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

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended 9/30/2026

OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Transition Period from _____ to _____

Commission file number 001-18298

Kemper Corporation

(Exact name of registrant as specified in its charter)

DE	**95-4255452**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 E. Randolph Street **Suite 3300** **Chicago, IL**	**60601**
(Address of principal executive offices)	(Zip Code)

(312) 661-4600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.10 per share	KMPR	NYSE
5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062	KMPB	NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," " accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

58,923,994 shares of common stock, $0.10 par value, were outstanding as of November 5, 2026.

KEMPER CORPORATION

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Caution Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, including, but not limited to, Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), Risk Factors and the accompanying unaudited Condensed Consolidated Financial Statements (including the notes thereto) of Kemper Corporation ("Kemper") and its subsidiaries (individually and collectively referred to herein as the "Company"), as well as a variable interest entity ("VIE") in which the Company is considered the primary beneficiary, may contain or incorporate by reference information that includes or is based on forward-looking statements within the meaning of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements give expectations or forecasts of future events. The reader can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as "believe(s)," "goal(s)," "target(s)," "estimate(s)," "anticipate(s)," "forecast(s)," "project(s)," "plan(s)," "intend(s)," "expect(s)," "might," "may," "could" and other terms of similar meaning. Forward-looking statements, in particular, include statements relating to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, trends in operations and financial results.

Any or all forward-looking statements may turn out to be wrong, and, accordingly, Kemper cautions readers not to place undue reliance on such statements. Kemper bases these statements on current expectations and the current economic environment as of the date of this Quarterly Report on Form 10-Q. They involve a number of risks and uncertainties that are difficult to predict. These statements are not guarantees of future performance, and actual results could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties that may be important in determining the Company's actual future results and financial condition.

In addition to the factors discussed under Item 1A., "Risk Factors," of Part I of Kemper's Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (the "SEC"), for the year ended December 31, 2025 (the "2025 Annual Report"), the reader should consider the following list of factors that, among others, could cause the Company's actual results and financial condition to differ materially from estimated results and financial condition.

Factors related to the legal and regulatory environment in which Kemper and its subsidiaries operate

- Evolving policies, practices and interpretations by regulators and courts that increase operating costs and potential liabilities, particularly any that involve retroactive application of new requirements;
- Adverse outcomes in litigation, investigations or other legal or regulatory proceedings involving Kemper or its subsidiaries or affiliates, including proceedings related to its business practices or business practices in the insurance industry;
- Governmental actions, including, but not limited to, implementation of new laws and regulations, and court decisions interpreting existing and future laws and regulations or policy provisions;
- Uncertainties related to regulatory approval of insurance rates, policy forms, insurance products, license applications, business withdrawals, dividends from insurance subsidiaries, reinsurance arrangements, acquisitions of businesses or strategic initiatives and other matters within the purview of insurance regulators;
- Increased costs required to address new legal and regulatory requirements; liabilities, costs and other impacts arising from investigations or developments related to cybersecurity, privacy and data governance, including, without limitation, cyber incidents that have occurred or may occur;

Factors relating to insurance claims and related reserves in the Company's insurance businesses

- The incidence, frequency and severity of catastrophes occurring in any particular reporting period or geographic area, including natural disasters, pandemics and terrorist attacks or other man-made events;
- The frequency and severity of insurance claims (including those associated with catastrophe losses and pandemics);
- The interest rate environment, including proposed rate changes by the U.S. Federal Reserve, which may cause material fluctuations in our life policyholder benefit reserves;
- Changes in facts and circumstances affecting assumptions used in determining loss and loss adjustment expenses ("LAE") reserves, including, but not limited to, the frequency and severity of insurance claims, changes in claims handling procedures and closure patterns, development patterns and the impacts of technological and other environmental conditions;
- The impact of inflation on insurance claims, including, but not limited to, the effects on material costs, the effects on personal injury claims of increasing medical costs and the effects on severity of claims resulting from a catastrophe;

- The effects on property claims attributed to supply chain disruption, in part potentially as a result of the impact of tariffs recently imposed by the US Government and scarcity of resources available to rebuild damaged structures and repair damaged property, including labor and materials and the amount of salvage value recovered for damaged property;
- The rising costs of insurance claims from increased and more targeted litigation, higher jury awards, broader definitions of liability, and other effects of legal and societal trends referred to as legal system abuse or social inflation;
- Developments related to insurance policy claims and coverage issues, including, but not limited to, interpretations, pronouncements or decisions by courts or regulators that may govern or influence losses incurred in connection with hurricanes and other catastrophes;
- Orders, interpretations or other actions by regulators that impact the reporting, adjustment and payment of claims;
- Changes in the pricing or availability of reinsurance, or in the financial condition of reinsurers and amounts recoverable therefrom;

Factors related to the Company's ability to compete

- Changes in the ratings of Kemper and/or its insurance company subsidiaries by rating agencies with regard to credit, financial strength, claims paying ability and other areas on which the Company is rated;
- The level of success and costs incurred in realizing or maintaining economies of scale, integrating acquired businesses and implementing significant business initiatives and the timing of the occurrence or completion of such events, including, but not limited to, those related to expense and claims savings, the operation of Kemper Reciprocal, consolidations, reorganizations and technology;
- Absolute and relative performance of the Company's products and services, including, but not limited to, the level of success achieved in designing and introducing new insurance products and services;
- Difficulties with technology, data and network security (including as a result of cyber attacks that have occurred or may occur), outsourcing relationships or cloud-based technology that could negatively impact the Company's ability to conduct business;
- The ability of the Company and its third-party service providers to maintain the availability and required performance of critical systems and manage technology initiatives cost-effectively to address insurance industry developments and regulatory requirements;
- Heightened competition, including, with respect to pricing, consolidations of existing competitors or entry of new competitors and alternate distribution channels, introduction of new technologies, use and enhancements of telematics, refinements of existing products and development of new products by current or future competitors;
- Expected benefits and synergies from mergers, acquisitions, divestitures and/or strategic initiatives that may not be realized to the extent anticipated, within expected time frames or at all, due to a number of factors including, but not limited to, the loss of key agents/brokers, customers or employees, increased costs, fees, expenses and related charges and delays caused by unanticipated developments or factors outside of the Company's control;
- The successful formulation and execution of the Company's plan with regard to corporate strategy and significant operational changes;
- Increase in competition as a result of new competitors to the property and casualty insurance industry, the existence of competitors that receive substantial infusion of capital or access to third-party capital, or the entry of established and well-capitalized property and casualty insurance companies into the specialty property and casualty automobile insurance market;

Factors related to the business environment in which Kemper and its subsidiaries operate

- Changes in general economic conditions, including those related to, without limitation, performance of financial markets, increased volatilities in financial market conditions, interest rates, inflation, unemployment rates, significant global catastrophes and/or pandemics, tariffs and international trade policies, such as tariffs, and fluctuating values of particular investments held by the Company;
- Absolute and relative performance of investments made by the Company;
- Changes in insurance industry trends and significant industry developments;
- Changes in consumer trends, including changes in number of miles driven by automobile insurance policyholders, and significant consumer or product developments;
- Changes in capital requirements, including the calculations thereof, used by regulators and rating agencies;

- Regulatory, accounting or tax changes that may affect the Company's earnings, the cost of, or demand for, the Company's products or services or after-tax returns from the Company's investments;
- The impact of required participation in state windpools and joint underwriting associations, residual market assessments and assessments for insurance industry insolvencies;
- Changes in distribution channels, methods or costs resulting from changes in laws or regulations, legal proceedings or market forces;
- Increasing competition and higher costs for executive talent and employees with necessary skills and industry experience;
- Increased costs and risks related to cybersecurity that could materially affect the Company's operations including, but not limited to, data breaches, cyber attacks, virus or malware attacks, or other infiltrations or incidents affecting system integrity, availability and performance, and actions taken to minimize and remediate the risks of such events that have occurred or could occur;

