCES	-
	=====
MORTGAGE LOANS - BOOK VALUE:	
Farm mortgages	\$ -
Residential mortgages	312,311
Commercial mortgages	17,882,380
Total mortgage loans	\$ 18,194,691
	=====
MORTGAGE LOANS BY STANDING - BOOK VALUE:	
Good standing	\$ 18,194,691
	=====
Good standing with restructured terms	-
	=====

Interest overdue more than 90 days, not in foreclosure	\$ -
Foreclosure in process	-

</Table>

See accompanying independent registered public accounting firm report.

<Page>

OTHER LONG TERM ASSETS - STATEMENT VALUE	<C> \$ -
COLLATERAL LOANS	-
BONDS AND STOCKS OF PARENTS, SUBSIDIARIES AND AFFILIATES - BOOK VALUE	
Bonds	-
Preferred Stocks	-
Common Stocks	-
BONDS AND SHORT-TERM INVESTMENTS BY CLASS AND MATURITY:	
Bonds by Maturity - Statement Value	
Due within 1 year or less	\$ 237,635,852
Over 1 year through 5 years	733,420,254
Over 5 years through 10 years	970,171,604
Over 10 years through 20 years	169,055,128
Over 20 years	589,110,492
Total by Maturity	\$ 2,699,393,330
Bonds by Class - Statement Value	
Class 1	\$ 1,930,999,953
Class 2	645,945,173
Class 3	30,698,720
Class 4	86,951,689
Class 5	3,580,495
Class 6	1,217,300
Total by Class	\$ 2,699,393,330
Total Bonds Publicly Traded	\$ 2,593,882,550
Total Bonds Privately Placed	\$ 105,510,780
PREFERRED STOCKS - STATEMENT VALUE	150,075
COMMON STOCKS - MARKET VALUE	\$ -
SHORT-TERM INVESTMENTS - BOOK VALUE	\$ 15,642,760
OPTIONS, CAPS, FLOORS OWNED - STATEMENT VALUE	-
OPTIONS, CAPS, FLOORS WRITTEN AND IN FORCE - STATEMENT VALUE	-
COLLAR, SWAPS AND FORWARD AGREEMENTS OPEN - STATEMENT VALUE	-
FUTURES CONTRACTS OPEN - CURRENT VALUE	-
CASH ON DEPOSIT	\$ 13,069,403

</Table>

<Page>	
<Table>	
<S>	
<C>	
LIFE INSURANCE IN FORCE:	
Industrial	-
	=====
Ordinary	\$ 11,594,387,000
	=====
Credit Life	-
	=====
Group Life	\$ 1,714,433,000
	=====
Amount of Accidental Death Insurance In Force Under Ordinary Policies	\$ 411,144,000
	=====
LIFE INSURANCE POLICIES WITH DISABILITY PROVISIONS IN FORCE:	
Industrial	-
	=====
Ordinary	\$ 521,954,000
	=====
Credit Life	-
	=====
Group Life	\$ 1,669,513,000
	=====
SUPPLEMENTAL CONTRACTS IN FORCE:	
Ordinary - Not Involving Life Contingencies Amount on Deposit	\$ 135,678,632
	=====
Income Payable	\$ 24,832,849
	=====
Ordinary - Involving Life Contingencies Income Payable	\$ 12,579,247
	=====
Group - Not Involving Life Contingencies Amount on Deposit	-
	=====
Income Payable	-
	=====
Group - Involving Life Contingencies Income Payable	-
	=====
ANNUITIES:	
Ordinary:	
Immediate - Amount of Income Payable	-
	=====
Deferred - Fully Paid Account Balance	\$ 217,381
	=====
Deferred - Not Fully Paid Account Balance	\$ 1,508,629,282
	=====
Group:	
Amount of Income Payable	-
	=====
Fully Paid Account Balance	-
	=====
Not Fully Paid Account Balance	\$ 42,256,207
	=====
</Table>	

<Page>	
<Table>	
<S>	
<C>	
ACCIDENT AND HEALTH INSURANCE PREMIUMS IN FORCE:	
Ordinary	\$ 3,215,011
	=====
Group	3,709,114

Credit		=====	-	=====
DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS:				
Deposit Funds - Account Balance			3,875	=====
Dividend Accumulations - Account Balance		\$	3,061,649	=====
CLAIM PAYMENTS CALENDAR YEAR 2004				
Group Accident and Health Year				
Year Incurred				
2004		\$	219,389	=====
2003		\$	405,325	=====
2002		\$	141,366	=====
2001		\$	137,984	=====
2000		\$	75,784	=====
Prior		\$	1,040,307	=====
Other Accident & Health				
Year Incurred				
2004		\$	454,688	=====
2003		\$	546,392	=====
2002		\$	28,247	=====
2001		\$	27,024	=====
2000		\$	24,377	=====
Prior		\$	69,842	=====
Other Coverages that Use Developmental Methods to Calculate Claims Reserves				
Year Incurred				
2004			-	=====
2003			-	=====
2002			-	=====
2001			-	=====
2000			-	=====
Prior			-	=====

</Table>

See accompanying independent registered public accounting firm report.

<Page>

HORACE MANN LIFE INSURANCE COMPANY
SUMMARY INVESTMENT SCHEDULE - SCHEDULE B
DECEMBER 31, 2004
(In thousands)

<Table>
<Caption>

INVESTMENT CATEGORIES	GROSS INVESTMENT HOLDINGS			ADMITTED ASSETS AS REPORTED IN THE ANNUAL STATEMENT	
	<C>	<C>	<C>	<C>	<C>
<S>					
Bonds:					
US Treasury securities	\$ 44,278	1.576%	\$	44,278	1.576%
US government agency and corporate obligations:					
Issued by US government agencies	60,569	2.156		60,569	2.156
Issued by US government sponsored agencies	60,333	2.147		60,333	2.147
Foreign government	30,660	1.091		30,660	1.091
Securities issued by states, territories					

and possessions and political subdivisions in the US:				
States, territories and possessions general obligations	8,000	0.285	8,000	0.285
Political subdivisions of states, territories and possessions and political subdivisions general obligations				
Revenue and assessment obligations	44,479	1.583	44,479	1.583
Industrial development and similar obligations				
Mortgage-backed securities:				
Pass-through securities:				
Issued or guaranteed by GNMA	19,636	0.699	19,636	0.699
Issued or guaranteed by FNMA and FHLMC	617,387	21.971	617,387	21.971
All other	120	0.004	120	0.004
CMOs and REMICs:				
Issued or guaranteed by GNMA, FNMA, FHLMC or VA	10,773	0.383	10,773	0.383
Issued by non-US government issuers and collateralized by MBS issued or guaranteed by GNMA, FNMA, FHLMC or VA	-	0.000	-	0.000
All other	19,976	0.711	19,976	0.711
Other debt and other fixed income securities (excluding short-term):				
Unaffiliated domestic securities	1,587,114	56.483	1,587,114	56.483
Unaffiliated foreign securities	180,425	6.421	180,425	6.421
Affiliated securities				
Equity interests:				
Investments in mutual funds				
Preferred stocks:				
Affiliated				
Unaffiliated	150	0.005	150	0.005
Publicly traded equity securities:				
Affiliated				
Unaffiliated				

See accompanying independent registered public accounting firm report.

<Page>

<Table>

<Caption>

INVESTMENT CATEGORIES	GROSS INVESTMENT HOLDINGS		ADMITTED ASSETS AS REPORTED IN THE ANNUAL STATEMENT	
	<C>	<C>	<C>	<C>
<S>				
Equity interests (continued)				
Other equity securities:				
Affiliated	\$ -	0.000%	\$ -	0.000%
Unaffiliated	-	0.000	-	0.000
Other equity interests including tangible personal property under leases:				
Affiliated	-	0.000	-	0.000
Unaffiliated	-	0.000	-	0.000
Mortgage loans:				
Construction and land development	-	0.000	-	0.000
Agricultural	-	0.000	-	0.000
Single family residential properties	312	0.011	312	0.011
Multifamily residential properties	-	0.000	-	0.000
Commercial loans	17,883	0.636	17,883	0.636
Mezzanine real estate loans	-	0.000	-	0.000
Real estate investments:				
Property occupied by company	-	0.000	-	0.000
Property held for the production of income	-	0.000	-	0.000
Property held for sale	-	0.000	-	0.000
Policy loans	79,141	2.816	79,141	2.816
Receivable for securities	-	0.000	-	0.000
Cash, cash equivalents and short-term investments	28,712	1.022	28,712	1.022
Other invested assets	-	0.000	-	0.000

Total invested assets \$ 2,809,948 100% \$ 2,809,948 100%

</Table>

See accompanying independent registered public accounting firm report.

<Page>

HORACE MANN LIFE INSURANCE COMPANY
 SCHEDULE OF SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES - SCHEDULE C
 DECEMBER 31, 2004
 (In thousands)

1.) Total admitted assets excluding separate account: \$2,908,467

2.) 10 Largest exposures to a single issuer/borrower/investment:

<Table>
<Caption>

ISSUER	INVESTMENT CATEGORY	AMOUNT	PERCENTAGE
<S>	<C>	<C>	<C>
HSBC	Indust., Misc.-Issuer Oblig.	\$ 22,873	0.8%
J P Morgan	Indust., Misc.-Issuer Oblig.	21,993	0.8
General Electric	Indust., Misc.-Issuer Oblig.	18,901	0.6
SLM Corp	Indust., Misc.-Issuer Oblig.	17,545	0.6
Bank of America Corp	Indust., Misc.-Issuer Oblig.	17,185	0.6
Citigroup	Indust., Misc.-Issuer Oblig.	17,163	0.6
Verizon	Indust., Misc.-Issuer Oblig.	15,857	0.5
Bellsouth	Indust., Misc.-Issuer Oblig.	14,959	0.5
Mellon Financial	Indust., Misc.-Issuer Oblig.	14,861	0.5
Alcoa	Indust., Misc.-Issuer Oblig.	14,668	0.5

</Table>

3.) Total admitted assets held in bonds and preferred stocks by NAIC rating:

<Table>
<Caption>

BONDS	AMOUNT	PERCENTAGE	STOCKS	AMOUNT	PERCENTAGE
<S>	<C>	<C>	<C>	<C>	<C>
NAIC-1	\$ 1,931,000	66.4%	P/RP-1	\$ -	0.0%
NAIC-2	645,945	22.2	P/RP-2	-	0.0
NAIC-3	30,699	1.1	P/RP-3	-	0.0
NAIC-4	86,952	3.0	P/RP-4	150	0.0
NAIC-5	3,580	0.1	P/RP-5	-	0.0
NAIC-6	1,217	0.0	P/RP-6	-	0.0

</Table>

4.) Assets held in foreign investments:

<Table>

<S>	<C>	<C>	<C>
Total admitted assets held in foreign investments (excluding Canadian):	\$ 148,382		5.1%
Foreign-currency denominated investments:	\$ 0		0.0
Insurance liabilities denominated in that same foreign currency:	\$ 0		0.0

</Table>

5.) Aggregate foreign investment exposure categorized by NAIC sovereign rating:

<Table>
<Caption>

	AMOUNT	PERCENTAGE
<S>	<C>	<C>
Countries rated by NAIC-1	\$ 84,890	2.9%
Countries rated by NAIC-2	60,334	2.1
Countries rated by NAIC-3 or below	3,158	0.1

</Table>

See accompanying independent registered public accounting firm report.

