

CNO Financial Group, Inc.  
Form DEF 14A  
March 28, 2018

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**CNO Financial Group, Inc.**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- 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:
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- (4) Proposed maximum aggregate value of transaction:
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      - (2) Form, Schedule or Registration Statement No.:
      - (3) Filing Party:
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-

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

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held May 9, 2018**

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 9, 2018, for the following purposes:

1. To elect nine directors, each for a one-year term ending in 2019;
2. To approve the Company's Employee Stock Purchase Plan;
3. To approve the adoption of the Amended and Restated Section 382 Shareholder Rights Plan;
4. Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2018;
5. To approve, by non-binding advisory vote, the executive compensation of the Company's named executive officers; 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 12, 2018, 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 28, 2018, 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 28, 2018  
Carmel, Indiana

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**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 9, 2018, 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 28, 2018.

**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 be 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 8, 2018. Proxies received that are unmarked will be voted for each of the Board's nominees for director (Proposal 1), for the approval of the Employee Stock Purchase Plan (Proposal 2), for the approval of the adoption of the Company's Amended and Restated Section 382 Shareholder Rights Plan (Proposal 3), for ratification of the appointment of the Company's independent registered public accounting firm (Proposal 4), and for approval of the compensation paid to our Named Executive Officers (Proposal 5). 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 12, 2018, will be entitled to vote at the Annual Meeting. On such record date, CNO had 167,525,578 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 28, 2018, 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.

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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](http://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 8, 2018.

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 8, 2018.

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 Employee Stock Purchase Plan (Proposal 2), to approve the

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adoption of the Amended and Restated Section 382 Shareholder Rights Plan (Proposal 3), to ratify the appointment of the Company's independent registered public accounting firm (Proposal 4), to approve, by non-binding advisory vote, 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 Employee Stock Purchase Plan), Proposal 3 (approval of the adoption of the Amended and Restated Section 382 Shareholder Rights Plan), and Proposal 5 (advisory vote to approve executive compensation). "Broker non-votes" will have no effect on the outcome of Proposals 1, 2, 3 and 5. Your broker, bank or other holder of record will have discretion to vote your uninstructed shares on Proposal 4 (ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2018).

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 9, 2018**

**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, 2017, filed with the Securities and Exchange Commission ("SEC") on February 23, 2018) (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](http://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](http://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](mailto:ir@CNOinc.com). For directions to the Company's 2018 Annual Meeting, please call us at 317-817-2893.



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The following table sets forth certain information concerning the beneficial ownership of our common stock as of March 12, 2018 (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 the executive officers that are named in the Summary Compensation Table on page 35 and all of our directors 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 12, 2018 and restricted stock units that are scheduled to vest within 60 days of March 12, 2018, are deemed to be outstanding and to be beneficially owned by the person holding the options or restricted stock units 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.

Title of Class	Name of Beneficial Owner	Shares Beneficially Owned	
		Number	Percentage
Common stock	BlackRock, Inc.(1)	16,378,021	9.8%
Common stock	The Vanguard Group(2)	15,952,621	9.5
Common stock	Dimensional Fund Advisors LP(3)	11,462,277	6.8
Common stock	Gary C. Bhojwani(4)	247,910	*
Common stock	Ellyn L. Brown	49,412	*
Common stock	Robert C. Greving	59,064	*
Common stock	Stephen N. David	5,000	*
Common stock	Mary R. (Nina) Henderson	39,052	*
Common stock	Charles J. Jacklin	21,194	*
Common stock	Daniel R. Maurer	14,624	*
Common stock	Neal C. Schneider	90,273	*
Common stock	Frederick J. Sievert	64,624	*
Common stock	Edward J. Bonach(5)	1,659,418	*
Common stock	Bruce K. Baude(6)	267,464	*
Common stock	Eric R. Johnson(7)	634,105	*
Common stock	Erik M. Holding(8)	106,307	*
Common stock	All directors, nominees and executive officers as a group (18 persons)(9)	3,813,712	2.3%

\*  
Less than 1%.

- (1) Based solely on Amendment No. 4 to Schedule 13G filed with the SEC on February 1, 2018 by BlackRock, Inc. The Amendment No. 4 to Schedule 13G reports sole power to vote or direct the vote of 15,995,390 shares and sole power to dispose or direct the disposition of 16,378,021 shares. The business address for BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.
- (2) Based solely on Amendment No. 5 to Schedule 13G filed with the SEC on February 8, 2018 by The Vanguard Group. The Amendment No. 5 to Schedule 13G reports sole power to vote or direct the vote of 184,312 shares, shared power to vote or direct the vote of 22,688 shares, sole power to dispose or direct the disposition of 15,758,959 shares, and shared power to dispose or direct the disposition of 193,662 shares. The business address for The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.
- (3) Based solely on Amendment No. 6 to Schedule 13G filed with the SEC on February 9, 2018 by Dimensional Fund Advisors LP. The Amendment No. 6 to Schedule 13G reports sole power to vote or direct the vote of 11,335,210 shares and sole power to dispose or direct the disposition of 11,462,277 shares. The business address for Dimensional Fund Advisors LP is Building One, 6300 Bee Cave Road, Austin, TX 78746.
- (4) Includes options, exercisable currently or within 60 days of March 12, 2018, to purchase 45,300 shares of common stock and includes 4,630 restricted stock units scheduled to vest within 60 days of March 12, 2018.

