CNO Financial Group, Inc.
Form DEF 14A
March 30, 2017

Use these links to rapidly review the document
TABLE OF CONTENTS
CNO FINANCIAL GROUP, INC. AMENDED AND RESTATED LONG-TERM INCENTIVE PLAN

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant ý   Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

CNO FINANCIAL GROUP, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

CNO Financial Group, Inc.
11825 North Pennsylvania Street
Carmel, Indiana 46032

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 10, 2017

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of Shareholders of CNO Financial Group, Inc. (the "Company"), will be held at the CNO Conference Center, 11825 North Pennsylvania Street, Carmel, Indiana, at 8:00 a.m., Eastern Daylight Time, on May 10, 2017, for the following purposes:

1. To elect nine directors, each for a one-year term ending in 2018;

2. To approve the Company's Amended and Restated Long-Term Incentive Plan;

3. Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2017;

4. To approve, by non-binding advisory vote, the executive compensation of the Company's named executive officers;

5. To approve, by non-binding advisory vote, whether a shareholder vote to approve the compensation of the Company's named executive officers should occur every one, two or three years; and

6. To consider such other matters, if any, as may properly come before the meeting and any adjournment or postponement thereof.

Holders of record of outstanding shares of the common stock of the Company as of the close of business on March 13, 2017, are entitled to notice of and to vote at the meeting and any adjournment or postponement thereof. Holders of common stock have one vote for each share held of record.

In accordance with the rules of the Securities and Exchange Commission (the "SEC"), on or about March 30, 2017, we either mailed you a Notice of Internet Availability of Proxy Materials ("Notice") notifying you how to vote online and how to electronically access a copy of this Proxy Statement and the Company's Annual Report to Shareholders (together referred to as the "Proxy Materials") or mailed you a complete set of the Proxy Materials and proxy card. If you have not received but would like to receive printed copies of these documents, including a proxy card in paper format, you should follow the instructions for requesting such materials contained in the Notice.

Management and the Board of Directors respectfully request that (if you received a paper copy of the Proxy Materials) you date, sign and return the enclosed proxy card in the postage-paid envelope so that we receive the proxy card prior to the Annual Meeting, or, if you prefer, follow the instructions on your proxy card or Notice for submitting a proxy electronically or by telephone. If your shares are held in the name of a bank, broker or other holder of record, please follow the procedures as described in the voting form they send to you. If you attend the meeting in person you may withdraw your proxy and vote personally at the meeting.

By Order of the Board of Directors

Karl W. Kindig, *Senior Vice President and Secretary*

March 30, 2017
Carmel, Indiana

TABLE OF CONTENTS

	Page
Solicitation of Proxies	1
Record Date and Voting	1
Votes Required	2
Securities Ownership	4
Proposal 1 Election of Directors	6
Director Qualifications and Experience	6
Board Nominees	7
Board and Governance Matters	11
Board Committees	11
Director Compensation	12
Board Leadership Structure	13
Board Meetings and Attendance	13
Director Independence	13
Board's Role in Risk Oversight	13
Relationship of Compensation Policies and Practices to Risk Management	14
Approval of Related Party Transactions	14
Code of Ethics	15
Corporate Governance Guidelines	15
Director Stock Ownership Guidelines	15
Talent Management and Succession Planning	15
Communications with Directors	15
Compensation Committee Interlocks and Insider Participation	16
Copies of Corporate Documents	16
Executive Compensation	17
Compensation Discussion and Analysis	17
Compensation Committee Report	35
Summary Compensation Table for 2016	36
Grants of Plan-Based Awards in 2016	38
Narrative Supplement to the Summary Compensation Table and the Grants of Plan-Based Awards in 2016 Table	39
Outstanding Equity Awards at 2016 Fiscal Year-End	42
Option Exercises and Stock Vested in 2016	44
Nonqualified Deferred Compensation in 2016	44
Potential Payments Upon Termination or Change in Control	45
Proposal 2 Approval of the Amended and Restated Long-Term Incentive Plan	47
Proposal 3 Ratification of the Appointment of Our Independent Registered Public Accounting Firm	56
Fees Paid to PricewaterhouseCoopers LLP	57
Pre-Approval Policy and Independence	57
Report of the Audit and Enterprise Risk Committee	57
Proposal 4 Non-Binding Advisory Vote on Executive Compensation	59
Proposal 5 Non-Binding Advisory Vote on Frequency of Future Votes on Executive Compensation	60
Section 16(a) Beneficial Ownership Reporting Compliance	61
Shareholder Proposals for 2018 Annual Meeting	61
Annual Report	61
Householding of Proxy Materials	62
Information Related to Certain Non-GAAP Financial Measures	63
Other Matters	64
Annex A Amended and Restated Long-Term Incentive Plan	A-1

Table of Contents

CNO Financial Group, Inc.
11825 North Pennsylvania Street
Carmel, Indiana 46032

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of CNO Financial Group, Inc. ("CNO" or the "Company") for the Annual Meeting of Shareholders (the "Annual Meeting") to be held at the CNO Conference Center, 11825 North Pennsylvania Street, Carmel, Indiana on May 10, 2017, at 8:00 a.m., Eastern Daylight Time. We are sending the Notice or the Proxy Materials and proxy to shareholders on or about March 30, 2017.

Solicitation of Proxies

The proxies are solicited by the Board of Directors. Proxies may be solicited by mail, telephone, internet or in person. Proxies may by solicited by the CNO Directors and officers. All expenses relating to the preparation and distribution to shareholders of the Notice, the Proxy Materials and the form of proxy are to be paid by CNO.

If the form of proxy is properly executed and delivered in time for the Annual Meeting, the named proxy holders will vote the shares represented by the proxy in accordance with the instructions marked on the proxy. Each shareholder may appoint a person (who need not be a shareholder), other than the persons named in the proxy, to represent him or her at the Annual Meeting by properly completing a proxy. In either case, such completed proxy should be returned in the envelope provided to you for that purpose (if you have requested or received a paper copy of the Proxy Materials) for delivery no later than May 9, 2017. Proxies received that are unmarked will be voted for each of the Board's nominees for director (Proposal 1), for the approval of the amendments to the Company's Amended and Restated Long-Term Incentive Plan (the "LTIP Amendment") (Proposal 2), for ratification of the appointment of the Company's independent registered public accounting firm (Proposal 3), for approval of the compensation paid to our Named Executive Officers (Proposal 4), and for "One Year" as the frequency of future votes on executive compensation. A shareholder may revoke a proxy at any time before it is exercised by mailing or delivering to CNO a written notice of revocation or a later-dated proxy, or by attending the Annual Meeting and voting in person.

Record Date and Voting

Only holders of record of shares of CNO's common stock as of the close of business on March 13, 2017, will be entitled to vote at the Annual Meeting. On such record date, CNO had 173,655,491 shares of common stock outstanding and entitled to vote at the Annual Meeting. Each share of common stock will be entitled to one vote with respect to each matter submitted to a vote at the Annual Meeting. The presence in person or by proxy of the holders of a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum.

On or about March 30, 2017, we either mailed you a Notice notifying you how to vote online and how to electronically access a copy of the Proxy Materials or mailed you a complete set of the Proxy Materials. If you have not received but would like to receive printed copies of these documents, including a proxy card in paper format, you should follow the instructions for requesting such materials contained in the Notice.

Table of Contents

The following sets forth how a shareholder can vote over the Internet, by telephone or by mail:

Voting By Internet

If you hold your shares in street name (that is, if you hold your shares through a broker, bank or other holder of record), you can vote at www.proxyvote.com, 24 hours a day, seven days a week. You will need the 12-digit Control Number included on your Notice or your paper voting instruction form (if you received a paper copy of the Proxy Materials).

Voting By Telephone

If you hold your shares in street name, you can vote using a touch-tone telephone by calling the toll-free number included on your paper voting instruction form (if you received a paper copy of the Proxy Materials), 24 hours a day, seven days a week. You will need the 12-digit Control Number included on your notice or your paper voting instruction form.

If you hold your shares in street name, you may also submit voting instructions to your bank, broker or other holder of record. In most instances, you will be able to do this over the Internet, by telephone, or by mail. Please refer to the information from your bank, broker or other holder of record on how to submit voting instructions.

The Internet and telephone voting procedures, which comply with Delaware law and the SEC rules, are designed to authenticate shareholders' identities, to allow shareholders to vote their shares and to confirm that their instructions have been properly recorded.

Voting By Mail

If you have received a paper copy of the Proxy Materials by mail, you may complete, sign, date and return by mail the paper proxy card or voting instruction form sent to you in the envelope provided to you with your Proxy Materials or voting instruction form.

Deadline for Submitting Votes by Internet, Telephone or Mail

If you hold your shares in street name, proxies submitted over the Internet or by telephone as described above must be received by 11:59 p.m., Eastern Daylight Time, on May 9, 2017.

Proxies submitted by mail should be returned in the envelope provided to you with your paper proxy card or voting instruction form, and must be received no later than May 9, 2017.

If you want to vote in person at the Annual Meeting and you hold your shares in street name, you must obtain a legal proxy from your bank, broker or other holder of record authorizing you to vote. You must then bring the legal proxy to the Annual Meeting.

Please note that you may receive multiple copies of the Notice or Proxy Materials (electronically and/or by mail). These materials may not be duplicates as you may receive separate copies of the Notice or Proxy Materials for each type of account in which you hold shares. Please be sure to vote all of your shares in each of your accounts in accordance with the directions on the proxy card(s) and/or voting instruction form(s) that you receive. In the case of duplicate votes for shares in a particular account, your last vote is the one that counts.