<Page>

6.) Two largest foreign investment exposures to a single country, categorized by the country's NAIC sovereign rating:

<Table>
<Caption>

	AMOUNT	PERCENTAGE
<S>	<C>	<C>
Countries rated by NAIC-1		
Country: United Kingdom	\$ 31,857	1.1%
Country: Netherlands	16,830	0.6
Countries rated by NAIC-2		
Country: Luxembourg	15,939	0.5
Country: Netherlands	10,764	0.4
Countries rated by NAIC-3 or below		
Country: Bahamas	2,658	0.1
Country: South Korea	500	0.0

</Table>

7.) There was no aggregate unhedged foreign currency exposure.

8.) There was no aggregate unhedged foreign currency exposure.

9.) There was no aggregate unhedged foreign currency exposure.

10.) 10 largest non-sovereign foreign issues:

<Table>
<Caption>

ISSUER	NAIC RATING	AMOUNT	PERCENTAGE
<S>	<C>	<C>	<C>
National Australia Bank	1	\$ 14,502	0.5%
Nationwide Building Society	1	11,982	0.4
Deutsche Telecom	2	10,764	0.4
British Telecom PLC	1	10,429	0.4
Telecom Italia Capital	2	9,971	0.3
Astrazeneca	1	9,095	0.3
Pearson Dollar Fin PLC	2	7,984	0.3
International Nederland Bank	1	7,675	0.3
Norsk Hydro	1	6,339	0.2
Tyco Intl Group	2	5,968	0.2

</Table>

11.) There were no admitted assets held in Canadian investments and unhedged Canadian currency exposure that exceeded 2.5% of the reporting entity's total admitted assets.

12.) There were no admitted assets held in investments with contractual sales restrictions.

13.) There were no admitted assets held in equity interests that exceeded 2.5% of the reporting entity's total admitted assets.

14.) There were no admitted assets held in nonaffiliated, privately placed equities that exceeded 2.5% of the reporting entity's total admitted assets.

See accompanying independent registered public accounting firm report.

<Page>

15.) There were no admitted assets held in general partnership interests.

16.) There were no admitted assets held in mortgage loans reported in the Annual Statement in Schedule B that exceeded 2.5% of the Company's total admitted assets.

18.) There were no admitted assets held in real estate.

19.) Total admitted assets subject to the following types of agreements:

<Table>
<Caption>

ADMITTED TYPE	AT YEAR END		AT END OF EACH QUARTER		
	AMOUNT	PERCENTAGE	1ST QTR	2ND QTR	3RD QTR
<S>	<C>	<C>	<C>	<C>	<C>
Securities lending	\$ -	0.0%	\$ 385,802	\$ 343,866	\$ 444,736
Repurchase	-	0.0	-	-	-
Reverse repurchase	-	0.0	-	-	-
Dollar repurchase	-	0.0	-	-	-
Dollar reverse repurchase	-	0.0	-	-	-

</Table>

20.) There were no admitted assets for warrants not attached to other financial instruments, options, caps, and floors.

21.) There were no admitted assets of potential exposure for collars, swaps and forwards.

22.) There were no admitted assets of potential exposure for future contracts.

See accompanying independent registered public accounting firm report.

<Page>

HORACE MANN LIFE INSURANCE COMPANY
SUMMARY OF INVESTMENTS - OTHER THAN INVESTMENTS IN RELATED PARTIES - SCHEDULE I
DECEMBER 31, 2004
(AMOUNTS IN THOUSANDS)

<Table>

<Caption>

TYPE OF INVESTMENTS	COST (1)	FAIR VALUE	AMOUNT SHOWN IN BALANCE SHEET
<hr/>			
<S>	<C>	<C>	<C>
Debt securities:			
Bonds:			
U.S. Government and government agencies and authorities	\$ 812,976	\$ 822,428	\$ 812,976
State, municipalities and political subdivisions	52,479	53,965	52,479
Foreign government bonds	30,660	34,354	30,660
Public utilities	171,550	180,929	171,550
Other corporate bonds	1,616,085	1,717,548	1,616,085
	<hr/>	<hr/>	<hr/>
Total debt securities	\$ 2,683,750	\$ 2,809,224	\$ 2,683,750
	<hr/>	<hr/>	<hr/>
Equity securities:			
Preferred stocks:			
Industrial and miscellaneous	150	170	150
	<hr/>	<hr/>	<hr/>
Total equity securities	\$ 150	\$ 170	\$ 150
	<hr/>	<hr/>	<hr/>
Mortgage loans on real estate	18,195	XXX	18,195
Real estate	-	XXX	-
Policy loans	79,141	XXX	79,141
Short-term investments	15,643	XXX	15,643
Other investments	-	XXX	-
	<hr/>	<hr/>	<hr/>
Total investments	\$ 2,796,879	XXX	\$ 2,796,879
	<hr/>	<hr/>	<hr/>

</Table>

- (1) Debt securities are carried at amortized cost or investment values prescribed by the National Association of Insurance Commissioners.
- (2) Real estate acquired in satisfaction of indebtedness is \$0.
- (3) Differences between cost and amounts shown in the balance sheet for investments, other than equity securities, represent non-admitted investments.

See accompanying independent registered public accounting firm report.

<Page>

HORACE MANN LIFE INSURANCE COMPANY
SUPPLEMENTARY INSURANCE INFORMATION - SCHEDULE III & VI
FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(AMOUNTS IN THOUSANDS)

<Table>

<Caption>

AS OF DECEMBER 31,

SEGMENT <S>	DEFERRED POLICY ACQUISITION COST (1) <C>	FUTURE POLICY BENEFITS LOSSES, CLAIMS AND LOSS EXPENSES (3) <C>	UNEARNED PREMIUMS (3) <C>	OTHER POLICY CLAIMS AND BENEFITS PAYABLE <C>	PREMIUM REVENUE AND ANNUITY, PENSION AND OTHER CONTRACT CONSIDERATIONS <C>
2004:					
Life		\$ 821,217		\$ 3,605	\$ 53,681
Annuity		1,553,591		-	326,976
Supplementary Contracts		105,908		135,678	9,854
Accident and Health		10,520		15	4,301
Total		\$ 2,491,236		\$ 139,298	\$ 394,812
2003:					
Life		\$ 779,616		\$ 3,703	\$ (42,591)
Annuity		1,400,911		-	296,615
Supplementary Contracts		100,614		122,222	6,509
Accident and Health		11,557		18	5,164
Total		\$ 2,292,698		\$ 125,943	\$ 265,697
2002:					
Life		\$ 741,058		\$ 3,657	\$ 106,395
Annuity		1,269,360		37	261,509
Supplementary Contracts		99,499		117,246	4,778
Accident and Health		12,742		31	6,280
Total		\$ 2,122,659		\$ 120,971	\$ 378,962

<Caption>

FOR THE YEARS ENDED DECEMBER 31,

SEGMENT <S>	NET INVESTMENT INCOME <C>	BENEFITS, CLAIMS, LOSSES AND SETTLEMENT EXPENSES <C>	AMORTIZATION OF DEFERRED POLICY ACQUISITION COSTS (1) <C>	OTHER OPERATING EXPENSES <C>	PREMIUMS WRITTEN (2) <C>
2004:					
Life	\$ 47,612	\$ 73,763		\$ 44,523	
Annuity	93,883	384,194		46,035	
Supplementary Contracts	15,501	22,562		2,022	
Accident and Health	1,179	2,134		3,096	
Total	\$ 158,175	\$ 482,653		\$ 95,676	
2003:					
Life	\$ 47,655	\$ 80,417		\$ 46,169	
Annuity	88,735	342,380		42,106	
Supplementary Contracts	15,640	18,646		1,640	
Accident and Health	1,361	1,953		3,413	
Total	\$ 153,391	\$ 443,396		\$ 93,328	
2002:					
Life	\$ 51,556	\$ 43,673		\$ 49,419	
Annuity	91,930	316,127		39,852	
Supplementary Contracts	16,228	17,160		1,718	
Accident and Health	1,696	2,463		3,647	

Total \$ 161,410 \$ 379,423 \$ 94,636
=====

</Table>

- (1) Does not apply to financial statements of life insurance companies which are prepared on a statutory basis.
- (2) Does not apply to life insurance.
- (3) Unearned premiums and other deposit funds are included in future policy benefits, losses, claims and loss expenses.

See accompanying independent registered public accounting firm report.

47

<Page>

HORACE MANN LIFE INSURANCE COMPANY
REINSURANCE - SCHEDULE IV
FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002
(AMOUNTS IN THOUSANDS)

<Table>
<Caption>

	GROSS AMOUNT	CEDED TO OTHER COMPANIES	ASSUMED FROM OTHER ASSUMED	NET AMOUNT	PERCENTAGE OF AMOUNT ASSUMED TO NET
<S>	<C>	<C>	<C>	<C>	<C>
2004: Life insurance in force	\$ 13,308,820	\$ 5,441,086	\$ -	\$ 7,867,734	0.0%
Premiums and annuity, pension and other contract considerations:					
Life insurance	\$ 107,503	\$ 53,822	\$ -	\$ 53,681	0.0%
Annuity	326,976	-	-	326,976	0.0%
Supplementary contracts	9,854	-	-	9,854	
Accident and health	6,986	2,685	-	4,301	0.0%
Total premiums	\$ 451,319	\$ 56,507	\$ -	\$ 394,812	0.0%
2003: Life insurance in force	\$ 13,263,273	\$ 5,592,969	\$ -	\$ 7,670,304	0.0%
Premiums and annuity, pension and other contract considerations:					
Life insurance	\$ 111,223	\$ 153,814	\$ -	\$ (42,591)	0.0%
Annuity	296,615	-	-	296,615	0.0%
Supplementary contracts	6,509	-	-	6,509	
Accident and health	8,030	2,866	-	5,164	0.0%
Total premiums	\$ 422,377	\$ 156,680	\$ -	\$ 265,697	0.0%
2002: Life insurance in force	\$ 13,196,369	\$ 4,789,686	\$ -	\$ 8,406,683	0.0%
Premiums and annuity, pension and other contract considerations:					
Life insurance	\$ 110,645	\$ 4,250	\$ -	\$ 106,395	0.0%
Annuity	261,509	-	-	261,509	0.0%
Supplementary contracts	4,778	-	-	4,778	
Accident and health	9,059	2,779	-	6,280	0.0%
Total premiums	\$ 385,991	\$ 7,029	\$ -	\$ 378,962	0.0%

</Table>

See accompanying independent registered public accounting firm report.

48

PART C

OTHER INFORMATION

Item 24. Financial Statements and Exhibits

(a) Financial Statements

Part A

Condensed financial information of the Registrant

Part B

The following financial statements will be filed by amendment.