Other risks and uncertainties described from time to time in Kemper's filings with the SEC

Kemper cannot provide any assurances that the results and outcomes contemplated in any forward-looking statements will be achieved or will be achieved in any particular timetable or that future events or developments will not cause such statements to be inaccurate. Kemper assumes no obligation to correct or update any forward-looking statements publicly for any changes in events or developments or in the Company's expectations or results subsequent to the date of this Quarterly Report on Form 10-Q. Kemper advises the reader, however, to consult any further disclosures Kemper makes on related subjects in its filings with the SEC.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Dollars in millions, except per share amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Revenues:				
Earned Premiums[1]	$ 983.4	$ 1,133.3	$ 2,994.3	$ 3,352.0
Net Investment Income	107.3	104.8	319.8	301.9
Other Income	1.5	2.9	5.4	8.6
Change in Fair Value of Equity and Convertible Securities	3.2	(2.1)	0.2	(2.5)
Net Realized Investment (Losses) Gains	(1.1)	3.9	(0.1)	4.7
Impairment Losses	(3.7)	(3.1)	(29.1)	(6.4)
Total Revenues	1,090.6	1,239.7	3,290.5	3,658.3
Expenses:				
Policyholders' Benefits and Incurred Losses and Loss Adjustment Expenses[2]	752.6	924.6	2,399.8	2,521.0
Insurance and Other Expenses	264.9	339.1	814.3	933.6
Interest Expense	9.0	9.1	27.2	29.5
Goodwill Impairment	—	—	460.0	—
Total Expenses	1,026.5	1,272.8	3,701.3	3,484.1
Income (Loss) before Income Taxes	64.1	(33.1)	(410.8)	174.2
Income Tax Expense (Benefit)	10.4	(8.9)	5.9	31.6
Net Income (Loss)	53.7	(24.2)	(416.7)	142.6
Less: Net Income (Loss) attributable to Noncontrolling Interest	1.3	(3.2)	(2.6)	(8.7)
Net Income (Loss) attributable to Kemper Corporation	$ 52.4	$ (21.0)	$ (414.1)	$ 151.3
Net Income (Loss) attributable to Kemper Corporation per Unrestricted Share:				
Basic	$ 0.89	$ (0.34)	$ (7.04)	$ 2.40
Diluted	$ 0.88	$ (0.34)	$ (7.04)	$ 2.37

[1] Includes a remeasurement gain of $12.6 million and a remeasurement loss of $0.9 million for the three months ended September 30, 2026 and 2025, respectively, related to the deferred profit liability within the Life Insurance business. There was a remeasurement gain of $13.3 million for the nine months ended September 30, 2026 and a remeasurement loss of $1.6 million for the nine months ended September 30, 2025.

[2] Includes a remeasurement loss of $9.2 million and a remeasurement gain of $1.8 million related to the liability for future policyholder benefits within the Life Insurance business for the three months ended September 30, 2026 and 2025, respectively. There was a remeasurement loss of $6.9 million and a remeasurement gain of $1.8 million for the nine months ended September 30, 2026 and 2025, respectively.

The Notes to the Condensed Consolidated Financial Statements are an integral part of these financial statements.

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Dollars in millions)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Net Income (Loss)	$ 53.7	$ (24.2)	$ (416.7)	$ 142.6
Other Comprehensive (Loss) Income Before Income Taxes:				
Changes in Unrealized (Losses) Gains on Investment Securities with:				
No Credit Losses Recognized in Condensed Consolidated Statements of Income (Loss)	(367.4)	107.9	(405.1)	179.2
Credit Losses Recognized in Condensed Consolidated Statements of Income (Loss)	(0.8)	(1.0)	(1.7)	0.3
Change in Unrecognized Postretirement Benefit Income	(0.4)	(0.5)	(1.1)	(1.6)
(Loss) Gain on Cash Flow Hedges	(0.2)	0.7	(0.4)	1.1
Change in Discount Rate on Future Life Policyholder Benefits	248.0	(68.4)	288.4	(81.4)
Other Comprehensive (Loss) Income Before Income Taxes	(120.8)	38.7	(119.9)	97.6
Other Comprehensive Income Tax (Benefit) Expense	(25.5)	8.0	(25.2)	19.9
Other Comprehensive (Loss) Income, Net of Taxes	(95.3)	30.7	(94.7)	77.7
Total Comprehensive (Loss) Income	(41.6)	6.5	(511.4)	220.3
Less: Net Income (Loss) attributable to Noncontrolling Interest	1.3	(3.2)	(2.6)	(8.7)
Less: Other Comprehensive (Loss) Income attributable to Noncontrolling Interest	(0.7)	0.1	(1.0)	0.3
Less: Total Comprehensive Income (Loss) attributable to Noncontrolling Interest	0.6	(3.1)	(3.6)	(8.4)
Comprehensive (Loss) Income attributable to Kemper Corporation	$ (42.2)	$ 9.6	$ (507.8)	$ 228.7

The Notes to the Condensed Consolidated Financial Statements are an integral part of these financial statements.

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in millions, except per share amounts)
(Unaudited)

	Sep 30, 2026	Dec 31, 2025
Assets:		
Investments:		
Fixed Maturities at Fair Value (Amortized Cost: 2026 - $7,462.7; 2025 - $7,475.7 Allowance for Credit Losses: 2026 - $25.5; 2025 - $20.1)	$ 6,319.8	$ 6,743.3
Equity Securities at Fair Value (Cost: 2026 - $292.1; 2025 - $287.9)	311.0	306.4
Equity Method Limited Liability Investments	182.7	176.0
Short-term Investments at Cost which Approximates Fair Value	343.8	313.5
Company-Owned Life Insurance	560.8	579.2
Loans to Policyholders	279.9	279.9
Other Investments	272.1	271.3
Total Investments	8,270.1	8,669.6
Cash	80.4	124.3
Receivables from Policyholders (Allowance for Credit Losses: 2026 - $1.2; 2025 - $2.0)	968.2	965.2
Other Receivables	227.7	184.7
Deferred Policy Acquisition Costs	682.4	655.4
Goodwill	783.5	1,250.7
Current Income Tax Assets	46.1	40.7
Deferred Income Tax Assets	120.3	96.9
Other Assets	386.9	410.7
Assets of Consolidated Variable Interest Entity:		
Fixed Maturities at Fair Value (Amortized Cost: 2026 - $39.7; 2025 - $41.7)	38.9	42.1
Short-term Investments at Cost which Approximates Fair Value	13.5	14.4
Cash	0.1	1.7
Receivables from Policyholders	1.5	10.4
Other Receivables	0.7	0.4
Deferred Policy Acquisition Costs	0.5	1.3
Deferred Income Tax Assets	3.9	4.2
Total Assets	$ 11,624.7	$ 12,472.7

The Notes to the Condensed Consolidated Financial Statements are an integral part of these financial statements.