Votes Required

The election of each director (Proposal 1) will be determined by the vote of the majority of the votes cast (where the number of votes cast "for" a director exceeds the number of votes cast "against" that director) by the holders of shares represented (in person or by proxy) and entitled to vote on the subject matter provided a quorum is present. The vote required to approve the Amended and Restated Long-Term Incentive Plan (Proposal 2), the ratification of the appointment of the Company's independent registered public accounting firm (Proposal 3), to approve, by non-binding advisory vote, the compensation of the Company's named executive officers (Proposal 4), to approve, by non-binding advisory vote, the frequency of future votes on the compensation of the Company's named executive officers (Proposal 5), and any other proposal properly brought before the Annual Meeting, is the affirmative vote of a majority of the shares represented (in person or by proxy) and entitled to vote on the applicable subject matter. Abstentions from voting will have no impact on the election of directors (Proposal 1) and will have the same legal effect as voting against each other proposal.

Abstentions and shares represented by "broker non-votes", as described below, are counted as present and entitled to vote for the purpose of determining a quorum. A broker non-vote occurs if you hold your shares in street name and do not provide voting instructions to your broker, bank or other holder of record on a proposal and your broker, bank or other holder of record does not have discretionary authority to vote on such proposal. Under current New York Stock Exchange rules, your broker, bank or other holder of record will not have discretionary authority to vote your shares at the Annual Meeting with respect to Proposal 1 (election of nine directors as listed in this Proxy Statement), Proposal 2 (approval of the Amended and Restated Long-Term Incentive Plan), Proposal 4 (advisory vote to approve executive compensation), and Proposal 5 (advisory vote on the frequency of future advisory votes on executive compensation). "Broker non-votes" will have no effect on the outcome of Proposals 1, 2, 4 and 5. Your broker, bank or other holder of record will have discretion to vote your uninstructed shares on Proposal 3 (ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2017).

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 10, 2017

This Proxy Statement (including all attachments), the Company's Annual Report to Shareholders (which includes the Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission ("SEC") on February 21, 2017) (which is not deemed to be part of the official proxy soliciting materials), and any amendments to the foregoing materials that are required to be provided to shareholders are available at www.proxyvote.com. Shareholders may obtain copies of the Proxy Statement, Annual Report to Shareholders (including financial statements and schedules thereto) and form of proxy relating to this or future meetings of the Company's shareholders, free of charge on our Internet website at *www.CNOinc.com* in the "Investors SEC Filings" section, by calling 317-817-2893 or by sending the Company an email at ir@CNOinc.com. For directions to the Company's 2017 Annual Meeting, please call us at 317-817-2893.

Table of Contents

SECURITIES OWNERSHIP

The following table sets forth certain information concerning the beneficial ownership of our common stock as of March 13, 2017 (except as otherwise noted) by each person known to us to beneficially own more than 5% of the outstanding shares of our common stock, each of our directors and nominees, each of our current executive officers that are named in the Summary Compensation Table on page 36 and all of our current directors, nominees and executive officers as a group. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of March 13, 2017 are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person or group of persons but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

		Shares Beneficially Owned	
Title of Class	**Name of Beneficial Owner**	**Number**	**Percentage**
Common stock	BlackRock, Inc.(1)	16,761,220	9.7%
Common stock	The Vanguard Group(2)	13,931,302	8.0
Common stock	Dimensional Fund Advisors LP(3)	12,148,100	7.0
Common stock	Edward J. Bonach(4)	1,308,546	*
Common stock	Ellyn L. Brown	42,842	*
Common stock	Robert C. Greving	52,494	*
Common stock	Stephen N. David	0	*
Common stock	Mary R. (Nina) Henderson	39,052	*
Common stock	Charles J. Jacklin	14,624	*
Common stock	Daniel R. Maurer	14,624	*
Common stock	Neal C. Schneider	90,273	*
Common stock	Frederick J. Sievert	64,624	*
Common stock	Michael T. Tokarz	116,814	*
Common stock	Gary C. Bhojwani	234,000	*
Common stock	Bruce K. Baude(5)	188,164	*
Common stock	Christopher J. Nickele(6)	120,013	*
Common stock	Erik M. Helding(7)	66,625	*
Common stock	All directors, nominees and executive officers as a group (18 persons)(8)	3,559,491	2.0%

* Less than 1%.

(1) Based solely on Amendment No. 3 to Schedule 13G filed with the SEC on January 23, 2017 by BlackRock, Inc. The Amendment No. 3 to Schedule 13G reports sole power to vote or direct the vote of 16,312,082 shares and sole power to dispose or direct the disposition of 16,761,220 shares. The business address for BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(2) Based solely on Amendment No. 4 to Schedule 13G filed with the SEC on February 10, 2017 by The Vanguard Group. The Amendment No. 4 to Schedule 13G reports sole power to vote or direct the vote of 212,553 shares, shared power to vote or direct the vote of 20,988 shares, sole power to dispose or direct the disposition of 13,707,599 shares, and shared power to dispose or direct the disposition of 223,703 shares. The business address for The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.

(3) Based solely on Amendment No. 4 to Schedule 13G filed with the SEC on February 9, 2017 by Dimensional Fund Advisors LP. The Amendment No. 4 to Schedule 13G reports sole power to vote or direct the vote of 12,076,221 shares and sole power to dispose or direct the disposition of 12,148,100 shares. The business address for Dimensional Fund Advisors LP is Building One, 6300 Bee Cave Road, Austin, TX 78746.

Table of Contents

(4) Includes options, exercisable currently or within 60 days of March 13, 2017, to purchase 828,115 shares of common stock.

(5) Includes options, exercisable currently or within 60 days of March 13, 2017, to purchase 130,975 shares of common stock.

(6) Includes options, exercisable currently or within 60 days of March 13, 2017, to purchase 72,455 shares of common stock.

(7) Includes options, exercisable currently or within 60 days of March 13, 2017, to purchase 40,925 shares of common stock.

(8) Includes options, exercisable currently or within 60 days of March 13, 2017, to purchase an aggregate of 1,685,370 shares of common stock held by executive officers.

Table of Contents

PROPOSAL 1

ELECTION OF DIRECTORS

Nine individuals will be elected to the Board at the Annual Meeting for one-year terms expiring at the 2018 annual meeting of shareholders. Each nominee listed below other than Stephen David is currently a member of the Board. As announced by the Company on February 27, 2017, Mr. David has been nominated for election to the Board at the Annual Meeting. He would fill the vacancy resulting from the retirement of director Michael Tokarz, effective at the Annual Meeting. All directors will serve until their successors are duly elected and qualified.

Director Qualifications and Experience

In considering candidates for the Board, the Governance and Nominating Committee reviews the experience, skills, attributes and qualifications of the current Board members and other potential candidates to ensure that the Board has the skills and experience to properly oversee the interests of the Company. In doing so, the Governance and Nominating Committee considers the experience, skills, attributes and qualifications of candidates in these areas:

- Insurance and financial services industry;
- Accounting or other financial management;
- Investments and investment management;
- Legal and regulatory;
- Actuarial;
- Management including service as a chief executive officer or manager of business units or functions;
- Marketing;
- Technology;
- Talent management; and
- Experience as a director of other companies.

The key experiences, qualifications, attributes and skills of each of the nominees are included in their individual biographies below.

Consideration is also given to each nominee's independence, financial literacy, personal and professional accomplishments and experience in light of the needs of the Company. For incumbent directors, past performance on the Board and contributions to their respective committees are also considered. The Governance and Nominating Committee and the Board seek directors with qualities that will contribute to the goal of having a well-rounded, diverse Board that functions well as a unit and is able to satisfy its oversight responsibilities effectively. The Governance and Nominating Committee expects each of the directors to have proven leadership, sound judgment, high ethical standards and a commitment to the success of the Company.

The Governance and Nominating Committee does not have a specific diversity policy with respect to Board candidates, but it strongly believes that the Board should have a variety of differences in viewpoints, professional

Table of Contents

experiences, educational background, skills, race, gender and age, and considers issues of diversity and background in its process of selecting candidates for the Board.

Board Nominees

The Governance and Nominating Committee engaged a third-party search firm to identify, assist in the evaluation of, and recommend potential Board candidates. After considering candidates identified during the search process, the Governance and Nominating Committee recommended that Mr. David be nominated for election to the Board at the Annual Meeting.

Should any of the nominees become unable to accept election, the persons named in the proxy will have the right to exercise their voting power in favor of such person or persons as the Board may recommend. All of the nominees have consented to being named in this Proxy Statement and to serve if elected. The Board knows of no reason why any of its nominees would be unable to accept election.

The Governance and Nominating Committee will consider candidates for director nominees put forward by shareholders. See "Shareholder Proposals for 2018 Annual Meeting" for a description of the advance notice procedures for shareholder nominations for directors.

Set forth below is information regarding each person nominated by the Board for election as a director.

Nominees for Election as Directors:

Edward J. Bonach, 63, has been chief executive officer and a director of CNO since October 1, 2011 and served as chief financial officer of the Company from May 2007 until January 2012. Mr. Bonach joined CNO from National Life Group, where he served as executive vice president and chief financial officer. Before joining National Life in 2002, he was with Allianz Life for 23 years, where his positions included President Reinsurance Division and chief financial officer. He is a Fellow of the Society of Actuaries, a member of the American Academy of Actuaries, and a Chartered Enterprise Risk Analyst. With respect to Mr. Bonach's nomination for re-election, the Board and the Governance and Nominating Committee considered his experience as chief executive officer and chief financial officer of the Company and his extensive insurance, actuarial and executive management experience.