- Annual Report for the Registrant:
- Independent Auditors Report
- Statements of Net Assets - December 31, 2004
- Statements of Operations - For the Year Ended December 31, 2004
- Statements of Changes in Net Assets For the Year Ended December 31, 2004
- Statements of Changes in Net Assets For the Year Ended December 31, 2003
- Notes to Financial Statements - December 31, 2004

Financial statements for Horace Mann Life Insurance Company
-Independent Auditors Report
-Statutory Statements of Admitted Assets, Liabilities and Capital and Surplus

- As of December 31, 2004 and 2003
- Statutory Statements of Operations - For the Years Ended December 31, 2004, 2003 and 2002
- Statutory Statements of Capital and Surplus - For the Years Ended December 31, 2004, 2003 and 2002
- Statutory Statements of Cash Flow - For the Years Ended December 31, 2004, 2003 and 2002
- Notes to Statutory Financial Statements - December 31, 2004, 2003 and 2002

C-1

(b) Exhibits

- (1) Resolution of Board of DirectorsIncorporated by reference to Post Effective Amendment 63*
- (2) Agreements for custodyNot Applicable
- (3) Underwriting AgreementIncorporated by reference to Post Effective Amendment 63*
- (4) Form of Variable Annuity Contract
 - (a)Incorporated by reference to Post Effective Amendment 76*
 - (b)Filed herewith
- (5) Form of applicationIncorporated by reference to Post Effective Amendment 76*
- (6) Certificate of incorporation and bylaws ..Incorporated by reference to Initial Registration Statement
- (7) Contract of ReinsuranceNot Applicable
- (8) Other ContractsNot Applicable
- (9) Opinion and Consent of CounselFiled herewith
- (10) Independent Registered Public Accounting Firm ConsentFiled herewith
- (11) Financial Statement Schedules for Horace Mann Life Insurance Company and the Independent Registered Public Accounting Firm's Report thereon.....Filed herewith
- (12) Agreement regarding initial capitalIncorporated by reference to Initial Registration Statement*

*SEC File Nos. 2-24256 and 811-1343

Item 25. Directors and Officers of the Depositor

The directors and officers of Horace Mann Life Insurance Company, who are engaged directly or indirectly in activities relating to the Registrant or the variable annuity contracts offered by the Registrant, are listed below. Their principal business address is One Horace Mann Plaza, Springfield, Illinois 62715.

Name -----	Position & Office with Depositor -----
Peter H. Heckman	Director and Executive Vice President, Chief

Financial Officer

Ann M. Caparros Director, Vice President, General Counsel,
Corporate Secretary & Chief Compliance Officer

Louis G. Lower II Director, Chairman, President & Chief Executive
Officer

Paul D. Andrews Director and Senior Vice President

Angela S. Christian Vice President & Treasurer

C-2

Item 26. Persons Controlled by or Under Common Control with the Depositor or

Registrant

<TABLE><CAPTION>

<S>

	<C>	<C>
	Allegiance Life Insurance Company -----	Horace Mann Life Insurance Company
	IL FEIN # 95-1858796 NAIC # 62790	IL FEIN # 37-0726637 NAIC # 64513
	Educators Life Insurance Company of America	
	AZ FEIN # 86-0204233 NAIC # 75892	
	Horace Mann Service Corporation	
	IL FEIN # 37-0972590	
	Well-Care Inc.	
	IL FEIN # 37-0984609	
Horace Mann Educators Corporation ----	Horace Mann Investors, Inc.	
DE FEIN # 37-0911756	MD FEIN # 37-0792966	
	Horace Mann Lloyds Management Corp.-----	Horace Mann Lloyds
	TX FEIN # 37-1386476	TX FEIN # 37-1386478 NAIC # 10996
	Horace Mann Insurance Company-----	Horace Mann General Agency
	IL FEIN # 59-1027412 NAIC # 22578	TX FEIN # 76-0616793
	Teachers Insurance Company	
	IL FEIN # 23-1742051 NAIC # 22683	
	Horace Mann Property & Casualty Insurance Company	
	CA FEIN # 95-2413390 NAIC # 22756	

</TABLE>

C-3

The Registrant is a separate account of Horace Mann Life Insurance Company. Horace Mann Life Insurance Company (an Illinois Corporation) is a wholly owned subsidiary of Allegiance Life Insurance Company (an Illinois Corporation). Allegiance Life Insurance Company and Horace Mann Investors, Inc. (a Maryland Corporation), principal underwriter of the Registrant, are wholly-owned subsidiaries of Horace Mann Educators Corporation (a Delaware Corporation), a publicly held corporation.

Item 27. Number of Contract Owners

As of March 25, 2005, the number of Contract Owners of Horace Mann Life Insurance Company Separate Account was 130,139, of which 124,143 were qualified contract owners and 5,996 were non-qualified Contract Owners.

Item 28. Indemnification

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the Act, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter

has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

According to Section 21 of the Distribution Agreement, Horace Mann Life Insurance Company agrees to indemnify Horace Mann Investors, Inc. for any liability Horace Mann Investors, Inc. may incur to a Contract Owner or party-in-interest under a Contract (i) arising out of any act or omission in the course of, or in the connection with, rendering services under this Agreement, or (ii) arising out of the purchase, retention or surrender of a Contract; provided however the Horace Mann Life Insurance Company will not indemnify Horace Mann Investors, Inc. for any such liability that results from the willful misfeasance, bad faith or gross negligence of Horace Mann Investors, Inc., or from the reckless disregard, by Horace Mann Investors, Inc., of its duties and obligations arising under the Distribution Agreement.

C-4

Item 29. Principal Underwriters

(a) Horace Mann Investors, Inc., the underwriter of Horace Mann Life Insurance Company Separate Account, acts as principal underwriter for Horace Mann Life Insurance Company Separate Account B and Horace Mann Life Insurance Company Allegiance Separate Account A.

(b) The following are the directors and officers of Horace Mann Investors, Inc. Their principal business address is One Horace Mann Plaza, Springfield, Illinois 62715.

Name ----	Position with Underwriter -----
Christopher M. Fehr	President
Peter H. Heckman	Director
Ann M. Caparros	Secretary
Ryan O. Hill	Broker/Dealer Compliance Officer & Anti-Money Laundering Officer
Diane M. Barnett	Tax Compliance Officer
Angela S. Christian	Treasurer

(c) The following is a listing of the commissions and other compensation received by the principal underwriter from the Registrant during the fiscal year ended December 31, 2004:

Name of Principal Underwriter -----	Net Underwriting Discounts and Commission -----	Compensation on Redemption -----	Brokerage Commission -----	Compensation -----
Horace Mann Investors, Inc.	\$5,738,930	N/A	N/A	N/A

C-5

Item 30. Location of Accounts and Records

Horace Mann Investors, Inc., underwriter of the Registrant, is located at One Horace Mann Plaza, Springfield, Illinois 62715. It maintains those accounts and records associated with its duties as underwriter required to be maintained pursuant to Section 31(a) of the Investment Company Act and the rules promulgated thereunder.

Horace Mann Life Insurance Company, the depositor, is located at One Horace Mann Plaza, Springfield, Illinois 62715. It maintains those accounts and records required to be maintained pursuant to Section 31(a) of the Investment Company Act of 1940 and the rules promulgated thereunder that are not maintained by Horace Mann Investors, Inc.

Item 31. Management Services

Not applicable.

(a) Horace Mann Life Insurance Company and the Registrant are relying on a no-action letter from the Securities and Exchange Commission that was issued to the American Council of Life Insurance and made publicly available on November 28, 1988. That letter outlines conditions that must be met if a company offering registered annuity contracts imposes the limitations on surrenders and withdrawals on section 403(b) contracts as required by the Internal Revenue Code. Horace Mann Life Insurance Company and the Registrant are in compliance with the conditions of that no-action letter.

(b) Horace Mann Life Insurance Company represents that the fees and charges deducted under the Variable Annuity Contract in the aggregate are reasonable in relation to the services rendered, the expenses expected to be incurred, and the risks assumed by the insurance company.

(c) The Registrant undertakes to file a post-effective amendment to its registration statement as frequently as is necessary to ensure that the audited financial statements in the registration statement are never more than 16 months old for so long as payments under the variable annuity contracts may be accepted.

(d) The Registrant undertakes to include either (1) as part of any application to purchase a contract offered by the prospectus, a space that an applicant can check to request a Statement of Additional Information, or (2) a post card or similar written communication affixed to or included in the prospectus that the applicant can remove to send for a Statement of Additional Information.

(e) An undertaking to deliver any Statement of Additional Information and any financial statements required to be made available under this Form promptly upon written or oral request.

C-6

SIGNATURES

As required by the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereto duly authorized in the City of Springfield and State of Illinois, on this 2nd day of May, 2005.

BY: HORACE MANN INSURANCE COMPANY SEPARATE ACCOUNT

(Registrant)

By: Horace Mann Life Insurance Company

(Depositor)

Attest: /s/ ANN M. CAPARROS

Ann M. Caparros
Corporate Secretary
of the Depositor

By: /s/ LOUIS G. LOWER II

Louis G. Lower II, President and
Chief Executive Officer
of the Depositor

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment to the Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

SIGNATURE	TITLE	DATE
-----	----	----
/s/ LOUIS G. LOWER II ----- Louis G. Lower II	Director, Chairman, President and Chief Executive Officer	May 2, 2005
/s/ PETER H. HECKMAN ----- Peter H. Heckman	Director, Executive Vice President and Chief Financial Officer	May 2, 2005
/s/ ANN M. CAPARROS ----- Ann M. Caparros	Director, Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer	May 2, 2005
/s/ PAUL D. ANDREWS ----- Paul D. Andrews	Director and Senior Vice President	May 2, 2005

C-7

INDEX TO EXHIBITS

Exhibit Number -----	Title -----
(1)	Resolution of Board of DirectorsIncorporated by reference to Post Effective Amendment 63*
(2)	Agreements for custodyNot Applicable
(3)	Underwriting AgreementIncorporated by reference to Post Effective Amendment 63*
(4)	Form of Variable Annuity Contract
	(a)Incorporated by reference to Post Effective Amendment 76*
	(b)Filed herewith
(5)	Form of applicationIncorporated by reference to Post Effective Amendment 76*
(6)	Certificate of incorporation and bylaws ...Incorporated by reference to Initial Registration Statement
(7)	Contract of ReinsuranceNot Applicable
(8)	Other ContractsNot Applicable
(9)	Opinion and Consent of CounselFiled herewith
(10)	Independent Registered Public Accounting Firm ConsentFiled herewith
(11)	Financial Statement Schedules for Horace Mann Life Insurance Company and the Independent Registered Public Accounting Firm's Report thereon.....Filed herewith
(12)	Agreement regarding initial capital Incorporated by reference to Initial Registration Statement*

*SEC File Nos. 2-24256 and 811-1343

Horace Mann Life Insurance Company
1 Horace Mann Plaza
Springfield, Illinois 62715
1-800-999-1030

A Stock Company

Individual Flexible Premium Deferred
Variable Annuity Contract

Any payments and values under this contract which are based on investment results of the Separate Account are variable and not guaranteed.

This is a nonparticipating policy under which no dividends are paid.

Executed for the Company at its home office in Springfield, Illinois on its Issue Date.

President

Corporate Secretary

Right to Examine Your Contract. If You are not satisfied with this contract for any reason, You may return it to Horace Mann Life Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657 (Our home office), or to the agent from whom You purchased it within 30 days after You receive it. Return of this contract by mail is effective on being postmarked, properly addressed and postage prepaid. We will return the greater of the premium payments made for this contract, less any withdrawals and any outstanding loan balance, or the Account Value within 10 days after We receive the returned contract. Upon return of the contract, it shall be void as if none had been issued. Read Your Contract Carefully.