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)
(Dollars in millions, except per share amounts)
(Unaudited)

	Sep 30, 2026	Dec 31, 2025
Liabilities and Shareholders' Equity:		
Insurance Reserves:		
Life and Health	$ 3,044.7	$ 3,287.5
Property and Casualty	3,082.0	2,910.8
Total Insurance Reserves	6,126.7	6,198.3
Unearned Premiums	1,208.7	1,233.1
Policyholder Obligations	514.2	608.0
Deferred Income Tax Liabilities	—	14.8
Accrued Expenses and Other Liabilities	679.6	762.6
Long-term Debt, Non-Current, at Amortized Cost	945.0	943.5
Liabilities of Consolidated Variable Interest Entity:		
Insurance Reserves	28.1	29.4
Unearned Premiums	3.3	12.1
Accrued Expenses and Other Liabilities	0.6	1.5
Total Liabilities	9,506.2	9,803.3
Kemper Corporation Shareholders' Equity:		
Common Stock, $0.10 Par Value, 100,000,000 Shares Authorized; 58,923,994 Shares Issued and Outstanding at September 30, 2026 and 58,666,644 Shares Issued and Outstanding at December 31, 2025	5.9	5.9
Paid-in Capital	1,740.1	1,723.9
Retained Earnings	687.2	1,157.8
Accumulated Other Comprehensive Loss	(299.9)	(206.2)
Total Kemper Corporation Shareholders' Equity	2,133.3	2,681.4
Noncontrolling Interest	(14.8)	(12.0)
Total Shareholders' Equity	2,118.5	2,669.4
Total Liabilities and Shareholders' Equity	$ 11,624.7	$ 12,472.7

The Notes to the Condensed Consolidated Financial Statements are an integral part of these financial statements.

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)
(Unaudited)

	Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025
Cash Flows from Operating Activities:		
Net (Loss) Income	$ (416.7)	$ 142.6
Adjustments to Reconcile Net (Loss) Income to Net Cash Provided by Operating Activities:		
Net Realized Investment Losses (Gains)	0.1	(4.7)
Impairment Losses	29.1	6.4
Depreciation, Amortization and Impairments of Long-lived Assets	34.5	61.2
Change in Accumulated Undistributed Earnings of Equity Method Limited Liability Investments	(1.1)	6.0
Change in Fair Value of Equity and Convertible Securities	(0.2)	2.5
Goodwill Impairment	460.0	—
Changes in:		
Receivables from Policyholders	5.8	(47.5)
Reinsurance Recoverables	1.7	2.6
Deferred Policy Acquisition Costs	(26.2)	(30.3)
Insurance Reserves	218.0	251.1
Unearned Premiums	(33.2)	48.9
Income Taxes	(18.5)	9.5
Other	(70.9)	(38.8)
Net Cash Provided by Operating Activities	182.4	409.5
Cash Flows from Investing Activities:		
Proceeds from Sales, Calls and Maturities of Fixed Maturities	837.9	902.3
Proceeds from Sales or Paydowns of Investments:		
Equity Securities	35.5	19.3
Real Estate Investments	0.2	5.5
Mortgage Loans	127.2	83.4
Other Investments	14.3	18.1
Purchases of Investments:		
Fixed Maturities	(838.7)	(980.7)
Equity Securities	(36.9)	(104.3)
Real Estate Investments	(1.9)	(2.1)
Company-Owned Life Insurance	(4.1)	—
Mortgage Loans	(123.9)	(156.2)
Other Investments	(57.1)	(42.6)
Net (Purchases) Sales of Short-term Investments	(28.3)	685.4
Acquisition of Software and Long-lived Assets	(29.7)	(21.8)
Settlement Proceeds from Company-Owned Life Insurance	16.5	2.9
Other	11.3	4.2
Net Cash (Used in) Provided by Investing Activities	(77.7)	413.4

The Notes to the Condensed Consolidated Financial Statements are an integral part of these financial statements.

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Dollars in millions)
(Unaudited)

	Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025
Net Cash (Used in) Provided by Investing Activities (Carryforward from page 8)	(77.7)	413.4
Cash Flows from Financing Activities:		
Repayment of Long-term Debt	—	(450.0)
Proceeds from Policyholder Contract Obligations	—	30.3
Repayment of Policyholder Contract Obligations	(95.1)	(51.0)
Proceeds from Shares Issued under Employee Stock Purchase Plan	1.6	2.7
Common Stock Repurchases	—	(251.3)
Dividends Paid	(56.5)	(60.7)
Other	(0.2)	(0.9)
Net Cash Used in Financing Activities	(150.2)	(780.9)
Net (decrease) increase in cash[1]	(45.5)	42.0
Cash, Beginning of Year[1]	126.0	65.4
Cash, End of Period[1]	$ 80.5	$ 107.4

[1] Includes amounts attributable to Kemper Reciprocal reported as noncontrolling interest.

The Notes to the Condensed Consolidated Financial Statements are an integral part of these financial statements.

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION
(Dollars in millions)
(Unaudited)

	Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025
Cash paid during the year for:		
Interest	$ (32.3)	$ (41.9)
Taxes	(22.3)	(22.2)
Operating Leases	(12.8)	(14.2)
Non-Cash Activities:		
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 6.0	$ 24.8

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended September 30, 2026						
	Number of Shares	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Equity
Balance, June 30, 2026	58.9	$ 5.9	$1,738.5	$ 653.7	$ (205.3)	$ (15.5)	$ 2,177.3
Net Income	—	—	—	52.4	—	1.3	53.7
Other Comprehensive Loss, Net of Taxes (Note 12)	—	—	—	—	(94.6)	(0.7)	(95.3)
Cash Dividends and Dividend Equivalents to Shareholders ($0.32 per share)	—	—	—	(18.9)	—	—	(18.9)
Equity-based Compensation Cost	—	—	1.6	—	—	—	1.6
Other Changes in Noncontrolling Interest	—	—	—	—	—	0.1	0.1
Balance, September 30, 2026	58.9	$ 5.9	$1,740.1	$ 687.2	$ (299.9)	$ (14.8)	$ 2,118.5

	Three Months Ended September 30, 2025						
	Number of Shares	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Equity
Balance, June 30, 2025	63.6	$ 6.4	$1,859.3	$1,345.4	$ (257.7)	$ (7.9)	$ 2,945.5
Net Loss	—	—	—	(21.0)	—	(3.2)	(24.2)
Other Comprehensive Income, Net of Taxes (Note 12)	—	—	—	—	30.6	0.1	30.7
Cash Dividends and Dividend Equivalents to Shareholders ($0.32 per share)	—	—	—	(19.7)	—	—	(19.7)
Repurchases of Common Stock (Note 13)	(3.4)	(0.3)	(129.8)	(88.7)	—	—	(218.8)
Shares Issued Under Employee Stock Purchase Plan (Note 13)	—	(0.1)	0.9	—	—	—	0.8
Equity-based Compensation Cost	—	—	7.3	—	—	—	7.3
Equity-based Awards, Net of Shares Exchanged	—	—	(0.5)	—	—	—	(0.5)
Other Changes in Noncontrolling Interest	—	—	—	—	—	0.5	0.5
Balance, September 30, 2025	60.2	$ 6.0	$1,737.2	$1,216.0	$ (227.1)	$ (10.5)	$ 2,721.6

The Notes to the Condensed Consolidated Financial Statements are an integral part of these financial statements.