Ellyn L. Brown, 67, joined our Board in May 2012. Until her retirement from full-time law practice, Ms. Brown practiced corporate and securities law, most recently as principal of Brown & Associates, a boutique law and consulting firm that provided operations, regulatory and governance services to financial services industry clients and other clients that operated in heavily regulated, high-scrutiny environments. Ms. Brown served as a member of the board of directors of NYSE Euronext (and predecessor entities) (NYSE:NYX) from 2005 until the acquisition of NYX by the Intercontinental Exchange in 2013, and also chaired the board of NYSE Regulation, Inc., the entity that oversaw market regulation at the NYSE and its affiliated exchanges. She has been a member of the board of directors of Walter Investment Management Corp. (NYSE:WAC) since 2009 and a member of the board of Brinker Capital Destinations Trust since January 2017. Ms. Brown served as a governor of the Financial Industry Regulatory Authority from 2007 2012 and, from 2007 2011, was a trustee of the Financial Accounting Foundation, the parent entity of the Financial Accounting Standards Board and the Governmental Accounting Standards Board. With respect to Ms. Brown's nomination for re-election, the Board and the Governance and Nominating Committee considered her extensive financial industry, legal and regulatory experience.

Table of Contents

Stephen N. David, 68, has been nominated for election at the Annual Meeting, succeeding Michael Tokarz who is retiring from our Board. Mr. David has been a Senior Advisor with The Boston Consulting Group since 2005, providing strategic planning services in sales, marketing and technology to a variety of clients across multiple industries, including financial services. He retired in 2005 after 34 years with Procter & Gamble ("P&G"). During his P&G career Mr. David held multiple senior management positions including Chief Information Officer, Global Customer Development Officer, and Senior Vice President, Business Development. He served as a director of Checkpoint Systems, Inc., which provides merchandise availability solutions for the retail industry, encompassing loss prevention and merchandise visibility, from 2012 until the completion of the sale of the company in May 2016. He also served as a director of Iomega Corporation, a consumer technology company, from 2002 until its acquisition by EMC Corporation in 2008. With respect to Mr. David's nomination for election, the Board and the Governance and Nominating Committee considered his extensive leadership experience in technology, strategy, marketing and sales.

Robert C. Greving, 65, joined our Board in May 2011. Mr. Greving is the retired executive vice president, chief financial officer and chief actuary for Unum Group, having held those positions from 2005 to 2009. Mr. Greving also served as president of Unum International Ltd., Bermuda. Before becoming executive vice president and chief financial officer of Unum Group in 2003, he held senior vice president, finance, and chief actuary positions with Unum Group and with The Provident Companies, Inc., which merged with Unum Group. His duties prior to retirement included directing all aspects of the finance and actuarial responsibilities for the corporate and nine insurance subsidiary insurance companies of Unum Group. He previously held senior positions with PennCorp Dallas Operations, Southwestern Life Insurance Company, American Founders Insurance Company, Aegon USA and Horace Mann Life Insurance Company during his 35 years in the insurance industry. He is a Fellow of the Society of Actuaries. With respect to Mr. Greving's nomination for re-election, the Board and the Governance and Nominating Committee considered his extensive experience with the management of companies in the life, health, disability and annuity lines of business and in particular with the actuarial, financial and investment disciplines.

Mary R. (Nina) Henderson, 66, joined our Board in August 2012. Ms. Henderson is the managing partner of Henderson Advisory, a consulting practice providing marketing perspective and business evaluation to investment management firms in the consumer products and food industries. Previously she was a corporate vice president of Bestfoods and president of Bestfoods Grocery. During her 30-year career with Bestfoods, and its predecessor company CPC International, Ms. Henderson held a wide variety of international and North American general management and executive marketing positions. Ms. Henderson has been a director of IWG plc (formerly Regus plc) since May 2014 and has been a director of Hikma Pharmaceuticals plc since October 2016. She previously served as a director of Walter Energy, Inc. (2013 2016), Del Monte Foods Company (2002 2011), The Equitable Companies (1996 2000), AXA Financial (2001 2011), Pactiv Corporation (2000 2010), Royal Dutch Shell plc and its predecessor company The Shell Transport and Trading Company (2001 2009) and the Hunt Corporation (1991 2002). With respect to Ms. Henderson's nomination for re-election, the Board and the Governance and Nominating Committee considered her management leadership experience, consumer marketing background, and her experience as a director of companies in a variety of industries, including insurance.

Table of Contents

Charles J. Jacklin, 62, joined our Board in May 2015. Mr. Jacklin has more than 30 years of finance and investment experience. He served as Chief Executive Officer and President of Mellon Capital Management Corporation from 2006 until March 2011 and then served as Chairman until his retirement at the end of 2012. Mr. Jacklin also held several other executive management positions in his 18 years with Mellon Capital Management including chief investment strategist, where he was responsible for investment strategies and research, and director of asset allocation strategies, where he was responsible for portfolio management in domestic, international and global asset allocation strategies. He has also taught finance and investment strategy for 10 years at the University of Chicago and Stanford University Schools of Business. With respect to Mr. Jacklin's nomination for re-election, the Board and the Governance and Nominating Committee considered his extensive investment, investment risk management and finance experience.

Daniel R. Maurer, 60, joined our Board in May 2015. Mr. Maurer was a member of the senior management team at Intuit Inc. from 2006 until his retirement in 2014. In his most recent role at Intuit, he oversaw the Small Business Solutions Group (including QuickBooks payroll, DemandForce, and QuickBase), and previously led the TurboTax®, Mint, and Quicken brands. Mr. Maurer has extensive global consumer retail sales and marketing experience with over 20 years in executive management at Procter & Gamble ("P&G"), including 15 years internationally. As General Manager of Global Customer Development at P&G's headquarters, he was tasked with building an effective marketing strategy to achieve a competitive advantage with P&G's largest global customers including Wal-Mart, Costco, Ahold, Tessco, and Carrefour. Subsequent to his tenure at P&G, Mr. Maurer was Vice President of Strategy for Global Sales and US Business at Campbell's Soup. He has served since 2012 on the board of directors of Zagg Inc, which designs, produces and distributes mobile accessory solutions, and served as a director of Checkpoint Systems, Inc., which provides merchandise availability solutions for the retail industry, encompassing loss prevention and merchandise visibility, from January 2016 until the completion of the sale of the company in May 2016. Previously, Mr. Maurer served as a director of Iomega Corporation, a consumer technology company, from 2006 until its acquisition by EMC Corporation in 2008. With respect to Mr. Maurer's nomination for re-election, the Board and the Governance and Nominating Committee considered his extensive experience in marketing and marketing strategy, including the use of digital marketing strategies to reach the middle market.

Neal C. Schneider, 72, joined our Board in September 2003. Mr. Schneider served from 2003 until 2010 as the non-executive chairman of the board of PMA Capital Corporation, whose subsidiaries provide insurance products, including workers' compensation and other commercial property and casualty lines of insurance, as well as fee-based services. He also served on the executive, audit and governance committees for PMA Capital. Until his retirement in 2000, Mr. Schneider spent 34 years with Arthur Andersen & Co., including service as partner in charge of the Worldwide Insurance Industry Practice and the North American Financial Service Practice. Between 2000 and 2002, he was an independent consultant and between 2002 and 2003, Mr. Schneider was a partner of Smart and Associates, LLP, a business advisory and accounting firm. With respect to Mr. Schneider's nomination for re-election, the Board and the Governance and Nominating Committee considered his extensive knowledge and experience in accounting and financial matters, particularly with respect to insurance companies, and in corporate governance.

Table of Contents

Frederick J. Sievert, 69, joined our Board in May 2011. Mr. Sievert is the retired President of New York Life Insurance Company, having served in that position from 2002 through 2007. Mr. Sievert shared responsibility for overall company management in the Office of the Chairman, from 2004 until his retirement in 2007. Mr. Sievert joined New York Life in 1992 as senior vice president and chief financial officer of the individual insurance businesses. In 1995 he was promoted to executive vice president and was elected to the New York Life board of directors in 1996. Prior to joining New York Life, Mr. Sievert was a senior vice president for Royal Maccabees Life Insurance Company, a subsidiary of the Royal Insurance Group of London, England. Mr. Sievert is a Fellow of the Society of Actuaries. He has been a director of Reinsurance Group of America, Incorporated since 2010. With respect to Mr. Sievert's nomination for re-election, the Board and the Governance and Nominating Committee considered his extensive insurance, actuarial and executive management experience.

Voting for Directors; Required Vote

The election of each director will be determined by the vote of the majority of the votes cast (where the number of votes cast "for" a director exceeds the number of votes cast "against" that director) by the holders of shares of common stock present in person, or represented by proxy, and entitled to vote on the proposal at the Annual Meeting.

In an uncontested election of directors at which a quorum is present, any incumbent director who fails to receive a majority of the votes cast (where the number of votes cast "for" a director exceeds the number of votes cast "against" that director) shall offer to tender his or her resignation to the Board. In such event, the Governance and Nominating Committee will consider the offer and make a recommendation to the Board whether to accept or reject the resignation or whether other action should be taken. The Board will publicly disclose its decision and rationale within 90 days from the certification of the election results.

Recommendation of our Board of Directors

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION TO THE BOARD OF EACH OF THE COMPANY'S DIRECTOR NOMINEES LISTED ABOVE.