Individual Flexible Premium Deferred
Variable Annuity Contract

IC-450000

THIS IS A LEGAL CONTRACT - READ IT CAREFULLY.

This is a legal contract between You and Horace Mann Life Insurance Company. It sets forth, in detail, the rights and obligations of both You and the Company.

Horace Mann Life Insurance Company promises to pay You an annuity starting on the Annuity Date. If You die prior to the Annuity Date, We will pay the Death Benefit to the Beneficiary, upon receipt of Proof of Death and proper election by the Beneficiary.

Please Examine the Application. We issued this contract based on the answers in the application. If all answers are not complete and true, Your contract may be affected.

Summary of the Contract

This flexible premium deferred annuity provides annuity payments, which will be paid to You starting on the Annuity Date. Withdrawal and surrender rights and a Death Benefit are provided prior to the Annuity Date.

Prior to the Annuity Date and subject to the rights of any Irrevocable Beneficiary or assignee, You may:

- withdraw any portion of the Account Value (a surrender charge will apply);
- change the Beneficiary;
- change the anticipated Annuity Date;
- exercise the other rights provided to the owner of this contract.

This is only a summary of the contract terms. More detailed provisions of this contract will control. The provisions are set forth in the following sections:

Section	Page
Annuity Data	3
Fixed Account Accumulation Table	4
Fixed Account Minimum Monthly Annuity Option Payments	5
General Definitions	6
Annuity Benefits	7
General Provisions and Account Value	10
Surrender Value	12
Death Benefit	13
Beneficiary	13
Ownership	14
Other Terms of Your Contract	14

IC-450000

Page 2

General Definitions

When these words are used in this contract, they have the meaning stated.

"Annual Maintenance Fee"

An annual charge deducted for administrative expenses. This charge is shown on the Annuity Data pages.

"Account Value"

The Fixed Account Value plus the Variable Account Value.

"Annuitant"

The Natural Person whose life determines the annuity payment(s) made under this contract.

"Annuitized Value"

The amount applied to purchase annuity payments under this contract. It is equal to the Account Value.

"Annuity Date"

The date on which annuity payments begin.

"Beneficiary(ies)"

The person(s) designated to receive the Death Benefit upon Your death or under certain circumstances any remaining annuity payments.

"Contract Anniversary"

The same day and month as the Issue Date for each succeeding year of this contract.

"Contract Year"

A period of twelve months beginning on the Issue Date or any Contract Anniversary.

"Death Benefit"

The amount paid to the Beneficiary(ies) if You die prior to the Annuity Date.

"Fixed Account"

An interest-bearing account set up to receive Your Net Premium and the transfers allocated to it. It is invested along with other insurance funds in our general account.

"Fixed Account Value"

The dollar value of the Fixed Account prior to the time annuity payments begin.

"Irrevocable Beneficiary" A Beneficiary whose rights cannot be revoked without such Beneficiary's written approval.

"Issue Age"

The age of the Annuitant at the time this contract was issued (Issue Date) determined by the Annuitant's last birthday.

"Issue Date", "Contract Date"

The date when this contract became effective if You are then living and the premium has been paid. The Issue Date is shown on the Annuity Data pages.

"Natural Person"

A living individual or trust entity that is treated as an individual for Federal Income Tax purposes under the Internal Revenue Code.

"Net Premium"

The premium(s) paid to Us less any applicable premium tax.

"Proof of Death"

(1) A completed claimant's statement as provided by Us; and (2a) a certified copy of the death certificate; or (2b) any other proof of death satisfactory to Us, including but not limited to a certified copy of a decree of a court of competent jurisdiction certifying death; or a written statement by a medical doctor who attended the deceased at the time of death.

"Proof of Disability"

(1) A completed waiver of disability form as provided by Us; or (2) any other proof satisfactory to Us.

"Separate Account"

The segregated asset account which receives and invests the Net Premium and transfers allocated to it. The assets of the Separate Account are segregated from Our other assets and shall not be chargeable with liabilities arising out of any other business We may conduct. The Separate Account consists of various Subaccounts.

"Subaccount"

Part of the Separate Account which purchases shares of an Underlying Fund. Subaccounts with premium payment allocations as of the Issue Date are shown on the Annuity Data pages.

"Surrender Value"

The amount You would receive upon surrender of this contract. It is equal to the Account Value less any applicable surrender charges.

IC-450000

Page 6

"Underlying Funds"

Open-end diversified management investment companies registered under the Investment Company Act of 1940, as amended. Information about these companies is contained in the current prospectuses. Each Underlying Fund has a specific investment objective as stated in the prospectus.

"Valuation Date"

Any day on which the New York Stock Exchange is open for trading and on which the net value of each share of the Underlying Fund(s) is determined.

"Valuation Period"

The period from the end of a Valuation Date to the end of the next Valuation Date, excluding the day the period begins and including the day it ends.

"Variable Account"

Your portion of the Separate Account set up to receive the Net Premium and transfers allocated to it.

"Variable Account Value"

The dollar value of the Variable Account prior to the time annuity payments begin.

"Variable Accumulation Unit"

A measure used to determine the value of a Subaccount at or before the time annuity payments begin.

"Variable Annuity Unit"

A measure used to determine the amount payable from a Subaccount for an annuity payment.

"We", "Us", "Our", "Company"

Horace Mann Life Insurance Company.

"You", "Your"

The owner(s) of this contract.

Annuity Benefits

Annuitant

The Annuitant is the person named on the Annuity Data pages. The Annuitant must be a Natural Person. If the sole Annuitant dies prior to the Annuity Date and the Death Benefit is not payable, the new Annuitant will be the youngest owner.

You may name a new Annuitant before the Annuity Date by submitting a signed request in a form satisfactory to Us. Upon receipt, it is effective as of the date You signed the request. We are not liable for any action We take before receiving it.

Annuity Date

The annuity payments made to You will begin on the Annuity Date. The Annuity Date is the date the Annuitized Value is applied to an annuity option. The anticipated Annuity Date is shown on the Annuity Data pages. You may change the Annuity Date by notifying Us at least 30 days prior to this date.

The Annuity Date may be any date prior to the Annuitant's 100th birthday.

Annuity payment terms and conditions

This contract provides for fixed or variable annuity options or a combination of both.

The initial monthly annuity payment purchased by each \$1,000 of Annuitized Value depends on the annuity option selected. The minimum fixed annuity payments are

based upon the Annuity 2000 Mortality Table and 2 percent interest. The fixed annuity payments under this contract may be increased by Us.

If We do not receive written election of an annuity option from You at least 30 days before the anticipated Annuity Date, the annuity option will be Life Annuity with Payments Guaranteed for 10 Years. Your Annuitized Value will be allocated to this option as follows:

1. the Fixed Account Value will be applied to purchase a monthly fixed annuity.
2. the Variable Account Value will be applied to purchase a monthly variable annuity.

Annuity payments may also be available in quarterly, semi-annual, and annual installments. The minimum amount required to establish an Annuity Option is shown on the Annuity Data pages.

If You choose an annuity option payable over the lifetime of an Annuitant, We may require:

- proof of both the Annuitant's and any joint Annuitant's age and sex before annuity payments begin; and
- proof that the Annuitant and any joint Annuitant are still living before We make each payment.

A lump sum settlement is available under this contract. A lump sum settlement payment is equal to the Account Value, less any applicable surrender charges.

Prior to Your Annuity Date, You may select any of the following options. Annuity options are available on both a fixed and variable payment basis unless otherwise stated. We reserve the right to make available other annuity options.

Option A, Life Annuity with Payments Guaranteed for Life Only, 10, 15, or 20 Years

Annuity payments are made to You beginning with the Annuity Date. The annuity payments will be based upon

IC-450000

Page 7

the number of guaranteed payments selected, and the age and sex of the Annuitant on the Annuity Date. Annuity payments for this annuity option will continue as long as the Annuitant lives, or until all guaranteed payments have been made, whichever is later.

Guaranteed annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the Internal Revenue Code.

If You die before all annuity payments have been made, the remaining annuity payments will be paid to Your Beneficiary(ies) as scheduled.

If the Annuitant dies before all guaranteed annuity payments have been made, the remaining guaranteed annuity payments will be paid to You, if living, otherwise to Your Beneficiary(ies) as scheduled.

After the Annuity Date, this annuity option cannot be changed and withdrawals cannot be made.

The minimum monthly fixed annuity payments purchased per \$1,000 applied for this option are located on the Fixed Account Minimum Monthly Annuity Option Payments tables.

Option B, Payments for a Specified Period

Annuity payments are made to You beginning with the Annuity Date and continue for the specified period of time as elected. The specified period can be as short as five years or as long as 30 years, so long as the payments extend beyond the surrender charge period. This option is available on a fixed payment basis only.

Annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the Internal Revenue Code.

If You die before all annuity payments have been made, the remaining annuity payments will be paid to Your Beneficiary(ies) as scheduled.

If the Annuitant dies before all annuity payments have been made, the remaining annuity payments will be paid to You, if living, otherwise to Your Beneficiary(ies) as scheduled.

After the Annuity Date, You may change this annuity option, withdraw a portion of the Annuitized Value or surrender this option. Any change or withdrawal You make may affect annuity payments. Surrender charges may apply. If You surrender this option, Your annuity payments will cease and the contract will terminate. Thereafter, We will be free of any liability for this terminated contract.

The minimum monthly fixed annuity payments purchased per \$1,000 applied for this option are located on the Fixed Account Minimum Monthly Annuity Option Payments tables.

Option C, Joint and Survivor Annuity

Annuity payments are made to You beginning with the Annuity Date. The annuity payments will be based upon the specific survivor option selected, and the age and sex of the two Annuitants on the Annuity Date.

The available survivor options are to pay during the lifetime of the survivor: (1) 50 percent; (2) two-thirds; or (3) 100 percent of the annuity payments paid (or the number of Variable Annuity Units) while both Annuitants were living.

Upon the death of one Annuitant, the selected survivor option percentage will be applied to determine the remaining payments during the lifetime of the survivor. Upon the death of the survivor, annuity payments cease.

If You die while at least one Annuitant is living, the remaining annuity payments will be paid to Your Beneficiary(ies) as scheduled.

After the Annuity Date, this annuity option cannot be changed and withdrawals cannot be made.

The minimum monthly fixed annuity payments purchased per \$1,000 applied for this option are located on the Fixed Account Minimum Monthly Annuity Option Payments tables. Additional information is available upon Your request.

Variable annuity payments

Guaranteed payments from a fixed annuity option remain level except in the case of a joint and survivor annuity with a 50 percent or two-thirds survivor option. Payments from a variable annuity option will change as described below.

The Annuitized Value applied to purchase variable annuity payments will be allocated to the Subaccount(s) as You instruct. Not all Subaccount(s) may be available for annuity payments. The first monthly annuity payment purchased per \$1,000 applied to each Subaccount under a variable annuity option will be the same amount as the initial monthly annuity payment purchased per \$1,000 applied to the corresponding fixed annuity option.

IC-450000

Page 8

After the Annuity Date, the variable annuity payment of each Subaccount is determined by multiplying the number of Variable Annuity Units by the value of such unit for the corresponding Subaccount.