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- (5) Includes (i) options, exercisable currently or within 60 days of March 12, 2018, to purchase 1,160,467 shares of common stock, (ii) 18,520 restricted stock units scheduled to vest within 60 days of March 12, 2018, and (iii) shares of common stock owned by Mr. Bonach as of December 31, 2017, the date of his retirement.
- (6) Includes options, exercisable currently or within 60 days of March 12, 2018, to purchase 192,320 shares of common stock and includes 3,240 restricted stock units scheduled to vest within 60 days of March 12, 2018.
- (7) Includes options, exercisable currently or within 60 days of March 12, 2018, to purchase 264,960 shares of common stock and includes 3,240 restricted stock units scheduled to vest within 60 days of March 12, 2018.
- (8) Includes options, exercisable currently or within 60 days of March 12, 2018, to purchase 74,990 shares of common stock and includes 5,558 restricted stock units scheduled to vest within 60 days of March 12, 2018.
- (9) Includes options, exercisable currently or within 60 days of March 12, 2018, to purchase an aggregate of 2,024,091 shares of common stock held by executive officers and includes an aggregate of 42,566 restricted stock units scheduled to vest within 60 days of March 12, 2018.

**Director Deferred Stock Units**

Under the CNO Board of Directors Deferred Compensation Plan, the non-management directors may elect each year to defer some or all of their compensation, including the equity portion of the annual director fees. Any equity that is so deferred is represented by vested deferred stock units, on which dividend equivalents are paid during the deferral period. The deferred stock units are not entitled to vote. At the end of the deferral period selected by the director, one share of Common Stock will be issued for each deferred stock unit. As of March 12, 2018, the non-management directors held deferred stock units as set forth below (these units are in addition to the share ownership set forth above):

Name	Number of Deferred Stock Units
Stephen N. David	6,570
Mary R. (Nina) Henderson	6,570
Daniel R. Maurer	6,570
Neal C. Schneider	13,140
Frederick J. Sievert	6,570
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**PROPOSAL 1**

**ELECTION OF DIRECTORS**

Nine individuals will be elected to the Board at the Annual Meeting for one-year terms expiring at the 2019 annual meeting of shareholders. Each nominee listed below is currently a member of the Board. 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.

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

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**Board Nominees**

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 2019 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:*

**Gary C. Bhojwani**, 50, has been chief executive officer of CNO since January 1, 2018 and a director since May 2017. He served as president of CNO from April 2016 through December 2017. Mr. Bhojwani served as a Member of the Board of Management at Allianz SE, and as Chairman of Allianz of America, Allianz Life Insurance Company, and Fireman's Fund Insurance Company from 2012 to January 1, 2015. From 2007 to 2012, he served as Chief Executive Officer of Allianz Life Insurance Company of North America. From April 2015 until joining CNO, Mr. Bhojwani served as Chief Executive Officer of GCB, LLC, an insurance and financial services consulting company that he founded. He has been a director of Hormel Foods Corporation since 2014. With respect to Mr. Bhojwani's nomination for re-election, the Board and the Governance and Nominating Committee considered his experience as chief executive officer and president of the Company and his extensive insurance, sales and executive management experience.

**Ellyn L. Brown**, 68, 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 Brinker Capital Destinations Trust since January 2017. She was a member of the board of directors of Walter Investment Management Corp. from 2009 to 2017. Ms. Brown served as a governor of the Financial Industry Regulatory Authority from 2007 to 2012 and, from 2007 to 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.

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**Stephen N. David**, 69, joined our Board in May 2017. 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 in 2008. With respect to Mr. David's nomination for re-election, the Board and the Governance and Nominating Committee considered his extensive leadership experience in technology, strategy, marketing and sales.

**Robert C. Greving**, 66, 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**, 67, 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 on consumer products. 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 The Shell Transport and Trading Company (2001-2009) and the Hunt Corporation (1991-2002). She is a trustee of Drexel University and a director of the Visiting Nurse Service of New York and the Foreign Policy Association. 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.

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**Charles J. Jacklin**, 63, 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**, 61, 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, Tescos, 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 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**, 73, 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.

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**Frederick J. Sievert**, 70, 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.**

**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, including cyber security 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 committee chair. 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



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qualifications of the New York Stock Exchange listing standards. The committee met on 16 occasions in 2017. 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](http://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 Ms. Brown, Mr. David, Mr. Maurer, Mr. Schneider and Mr. Sievert, with Ms. Brown serving as committee chair. 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 four meetings during 2017. 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](http://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 34 of this Proxy Statement. The Human Resources and Compensation Committee currently consists of Mr. Sievert, Ms. Brown, Mr. David and Mr. Maurer, 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 six occasions in 2017. 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](http://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. Bhojwani, Mr. Greving and Ms. Henderson, with Mr. Jacklin serving as committee chair. The committee met on four occasions in 2017. 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](http://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. Bhojwani and Mr. Greving, with Mr. Schneider serving as committee chair. 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](http://www.CNOinc.com).

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**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 earned or paid in 2017 to our non-employee directors is summarized in the table below:

**DIRECTOR COMPENSATION IN 2017**