Table of Contents

BOARD AND GOVERNANCE MATTERS

Board Committees

Audit and Enterprise Risk Committee. The Audit and Enterprise Risk Committee's functions, among others, are to recommend the appointment of independent accountants; review the arrangements for and scope of the audit by the independent accountants; review the independence of the independent accountants; consider the adequacy of the system of internal accounting controls and review any proposed corrective actions; provide oversight of the Company's internal audit department; review and monitor the Company's compliance with legal and regulatory requirements; discuss with management and the independent accountants our draft annual and quarterly financial statements and key accounting and/or reporting matters; and oversee management's processes for managing enterprise risk. The Audit and Enterprise Risk Committee itself does not prepare financial statements or perform audits and its members are not auditors or certifiers of the Company's financial statements. The Audit and Enterprise Risk Committee currently consists of Mr. Greving, Ms. Henderson, Mr. Jacklin and Mr. Schneider, with Mr. Greving serving as chairman of the committee. Based on their experience, Mr. Greving and Mr. Schneider each qualify as an "audit committee financial expert," as defined under SEC rules promulgated under the Sarbanes-Oxley Act. All current members of the Audit and Enterprise Risk Committee are "independent" within the meaning of the regulations adopted by the SEC including Section 10A(m)(3) of the Securities Exchange Act of 1934 and the listing requirements adopted by the New York Stock Exchange regarding audit committee membership. The current members also satisfy the financial literacy qualifications of the New York Stock Exchange listing standards. The committee met on 10 occasions in 2016. The duties and responsibilities of the Audit and Enterprise Risk Committee are set forth in its charter, which is available in the Investor Relations section of our website at *www.CNOinc.com.*

Governance and Nominating Committee. The Governance and Nominating Committee is responsible for, among other things, establishing criteria for Board membership; considering, recommending and recruiting candidates to fill new positions on the Board; reviewing candidates recommended by shareholders; and considering questions of possible conflicts of interest involving Board members, executive officers and key employees. It is also responsible for developing principles of corporate governance and recommending them to the Board for its approval and adoption, and reviewing periodically these principles of corporate governance to insure that they remain relevant and are being complied with. The Governance and Nominating Committee currently consists of Mr. Tokarz, Ms. Brown, Mr. Maurer, Mr. Schneider and Mr. Sievert, with Mr. Tokarz serving as chairman of the committee. All current members of the Governance and Nominating Committee are "independent" within the meaning of the listing requirements adopted by the New York Stock Exchange regarding nominating committee membership. The committee held three meetings during 2016. The duties and responsibilities of the Governance and Nominating Committee are set forth in its charter, which is available in the Investor Relations section of our website at *www.CNOinc.com.*

Human Resources and Compensation Committee. The Human Resources and Compensation Committee is responsible for, among other things, approving overall compensation philosophy and strategy; evaluating the performance of the chief executive officer and recommending to the Board the compensation of the chief executive officer; reviewing and approving on an annual basis the evaluation process and compensation structure for the Company's other executive officers as recommended by the chief executive officer; ensuring that appropriate programs and procedures are established to provide for the development, selection, retention and succession of officers and key personnel; and reviewing and administering our incentive compensation and equity award plans. The report of the Human Resources and Compensation Committee appears on page 35 of this Proxy Statement. The Human Resources and Compensation Committee currently consists of Mr. Sievert, Ms. Brown, Mr. Maurer and Mr. Tokarz, with Mr. Sievert serving as committee chair. All current members of the Human Resources and Compensation Committee are "independent" within the meaning of the listing requirements adopted by the New York Stock Exchange regarding compensation committee membership and qualify as "non-employee" directors for purposes of Rule 16b-3 of the Securities Exchange Act of 1934 and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code. The committee met on seven occasions

Table of Contents

in 2016. The duties and responsibilities of the Human Resources and Compensation Committee are set forth in its charter, which is available in the Investor Relations section of our website at *www.CNOinc.com.*

Investment Committee. The Investment Committee is responsible for, among other things, reviewing investment policies, strategies and programs; reviewing the procedures which the Company utilizes in determining that funds are invested in accordance with policies and limits approved by it; and reviewing the quality and performance of our investment portfolios and the alignment of asset duration to liabilities. The Investment Committee currently consists of Mr. Jacklin, Mr. Bonach, Mr. Greving and Ms. Henderson, with Mr. Jacklin serving as chairman of the committee. The committee met on four occasions in 2016. The duties and responsibilities of the Investment Committee are set forth in its charter, which is available in the Investor Relations section of our website at *www.CNOinc.com.*

Executive Committee. Subject to the requirements of applicable law, including our certificate of incorporation and bylaws, the Executive Committee is responsible for exercising, as necessary, the authority of the Board in the management of our business affairs during intervals between Board meetings. The Executive Committee currently consists of Mr. Schneider, Mr. Bonach and Mr. Greving, with Mr. Schneider serving as chairman of the committee. The duties and responsibilities of the Executive Committee are set forth in its charter, which is available in the Investor Relations section of our website at *www.CNOinc.com.*

Director Compensation

Our non-employee directors currently receive an annual cash retainer of $88,000. Our non-executive chairman receives a fee equal to 200% of the base cash fees and equity awards paid to the other non-employee directors. The chairs of the Audit and Enterprise Risk Committee and the Human Resources and Compensation Committee each currently receive an additional annual cash fee of $30,000, and directors who chair one of our other Board committees (other than the Executive Committee) receive an additional annual cash fee of $20,000. Each member of the Audit and Enterprise Risk Committee (including the chair) receives an additional annual cash retainer of $15,000 and each member of the Human Resources and Compensation Committee (including the chair) receives an additional annual cash retainer of $10,000. Cash fees are paid quarterly in advance. In addition to the cash payments, our non-employee directors currently receive an annual equity award of $132,000, which vests immediately upon grant. The Board's policy is to review and set the compensation of the non-employee directors each year at the Board meeting that follows the Annual Meeting and to make equity awards to those directors at that time. Directors are reimbursed for out-of-pocket expenses, including first-class airfare, incurred in connection with the performance of their responsibilities as directors. The compensation paid in 2016 to our non-employee directors is summarized in the table below:

DIRECTOR COMPENSATION IN 2016

Name	Fees Earned or Paid in Cash(1)	Stock Awards(2)	Total
Ellyn L. Brown	$ 98,000	$ 131,996	$ 229,996
Robert C. Greving	133,000	131,996	264,996
Mary R. (Nina) Henderson	103,000	131,996	234,996
Charles J. Jacklin	123,000	131,996	254,996
Daniel R. Maurer	98,000	131,996	229,996
Neal C. Schneider	191,000	263,991	454,991
Frederick J. Sievert	128,000	131,996	259,996
Michael T. Tokarz	118,000	131,996	249,996

(1) This column represents the amount of cash compensation paid in 2016 for Board service, for service as non-executive chairman, for service on the Audit and Enterprise Risk Committee or the Human Resources and Compensation Committee, and for chairing a committee, as applicable.

Table of Contents

(2)
The amounts in this column are computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("ASC 718") and represent the grant date fair values for shares of common stock awarded. On May 5, 2016, Mr. Schneider received an award of 14,324 shares of common stock and each of the other directors listed received an award of 7,162 shares of common stock. These awards vested immediately upon grant.

Board Leadership Structure

CNO has a non-executive, independent director, who serves as chairman of the Board. Mr. Schneider has served in that capacity since 2011. The Board believes that its leadership structure, with a non-executive chairman position separate from the chief executive officer, provides appropriate, independent oversight of management and the Company. The non-executive chairman of the Board (1) presides at all meetings of the Board and shareholders; (2) presides during regularly held sessions with only the independent directors; (3) encourages and facilitates active participation of all directors; (4) develops the calendar of and agendas for Board meetings in consultation with the chief executive officer and other members of the Board; (5) determines, in consultation with the chief executive officer, the information that should be provided to the Board in advance of the meeting; and (6) performs any other duties requested by the other members of the Board.

As discussed below, each member of our Board is independent other than Mr. Bonach, our chief executive officer. As CEO, Mr. Bonach, subject to the direction of the Board, is in charge of the business and affairs of CNO and is our chief policy making officer. Our Board and its committees play an active role in overseeing the Company's business. The directors bring a broad range of leadership, business and professional experience to the Board and actively participate in Board discussions. The Board believes that having a non-executive chairman and a Board comprised almost entirely of independent, non-employee directors best serves the interests of our shareholders and the Company.

Board Meetings and Attendance

During 2016, the Board met on 12 occasions. Each director attended at least 75% of the aggregate meetings of the Board and Board committees on which he or she served. The independent directors regularly meet in executive session without the chief executive officer or any other member of management. The non-executive chairman presides at such executive sessions.

In addition, CNO has a policy that all directors attend the annual meeting of shareholders. All of our directors attended the annual meeting of shareholders held in 2016.

Director Independence

The Board annually determines the independence of directors based on a review by the directors. Although the Board has not adopted categorical standards of materiality for independence purposes, no director is considered independent unless the Board has determined that he or she has no material relationship with CNO, either directly or as an officer, shareholder or partner of an organization that has a material relationship with CNO. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. The Board considers the Company's Corporate Governance Guidelines, the applicable rules and regulations of the SEC and the listing standards of the New York Stock Exchange in making its determination regarding independence and the materiality of any relationships with CNO. The Board has determined that all current directors other than Mr. Bonach are independent.

Board's Role in Risk Oversight

Enterprise risk management is integral to our business. The Board is responsible for overseeing the Company's risk profile and management's processes for managing risk. The oversight of certain risks, including those relating to the Company's capital structure and capital management is done by the full Board. The Board

Table of Contents

has delegated primary responsibility for many aspects of the Board's risk oversight to the Audit and Enterprise Risk Committee. The Audit and Enterprise Risk Committee receives reports at its meetings and oversees management's processes for managing enterprise risk, including the risk management process associated with financial controls, insurance reserves, legal, regulatory and compliance risks, and the overall risk management structure, process and function. Other Board committees oversee risk management related to specific functions. The Investment Committee oversees investment and asset-liability management risk. The Human Resources and Compensation Committee oversees risks associated with our compensation programs so that incentives are not provided for inappropriate risk taking, as further discussed below.

Our leadership strongly supports an active and engaged risk management process. CNO has established an enterprise risk management committee comprised of senior management from business units and functions throughout the Company. This enterprise risk management committee meets at least once each quarter and is chaired by the chief executive officer. CNO also has an investment and asset-liability management committee comprised of senior management from various functions and the presidents of each business segment. This committee meets at least once each quarter and is chaired by the chief investment officer. The Company has a senior vice president who is responsible for the coordination of enterprise risk management activities. Reports on different aspects of the Company's enterprise risk management are provided to the Board, to the Audit and Enterprise Risk Committee, to the Investment Committee and to other Board committees, as appropriate, on a regular basis.