Within each Subaccount, the number of Variable Annuity Units is determined by dividing:

- the amount of the first payment from that Subaccount; by
- the value of a Variable Annuity Unit in the appropriate Subaccount on the Valuation Date coincident with the date that the Annuitized Value was applied toward the variable annuity option(s).

Under Option A, the number of such units will not change when figuring the second and subsequent payments. Under Option C, upon the death of one Annuitant, the selected survivor option percentage will be applied to the number of Variable Annuity Units.

The second and subsequent payment(s) will be based on the investment experience of the Underlying Fund(s) and will be affected by the mortality and expense risk

fee and the assumed interest rate. The value of each Variable Annuity Unit for each Subaccount was initially set at \$10 as of the date annuity payments were first calculated. Subsequent Variable Annuity Unit values of any Subaccount are determined by multiplying the previous Variable Annuity Unit value by the current net investment factor.

The current net investment factor for each Subaccount is computed by dividing (a) by (b) and multiplying by (c) where:

- (a) is the current net asset value per share on the last Valuation Date of the current Valuation Period plus any dividends or other distributions in the current Valuation Period;
- (b) is the net asset value of such shares on the last Valuation Date of the preceding Valuation Period;
- (c) is annually equal to one divided by the sum of one plus the assumed interest rate and the mortality and expense risk fee.

This amount is adjusted to a rate applicable for the Valuation Period. The assumed interest rate is shown on the Annuity Data pages.

If the current net investment factor is equal to one, monthly payments from that Subaccount will remain level. If the current net investment factor is greater than one, the monthly payments from that Subaccount will increase. Conversely, if the current net investment factor is less than one, the payments from that Subaccount will decrease.

The value of the net assets in the Separate Account shall be taken at their fair market value, or where there is no readily available market, their fair value, as determined in accordance with generally accepted accounting practice and applicable laws and regulations. The value of each share for each Subaccount is determined by dividing the net assets in each Subaccount by the number of shares outstanding for each respective Subaccount.

General Provisions and

Account Value

This is a flexible premium contract. Your proposed premium payments and any lump sum premiums are shown on the Annuity Data pages. Additional premium payments can be made at any time prior to the Annuity Date. The minimum premium payments are shown on the Annuity Data pages. The maximum premium limits shown on the Annuity Data pages will be governed by the laws of Your state and IRS regulations. All premiums are payable to Us at Our home office. A receipt will be provided if requested.

The Net Premium will be allocated to the Fixed Account and/or Variable Account as You elected in Your most recent allocation instructions. We reserve the right to set a maximum number of Subaccounts to which allocations can be made. The Net Premium is processed as of the date We receive it in Our home office.

You may stop or resume payments before the Annuity Date, if this contract has not been surrendered or terminated.

If You surrender Your contract, You may receive an amount less than the Account Value because a surrender charge will apply.

Company termination

If no premium has been received for two years and the Account Value to be applied under any annuity option is less than \$2,000 or not enough to provide an initial annuity payment of at least \$20, and state law permits, We reserve the right to:

- change the payment frequency to make the initial payment at least \$20;
or
- terminate the contract and pay You the Account

IC-450000

Page 9

Value in a lump sum. Thereafter, We will be free of any liability for this terminated contract.

Annual maintenance fee

The Annual Maintenance Fee is deducted from the Account Value on each Contract Anniversary date, or a proportionate amount will be collected upon surrender of this contract. The Annual Maintenance Fee is deducted from the Subaccount containing the greatest value or from the Fixed Account when none of the Subaccounts have sufficient value. This charge is shown on the Annuity Data pages and helps cover the cost of general maintenance of the contract.

Fixed Account Value

The Fixed Account Value is increased by the Net Premium allocated to it, any transfers from the Variable Account, and the interest credited.

The Fixed Account Value is decreased by withdrawals, transfers, any outstanding loan balance, surrender, death, annuitization, and contract charges.

Fixed Account interest

Guaranteed interest will be credited to the Fixed Account Value daily. We begin crediting interest to the Net Premium from the date We receive the premium. In no event will the interest rate credited be less than that shown on the Annuity Data pages before the assessment of the Annual Maintenance Fee.

We may pay interest in excess of the guaranteed amount. This interest may vary from time to time and is not guaranteed.

Fixed Account transfers

You may transfer money from the Fixed Account to various Subaccounts of the Variable Account. No transfers are allowed after the Annuity Date.

Prior to the Annuity Date, We reserve the right to:

1. Set a maximum number of Subaccounts with value at any one time.
2. Limit transfers in the following ways:
 - a. Allow no more than 25 percent of the Fixed Account Value to be transferred to the Variable Account during any 365 day period.
 - b. Require a total transfer from the Fixed Account to the Variable Account to be transferred over a four year period. In that case, no more than 25 percent of the amount being transferred will be transferred in any year prior to the year of the final transfer.

You must send Your transfer request to Our home office. We will make the transfer, if approved, as of the date We receive Your request or as of a requested future date.

Variable Account Value

The Variable Account will receive the Net Premium allocated to it and dollar amounts transferred from the Fixed Account. We will allocate these amounts, as You instruct, to the Subaccount(s) of Our Separate Account. These amounts will be processed as of the date We receive Your payment or the transfer request in Our home office.

The number of Variable Accumulation Units You have in a Subaccount on any date is equal to the sum of Variable Accumulation Units that have been added through Net Premium and transfers minus the sum of Variable Accumulation Units that have been deducted through withdrawals, transfers, surrender, death, annuitization, and contract charges.

Within each Subaccount, the value of a Variable Accumulation Unit is determined by valuing daily the underlying securities within a Subaccount, plus any dividends or other distributions with a reduction for operating expenses and the mortality and expense risk fee and then dividing the results by the outstanding number of all Variable Accumulation Units of that Subaccount.

The increase or decrease in the number of Variable Accumulation Units from a particular transaction is determined by dividing the dollar amount of the transaction by the value of a Variable Accumulation Unit of the appropriate Subaccount.

If shares of an Underlying Fund are no longer available for investment by the Separate Account, or if We determine further investments in an Underlying Fund

are inappropriate in view of the objectives of the Separate Account, We may substitute shares of another Underlying Fund for fund shares already purchased and apply Your future purchase payments to the purchase of shares of the substitute Underlying Fund or other securities.

No substitutions will be made until prior approval has been received from the Securities and Exchange Commission and We receive any required prior favorable vote of a majority of the votes entitled to be cast by

IC-450000

Page 10

persons having a voting interest in the Underlying Fund shares.

Variable Account transfers

You may transfer money from the Variable Account to the Fixed Account or between the various Subaccounts of the Variable Account as often as You choose. However, no transfers are allowed after the Annuity Date.

Prior to the Annuity Date, We reserve the right to set a maximum number of Subaccounts with value at any one time.

You must send Your transfer request to Our home office. We will make the transfer, if approved, as of the date We receive Your request or as of a requested future date.

Voting rights

We will vote shares held in the Variable Account according to Your instructions. We will send notices and instructions to the person having voting rights under this contract. We will vote shares in the Separate Account for which We do not receive instruction in the same proportion as the votes for which We have received instructions.

Mortality and expense risk fee

To cover the mortality and expense risk not included in the Annual Maintenance Fee, We will charge the Variable Account a fee equivalent to the amount shown on the Annuity Data pages. Further details of this fee are in the Separate Account prospectus.

Taxes

Any premium taxes relating to this contract may be deducted from the premium or deducted from Your Annuitized Value, when applicable. Such premium taxes and the time of deduction of those taxes will be determined by Your place of residence. Any income tax withholdings relating to this contract may be deducted from any distribution.

Surrender Value

Surrender

You may surrender this contract before the Annuity Date and We will pay You the Surrender Value. All requests must be received in Our home office in a form satisfactory to Us.

A surrender terminates this contract. Thereafter, We will be free of any liability for this terminated contract.

The Surrender Value of this contract is not less than the minimum required by the state in which this contract was delivered. The Surrender Value is equal to the Account Value less any applicable surrender charge. The surrender charges are shown on the Annuity Data pages.

Payment of the Fixed Account Surrender Value usually occurs within 30 days. If payment is deferred after 30 days, We will continue to credit the applicable interest rate. We reserve the right to defer payment of the Fixed Account Surrender Value for a period not to exceed six months, but only after We have made written request and received written approval of the insurance department of the state in which this contract was delivered.

We will send You the Variable Account Surrender Value within seven calendar days after We receive Your request.

Withdrawal

You have the right to withdraw part of Your Account Value before the Annuity Date. All requests must be received in Our home office in a form satisfactory to Us. The Account Value will be reduced by the amount We pay You and the surrender charge. Any one withdrawal must be an amount not less than the minimum withdrawal amount shown on the Annuity Data pages.

Surrender charge

A surrender charge will be imposed on certain surrenders and withdrawals. The surrender charge is a percentage of the Account Value withdrawn or surrendered. Surrender charges are shown on the Annuity Data pages. Surrender charges will be waived under certain conditions, as described below.

10 percent penalty free - No surrender charge will apply on the first 10 percent of the Account Value withdrawn or surrendered, if:

1. it is the initial withdrawal or it has been more than 365 days since the last withdrawal; or
2. it is a surrender and there have been no previous withdrawals or it has been more than 365 days since the last withdrawal.

Disability - Upon Your continuing total disability and receipt of Your request for a withdrawal or surrender, We will waive the surrender charge. Your continuing total disability, as defined by Section 72(m)(7) of the Internal Revenue Code, must begin at least three months immediately prior to receipt of

the surrender or withdrawal request. Proof of Disability is required.

IC-450000

Page 11

Internal Revenue Code Section 72(m)(7) defines disabled as unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long continued and indefinite duration.

Required minimum distributions - We will waive the surrender charge on withdrawals taken to satisfy Internal Revenue Code required minimum distributions based on the Account Value of this contract.

Death Benefit

The Death Benefit is the greater of:

1. the Account Value; or
2. the Net Premium paid to Us, less the Net Premium attributable to any withdrawals and any outstanding loan balance.

We will calculate the Death Benefit as of the date We receive Proof of Death. The Death Benefit will include interest accrued from the date We receive Proof of Death to the date of payment.

We will pay the Death Benefit when We receive Proof of Death while this contract is in force and before the Annuity Date, if:

- any owner dies; or
- the Annuitant dies and the owner is not a Natural Person.

If the Beneficiary is Your spouse and death occurs prior to the Annuity Date, Your spouse may elect to:

1. receive the Death Benefit in a lump sum; or
2. apply the Death Benefit to an annuity option; or
3. be treated as the owner of this contract and the contract can continue.

If the contract is continued, Your spouse may make a single withdrawal of any amount within one year of the date We receive Proof of Death. No surrender charge will apply.

If the Beneficiary is not Your spouse and death occurs prior to the Annuity Date, Your Beneficiary may elect to:

1. receive the Death Benefit in a lump sum; or
2. apply the Death Benefit to an annuity option.

The entire value of this contract must be distributed within five years after the date of death if the Beneficiary chooses to receive the Death Benefit in a lump sum.

If an annuity option is elected, payments from the annuity option must begin within one year of the date of death. Guaranteed annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the Internal Revenue Code.

Beneficiary

The Beneficiary will receive the Death Benefit or under certain circumstances, any remaining annuity payments when You die. The Beneficiary will be the person(s) named as such in the application, unless later changed.