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)
(In millions, except per share amounts)
(Unaudited)

	Nine Months Ended September 30, 2026						
	Number of Shares	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Equity
Balance, December 31, 2025	58.7	$ 5.9	$1,723.9	$1,157.8	$ (206.2)	$ (12.0)	$ 2,669.4
Net Loss	—	—	—	(414.1)	—	(2.6)	(416.7)
Other Comprehensive Loss, Net of Taxes (Note 12)	—	—	—	—	(93.7)	(1.0)	(94.7)
Cash Dividends and Dividend Equivalents to Shareholders ($0.96 per share)	—	—	—	(56.5)	—	—	(56.5)
Shares Issued Under Employee Stock Purchase Plan (Note 13)	0.1	—	1.6	—	—	—	1.6
Equity-based Compensation Cost	—	—	15.6	—	—	—	15.6
Equity-based Awards, Net of Shares Exchanged	0.1	—	(1.0)	—	—	—	(1.0)
Other Changes in Noncontrolling Interest	—	—	—	—	—	0.8	0.8
Balance, September 30, 2026	58.9	$ 5.9	$1,740.1	$ 687.2	$ (299.9)	$ (14.8)	$ 2,118.5

	Nine Months Ended September 30, 2025						
	Number of Shares	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Equity
Balance, December 31, 2024	63.9	$ 6.4	$1,854.9	$1,231.6	$ (304.5)	$ (4.1)	$ 2,784.3
Net Income (Loss)	—	—	—	151.3	—	(8.7)	142.6
Other Comprehensive Income, Net of Taxes (Note 12)	—	—	—	—	77.4	0.3	77.7
Cash Dividends and Dividend Equivalents to Shareholders ($0.96 per share)	—	—	—	(60.7)	—	—	(60.7)
Repurchases of Common Stock (Note 13)	(3.9)	(0.4)	(144.7)	(106.2)	—	—	(251.3)
Shares Issued Under Employee Stock Purchase Plan (Note 13)	—	—	2.7	—	—	—	2.7
Equity-based Compensation Cost	—	—	27.2	—	—	—	27.2
Equity-based Awards, Net of Shares Exchanged	0.2	—	(2.9)	—	—	—	(2.9)
Other Changes in Noncontrolling Interest	—	—	—	—	—	2.0	2.0
Balance, September 30, 2025	60.2	$ 6.0	$1,737.2	$1,216.0	$ (227.1)	$ (10.5)	$ 2,721.6

The Notes to the Condensed Consolidated Financial Statements are an integral part of these financial statements.

Note 1 - Basis of Presentation and Accounting Policies

The unaudited Condensed Consolidated Financial Statements include the accounts of Kemper Corporation ("Kemper") and its subsidiaries which include property and casualty insurance subsidiaries and life insurance subsidiaries (collectively referred to herein as the "Company"), and a variable interest entity ("VIE") in which the Company is considered the primary beneficiary.

The unaudited Condensed Consolidated Financial Statements included herein have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") on a basis consistent with reporting interim financial information pursuant to the rules and regulations for Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC") and include the accounts of Kemper Corporation, its subsidiaries, and a VIE in which the Company is considered the primary beneficiary. All intercompany accounts and transactions have been eliminated. Certain prior period amounts have been reclassified to conform to the current period presentation.

Certain financial information that is included in the annual financial statements, including certain financial statement footnote disclosures prepared in accordance with GAAP, is not required by the rules and regulations of the SEC for interim financial reporting and has been condensed or omitted. In the opinion of the Company's management, the Condensed Consolidated Financial Statements include all adjustments necessary to fairly present the financial position, results of operations and cash flows for the periods presented. The preparation of financial statements requires significant management estimates. Due to this factor and other factors, such as the seasonal nature of some portions of the insurance business, annualizing the results of operations for the nine months ended September 30, 2026 would not necessarily be indicative of the results expected for the full fiscal year. The accompanying Condensed Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements and related notes included in Kemper's Annual Report for the year ended December 31, 2025.

Adoption of New Accounting Guidance

The Company has adopted all recently issued accounting pronouncements with effective dates prior to October 1, 2026. There were no adoptions of such accounting pronouncements during the nine months ended September 30, 2026 that had a material impact on the Company's interim Condensed Consolidated Financial Statements.

Guidance Not Yet Adopted

In October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-06 *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative.* This ASU amends the disclosure or presentation requirements related to various subtopics in the FASB Accounting Standards Codification. For SEC registrants, the effective date for each amendment will be the date on which the SEC's removal of that related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company will monitor the removal of various requirements from the current regulations in order to determine when to adopt the related amendments, but does not anticipate the adoption of the new guidance will have a material impact on the Company's Condensed Consolidated Financial Statements. The Company will continue to evaluate the impact of this guidance on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03 *Disaggregation of Income Statement Expenses*, which requires companies to disclose, within the financial statement footnotes, the amount of inventory purchases, employee compensation, depreciation, intangible asset amortization, and depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities that contribute to each income statement expense line item, as well as the amount of selling expenses incurred during each reporting period. ASU 2024-03 is effective for annual periods beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06 *Targeted Improvements to the Accounting for Internal-Use Software,* which replaces the existing project stage model with a principles-based approach. Software costs are capitalized when management has committed funding, and it is probable the project will be completed and used as intended. ASU 2025-06 also aligns disclosure requirements with those for property, plant, and equipment, eliminates separate intangible asset disclosures, and supersedes guidance on website development costs. ASU 2025-06 is effective for annual periods beginning after December 15, 2027, and interim periods within those fiscal years. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

Note 1 - Basis of Presentation and Accounting Policies (Continued)

In December 2025, the FASB issued ASU 2025-11 *Narrow-Scope Improvements*, which clarifies the scope and application of interim reporting requirements. The amendments enhance guidance on the form and content of interim financial statements, and consolidate required interim disclosures across the Codification, including a new disclosure principle requiring entities to describe events or changes since the last annual reporting period that have a material impact on interim results. ASU 2025-11 is effective for interim periods within annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of this guidance on its interim condensed consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12 *Codification Improvements*, which include technical corrections, clarifications, and other minor amendments intended to improve the consistency and usability of the FASB Accounting Standards Codification. The Amendments address a variety of topics and are not intended to change existing accounting conclusions. ASU 2025-12 is effective for annual periods beginning after December 15, 2026, and interim periods within those fiscal years. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

Note 2 - Net Income (Loss) Per Unrestricted Share

A reconciliation of the numerator and denominator used in the calculation of Basic Net Income (Loss) Per Unrestricted Share and Diluted Net Income (Loss) Per Unrestricted Share for the three and nine months ended September 30, 2026 and 2025 is presented below.

	Three Months Ended		Nine Months Ended	
(Dollars in Millions, except per share amounts)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Net Income (Loss) attributable to Kemper Corporation	$ 52.4	$ (21.0)	$ (414.1)	$ 151.3
Shares in Thousands				
Weighted-average Unrestricted Shares Outstanding	58,923.1	61,477.4	58,844.6	63,092.2
Equity-based Compensation Equivalent Shares	664.7	—	—	628.2
Weighted-average Unrestricted Shares and Equivalent Shares Outstanding Assuming Dilution	59,587.8	61,477.4	58,844.6	63,720.4
Net Income (Loss) attributable to Kemper Corporation per Unrestricted Share:				
(Per Unrestricted Share in Whole Dollars)				
Basic Net Income (Loss) Per Unrestricted Share	$ 0.89	$ (0.34)	$ (7.04)	$ 2.40
Diluted Net Income (Loss) Per Unrestricted Share	$ 0.88	$ (0.34)	$ (7.04)	$ 2.37

The number of shares of Kemper common stock that were excluded from the calculations of Equity-based Compensation Equivalent Shares and Weighted-average Unrestricted Shares and Equivalent Shares Outstanding Assuming Dilution because the effect of inclusion would be anti-dilutive was 1.8 million and 2.0 million for the three months ended September 30, 2026 and 2025, respectively, and 1.9 million and 1.4 million for the nine months ended September 30, 2026 and 2025, respectively.