As part of its risk oversight responsibilities, the Board and its committees review policies and processes that senior management uses to manage the Company's risk exposure. In doing so, the Board and its committees review the Company's risk appetite statement, overall risk function and senior management's establishment of appropriate systems and processes for managing insurance risk, interest rate and asset-liability management risk, credit and counterparty risk, liquidity risk, operational risk and reputational risk.

Relationship of Compensation Policies and Practices to Risk Management

The Human Resources and Compensation Committee has reviewed our compensation programs and believes that they carefully and appropriately balance risks and rewards and do not incentivize inappropriate risk taking. Our incentive plans include multiple performance measures, most of which are financial in nature, and are designed to hold employees accountable for sustained improvement in the core operating performance of the Company. We structure our pay to include both fixed and variable compensation and our variable compensation is capped at no more than two times the target opportunities. In addition, our officers' compensation aligns them with shareholder interests through equity-based awards with multiple year vesting.

Approval of Related Party Transactions

Under the Company's written policy, transactions and agreements with related persons (directors, director nominees and executive officers or members of their immediate families, or shareholders owning five percent or more of the Company's outstanding stock) that meet the minimum threshold for disclosure in the proxy statement under applicable SEC rules (generally transactions involving amounts exceeding $120,000 in which a related person has a direct or indirect material interest) must be approved by the Board or a committee comprised solely of independent directors. In considering the transaction or agreement, the Board or committee will consider all relevant factors including the business reason for the transaction, available alternatives on comparable terms, actual or apparent conflicts of interest and the overall fairness of the transaction to the Company. Any proposed transactions that might be considered a related person transaction are to be raised with the chairman of the Board or the chairman of the Governance and Nominating Committee. They will jointly determine whether the proposed transaction should be considered by the full Board (recusing any directors with conflicts) or by a Board committee of independent directors. Related person transactions are to be approved in advance whenever practicable, but if not approved in advance are to be ratified (if the Board or committee considers it appropriate to do so) as soon as practicable after the transaction. There were no related party transactions or agreements involving the Company in 2016 or to date in 2017.

Various Company policies and procedures, including the Code of Business Conduct and Ethics and annual questionnaires completed by all company directors, officers and employees, require disclosure of transactions or relationships that may constitute conflicts of interest or otherwise require disclosure under applicable SEC rules. Any related person transactions that are identified under these additional policies and procedures are to be considered under the process described above.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all officers, directors and employees regarding their obligations in the conduct of the Company's affairs. A copy of the Code of Business Conduct and Ethics is available under Corporate Governance in the Investor Relations section of our website at *www.CNOinc.com*. Within the time period specified, and to the extent required, by the SEC and the New York Stock Exchange, we will post on our website any amendment to our Code of Business Conduct and Ethics and any waiver applicable to our principal executive officer, principal financial officer or principal accounting officer (there have been no such waivers).

Corporate Governance Guidelines

CNO is committed to best practices in corporate governance. The Board, upon the recommendation of the Governance and Nominating Committee, has adopted a set of Board Governance Operating Guidelines. These are reviewed by the Governance and Nominating Committee and the Board and updated periodically to reflect the Board's view of current best practices. A copy of the CNO Board Governance Operating Guidelines is available under Corporate Governance in the Investor Relations section of our website at *www.CNOinc.com*.

Director Stock Ownership Guidelines

The Board has adopted guidelines regarding ownership of CNO common stock by the directors. The amounts set forth in these guidelines provide for each director to own shares of common stock with a value of at least five times his or her annual base cash compensation. Directors are given five years from the date of their initial election to reach that level of ownership. Based on the current base cash compensation for directors of $88,000 per year, the ownership guidelines call for each director to own shares with a value of at least $440,000. As of March 13, 2017, all directors who have served on the Board for at least five years met these stock ownership guidelines, and each of the other directors met, or was on track to meet, these guidelines.

Talent Management and Succession Planning

The Board is actively involved with the Company's talent management process. At least annually, the Board reviews the Company's leadership team, which includes a detailed discussion of succession plans for the chief executive officer and other members of executive and senior management. In addition, the Board regularly discusses the Company's plans for talent development, with a focus on high potential individuals who are in the position to make the most significant contributions to the Company and to serve as its future leaders.

Communications with Directors

Shareholders and other interested parties wishing to communicate directly with the Board or any one or more individual members (including the chairman of the Board or the non-management directors as a group) are welcome to do so by writing to the CNO Corporate Secretary, 11825 North Pennsylvania Street, Carmel, Indiana, 46032. The Corporate Secretary will forward any communications to the director or directors specified by the shareholder or other interested party.

Table of Contents

Compensation Committee Interlocks and Insider Participation

During 2016, the directors who served on the Human Resources and Compensation Committee were the current members (Ms. Brown, Mr. Sievert, Mr. Maurer and Mr. Tokarz). None of the members of the Human Resources and Compensation Committee during 2016 is or has been one of our officers or employees. None of our executive officers serves, or served during 2016, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or Human Resources and Compensation Committee.

Copies of Corporate Documents

In addition to being available under Corporate Governance in the Investor Relations section of our website at *www.CNOinc.com*, we will provide to any person, without charge, a printed copy of our committee charters, Code of Business Conduct and Ethics and Board Governance Operating Guidelines upon request being made to CNO Investor Relations, 11825 N. Pennsylvania Street, Carmel, Indiana 46032; or by telephone: (317) 817-2893 or email: ir@CNOinc.com.

Table of Contents

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis ("CD&A") describes the Company's executive compensation program and explains how the Human Resources and Compensation Committee (the "Committee") made compensation decisions for the following Named Executive Officers (the "NEOs") in 2016:

Named Executive Officer	**Position with the Company in 2016**
Edward Bonach	Chief Executive Officer
Gary Bhojwani	President
Bruce Baude	EVP, Chief Operations & Technology Officer
Christopher Nickele	EVP, Chief Actuary
Erik Helding	EVP, Chief Financial Officer

Mr. Bhojwani was hired on April 18, 2016, and Mr. Helding was promoted to Chief Financial Officer on April 11, 2016. Scott Perry served as Chief Business Officer until April 2016. Please see "Compensation of Former Chief Business Officer" on page 33 for additional information regarding his compensation in 2016.

EXECUTIVE SUMMARY

Our Business

CNO Financial Group, Inc. is a Fortune 1000 company, with $4.0 billion in total revenues for the year ending December 31, 2016. CNO's insurance companies are leading providers of supplemental health insurance, life insurance and annuities to middle-income pre-retiree and retired Americans to help them protect against financial adversity and provide for a more secure retirement.

Our vision is to become the leader in meeting Middle America's needs for financial security and readiness for the life of their retirement. Our strategic plans are focused on continuing to grow and deliver long-term value for all our stakeholders. In the last year, we have continued to see change, including innovative technology, economic shifts, the presidential election, changing regulations and increasing competition. These changes impact our associates, agents, customers and our business. In determining how to achieve the level of growth we want and need, our strategy for 2017 and beyond has evolved to position CNO to deliver products and services that best meet the growing needs of middle-income Americans in this ever-changing, dynamic environment.

2016 Business Highlights

In 2016, CNO demonstrated continued financial strength, with solid earnings, net operating income, and growth in book value. Meaningful increases in first-year and total collected premiums were driven by strong annuity sales, expanded customer reach, and pricing discipline. Sustained quarter-after-quarter in-force policy growth and increased annuity account values indicate our ability to achieve enterprise growth through sales and the retention of satisfied customers.

Specific results included first-year collected premiums up 12% over 2015 to $1,344.8 million, total collected premiums up 6% to $3,610.6 million, net income per diluted share up 45% to $2.01, and net operating income per diluted share up 4% to $1.47.

We returned $258 million to shareholders in 2016, with $203 million in common stock repurchases and $55 million in common stock dividends. From the initiation of our share buyback program in 2011, we have returned over $1.9 billion to shareholders via securities repurchases and common stock dividends.

Table of Contents

Our financial condition and capital generation continued to be strong in 2016. Our consolidated risk-based capital ratio increased to 459%, and book value per diluted share, excluding accumulated other comprehensive income (loss)*, increased to $22.02 from $20.05 in 2015. Our debt-to-total-capital ratio, excluding accumulated other comprehensive income*, at the end of 2016, was 19.1% compared to 19.6% at the end of 2015.

Although we realized a setback in our objective to reduce long-term care exposure by recapturing a closed block of long-term care business previously ceded to a reinsurance entity, we acted swiftly with state insurance regulators to limit uncertainty and disruption to our affected policyholders, while minimizing financial risk.

We effectively executed on a number of key initiatives in 2016, including new product releases and solutions to improve our customer experience. We launched our in-house broker/dealer and registered investment advisor, Bankers Life Securities and Bankers Life Investment Advisors, offering our middle-market consumers a range of investment and planning solutions. Additionally, CNO made a strategic investment in Tennenbaum Capital Partners, an investment management firm with over $6 billion in committed capital under management. This non-controlling, minority interest transaction is a long-term opportunity for ownership in a growing platform, and allows for diversification of our income into alternative investments, and further utilization of our tax assets.