You may name new Beneficiaries, subject to the rights of any Irrevocable Beneficiary or assignee, by submitting a signed request in a form satisfactory to Us. Upon receipt, it is effective as of the date You signed the request, subject to any action We took before We received it.

If You do not name a Beneficiary or if the Beneficiary named is no longer living, the Beneficiary will be:

- Your spouse if living, otherwise;
- Your children equally if living, otherwise;
- Your estate.

We will pay multiple Beneficiaries according to the most recent written instructions We have received from You. If We do not have any written instructions, We will pay the Death Benefit or any remaining annuity payments in equal shares to the Beneficiaries. If there is more than one Beneficiary in a class and one of the Beneficiaries predeceases You, We will pay the Death Benefit or any remaining annuity payments in equal shares to the surviving Beneficiaries in that class.

Ownership

The Annuitant is the owner if no other person is named in the application as owner. Unless You provide otherwise, You may exercise all rights granted by this contract, subject to the rights of any Irrevocable Beneficiary or assignee.

You may assign this contract or the interest therein to another, unless prohibited by the Internal Revenue Code. You must do so in writing in a form satisfactory to Us and file the assignment with Us. No assignment is binding on

Us until We receive it. When We receive it, Your rights and those of the Beneficiary will be subject to the assignment. We are not responsible for the validity of the assignment.

Other Terms of Your Contract

Our contract with You

These pages, including a copy of the application and any attached endorsements, are Your entire contract with Us. We issued it based upon Your application and payment of the premium.

The statements made in the application, in the absence of fraud, will be treated as representations and not as warranties.

Only Our president, vice president, or the corporate secretary has the authority to change this contract. No agent may do this. Any change We make to this contract will be made in writing to You.

Incontestability

This contract will be incontestable after its Issue Date. This means that We will not use any misstatements by the owner in the application, except for the misstatement of age or sex, to challenge any claim or to avoid liability under this contract after this time.

Misstatement of age or sex

If any age or sex has been misstated, We will pay annuity payments in the amount which would have been paid at the correct age and sex. Any overpayments We have made will be deducted from future payments, including interest. Any under payments, including interest, will be paid in a lump sum to the owner if living, otherwise the Beneficiary(ies). The interest rate will not exceed 6 percent per year.

Conformity with state law

This contract is subject to the laws of the state in which it was delivered. If any part of this contract does not comply with the law, it will be interpreted by Us as if it did.

Exchange

You may exchange this contract for another annuity contract We issue if We approve the exchange.

Evidence of survival

We may require evidence of survival of any Annuitant(s).

Settlements

We may require that this contract be returned to Us prior to any settlement. We must receive Proof of Death before the settlement of a death claim. Any Surrender Value or Death Benefit under this contract will be no less than the minimum benefits required by the statutes of the state in which this contract was delivered. Payment of the Surrender Value or Death Benefit will terminate this contract. Thereafter, We will be free of any liability for this terminated contract.

Annual report

At least once a year prior to the Annuity Date, We will send a statement containing Your Account Value, Surrender Value, premium payments, credited interest and other contract information. We will provide You with Account Value information at any time upon request.

IC-450000

Page 13

(This page intentionally left blank)

(This page intentionally left blank)

Individual Flexible Premium Deferred
Variable Annuity Contract

IC-450000

Horace Mann Life Insurance Company
1 Horace Mann Plaza
Springfield, Illinois 62715
1-800-999-1030

A Stock Company

Individual Flexible Premium Deferred
Variable Annuity Contract

Any payments and values under this contract which are based on investment results of the Separate Account are variable and not guaranteed.

This is a nonparticipating policy under which no dividends are paid.

Executed for the Company at its home office in Springfield, Illinois on its Issue Date.

President

Corporate Secretary

Right to Examine Your Contract. If You are not satisfied with this contract for any reason, You may return it to Horace Mann Life Insurance Company, P.O. Box 4657, Springfield, Illinois 62708-4657 (Our home office), or to the agent from

whom You purchased it within 30 days after You receive it. Return of this contract by mail is effective on being postmarked, properly addressed and postage prepaid. We will return the greater of the premium payments made for this contract, less any withdrawals and any outstanding loan balance, or the Account Value within 10 days after We receive the returned contract. Upon return of the contract, it shall be void as if none had been issued. Read Your Contract Carefully.

Individual Flexible Premium Deferred
Variable Annuity Contract

IC-451000

THIS IS A LEGAL CONTRACT - READ IT CAREFULLY.

This is a legal contract between You and Horace Mann Life Insurance Company. It sets forth, in detail, the rights and obligations of both You and the Company.

Horace Mann Life Insurance Company promises to pay You an annuity starting on the Annuity Date. If You die prior to the Annuity Date, We will pay the Death Benefit to the Beneficiary, upon receipt of Proof of Death and proper election by the Beneficiary.

Please Examine the Application. We issued this contract based on the answers in the application. If all answers are not complete and true, Your contract may be affected.

Summary of the Contract

This flexible premium deferred annuity provides annuity payments, which will be paid to You starting on the Annuity Date. Withdrawal and surrender rights and a Death Benefit are provided prior to the Annuity Date.

Prior to the Annuity Date and subject to the rights of any Irrevocable Beneficiary or assignee, You may:

- withdraw any portion of the Account Value (a surrender charge will apply);
- change the Beneficiary;

- change the anticipated Annuity Date;
- exercise the other rights provided to the owner of this contract.

This is only a summary of the contract terms. More detailed provisions of this contract will control. The provisions are set forth in the following sections:

Section	Page
Annuity Data	3
Fixed Account Accumulation Table	4
Fixed Account Minimum Monthly Annuity Option Payments	5
General Definitions	6
Annuity Benefits	7
General Provisions and Account Value	10
Surrender Value	12
Death Benefit	13
Beneficiary	13
Ownership	14
Other Terms of Your Contract	14

IC-451000

Page 2

General Definitions

When these words are used in this contract, they have the meaning stated.

"Account Value"

The Fixed Account Value plus the Variable Account Value.

"Annuitant"

The Natural Person whose life determines the annuity payment(s) made under this contract.

"Annuitized Value"

The amount applied to purchase annuity payments under this contract. It is equal to the Account Value.

"Annuity Date"

The date on which annuity payments begin.

"Beneficiary(ies)"

The person(s) designated to receive the Death Benefit upon Your death or under certain circumstances any remaining annuity payments.

"Contract Anniversary"

The same day and month as the Issue Date for each succeeding year of this contract.

"Contract Year"

A period of twelve months beginning on the Issue Date or any Contract

Anniversary.

"Death Benefit"

The amount paid to the Beneficiary(ies) if You die prior to the Annuity Date.

"Fixed Account"

An interest-bearing account set up to receive Your Net Premium and the transfers allocated to it. It is invested along with other insurance funds in our general account.

"Fixed Account Value"

The dollar value of the Fixed Account prior to the time annuity payments begin.

"Irrevocable Beneficiary"

A Beneficiary whose rights cannot be revoked without such Beneficiary's written approval.

"Issue Age"

The age of the Annuitant at the time this contract was issued (Issue Date) determined by the Annuitant's last birthday.

"Issue Date", "Contract Date"

The date when this contract became effective if You are then living and the premium has been paid. The Issue Date is shown on the Annuity Data pages.

"Natural Person"

A living individual or trust entity that is treated as an individual for Federal Income Tax purposes under the Internal Revenue Code.

"Net Premium"

The premium(s) paid to Us less any applicable premium tax.

"Proof of Death"

(1) A completed claimant's statement as provided by Us; and (2a) a certified copy of the death certificate; or (2b) any other proof of death satisfactory to Us, including but not limited to a certified copy of a decree of a court of competent jurisdiction certifying death; or a written statement by a medical doctor who attended the deceased at the time of death.

"Proof of Disability"

(1) A completed waiver of disability form as provided by Us; or (2) any other proof satisfactory to Us.

"Separate Account"

The segregated asset account which receives and invests the Net Premium and transfers allocated to it. The assets of the Separate Account are segregated from Our other assets and shall not be chargeable with liabilities arising out of any other business We may conduct. The Separate Account consists of various Subaccounts.

"Subaccount"

Part of the Separate Account which purchases shares of an Underlying Fund. Subaccounts with premium payment allocations as of the Issue Date are shown on the Annuity Data pages.

"Surrender Value"

The amount You would receive upon surrender of this contract. It is equal to the Account Value less any applicable surrender charges.

IC-451000

Page 6

"Underlying Funds"

Open-end diversified management investment companies registered under the Investment Company Act of 1940, as amended. Information about these companies is contained in the current prospectuses. Each Underlying Fund has a specific investment objective as stated in the prospectus.

"Valuation Date"

Any day on which the New York Stock Exchange is open for trading and on which the net value of each share of the Underlying Fund(s) is determined.

"Valuation Period"

The period from the end of a Valuation Date to the end of the next Valuation Date, excluding the day the period begins and including the day it ends.

"Variable Account"

Your portion of the Separate Account set up to receive the Net Premium and transfers allocated to it.

"Variable Account Value"

The dollar value of the Variable Account prior to the time annuity payments begin.

"Variable Accumulation Unit"

A measure used to determine the value of a Subaccount at or before the time annuity payments begin.

"Variable Annuity Unit"

A measure used to determine the amount payable from a Subaccount for an annuity payment.

"We", "Us", "Our", "Company"

Horace Mann Life Insurance Company.

"You", "Your" The owner(s) of this contract.

Annuity Benefits

Annuitant

The Annuitant is the person named on the Annuity Data pages. The Annuitant must be a Natural Person. If the sole Annuitant dies prior to the Annuity Date and

the Death Benefit is not payable, the new Annuitant will be the youngest owner.

You may name a new Annuitant before the Annuity Date by submitting a signed request in a form satisfactory to Us. Upon receipt, it is effective as of the date You signed the request. We are not liable for any action We take before receiving it.

Annuity Date

The annuity payments made to You will begin on the Annuity Date. The Annuity Date is the date the Annuitized Value is applied to an annuity option. The anticipated Annuity Date is shown on the Annuity Data pages. You may change the Annuity Date by notifying Us at least 30 days prior to this date.

The Annuity Date may be any date prior to the Annuitant's 100th birthday.

Annuity payment terms and conditions

This contract provides for fixed or variable annuity options or a combination of both.

The initial monthly annuity payment purchased by each \$1,000 of Annuitized Value depends on the annuity option selected. The minimum fixed annuity payments are based upon the Annuity 2000 Mortality Table and 2 percent interest. The fixed annuity payments under this contract may be increased by Us.

If We do not receive written election of an annuity option from You at least 30 days before the anticipated Annuity Date, the annuity option will be Life Annuity with Payments Guaranteed for 10 Years. Your Annuitized Value will be allocated to this option as follows:

1. the Fixed Account Value will be applied to purchase a monthly fixed annuity.
2. the Variable Account Value will be applied to purchase a monthly variable annuity.

Annuity payments may also be available in quarterly, semi-annual, and annual installments. The minimum amount required to establish an Annuity Option is shown on the Annuity Data pages.

If You choose an annuity option payable over the lifetime of an Annuitant, We may require:

- o proof of both the Annuitant's and any joint Annuitant's age and sex before annuity payments begin; and
- o proof that the Annuitant and any joint Annuitant are still living before We make each payment.