Note 3 - Goodwill

Goodwill balances by business segment at September 30, 2026 and December 31, 2025 were:

(Dollars in Millions)	Sep 30, 2026	Dec 31, 2025
Specialty Property & Casualty Insurance	$ 575.8	$ 1,043.0
Life Insurance	207.7	207.7
Total	$ 783.5	$ 1,250.7

Note 3 - Goodwill (Continued)

During the second quarter of 2026, the Company concluded that recent operational challenges within the Specialty Property & Casualty reporting unit and the sustained decline in the Company's share price were triggering events requiring a goodwill impairment assessment for all reporting units. As a result, the fair value of each reporting unit was determined using a combination of available market information, market comparisons and a discounted cash flow valuation method based on the present value of future earnings. To corroborate each reporting unit's valuation, the Company performed a reconciliation of the estimated aggregate fair value of all reporting units to the Company's market capitalization, including consideration of a control premium. This reconciliation provided an indication that, in total, assumptions and estimates were reasonable. The fair value calculated in the second quarter of 2026 for the Specialty Property & Casualty business was lower than the carrying value of the reporting unit, resulting in an impairment of $460.0 million. All the goodwill that was impaired was not tax deductible. The impairment was primarily due to the market's perceived risk of the Company's ability to achieve its future cash flow projections. Future sustained declines in the overall market value of the Company's share price and a continued decline in operational performance may provide an indication that the fair value of one or more reporting units has declined below its carrying value.

The goodwill impairment is reported separately in the Condensed Consolidated Statement of Income (Loss) for the nine months ended September 30, 2026, with a corresponding reduction to Goodwill in the Condensed Consolidated Balance Sheet as of September 30, 2026.

On April 1, 2026, the Company completed the sale of Newins Insurance Agency Holdings, LLC and its subsidiaries ("Newins"), a small distribution business within its Specialty Property & Casualty Insurance segment to Freeway Insurance Services America, LLC. The sale included approximately $14.9 million of assets, of which $7.2 million related to goodwill. In connection with the sale, a pre-tax gain of $7.5 million was recorded during the second quarter of 2026, subject to final closing adjustments. During the third quarter of 2026, the Company recorded an additional pre-tax gain of $1.1 million related to certain closing adjustments. The gain is reflected in Insurance and Other Expenses in the Condensed Consolidated Statements of Income (Loss).

Note 4 - Business Segments

The Company is engaged, through its subsidiaries, in the property and casualty insurance and life and health insurance businesses. The Company conducts its operations through two operating segments: Specialty Property & Casualty Insurance ("Specialty") and Life Insurance ("Life").

The Specialty Property & Casualty Insurance segment's principal products are specialty personal automobile and commercial automobile insurance. These products are distributed primarily through independent agents and brokers. The Life Insurance segment's principal products are individual life, accident, supplemental health and property insurance. Career agents employed by the Company distribute these products. Corporate and Other operations include interest expense, board of directors' fees, general corporate expenses incurred by the Company which are not allocated to other businesses, and eliminations of certain inter-segment amounts. Non-Core Operations includes the results of the Preferred Insurance business which the Company expects to fully exit.

Note 4 - Business Segments (Continued)

Segment Adjusted Net Operating Income

The Company analyzes the operating performance of each segment using segment adjusted net operating income. Segment adjusted net operating income does not equate to "net income (loss)" as determined in accordance with U.S. GAAP but is the measure of segment profit or loss used by the Company's Chief Operating Decision Maker ("CODM"), our President and CEO, to evaluate segment performance and allocate resources, and consistent with authoritative guidance, is the measure of segment performance presented below. Segment adjusted net operating income is calculated by adjusting each segment's income after income taxes for the following items:

(i) Change in Fair Value of Equity and Convertible Securities;
(ii) Net Realized Investment (Losses) Gains;
(iii) Impairment Losses;
(iv) Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs;
(v) Debt Extinguishment and Other Charges;
(vi) Goodwill Impairment;
(vii) Non-Core Operations; and
(viii) Significant non-recurring or infrequent items that may not be indicative of ongoing operations

These items are important to an understanding of overall results of operations. Segment adjusted net operating income is not a substitute for income determined in accordance with U.S. GAAP, and the Company's definition of segment adjusted net operating income may differ from that used by other companies. The Company, however, believes that the presentation of segment adjusted net operating income, as measured for management purposes, enhances the understanding of results of operations by highlighting the underlying profitability factors of its businesses.

Total Segment, Corporate and Other, and Non-Core Operations assets at September 30, 2026 and December 31, 2025 were:

(Dollars in Millions)	Sep 30, 2026	Dec 31, 2025
Segment Assets:		
Specialty Property & Casualty Insurance[1, 2]	$ 6,560.4	$ 6,932.8
Life Insurance	4,496.8	4,839.5
Total Segment Assets	11,057.2	11,772.3
Corporate and Other	217.1	332.3
Non-Core Operations	350.4	368.1
Total Assets[1]	$11,624.7	$12,472.7

[1] Includes $59.1 million and $74.5 million attributable to Kemper Reciprocal as of September 30, 2026 and December 31, 2025, respectively, which is reported as a consolidated VIE.

[2] During the second quarter of 2026, the Company recorded goodwill impairment of $460.0 million related to the Specialty Property & Casualty Insurance segment. See Note 3, "Goodwill" to the Condensed Consolidated Financial Statements for more information.

Note 4 - Business Segments (Continued)

Earned Premiums by product line, including a reconciliation to Total Earned Premiums, for the three and nine months ended September 30, 2026 and 2025 were:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Specialty Property & Casualty Insurance:				
Personal Automobile	$ 599.9	$ 785.1	$ 1,894.3	$ 2,328.1
Commercial Automobile	258.0	232.2	745.4	662.2
Total Specialty Property & Casualty Insurance	857.9	1,017.3	2,639.7	2,990.3
Life Insurance:				
Life	100.8	84.1	273.9	252.6
Accident and Health	5.3	5.5	16.0	16.4
Property	9.6	10.2	29.3	31.0
Total Life Insurance	115.7	99.8	319.2	300.0
Total Segment Earned Premiums	973.6	1,117.1	2,958.9	3,290.3
Non-Core Operations	9.8	16.2	35.4	61.7
Total Earned Premiums	$ 983.4	$ 1,133.3	$ 2,994.3	$ 3,352.0

Segment Revenues, including a reconciliation to Total Revenues, for the three and nine months ended September 30, 2026 and 2025 were:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Segment Revenues:				
Specialty Property & Casualty Insurance:				
Earned Premiums	$ 857.9	$ 1,017.3	$ 2,639.7	$ 2,990.3
Net Investment Income	58.5	53.8	167.5	153.9
Other Income	1.0	2.5	5.0	6.5
Total Specialty Property & Casualty Insurance	917.4	1,073.6	2,812.2	3,150.7
Life Insurance:				
Earned Premiums	115.7	99.8	319.2	300.0
Net Investment Income	49.9	48.0	147.9	141.1
Other Income	0.2	0.4	0.9	1.4
Total Life Insurance	165.8	148.2	468.0	442.5
Total Segment Revenues	1,083.2	1,221.8	3,280.2	3,593.2
Change in Fair Value of Equity and Convertible Securities	3.2	(2.1)	0.2	(2.5)
Non-Core Operations	11.9	18.2	41.7	67.4
Net Realized Investment (Losses) Gains, Impairment Losses, and Other[1]	(7.7)	1.8	(31.6)	0.2
Total Revenues	$ 1,090.6	$ 1,239.7	$ 3,290.5	$ 3,658.3

[1] During the fourth quarter of 2025, the Company elected to change the presentation of Net Realized Investment (Losses) Gains, Impairment Losses, and Other by combining them into a single line item. Prior-period amounts have been recast to conform to the current-period presentation.