2016 Total Compensation Highlights

Our compensation programs are designed to attract, retain and motivate the executives who lead our Company. The Committee has established programs and practices that align management's interests with those of the Company's shareholders, and thus help drive the creation of long-term shareholder value. We believe our compensation program supports our belief in pay for performance by providing a significant amount of compensation in the form of equity, by balancing both short- and long-term incentives that are tied to Company performance, and by delivering both fixed and variable compensation (pay-at-risk) in appropriate measure to retain and motivate our leaders, all of which are tied to our business results and market practices. In 2016, our executive compensation program consisted of:

Long-Term Incentive Compensation (LTI). We believe performance-based equity compensation aligns our NEOs to shareholder interests and helps drive long-term shareholder value creation, while also facilitating the retention of key executive talent. In 2016, the Committee approved the following forms of equity compensation:

- Annual equity awards are delivered in the form of Performance Shares ("P-Shares") and stock options (both pay-at-risk):
  - One half of long-term compensation value is delivered in the form of P-Shares, which only pay out in Company stock if specific levels of performance relative to Operating Return on Equity ("Operating ROE") and Relative Total Shareholder Return ("TSR") are achieved. The 2014 2016 grant did not achieve threshold for TSR P-Shares, but paid out 126% of target for Operating ROE P-Shares. The aggregate payout for the 2014 2016 P-Shares was 63%.
  - The other half of long-term compensation value is delivered in the form of Stock Options, which allow executives to purchase Company stock at a specific market price on the date of grant, thus encouraging executives to actions leading to long-term increases in the Company's stock price.
  - Mr. Bonach's 2016 long-term equity compensation comprised 65% of his total target compensation, while equity compensation made up 54% for the other current NEOs, on average.
- Time-based restricted stock has also been used in certain circumstances to recognize high performance, high potential, retention of specific leaders, or as an inducement to join our Company. In 2016:
  - Mr. Bhojwani was granted 234,000 Restricted Shares in order to induce him to join the Company.
  - Mr. Baude was granted 19,824 Restricted Shares. In addition, the Committee granted Mr. Baude $800,000 to be placed in a non-qualified deferred compensation plan, $400,000 of which will vest

*

For a definition and reconciliation of this measure to the corresponding measure under generally accepted accounting principles ("GAAP"), see "Information Related to Certain Non-GAAP Financial Measures" on page 63 of this Proxy Statement.

Table of Contents

on June 1, 2017 and the remaining $400,000 to vest on June 1, 2018, in recognition of his contributions and to ensure retention of his skills, ability and leadership.

Mr. Nickele was granted 16,520 Restricted Shares in recognition of his continued valuable contributions.

Mr. Helding was granted 17,300 Restricted Shares in recognition of his promotion to Chief Financial Officer.

Annual Cash Incentive. Our annual incentive plan, the "P4P" Plan, is designed to focus on and reward achievement of annual performance goals. It is the broadest of our management incentive programs, covering our NEOs and approximately 600 other key employees. All participants in the P4P plan, including our NEOs, are assigned target incentive opportunities expressed as a percentage of base salary (pay-at-risk).

In 2016, Operating EPS, Policies In-Force, GAAP Revenue, Combined In-Force EBIT and Combined Value of New Business ("VNB") were metrics for all of our NEOs.

In 2016, Mr. Bonach received an increase to his target incentive percent from 135% of his base salary to 150%, based on his leadership of the Company and to align his annual cash incentive opportunity to market competitive norms.

In 2016, P4P payouts ranged from 113.7% to 119.4% of target for our NEOs.

Base Salary. Base salary is the only fixed component of executive compensation and makes up the smallest percentage of total compensation.

In 2016, base salary (fixed compensation) represented 14% of total target compensation for Mr. Bonach.

For the remaining NEOs, base salary represented 28% (on average) of total target compensation.

Three NEOs received a merit base salary increase in 2016 ranging from 3.1% to 5%.

These components delivered the following compensation for our NEOs in 2016:

NEO Compensation Delivered in 2016

Named Executive Officer	January 1, 2016 Base Salary	December 31, 2016 Base Salary	% Change During 2016	2016 P4P	2016 Annual LTI Grant[(1)]
Edward Bonach	$ 1,000,000	$ 1,000,000	0.0%	$ 1,764,829	$ 4,607,715
Gary Bhojwani[(2)]	n/a	$ 750,000	n/a	$ 751,579	$ 4,833,325
Bruce Baude[(3)]	$ 485,000	$ 600,000	23.7%	$ 635,149	$ 1,203,825
Christopher Nickele	$ 400,000	$ 420,000	5.0%	$ 476,485	$ 1,146,401
Erik Helding[(4)]	$ 250,000	$ 400,000	60.0%	$ 302,946	$ 730,162

(1) Expressed as the aggregate grant date fair value of stock options, performance shares and restricted stock granted in 2016.

(2) Mr. Bhojwani was hired on April 18, 2016.

(3) Mr. Baude received a 3.1% merit increase in February 2016 in recognition of his performance, and a $100,000 base salary adjustment on June 2016 in recognition of his valuable contributions to the Company.

(4) Mr. Helding received a 5% merit increase in February 2016, a further 52% increase in April 2016 to bring his base salary in-line with market competitive levels and in recognition of his promotion to CFO.

Table of Contents

Maintaining Best Practices in Executive Compensation

The Committee strives to maintain best practices in corporate governance in our executive compensation programs. Conversely, there are several practices which we do not consider representative of good corporate governance, and therefore do not do.

What We Do

ü **Pay-for-Performance**: The majority of NEO target total compensation is tied to Company, Business-segment and/or individual performance, and is therefore considered by the Company to be "Pay-at-Risk" (payouts contingent upon performance). 86% of Mr. Bonach's target total compensation is at risk, as is 72% of all other NEOs target total compensation, on average.

ü **Balanced View on Performance**: We take a balanced approach to measuring our performance by using both relative and absolute performance measures in our compensation programs.

ü **Stock Ownership Guidelines**: In order to align our executives with shareholder interests, our CEO and all of his direct reports (including the other NEOs) are required to maintain ownership levels in accordance with Company policy. Mr. Bonach is required to maintain ownership equal to 5x his base salary, while all other NEOs are required to maintain ownership equal to 2x their base salaries. Until the guidelines are met, the officer is required to retain ownership of not less than one-half of the net shares of CNO common stock received, after payment of applicable taxes, upon the vesting or exercise of any equity award. As of December 31, 2016, all NEOs have met or are within their allowable timeframes for meeting these guidelines.

ü **Double-Trigger Change-in-Control**: All employment agreements and equity award agreements for NEOs require a qualified termination of employment in addition to a change in control of the Company in order for change in control benefits to be triggered.

ü **Strong Clawback Rights**: Our P4P and LTI plans have clawback provisions that include recapture rights of any incentive amount paid or vested in the event that the Committee determines that the achievement of performance goals was based on incorrect data, errors, omissions or fraud.

ü **Independence of Executive Compensation Consultant (Aon Hewitt)**: The Committee has engaged an independent executive compensation advisor, taking SEC and NYSE guidelines into consideration. Aon Hewitt has no business or personal relationships with our NEOs or Board members.

ü **Independence of Committee members**: All Committee members are independent of the Company.

ü **Ongoing Succession Planning**: Throughout the year, the Committee regularly engages in in-depth discussions regarding succession planning and talent development of our executives.

ü **Strive to Understand Our Shareholders' Views on Executive Compensation**: We had strong Say on Pay results from the 2016 Annual Meeting, at which approximately 99% of the votes cast were for approval of the Company's 2015 executive compensation as described in last year's proxy.

What We Do Not Do

No Supplemental Executive Retirement Plans: We do not offer SERPs to our current executives.

No Significant Perquisites: Our executives participate in broad-based Company-sponsored benefits programs on the same basis as other full-time associates.

No Re-pricing of Stock Options: Re-pricing of underwater stock options without shareholder approval is prohibited (except in the event of certain permissible corporate events).

No Hedging: Senior executives, including NEOs, are prohibited from hedging activities related to our equity securities, including holding shares in a margin account.

Role of the Human Resources and Compensation Committee

The Committee determines the components and amount of compensation for our executive officers and provides overall guidance for our employee compensation policies and programs. In addition, the Committee

Table of Contents

actively monitors our executive development and succession planning activities related to our senior executives and other members of management. Currently, four members of our Board of Directors sit on the Committee, each of whom is an independent director under the New York Stock Exchange listing requirements, the exchange upon which our stock trades. From time to time, other Board members may also participate in the Committee's meetings, though these ad hoc participants do not participate in making pay decisions. The full Board of Directors receives regular reports of Committee deliberations and decisions and, at least once annually, the full Board reviews the Committee's written evaluation of the Chief Executive Officer's performance and compensation. The Committee's functions are more fully described in its charter, which can be found in the Investor Relations section of our website at *www.CNOinc.com*.

In making executive compensation decisions, the Committee receives advice from its independent compensation consultant, Aon Hewitt. Although Aon Hewitt is retained directly by the Committee, Aon Hewitt personnel interact with our executive officers as needed, specifically the Chief Executive Officer, Executive Vice President of Human Resources, Executive Vice President and General Counsel and their staffs to provide the Committee with relevant compensation and performance data for our executives and the Company. In addition, Aon Hewitt personnel may interact with management to confirm information, identify data questions, and/or exchange ideas.

As requested by the Committee, Aon Hewitt's services to the Committee in 2016 included:

- providing competitive analysis of total compensation components for our senior executive officers, including our NEOs;
- researching and presenting competitive and emerging compensation practices and regulatory issues;
- attending Committee meetings, in person and telephonically; and
- reviewing and evaluating changes to the executive compensation philosophy and proposed plan changes.

The Committee has the authority under its charter to retain outside consultants or other advisors. Part of that decision process is an assessment of the advisors' independence. Relative to Aon Hewitt's independence the Committee took into account the independence factors determined by the SEC and NYSE. Included in the assessment the Committee took into consideration that for 2016, management determined to engage Aon Risk Services to assist in the placement of an Agents Errors and Omissions policy. Aon Risk Services received an estimated commission of $200,000 from the carrier of the insurance policy. Aon Risk Services and Aon Hewitt are subsidiaries of Aon plc operating under separate management structures. The Committee considered that the brokerage services were provided by a related Aon plc entity noting that the estimated commission of $200,000 was less than .01% of Aon plc's revenues and that Aon Hewitt and Aon Risk Services are separately managed subsidiaries of Aon plc. Fees paid by CNO to Aon Hewitt for executive compensation advisory services were $163,682 in 2016. The Committee determined Aon Hewitt to be independent.