A lump sum settlement is available under this contract. A lump sum settlement

payment is equal to the Account Value, less any applicable surrender charges.

Prior to Your Annuity Date, You may select any of the following options. Annuity options are available on both a fixed and variable payment basis unless otherwise stated. We reserve the right to make available other annuity options.

Option A, Life Annuity with Payments Guaranteed for Life Only, 10, 15, or 20 Years

Annuity payments are made to You beginning with the

IC-451000

Page 7

Annuity Date. The annuity payments will be based upon the number of guaranteed payments selected, and the age and sex of the Annuitant on the Annuity Date. Annuity payments for this annuity option will continue as long as the Annuitant lives, or until all guaranteed payments have been made, whichever is later.

Guaranteed annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the Internal Revenue Code.

If You die before all annuity payments have been made, the remaining annuity payments will be paid to Your Beneficiary(ies) as scheduled.

If the Annuitant dies before all guaranteed annuity payments have been made, the remaining guaranteed annuity payments will be paid to You, if living, otherwise to Your Beneficiary(ies) as scheduled.

After the Annuity Date, this annuity option cannot be changed and withdrawals cannot be made.

The minimum monthly fixed annuity payments purchased per \$1,000 applied for this option are located on the Fixed Account Minimum Monthly Annuity Option Payments tables.

Option B, Payments for a Specified Period

Annuity payments are made to You beginning with the Annuity Date and continue for the specified period of time as elected. The specified period can be as short as five years or as long as 30 years, so long as the payments extend beyond the surrender charge period. This option is available on a fixed payment basis only.

Annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the Internal Revenue Code.

If You die before all annuity payments have been made, the remaining annuity payments will be paid to Your Beneficiary(ies) as scheduled.

If the Annuitant dies before all annuity payments have been made, the remaining

annuity payments will be paid to You, if living, otherwise to Your Beneficiary(ies) as scheduled.

After the Annuity Date, You may change this annuity option, withdraw a portion of the Annuitized Value or surrender this option. Any change or withdrawal You make may affect annuity payments. Surrender charges may apply. If You surrender this option, Your annuity payments will cease and the contract will terminate. Thereafter, We will be free of any liability for this terminated contract.

The minimum monthly fixed annuity payments purchased per \$1,000 applied for this option are located on the Fixed Account Minimum Monthly Annuity Option Payments tables.

Option C, Joint and Survivor Annuity

Annuity payments are made to You beginning with the Annuity Date. The annuity payments will be based upon the specific survivor option selected, and the age and sex of the two Annuitants on the Annuity Date.

The available survivor options are to pay during the lifetime of the survivor: (1) 50 percent; (2) two-thirds; or (3) 100 percent of the annuity payments paid (or the number of Variable Annuity Units) while both Annuitants were living.

Upon the death of one Annuitant, the selected survivor option percentage will be applied to determine the remaining payments during the lifetime of the survivor. Upon the death of the survivor, annuity payments cease.

If You die while at least one Annuitant is living, the remaining annuity payments will be paid to Your Beneficiary(ies) as scheduled.

After the Annuity Date, this annuity option cannot be changed and withdrawals cannot be made.

The minimum monthly fixed annuity payments purchased per \$1,000 applied for this option are located on the Fixed Account Minimum Monthly Annuity Option Payments tables. Additional information is available upon Your request.

Variable annuity payments

Guaranteed payments from a fixed annuity option remain level except in the case of a joint and survivor annuity with a 50 percent or two-thirds survivor option. Payments from a variable annuity option will change as described below.

The Annuitized Value applied to purchase variable annuity payments will be allocated to the Subaccount(s) as You instruct. Not all Subaccount(s) may be available for annuity payments. The first monthly annuity payment purchased per \$1,000 applied to each Subaccount under a variable annuity option will be the same amount as the initial monthly annuity payment purchased per \$1,000

applied to the corresponding fixed annuity option.

After the Annuity Date, the variable annuity payment of each Subaccount is determined by multiplying the number of Variable Annuity Units by the value of such unit for the corresponding Subaccount.

Within each Subaccount, the number of Variable Annuity Units is determined by dividing:

- the amount of the first payment from that Subaccount; by
- the value of a Variable Annuity Unit in the appropriate Subaccount on the Valuation Date coincident with the date that the Annuitized Value was applied toward the variable annuity option(s).

Under Option A, the number of such units will not change when figuring the second and subsequent payments. Under Option C, upon the death of one Annuitant, the selected survivor option percentage will be applied to the number of Variable Annuity Units.

The second and subsequent payment(s) will be based on the investment experience of the Underlying Fund(s) and will be affected by the mortality and expense risk fee and the assumed interest rate. The value of each Variable Annuity Unit for each Subaccount was initially set at \$10 as of the date annuity payments were first calculated. Subsequent Variable Annuity Unit values of any Subaccount are determined by multiplying the previous Variable Annuity Unit value by the current net investment factor.

The current net investment factor for each Subaccount is computed by dividing (a) by (b) and multiplying by (c) where:

- (a) is the current net asset value per share on the last Valuation Date of the current Valuation Period plus any dividends or other distributions in the current Valuation Period;
- (b) is the net asset value of such shares on the last Valuation Date of the preceding Valuation Period;
- (c) is annually equal to one divided by the sum of one plus the assumed interest rate and the mortality and expense risk fee. This amount is adjusted to a rate applicable for the Valuation Period. The assumed interest rate is shown on the Annuity Data pages.

If the current net investment factor is equal to one, monthly payments from that Subaccount will remain level. If the current net investment factor is greater than one, the monthly payments from that Subaccount will increase. Conversely, if the current net investment factor is less than one, the payments from that Subaccount will decrease.

The value of the net assets in the Separate Account shall be taken at their fair

market value, or where there is no readily available market, their fair value, as determined in accordance with generally accepted accounting practice and applicable laws and regulations. The value of each share for each Subaccount is determined by dividing the net assets in each Subaccount by the number of shares outstanding for each respective Subaccount.

General Provisions and Account Value

This is a flexible premium contract. Your proposed premium payments and any lump sum premiums are shown on the Annuity Data pages. Additional premium payments can be made at any time prior to the Annuity Date. The minimum premium payments are shown on the Annuity Data pages. The maximum premium limits shown on the Annuity Data pages will be governed by the laws of Your state and IRS regulations. All premiums are payable to Us at Our home office. A receipt will be provided if requested.

The Net Premium will be allocated to the Fixed Account and/or Variable Account as You elected in Your most recent allocation instructions. We reserve the right to set a maximum number of Subaccounts to which allocations can be made. The Net Premium is processed as of the date We receive it in Our home office.

You may stop or resume payments before the Annuity Date, if this contract has not been surrendered or terminated.

If You surrender Your contract, You may receive an amount less than the Account Value because a surrender charge will apply.

Company termination

If no premium has been received for two years and the

IC-451000

Page 9

Account Value to be applied under any annuity option is less than \$2,000 or not enough to provide an initial annuity payment of at least \$20, and state law permits, We reserve the right to:

- change the payment frequency to make the initial payment at least \$20; or
- terminate the contract and pay You the Account Value in a lump sum. Thereafter, We will be free of any liability for this terminated contract.

Fixed Account Value

The Fixed Account Value is increased by the Net Premium allocated to it, any transfers from the Variable Account, and the interest credited.

The Fixed Account Value is decreased by withdrawals, transfers, any outstanding

loan balance, surrender, death, annuitization, and contract charges.

Fixed Account interest

Guaranteed interest will be credited to the Fixed Account Value daily. We begin crediting interest to the Net Premium from the date We receive the premium. In no event will the interest rate credited be less than that shown on the Annuity Data pages.

We may pay interest in excess of the guaranteed amount. This interest may vary from time to time and is not guaranteed.

Fixed Account transfers

You may transfer money from the Fixed Account to various Subaccounts of the Variable Account. No transfers are allowed after the Annuity Date.

Prior to the Annuity Date, We reserve the right to:

1. Set a maximum number of Subaccounts with value at any one time.
2. Limit transfers in the following ways:
 - a. Allow no more than 25 percent of the Fixed Account Value to be transferred to the Variable Account during any 365 day period.
 - b. Require a total transfer from the Fixed Account to the Variable Account to be transferred over a four year period. In that case, no more than 25 percent of the amount being transferred will be transferred in any year prior to the year of the final transfer.

You must send Your transfer request to Our home office. We will make the transfer, if approved, as of the date We receive Your request or as of a requested future date.

Variable Account Value

The Variable Account will receive the Net Premium allocated to it and dollar amounts transferred from the Fixed Account. We will allocate these amounts, as You instruct, to the Subaccount(s) of Our Separate Account. These amounts will be processed as of the date We receive Your payment or the transfer request in Our home office.

The number of Variable Accumulation Units You have in a Subaccount on any date is equal to the sum of Variable Accumulation Units that have been added through Net Premium and transfers minus the sum of Variable Accumulation Units that have been deducted through withdrawals, transfers, surrender, death, annuitization, and contract charges.

Within each Subaccount, the value of a Variable Accumulation Unit is determined by valuing daily the underlying securities within a Subaccount, plus any

dividends or other distributions with a reduction for operating expenses and the mortality and expense risk fee and then dividing the results by the outstanding number of all Variable Accumulation Units of that Subaccount.

The increase or decrease in the number of Variable Accumulation Units from a particular transaction is determined by dividing the dollar amount of the transaction by the value of a Variable Accumulation Unit of the appropriate Subaccount.

If shares of an Underlying Fund are no longer available for investment by the Separate Account, or if We determine further investments in an Underlying Fund are inappropriate in view of the objectives of the Separate Account, We may substitute shares of another Underlying Fund for fund shares already purchased and apply Your future purchase payments to the purchase of shares of the substitute Underlying Fund or other securities.

No substitutions will be made until prior approval has been received from the Securities and Exchange Commission and We receive any required prior favorable vote of a majority of the votes entitled to be cast by persons having a voting interest in the Underlying Fund shares.

Variable Account transfers

IC-451000

Page 10

You may transfer money from the Variable Account to the Fixed Account or between the various Subaccounts of the Variable Account as often as You choose. However, no transfers are allowed after the Annuity Date.

Prior to the Annuity Date, We reserve the right to set a maximum number of Subaccounts with value at any one time.

You must send Your transfer request to Our home office. We will make the transfer, if approved, as of the date We receive Your request or as of a requested future date.

Voting rights

We will vote shares held in the Variable Account according to Your instructions. We will send notices and instructions to the person having voting rights under this contract. We will vote shares in the Separate Account for which We do not receive instruction in the same proportion as the votes for which We have received instructions.

Mortality and expense risk fee

To cover the mortality and expense risk, We will charge the Variable Account a fee equivalent to the amount shown on the Annuity Data pages. Further details of this fee are in the Separate Account prospectus.

Taxes

Any premium taxes relating to this contract may be deducted from the premium or deducted from Your Annuitized Value, when applicable. Such premium taxes and the time of deduction of those taxes will be determined by Your place of residence. Any income tax withholdings relating to this contract may be deducted from any distribution.

Surrender Value

Surrender

You may surrender this contract before the Annuity Date and We will pay You the Surrender Value. All requests must be received in Our home office in a form satisfactory to Us.