Note 4 - Business Segments (Continued)

Significant Segment Expenses that were regularly provided to the CODM for the three and nine months ended September 30, 2026 and 2025 were:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Segment Expenses:				
Specialty Property & Casualty Insurance:				
Current Year				
Non-catastrophe Losses and LAE	$ 691.9	$ 798.7	$ 2,167.4	$ 2,211.1
Catastrophe Losses and LAE	2.0	1.0	9.4	10.1
Prior Years				
Non-catastrophe Losses and LAE	(23.2)	51.4	(10.9)	65.5
Catastrophe Losses and LAE	—	—	0.5	0.6
Total Incurred Losses and LAE	670.7	851.1	2,166.4	2,287.3
Policy Acquisition Costs[1]	113.9	137.0	359.3	409.4
Business Unit Operating Costs[2]	33.6	44.2	100.7	122.6
Corporate Overhead Costs[3]	32.7	33.4	100.7	102.5
Total Insurance Expenses	180.2	214.6	560.7	634.5
Income Tax Expense	12.1	0.3	14.8	44.4
Total Specialty Property & Casualty Insurance	863.0	1,066.0	2,741.9	2,966.2
Life Insurance:				
Policyholders' Benefits and Incurred Losses and LAE	75.0	60.5	202.5	186.2
Policy Acquisition Costs[1]	34.0	32.8	97.3	97.7
Business Unit Operating Costs[2]	25.7	24.6	76.9	76.1
Corporate Overhead Costs[3]	8.2	8.2	25.6	25.9
Total Insurance Expenses	67.9	65.6	199.8	199.7
Income Tax Expense	3.1	3.5	9.6	8.2
Total Life Insurance	146.0	129.6	411.9	394.1
Total Segment Expenses	$ 1,009.0	$ 1,195.6	$ 3,153.8	$ 3,360.3

[1] Policy acquisition costs primarily represents commissions and premium taxes that are incurred by the Company as a result of underwriting insurance policies and reflect the impacts of deferral and amortization of certain of these costs in accordance with the Company's accounting policies.

[2] Business unit operating costs are general expenses incurred by the Company's segments as part of ongoing operations and includes employee, IT, and facilities expenses.

[3] Corporate overhead costs represents general expenses and other shared service expenses which are allocated across the Company.

Note 4 - Business Segments (Continued)

Total Segment Adjusted Net Operating Income, including a reconciliation to Net Income (Loss) attributable to Kemper Corporation, for the three and nine months ended September 30, 2026 and 2025 was:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Segment Adjusted Net Operating Income:				
Specialty Property & Casualty Insurance				
Revenues	$ 917.4	$ 1,073.6	$ 2,812.2	$ 3,150.7
Expenses	(863.0)	(1,066.0)	(2,741.9)	(2,966.2)
Specialty Property & Casualty Insurance Adjusted Net Operating Income	54.4	7.6	70.3	184.5
Life Insurance				
Revenues	165.8	148.2	468.0	442.5
Expenses	(146.0)	(129.6)	(411.9)	(394.1)
Life Insurance Adjusted Net Operating Income	19.8	18.6	56.1	48.4
Total Segment Adjusted Net Operating Income	74.2	26.2	126.4	232.9
Corporate and Other Adjusted Net Operating Loss	(13.0)	(9.0)	(30.3)	(30.7)
Less: Net Income (Loss) attributable to Noncontrolling Interest	1.3	(3.2)	(2.6)	(8.7)
Net Income (Loss) From:				
Change in Fair Value of Equity and Convertible Securities	2.6	(1.7)	0.2	(2.0)
Net Realized Investment (Losses) Gains	(0.9)	3.1	(0.1)	3.7
Impairment Losses	(2.9)	(2.5)	(23.0)	(5.1)
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	(6.4)	(19.6)	(23.0)	(27.6)
Debt Extinguishment and Other Charges	—	—	—	0.4
Goodwill Impairment	—	—	(460.0)	—
Non-Core Operations	0.1	(20.7)	(6.9)	(29.0)
Net Income (Loss) attributable to Kemper Corporation	$ 52.4	$ (21.0)	$ (414.1)	$ 151.3

Note 5 - Property and Casualty Insurance Reserves

Property and Casualty Insurance Reserve activity for the nine months ended September 30, 2026 and 2025 was:

	Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025
Property and Casualty Insurance Reserves:		
Gross of Reinsurance at Beginning of Year	$ 2,910.8	$ 2,611.9
Less: Reinsurance Recoverables at Beginning of Year	25.6	24.3
Property and Casualty Insurance Reserves, Net of Reinsurance at Beginning of Year	2,885.2	2,587.6
Incurred Losses and LAE related to:		
Current Year	2,189.1	2,242.2
Prior Years	(5.8)	66.2
Total Incurred Losses and LAE	2,183.3	2,308.4
Paid Losses and LAE related to:		
Current Year	884.3	945.0
Prior Years	1,124.7	1,167.7
Total Paid Losses and LAE	2,009.0	2,112.7
Property and Casualty Insurance Reserves, Net of Reinsurance at End of Period	3,059.5	2,783.3
Plus: Reinsurance Recoverables at End of Period	22.5	22.7
Property and Casualty Insurance Reserves, Gross of Reinsurance at End of Period	$ 3,082.0	$ 2,806.0

Property and Casualty Insurance Reserves are estimated based on historical experience patterns and current economic trends. Actual loss experience and loss trends may differ from these historical experience patterns and economic conditions. Loss experience and loss trends emerge over several years from the dates of loss inception. The Company monitors such emerging loss trends on a quarterly basis. Changes in such estimates are included in the Condensed Consolidated Statements of Income (Loss) in the period of change. Additionally, the Company reviews if any premium revisions are appropriate as a result of any incurred losses and loss adjustment expenses ("LAE") related to prior years recorded in the current period. For the nine months ended September 30, 2026 and 2025, no premium revisions were deemed necessary solely as a result of any incurred losses or LAE related to prior years recorded in the current year.

For the nine months ended September 30, 2026, the net favorable prior year development of $5.8 million included favorable development of $37.0 million from Specialty Personal Automobile primarily related to bodily injury and physical damage coverages and $26.6 million of adverse development on prior accident years attributable to evolving loss patterns and higher defense costs associated with attorney-represented bodily injury coverages in the Commercial Automobile product line.

For the nine months ended September 30, 2025, the net adverse prior year development of $66.2 million included $67.5 million of adverse development on prior accident years attributable to evolving loss patterns and higher defense costs associated with attorney-represented bodily injury coverages in the Commercial Automobile product line.

The Company cannot predict whether loss and LAE reserves will develop favorably or unfavorably from the amounts reported in the Condensed Consolidated Financial Statements. Any such development could have a material effect on the Company's consolidated financial results for a given period.

Note 6 - Liability for Future Policyholder Benefits

The Company's Life Insurance Reserves are reported using the Company's estimate of its liability for future policyholder benefits. The liability for future policyholder benefits is grouped by contract type and issue year into cohorts consistent with the grouping used in estimating the associated liability. Significant assumption inputs to the calculation of the liability for future policyholder benefits include mortality, lapses, and discount rates (both accretion and current). The liability is adjusted for differences between actual and expected experience. In 2026, the Company changed the timing of its annual assumption update from the fourth quarter to the third quarter to better align with the Company's annual planning process and be consistent with industry practice. The impact of the change in timing has been recognized in Life and Health Reserves within the Condensed Consolidated Balance Sheet and in Earned Premiums and Policyholders' Benefits and Incurred Losses and Loss Adjustment Expenses within the Condensed Consolidated Statement of Income (Loss) and has been applied prospectively given the immateriality of these updates.