In making its decisions, the Committee collects and considers input from multiple sources. The Committee may ask senior executive officers to attend Committee meetings where executive compensation, overall and individual performance are discussed and evaluated. During these meetings, executives provide insight, suggestions or recommendations regarding executive compensation. Deliberations generally occur with input from Aon Hewitt, members of management and other Board members. However, only the members of the Committee make decisions regarding executive compensation. In the case of the Chief Executive Officer's compensation, these decisions are submitted to the full Board for its review and approval.

Table of Contents

Philosophy and Objectives

Philosophy

The Committee, which is comprised solely of independent, non-employee Directors, has developed a philosophy and a comprehensive compensation strategy to reward overall and individual performance that drives long-term success for our shareholders.

Our compensation philosophy consists of the following guiding principles:

- Pay for Performance: Rewards will be differentiated based on company, business segment and individual performance.

- Target Total Rewards Position: The overall rewards will be competitive by targeting compensation at approximately the median of the relevant comparator group with additional compensation for achieving superior performance.

- Relevant Comparator Group: We will utilize a relevant comparator group of companies in the insurance/financial services industry and general industry where appropriate, taking both asset size and revenue into consideration, which includes the best available data for comparison with our peers and companies with which we compete for executive talent.

Pay for Performance Objectives

The Committee strives to provide a clear reward program that allows us to attract, motivate and retain seasoned executive talent with the significant industry experience required to continue to improve our performance and build long-term shareholder value. To achieve this, our programs are designed to:

- reward sustainable operational and productivity improvements. This means that (1) we set performance goals under our P4P plan at targeted performance levels for key financial metrics, and (2) we set multi-year performance goals for our P-Share (performance share) awards;

- align the interests of our executives with those of our shareholders by rewarding shareholder value creation;

- integrate with the Company-wide annual performance management program of individual goal setting and formal evaluation;

- provide for discretion to make adjustments and modifications based upon how well individual executives meet our performance standards for expected achievement of business results, as well as uphold our values and leadership behaviors; and

- offer the opportunity to earn additional compensation when overall and individual performances exceed expectations.

Target Total Rewards and Selection of the Comparator Groups

In setting target executive compensation opportunities, the Committee looks at Base Salary, Total Annual Cash (which is comprised of base salary and target cash incentives) and Total Direct Compensation (which is the sum of Total Annual Cash and long-term incentives). Our long-term incentives may include a combination of P-Shares, stock option awards, as well as restricted share awards. The Committee intends to compensate our executives at approximately the 50th percentile (meaning within a range of +/- 15% of the 50th percentile dollar

value) for total direct compensation, for the achievement of target performance, with additional compensation opportunities for the achievement of superior results.

The Committee assesses "competitive market" compensation annually using a number of sources. In determining the competitive compensation levels, at the recommendation of the independent compensation consultant, the Committee reviews targeted proxy data from a select group of peer companies identified below for the NEOs, and also compares our other executives to the Diversified Insurance Study published by Willis Towers Watson. Both of these sources provide a much more focused analysis of very specific industry peers with whom the Company competes for talent. We continued to use our peer companies for the NEOs as the relevant comparator group and all other executives have been compared to the Willis Towers Watson Diversified Industry Study in 2016.

Peer Companies:

Arch Capital Group Ltd.	Genworth Financial, Inc.
The Hanover Insurance Group, Inc.	Kemper Corporation
Horace Mann Educators Corporation	Lincoln National Corporation
Primerica, Inc.	Principal Financial Group, inc.
Voya Financial, Inc.	Reinsurance Group of America, Incorporated
Aflac Incorporated	Torchmark Corporation
American Financial Group, Inc.	Universal American Corp.
Assurant, Inc.	Unum Group
Cincinnati Financial Corporation	

Although aggregate pay levels are generally consistent with our compensation philosophy, it is possible that pay levels for specific individuals may be above or below the targeted competitive benchmark levels based on a number of factors including: each individual's role and responsibilities within our Company, the individual's experience and expertise, the pay levels for peers within the Company, and the pay levels for similar job functions in the marketplace. The Committee is responsible for approving all compensation programs for our senior executive officers. In determining executive compensation, the Committee considers all forms of compensation and benefits, and uses appropriate tools such as tally sheets and market studies to review the value delivered to each executive through each component of compensation.

These tools provide a vehicle for the Committee to examine external market practices and compare them to our internal evaluations and decisions. Our tally sheets capture and report:

- Competitive external market data on a base salary, Total Annual Cash and Total Direct Compensation basis;
- Individual Total Annual Cash compensation including annual salary, target bonus opportunity, and actual bonus paid;
- Long-term equity grants and their vesting status and value at a hypothetically established share price; and
- Employment agreement terms and conditions.

Competitive market data is used as a reference point, and we avoid automatic adjustments based on annual competitive benchmarking data, since we believe a given executive's compensation should also reflect Company-specific factors such as: the relative importance of the role within the organization, the compensation for other positions at the same level, and individual factors such as experience, expertise, and individual performance.

Table of Contents

In addition to the objective review of external factors, the Committee also considers internal equity among colleagues when determining executive compensation levels. This means that, although the Committee examines competitive pay data for specific positions, market data is not the sole factor considered in setting pay levels. The Committee also considers factors such as our organizational structure and the relative roles and responsibilities of individuals within that structure. The Committee believes that this approach fosters an environment of cooperation among executives that enhances sales growth, profitability and customer satisfaction.

Realized total compensation in any year may be significantly above or below the target compensation levels depending on whether our incentive goals were attained and whether shareholder value was created. In some cases, the amount and structure of compensation results from negotiations with executives at the time they were hired, which may reflect competitive pressures to attract and hire quality executive talent in the insurance industry. To help attract and retain such talent, the Committee also seeks to provide a level of benefits in line with those of comparable publicly traded companies without matching such benefits item by item.

Table of Contents

Compensation Components

Our compensation program is composed of the following components:

Executive Compensation Components

Type of Compensation	Component	Description	Why We Pay This Component	How We Determine Amount	2016 Key NEO Decisions
Fixed Pay	Base Salary	Fixed Cash Compensation May be adjusted each year based on individual performance and relevant market data	To attract, motivate and retain top talent	Established using market data targeting the 50th percentile of market Adjusted up or down to reflect factors such as scope of position, responsibilities, experience level, unique skills and competencies	Merit base salary increases for NEOs ranged from 0% 5.0%
Pay-At-Risk (Annual)	Annual Cash Incentive (P4P)	Variable Cash Compensation Earned based on Company, business segment and individual, financial and operational performance	To incentivize achievement of annual financial and operational performance goals	Established using market data targeting the 50th percentile of the market Target incentive opportunities are expressed as a percentage of base salary	Mr. Bonach received an increase to his target incentive percent to 150% of his base salary in recognition of his leadership of the Company and to align with competitive market norms P4P payouts ranged from 113.7% to 119.4%, based on achievement against core performance metrics
Pay-At-Risk (Long-Term)	Performance Share Units (P-Shares)	Equity Compensation Earned based on achievement of performance goals at the end of a three-year performance period Realizable value is variable based on long-term Company performance and stock price appreciation	To focus management on long-term Company performance To balance the short-term focus of P4P by tying rewards to performance achieved over multi-year periods To align the interests of management with shareholders	The Committee establishes annual targets for equity compensation based on competitive market data Individual awards may be adjusted up or down to reflect performance, potential and other individual considerations	One-half of the total annual value of the equity award was granted in the form of P-Shares P-Shares were bifurcated (50%/50%) based on achievement of goals relative to (1) Operating ROE and (2) Relative TSR
	Stock Options	Equity Compensation Time-vested awards which generally vest over three years	To balance the short-term focus of P4P by tying rewards to performance achieved over multi-year periods	The Committee establishes annual targets for equity compensation based on competitive market data	One-half of the total annual value of the equity award was granted in the form of Stock Options

	Realizable value is variable based on long-term stock price appreciation	To focus management on long-term stock price appreciation To align the interests of management with shareholders	Individual awards may be adjusted up or down to reflect performance, potential and other individual considerations Stock Options account for 50% of the annual target from a grant value perspective	Stock options granted generally vest in equal installments on the 2nd and 3rd years from the anniversary of the grant date
Restricted Stock	Equity Compensation Time-vested awards which generally vest over three years Realizable value is variable based on long-term stock price appreciation Restricted stock awards are not generally part of the annual grant, but are used in limited circumstances	To encourage retention and reward for exceptional performance and/or potential To balance the short-term focus of P4P by tying rewards to performance achieved over multi-year periods To align the interests of management with shareholders	The Committee may grant restricted stock awards to attract key talent, to enhance retention of key talent, and/or to recognize outstanding performance and or potential among our leaders	The Committee granted restricted stock awards to four NEOs during 2016: To Mr. Bhojwani to induce him to join the Company; To Mr. Baude in recognition of continued valuable contributions; To Mr. Nickele in recognition of continued value contributions; To Mr. Helding in recognition of his promotion to CFO.

The table below summarizes information about the target level of 2016 Total Annual Cash (TAC) and Total Direct Compensation (TDC) for our NEOs. This table differs from the Summary Compensation Table on page xx in that values generally represent target amounts and equity grants which are part of our normal long-term

Table of Contents

incentive program for 2016 only. Further detail about these compensation components can be found later in this section.