A surrender terminates this contract. Thereafter, We will be free of any liability for this terminated contract.

The Surrender Value of this contract is not less than the minimum required by the state in which this contract was delivered. The Surrender Value is equal to the Account Value less any applicable surrender charge. The surrender charges are shown on the Annuity Data pages.

Payment of the Fixed Account Surrender Value usually occurs within 30 days. If payment is deferred after 30 days, We will continue to credit the applicable interest rate. We reserve the right to defer payment of the Fixed Account Surrender Value for a period not to exceed six months, but only after We have made written request and received written approval of the insurance department of the state in which this contract was delivered.

We will send You the Variable Account Surrender Value within seven calendar days after We receive Your request.

Withdrawal

You have the right to withdraw part of Your Account Value before the Annuity Date. All requests must be received in Our home office in a form satisfactory to Us. The Account Value will be reduced by the amount We pay You and the surrender charge. Any one withdrawal must be an amount not less than the minimum withdrawal amount shown on the Annuity Data pages.

Surrender charge

A surrender charge will be imposed on certain surrenders and withdrawals. The surrender charge is a percentage of the Account Value withdrawn or surrendered. Surrender charges are shown on the Annuity Data pages. Surrender charges will be waived under certain conditions, as described below.

10 percent penalty free - No surrender charge will apply on the first 10 percent

of the Account Value withdrawn or surrendered, if:

1. it is the initial withdrawal or it has been more than 365 days since the last withdrawal; or
2. it is a surrender and there have been no previous withdrawals or it has been more than 365 days since the last withdrawal.

Disability - Upon Your continuing total disability and receipt of Your request for a withdrawal or surrender, We will waive the surrender charge. Your continuing total disability, as defined by Section 72(m)(7) of the Internal Revenue Code, must begin at least three months immediately prior to receipt of the surrender or withdrawal request. Proof of Disability is required.

Internal Revenue Code Section 72(m)(7) defines disabled as unable to engage in any substantial gainful

IC-451000

Page 11

activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long continued and indefinite duration.

Required minimum distributions - We will waive the surrender charge on withdrawals taken to satisfy Internal Revenue Code required minimum distributions based on the Account Value of this contract.

Death Benefit

If the owner dies prior to the attainment of age 70, the Death Benefit is the greater of:

1. the Account Value; or
2. the Net Premium paid to Us, less the Net Premium attributable to any withdrawals and any outstanding loan balance, accumulated at 3 percent interest.

If the owner dies after the attainment of age 70, the Death Benefit is the greater of:

1. the Account Value; or
2. the Net Premium paid to Us, less the Net Premium attributable to any withdrawals and any outstanding loan balance.

We will calculate the Death Benefit as of the date We receive Proof of Death. The Death Benefit will include interest accrued from the date We receive Proof of Death to the date of payment.

We will pay the Death Benefit when We receive Proof of Death while this contract is in force and before the Annuity Date, if:

- any owner dies; or
- the Annuitant dies and the owner is not a Natural Person.

If the Beneficiary is Your spouse and death occurs prior to the Annuity Date, Your spouse may elect to:

1. receive the Death Benefit in a lump sum; or
2. apply the Death Benefit to an annuity option; or
3. be treated as the owner of this contract and the contract can continue.

If the contract is continued, Your spouse may make a single withdrawal of any amount within one year of the date We receive Proof of Death. No surrender charge will apply.

If the Beneficiary is not Your spouse and death occurs prior to the Annuity Date, Your Beneficiary may elect to:

1. receive the Death Benefit in a lump sum; or
2. apply the Death Benefit to an annuity option.

The entire value of this contract must be distributed within five years after the date of death if the Beneficiary chooses to receive the Death Benefit in a lump sum.

If an annuity option is elected, payments from the annuity option must begin within one year of the date of death. Guaranteed annuity payments cannot extend beyond the life expectancy of the Annuitant, as defined by the Internal Revenue Code.

Beneficiary

The Beneficiary will receive the Death Benefit or under certain circumstances, any remaining annuity payments when You die. The Beneficiary will be the person(s) named as such in the application, unless later changed.

You may name new Beneficiaries, subject to the rights of any Irrevocable Beneficiary or assignee, by submitting a signed request in a form satisfactory to Us. Upon receipt, it is effective as of the date You signed the request, subject to any action We took before We received it.

If You do not name a Beneficiary or if the Beneficiary named is no longer living, the Beneficiary will be:

- Your spouse if living, otherwise;
- Your children equally if living, otherwise;
- Your estate.

We will pay multiple Beneficiaries according to the most recent written instructions We have received from You. If We do not have any written instructions, We will pay the Death Benefit or any remaining annuity payments in equal shares to the Beneficiaries. If there is more than one Beneficiary in a class and one of the Beneficiaries predeceases You, We will pay the Death Benefit or any remaining annuity payments in equal shares to the surviving Beneficiaries in that class.

IC-451000

Page 12

Ownership

The Annuitant is the owner if no other person is named in the application as owner. Unless You provide otherwise, You may exercise all rights granted by this contract, subject to the rights of any Irrevocable Beneficiary or assignee.

You may assign this contract or the interest therein to another, unless prohibited by the Internal Revenue Code. You must do so in writing in a form satisfactory to Us and file the assignment with Us. No assignment is binding on Us until We receive it. When We receive it, Your rights and those of the Beneficiary will be subject to the assignment. We are not responsible for the validity of the assignment.

Other Terms of Your Contract

Our contract with You

These pages, including a copy of the application and any attached endorsements, are Your entire contract with Us. We issued it based upon Your application and payment of the premium.

The statements made in the application, in the absence of fraud, will be treated as representations and not as warranties.

Only Our president, vice president, or the corporate secretary has the authority to change this contract. No agent may do this. Any change We make to this contract will be made in writing to You.

Incontestability

This contract will be incontestable after its Issue Date. This means that We will not use any misstatements by the owner in the application, except for the misstatement of age or sex, to challenge any claim or to avoid liability under this contract after this time.

Misstatement of age or sex

If any age or sex has been misstated, We will pay annuity payments in the amount which would have been paid at the correct age and sex. Any overpayments We have made will be deducted from future payments, including interest. Any under payments, including interest, will be paid in a lump sum to the owner if living, otherwise the Beneficiary(ies). The interest rate will not exceed 6 percent per year.

Conformity with state law

This contract is subject to the laws of the state in which it was delivered. If any part of this contract does not comply with the law, it will be interpreted by Us as if it did.

Exchange

You may exchange this contract for another annuity contract We issue if We approve the exchange.

Evidence of survival

We may require evidence of survival of any Annuitant(s).

Settlements

We may require that this contract be returned to Us prior to any settlement. We must receive Proof of Death before the settlement of a death claim. Any Surrender Value or Death Benefit under this contract will be no less than the minimum benefits required by the statutes of the state in which this contract was delivered. Payment of the Surrender Value or Death Benefit will terminate this contract. Thereafter, We will be free of any liability for this terminated contract.

Annual report

At least once a year prior to the Annuity Date, We will send a statement containing Your Account Value, Surrender Value, premium payments, credited interest and other contract information. We will provide You with Account Value information at any time upon request.

IC-451000

Page 13

(This page intentionally left blank)

(This page intentionally left blank)

Individual Flexible Premium Deferred
Variable Annuity Contract

IC-451000

<Page>

May 2, 2005

Board of Directors
Horace Mann Life Insurance Company
1 Horace Mann Plaza
Springfield, IL 62715

Directors:

I have acted as counsel to Horace Mann Life Insurance Company (the "Company"), an Illinois insurance company, and Horace Mann Life Insurance Company Separate Account (the "Account") in connection with the registration of an indefinite amount of securities in the form of flexible premium variable annuity contracts (the "Contracts") with the Securities and Exchange Commission under the Securities Act of 1933, as amended. I have examined such documents (including post-effective amendment number eighty to the Form N-4 registration statement (File No. 811-1343)) and reviewed such questions of law as I considered necessary and appropriate, and on the basis of such examination and review, it is my opinion that:

1. The Company is a corporation duly organized and validly existing as a stock life insurance company under the laws of the State of Illinois and is duly authorized to by the Insurance Department of the State of Illinois to issue the Contracts.
2. The Account is a duly authorized and existing separate account established pursuant to the provisions of the Illinois Insurance Code.
3. To the extent so provided under the Contracts, that portion of the assets of the Account equal to the reserves and other contract liabilities with respect to the Account will not be chargeable with liabilities arising out of any other business that the Company may conduct.
4. The Contracts, when issued as contemplated by the Form N-4 registration statement, will constitute legal, validly issued and binding obligations of the Company.

I hereby consent to the filing of this opinion as an exhibit to post-effective amendment number eighty to the Form N-4 registration statement for the Contracts and the Account.

Sincerely,

/s/ ANN M. CAPARROS

Ann Caparros

<Page>

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Horace Mann Life Insurance Company

We consent to the use in the registration statement (No. 2-24256811-1343) on Form N-4 of Horace Mann Life Insurance Company Separate Account of our report dated April 28, 2005, with respect to the statements of net assets of each of the forty portfolios comprising the Horace Mann Life Insurance Company Separate Account as of December 31, 2004, and the related statements of operations and changes in net assets, and the related financial highlights for the year then ended, and the reference to our Firm under the heading "Financial Statements" in the Statement of Additional Information.

/s/ KPMG LLP

Chicago, Illinois

April 28, 2005

<Page>

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Horace Mann Life Insurance Company

We consent to the use in the registration statement (No. 2-24256811-1343) on Form N-4 of Horace Mann Life Insurance Company Separate Account of our report dated April 28, 2005, with respect to the statutory statements of admitted assets, liabilities and capital and surplus of Horace Mann Life Insurance Company (the Company) as of December 31, 2004 and 2003, and the related statutory statements of operations, capital and surplus, and cash flow for each of the years in the three-year period ended December 31, 2004, and related schedules I, III & VI, and IV, and the reference to our Firm under the heading "Financial Statements" in the Statement of Additional Information.

/s/ KPMG LLP

Chicago, Illinois

April 28, 2005

<Page>

[HORACE MANN LETTERHEAD]

VIA EDGAR

May 2, 2005

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549
Attn: Ms. Ellen Sazzman

Re: Horace Mann Life Insurance Company Separate Account (the "Registrant")
Registration Statement on Form N-4
File Numbers 811-1343; 2-24256

Dear Ms. Sazzman:

This letter is provided to the Securities and Exchange Commission (the "Commission") in connection with a response being made on behalf of the Registrant to comments that you provided with respect to Post-Effective Amendment No. 78 under the Securities Act of 1933 to the Registrant's registration statement on Form N-4 filed with the Commission on February 28, 2005.

The Registrant acknowledges that the adequacy and accuracy of the disclosure in the filing is the responsibility of the Registrant. The Registrant acknowledges that any comments or changes to disclosure in the filing reviewed by the Commission staff, acting pursuant to delegated authority, do not foreclose the Commission from taking any action with respect to the filing and the Registrant represents that it will not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Very truly yours,

HORACE MANN LIFE INSURANCE COMPANY SEPARATE ACCOUNT
By: /s/ Ann Caparros
Name: Ann M. Caparros
Title: Corporate Secretary of Horace Mann Life Insurance
Company (the Depositor)