The following tables summarize balances and changes in the present value of expected net premiums, present value of expected future policyholder benefits and net liability for future policyholder benefits as of and for the three and nine months ended September 30, 2026 and 2025:

		Three Months Ended		Nine Months Ended	
(Dollars in Millions)		Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Present Value of Expected Net Premiums	Balance, Beginning of Period	$ 693.5	$ 683.1	$ 672.6	$ 646.1
	Beginning Balance at Original Discount Rate	$ 715.7	$ 705.6	$ 686.6	$ 681.0
	Effect of Changes in Cash Flow Assumptions	(23.9)	—	(23.9)	—
	Effect of Actual Variances from Expected Experience	13.4	1.1	24.6	17.8
	Adjusted Beginning of Period Balance	705.2	706.7	687.3	698.8
	Issuances	27.5	21.2	80.5	61.9
	Interest Accrual	7.6	7.6	22.3	22.4
	Net Premiums Collected	(25.6)	(24.2)	(75.4)	(71.8)
	Ending Balance at Original Discount Rate	714.7	711.3	714.7	711.3
	Effect of Changes in Discount Rate Assumptions	(51.7)	(14.4)	(51.7)	(14.4)
	Balance, End of Period	$ 663.0	$ 696.9	$ 663.0	$ 696.9
Present Value of Expected Future Policyholder Benefits	Balance, Beginning of Period	$ 3,331.8	$ 3,343.4	$ 3,348.5	$ 3,295.9
	Beginning Balance at Original Discount Rate	$ 3,838.5	$ 3,834.3	$ 3,806.6	$ 3,812.1
	Effect of Changes in Cash Flow Assumptions	(41.9)	—	(41.9)	—
	Effect of Actual Variances from Expected Experience	40.6	(0.7)	49.5	16.0
	Adjusted Beginning of Period Balance	3,837.2	3,833.6	3,814.2	3,828.1
	Issuances	27.7	21.3	80.6	62.4
	Interest Accrual	42.2	42.1	125.7	126.1
	Benefit Payments	(54.6)	(55.0)	(168.0)	(174.6)
	Ending Balance at Original Discount Rate	3,852.5	3,842.0	3,852.5	3,842.0
	Effect of Changes in Discount Rate Assumptions	(784.1)	(414.3)	(784.1)	(414.3)
	Balance, End of Period	$ 3,068.4	$ 3,427.7	$ 3,068.4	$ 3,427.7
	Net Liability for Future Policyholder Benefits, pre-flooring	$ 2,405.4	$ 2,730.8	$ 2,405.4	$ 2,730.8
	Cumulative impact of flooring the future Policyholder Benefits Reserve	—	—	—	—
	Net Liability for Future Policyholder Benefits, post-flooring	$ 2,405.4	$ 2,730.8	$ 2,405.4	$ 2,730.8

Note 6 - Liability for Future Policyholder Benefits (Continued)

The weighted-average liability duration of the liability for future policyholder benefits as calculated under current rates is as follows:

	Sep 30, 2026	Sep 30, 2025
Weighted-Average Liability Duration of the Liability for Future Policyholder Benefits (Years)	12.3	14.0

The reconciliation of the net liability for future policyholder benefits to Life and Health Insurance Reserves in the Condensed Consolidated Balance Sheets is as follows:

(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025
Net Liability for Future Policyholder Benefits, post-flooring	$ 2,405.4	$ 2,730.8
Deferred Profit Liability	511.3	460.4
Other[1]	128.0	126.4
Total Life and Health Insurance Reserves	$ 3,044.7	$ 3,317.6

[1]Other primarily consists of Accident and Health and Universal Life reserves

The amounts of expected undiscounted future benefit payments, expected undiscounted future gross premiums and expected discounted future gross premiums, are as follows:

(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025
Expected Future Benefit Payments, undiscounted	$ 10,038.4	$ 10,167.1
Expected Future Gross Premiums, undiscounted	$ 3,932.3	$ 4,010.9
Expected Future Gross Premiums, discounted	$ 2,513.1	$ 2,718.2

The amount of revenue and interest recognized on life insurance products in the Condensed Consolidated Statements of Income (Loss) is as follows:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Gross Premiums or Assessments	$ 100.5	$ 99.2	$ 301.4	$ 299.7
Interest Expense	$ 34.5	$ 34.6	$ 103.3	$ 103.7

The weighted-average interest rate is as follows:

	Sep 30, 2026	Sep 30, 2025
Interest Accretion Rate	4.50 %	4.53 %
Current Discount Rate	6.58 %	5.57 %

Significant assumption inputs to the calculation of the liability for future policyholder benefits include mortality, lapses, and discount rates (both accretion and current). The Company reviewed and updated mortality and lapse assumptions during the third quarter of 2026. The Company did not make any changes to mortality and lapse assumptions during the nine months ended September 30, 2025. Market data that underlies current discount rates was updated as of September 30, 2026.

The balances of and changes in Deferred Profit Liability as of and for the periods indicated are as follows:

	Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025
Balance, Beginning of Year	$ 481.7	$ 412.1
Annual Assumption Changes	2.8	—
Profits Deferred	114.4	118.4
Interest Accrual	16.9	14.9
Amortization	(88.4)	(86.6)
Effect of Actual Variances from Expected Experience and Other Changes	(16.1)	1.6
Balance, End of Period	$ 511.3	$ 460.4

Note 7 - Investments

Fixed Maturities

The amortized cost and fair values of the Company's Investments in Fixed Maturities at September 30, 2026 and December 31, 2025 were:

	September 30, 2026				
		Gross Unrealized			
(Dollars in Millions)	Amortized Cost	Gains	Losses	Allowance for Expected Credit Losses	Fair Value
U.S. Government and Government Agencies and Authorities	$ 754.0	$ 0.1	$ (117.6)	$ —	$ 636.5
States and Political Subdivisions	1,394.9	—	(276.7)	(0.1)	1,118.1
Foreign Governments	5.6	—	(0.2)	—	5.4
Corporate Securities:					
Bonds and Notes	4,176.9	6.4	(691.0)	(20.6)	3,471.7
Redeemable Preferred Stocks	9.5	—	(0.1)	—	9.4
Collateralized Loan Obligations	765.2	1.2	(10.9)	(4.8)	750.7
Other Mortgage- and Asset-backed	356.6	0.2	(28.8)	—	328.0
Investments in Fixed Maturities	$ 7,462.7	$ 7.9	$ (1,125.3)	$ (25.5)	$ 6,319.8

	December 31, 2025				
		Gross Unrealized			
(Dollars in Millions)	Amortized Cost	Gains	Losses	Allowance for Expected Credit Losses	Fair Value
U.S. Government and Government Agencies and Authorities	$ 702.0	$ 3.2	$ (82.8)	$ —	$ 622.4
States and Political Subdivisions	1,437.3	1.8	(185.7)	(0.2)	1,253.2
Foreign Governments	10.7	0.4	(0.1)	—	11.0
Corporate Securities:					
Bonds and Notes	4,089.8	11.4	(433.5)	(17.4)	3,650.3
Redeemable Preferred Stocks	9.8	0.4	—	—	10.2
Collateralized Loan Obligations	850.8	2.5	(7.8)	(2.5)	843.0
Other Mortgage- and Asset-backed	375.3	1.1	(23.2)	—	353.2
Investments in Fixed Maturities	$ 7,475.7	$ 20.8	$ (733.1)	$ (20.1)	$ 6,743.3

Accrued interest excluded from the amortized cost of fixed maturities total $70.4 million and $75.3 million as of September 30, 2026 and December 31, 2025, respectively, and is reported within Other Receivables on the Condensed Consolidated Balance Sheets. The Company monitors accrued interest and writes off amounts when they are not expected to be received.

There were $4.0 million and $1.6 million of unsettled sales of Investments in Fixed Maturities included in Other Receivables at September 30, 2026 and December 31, 2025, respectively. Accrued Expenses and Other Liabilities included $33.1 million and $42.7 million of unsettled purchases of Investments in Fixed Maturities as of September 30, 2026 and December 31, 2025, respectively.