Summary of Components of TDC in 2016 at Target[1]

Named Executive Officer	Base Salary	Target Incentive (% of Salary)	Target Total Annual Cash	Stock Option Value(2)(3)	P-Share Value(2)	Restricted Share Value(2)	Total LTI Value(2)	Target TDC(4)
Edward Bonach	$ 1,000,000	150%	$ 2,500,000	$ 2,090,778	$ 2,516,937	$	$ 4,607,715	$ 7,107,715
% Change vs. 2015	*0%*		*6%*				*10%*	*5%*
% of TDC	*14%*		*35%*				*65%*	
Gary Bhojwani	$ 750,000	125%	$ 1,687,500	$ 520,705	$	$ 4,312,620	$ 4,833,325	$ 6,520,825
% Change vs. 2015	*n/a*		*n/a*	*n/a*		*n/a*	*n/a*	*n/a*
% of TDC	*12%*		*26%*	*8%*		*66%*	*74%*	
Bruce Baude	$ 600,000	100%	$ 1,200,000	$ 390,122	$ 469,161	$ 344,541	$ 1,203,824	$ 2,403,824
% Change vs. 2015	*24%*		*24%*				*18%*	*19%*
% of TDC	*25%*		*50%*				*50%*	
Christopher Nickele	$ 420,000	100%	$ 840,000	$ 390,122	$ 469,161	$ 287,118	$ 1,146,401	$ 1,986,401
% Change vs. 2015	*5%*		*5%*				*25%*	*16%*
% of TDC	*21%*		*42%*				*58%*	
Erik Helding	$ 400,000	75%	$ 700,000	$ 303,152	$ 113,736	$ 313,274	$ 730,162	$ 1,430,162
% Change vs. 2015	*60%*		*87%*				*135%*	*109%*
% of TDC	*28%*		*49%*				*51%*	

(1) Annual Incentive expressed as Target levels as of award date; value of equity expressed as grant date fair value.

(2) Represents stock option, performance share and restricted share aggregate grant date fair values granted in 2016; actual value realized will depend on stock price appreciation and achievement of performance metrics at time of vesting. Valuation methodology is discussed later in this proxy statement.

(3) The amounts shown for the 2016 stock option grants reflect the grant date fair value in accordance with ASC 718. See the explanation in the Impact of Tax and Accounting on Compensation section.

(4) Target TDC includes Target TAC and the Total LTI Value provided at the time of the annual grant.

In delivering total direct compensation to our NEOs, the Company provided both fixed (base salary) and variable (cash and equity incentives) compensation to the NEOs in 2016. The vast majority of compensation awarded to NEOs in 2016 is at risk to the executive because the compensation value that is actually paid may vary from the target compensation value that was awarded by the Compensation Committee and the payment is dependent on Company, business segment and individual performance. The amount of total target compensation at risk was significantly more than the amount of base salary. Also, the majority of total target compensation awarded in 2016 to each NEO was in the form of equity. The following charts show each element of 2016 target NEO compensation, including the mix of short-term and long-term incentives, as well as the amount of "Pay-at-Risk" for the CEO and for the other NEOs (on average excluding Mr. Bhojwani):

CEO	All Other NEOs[(1)]

(1) All other NEO chart above excludes Mr. Bhojwani because his first year compensation is not indicative of intended ongoing pay mix.

Table of Contents

Base Salaries

Strategy

Although the Committee begins by targeting the 50th percentile of the competitive market, base salaries may range from the 25th percentile (for recently promoted employees or those who otherwise have less experience in the current position) to the 75th percentile (for high performers with significant industry experience) of the competitive market data.

In 2016, the Committee increased Mr. Helding's base salary by approximately 52% (to $400,000) in recognition of his promotion from SVP, Treasury & Investor Relations to Chief Financial Officer in April of 2016. In addition, the Committee increased Mr. Baude's base salary by 20% (to $600,000) in June of 2016, in recognition of his continued valuable contributions to the Company.

2016 Merit Increases

Annual reviews of executives' base salaries consider numerous factors, including:

- Current base salary;
- Job responsibilities;
- Impact on the development and achievement of our strategic initiatives;
- Competitive labor market pressures;
- Company performance for the prior 12 months;
- Individual performance for the prior 12 months, as expressed in the executive's performance review; and
- Salaries paid for comparable positions within our relevant comparator group.

No specific weighting of these factors is used. However, given our desire for a performance-based culture, the Committee's use of discretion generally results in increases for our top performers and little or no increases in base salary for average or lower performing employees.

There is no expectation on the part of the Committee for senior executives to receive base salary increases annually. The Committee awarded a base salary increase to three of the NEOs in addition to most of the other executives in February 2016. Mr. Baude received a 3.1% merit increase, while Mr. Helding received a 5.0% merit increase (prior to his promotion to Chief Financial Officer), to reflect their overall performance and base salary in relation to the market pay level for their positions. Mr. Nickele received a 5.0% merit increase to reflect his overall performance.

Annual Cash Incentives

Strategy

Our annual incentive plan, the "Pay for Performance" Plan (P4P) is the broadest of our management incentive programs, covering our NEOs and other key employees. All participants in the P4P plan, including our NEOs, are assigned target incentive opportunities expressed as a percentage of base salary.

2016 Pay for Performance (P4P) Plan Design

During February 2016, the Committee reviewed the P4P plan design for 2016 in order to ensure alignment between shareholder and participant interests, to keep senior executives focused on the financial performance of the enterprise, to improve alignment with financial metrics that participants influence and to select operational/business metrics that drive financial success. This review was accomplished by focusing on the selection of appropriate performance metrics and the determination of performance levels which would contribute to financial

Table of Contents

success. As a result of this review, most performance metrics and weightings remained the same. Metrics which continued to be part of 2016 incentive plans applicable to NEOs included:

Operating Earnings Per Share (EPS), defined as operating income (net of tax) divided by the weighted average number of diluted shares outstanding. Operating earnings exclude the impact of realized gains (losses), loss on extinguishment or modification of debt, fair value changes due to fluctuations in the interest rates used to discount embedded derivatives related to our fixed index annuities, fair value changes related to the agent deferred compensation plan, changes to our valuation allowance for deferred taxes and other non-operating items consisting primarily of earnings attributable to variable interest entities. The Committee believes Operating EPS is a key measure of our operating performance, is less impacted by events that are unrelated to the underlying fundamentals of the business and is directly impacted by management during the calendar year.

Combined and/or Business Segment In-force Earnings Before Interest and Taxes (EBIT), where Combined In-force EBIT is the sum of individual business segment In-force EBIT. In-force EBIT includes pre-tax revenues and expenses associated with the sales of insurance products that were completed more than one year before the end of the reporting period, but excludes the impact of realized gains (losses), and fair value changes due to fluctuations in the interest rates used to discount embedded derivatives related to our fixed index annuities. In the Committee's view, this metric enhances line of sight for our operating management and increases their focus on improving the longer-term core profitability of our operations. In-force EBIT excludes the impacts of activities related to the generation of New Business.

Combined and/or Business Segment Value of New Business (VNB), which calculates the present value of expected profits from product sales. The selection of VNB is based on the Committee's desire to have a focus on growing through sales of profitable products as opposed to rewarding only top-line sales growth.

GAAP Revenue, which is defined as reported revenue in CNO's 10-K, after elimination of items that are considered to be non-operating in nature (such as realized gains (losses)) and revenues that are offset by corresponding expenses (such as revenues related to call options associated with our fixed indexed annuities, the rabbi trust related to a deferred compensation plan and the transitional services agreement relating to the sale of a former subsidiary).

To better reflect CNO's strategic focus toward customer growth a new metric was added for 2016:

Policies In-Force, which is defined as the number of policies for which a reserve has been established (and third party counts for policies sold by Bankers agents). This metric not only aligns P4P participants to CNO's strategic focus on customer growth, but also retention and persistency, as well as external stakeholders' expectations in this important growth area for the Company.

Our P4P plan design rewards a threshold level of financial performance which corresponds to 50% of a target payout; target level of performance which provides 100% of target payout; and a maximum level of performance which provides a payout of 200% of target. Any payout between these financial performance goals is determined through straight line interpolation between the appropriate levels of performance. Consistent with our compensation philosophy, target annual incentive levels are established to generate Total Annual Cash compensation at competitive market median levels.

Although we have a large net operating loss carry-forward, the Committee continues to administer the P4P and long-term incentive plans so that payments qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code. However, the Committee does reserve the right to make awards that do not qualify as "performance-based compensation" under Section 162(m) to the extent it deems it advisable to do so.

Table of Contents

The table below summarizes the 2016 financial metrics and weightings for our NEOs under the P4P plan.

Summary of 2016 P4P Metrics and Weightings for NEOs

	Named Executive Officer				
Performance Measures	**Edward Bonach**	**Gary Bhojwani**	**Bruce Baude**	**Christopher Nickele**	**Erik Helding**
Operating EPS	40%	30%	30%	25%	40%
Policies In-Force	10%	10%	10%	10%	10%
GAAP Revenue	20%	20%	20%	20%	20%
Combined In-Force EBIT	20%	20%	20%	25%	20%
Combined VNB	10%	20%	20%	20%	10%

2016 P4P Plan Performance Goals and Results

The primary purpose of P4P is to reward for core annual operating performance. Under the terms of the Pay For Performance Plan (P4P Plan) as approved by shareholders, the Committee has the authority to adjust performance goals or results for various items as the Committee determines to be required to properly reflect the year's operating results.

The Committee takes into account a number of factors in setting incentive performance targets as well as the threshold and maximum levels. These factors include company business plans and current forecasts, historical performance, incentive practices used by peer companies and analyst expectations. The Committee believes that the range of performance goals for the P4P metrics provide appropriate stretch. After reviewing all of these factors, the Committee determined that all of the participants with corporate measures would have the same threshold and maximum performance levels.

The table below provides a summary of 2016 performance targets and actual results for our NEOs under the P4P plan.

Summary of 2016 P4P Performance Targets and Actual Results for NEOs

	Performance Targets			
Performance Measures	**Threshold**	**Target**	**Maximum**	**2016 Results**
Operating EPS	$1.35	$1.42	$1.55	$1.47
Policies In-Force	3,475.0 MM	3,553.7 MM	3,650.0 MM	3,505.2 MM
GAAP Revenue	$3,750.0 MM	$3,922.8 MM	$4,100.0 MM	