Note 7 - Investments (Continued)

The amortized cost and estimated fair values of the Company's Investments in Fixed Maturities at September 30, 2026 by contractual maturity were:

(Dollars in Millions)	Amortized Cost	Fair Value
Due in One Year or Less	$ 185.9	$ 167.7
Due after One Year to Five Years	1,112.5	1,042.2
Due after Five Years to Ten Years	955.3	832.9
Due after Ten Years	3,462.7	2,675.8
Mortgage- and Asset-backed Securities Not Due at a Single Maturity Date	1,746.3	1,601.2
Investments in Fixed Maturities	$ 7,462.7	$ 6,319.8

The expected maturities of the Company's Investments in Fixed Maturities may differ from the contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

Investments in Mortgage- and Asset-backed Securities Not Due at a Single Maturity Date at September 30, 2026 consisted of securities issued by the Government National Mortgage Association with a fair value of $463.9 million, securities issued by the Federal National Mortgage Association with a fair value of $38.1 million, securities issued by the Federal Home Loan Mortgage Corporation with a fair value of $20.5 million and securities of other non-governmental issuers with a fair value of $1,078.7 million.

An aging of unrealized losses on the Company's Investments in Fixed Maturities at September 30, 2026 is presented below.

	Less Than 12 Months		12 Months or Longer		Total	
(Dollars in Millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed Maturities:						
U.S. Government and Government Agencies and Authorities	$ 288.3	$ (12.7)	$ 330.3	$ (104.9)	$ 618.6	$ (117.6)
States and Political Subdivisions	170.9	(17.9)	932.0	(258.8)	1,102.9	(276.7)
Foreign Governments	4.4	(0.2)	—	—	4.4	(0.2)
Corporate Securities:						
Bonds and Notes	718.8	(52.3)	2,480.3	(638.7)	3,199.1	(691.0)
Redeemable Preferred Stocks	5.4	(0.1)	2.0	—	7.4	(0.1)
Collateralized Loan Obligations	268.8	(3.0)	58.2	(7.9)	327.0	(10.9)
Other Mortgage- and Asset-backed	64.0	(2.8)	205.9	(26.0)	269.9	(28.8)
Total Fixed Maturities	$ 1,520.6	$ (89.0)	$ 4,008.7	$ (1,036.3)	$ 5,529.3	$ (1,125.3)

Investment-grade fixed maturity investments comprised $1,108.9 million and below-investment-grade fixed maturity investments comprised $16.4 million of the unrealized losses on investments in fixed maturities at September 30, 2026. For below-investment-grade fixed maturity investments in an unrealized loss position, the unrealized loss amount, on average, was approximately 3.5% of the amortized cost basis of the investment.

Note 7 - Investments (Continued)

An aging of unrealized losses on the Company's Investments in Fixed Maturities at December 31, 2025 is presented below.

	Less Than 12 Months		12 Months or Longer		Total	
(Dollars in Millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed Maturities:						
U.S. Government and Government Agencies and Authorities	$ 3.1	$ —	$ 380.3	$ (82.8)	$ 383.4	$ (82.8)
States and Political Subdivisions	86.2	(2.4)	1,063.3	(183.3)	1,149.5	(185.7)
Foreign Governments	1.0	—	0.5	(0.1)	1.5	(0.1)
Corporate Securities:						
Bonds and Notes	353.0	(5.4)	2,759.5	(428.1)	3,112.5	(433.5)
Redeemable Preferred Stocks	—	—	2.0	—	2.0	—
Collateralized Loan Obligations	238.2	(1.2)	61.7	(6.6)	299.9	(7.8)
Other Mortgage- and Asset-backed	24.7	(0.5)	249.5	(22.7)	274.2	(23.2)
Total Fixed Maturities	$ 706.2	$ (9.5)	$ 4,516.8	$ (723.6)	$ 5,223.0	$ (733.1)

Investment-grade fixed maturity investments comprised $719.6 million and below-investment-grade fixed maturity investments comprised $13.6 million of the unrealized losses on investments in fixed maturities at December 31, 2025. For below-investment-grade fixed maturity investments in an unrealized loss position, the unrealized loss amount, on average, was approximately 3.3% of the amortized cost basis of the investment.

Fixed Maturities - Expected Credit Losses

The following tables set forth the change in allowance for credit losses on fixed maturities available-for-sale by major security type for the nine months ended September 30, 2026 and 2025.

	Nine Months Ended September 30, 2026		
(Dollars in Millions)	States and Political Subdivisions	Corporate Bonds and Notes	Total
Balance, Beginning of Year	$ 0.2	$ 19.9	$ 20.1
Additions for Securities for which No Previous Expected Credit Losses were Recognized	—	4.2	4.2
Reductions Due to Sales	—	(2.8)	(2.8)
Net Increase in Allowance on Securities for which Expected Credit Losses were Previously Recognized	—	4.0	4.0
Balance, End of Period	$ 0.2	$ 25.3	$ 25.5

Note 7 - Investments (Continued)

(Dollars in Millions)	Nine Months Ended September 30, 2025		
	States and Political Subdivisions	Corporate Bonds and Notes	Total
Balance, Beginning of Year	$ 0.3	$ 10.4	$ 10.7
Additions for Securities for which No Previous Expected Credit Losses were Recognized	—	2.1	2.1
Reductions Due to Sales	—	(0.4)	(0.4)
Net (Decrease) Increase in Allowance on Securities for which Expected Credit Losses were Previously Recognized	(0.2)	4.7	4.5
Write-offs Charged Against Allowance	—	(1.2)	(1.2)
Balance, End of Period	$ 0.1	$ 15.6	$ 15.7

Equity Securities

Investments in Equity Securities at Fair Value were $311.0 million and $306.4 million at September 30, 2026 and December 31, 2025, respectively. Net unrealized gains arising during the nine months ended September 30, 2026 recognized in earnings, related to such investments still held as of September 30, 2026 were $1.4 million compared to net unrealized losses of $2.3 million for the same period in 2025.

There were no unsettled purchases or sales of Investments in Equity Securities at Fair Value at September 30, 2026. As of December 31, 2025, there were no unsettled purchases and $0.2 million in unsettled sales of Investments in Equity Securities at Fair Value.

Equity Method Limited Liability Investments

Equity Method Limited Liability Investments include investments in limited liability investment companies and limited partnerships in which the Company's interests are not deemed minor and are accounted for under the equity method of accounting. The Company's investments in Equity Method Limited Liability Investments are generally of a passive nature in that the Company does not take an active role in the management of the investment entity.

The Company's maximum exposure to loss at September 30, 2026 is limited to the total carrying value of $182.7 million. In addition, the Company had outstanding commitments totaling approximately $106.5 million to fund Equity Method Limited Liability Investments at September 30, 2026. At September 30, 2026, 4.6% of Equity Method Limited Liability Investments were reported without a reporting lag, 0.8% of the total carrying value were reported with a one-month lag, and the remainder were reported with a greater than one-month but less than or equal to three-month lag.

There were no unsettled purchases and $1.5 million of unsettled sales of Equity Method Limited Liability Investments at September 30, 2026. As of December 31, 2025, there were no unsettled purchases or sales of Equity Method Limited Liability Investments. Unsettled purchases and sales of Equity Method Limited Liability Investments are carried within Accrued Expenses and Other Liabilities and Other Receivables, respectively, on the Condensed Consolidated Balance Sheets.

Loans to Policyholders

Loans to Policyholders represents funds loaned to policyholders up to the cash surrender value of the associated insurance policies and are carried at the unpaid principal balances due to the Company from the policyholders. Interest income on policy loans is recognized in Net Investment Income at the contract interest rate when earned. Policy loans are fully collateralized by the cash surrender value of the associated insurance policies.

The carrying values of the Company's Loans to Policyholders at Unpaid Principal investment were $279.9 million at September 30, 2026 and December 31, 2025, respectively.

Note 7 - Investments (Continued)

Other Investments

The carrying values of the Company's Other Investments at September 30, 2026 and December 31, 2025 were:

(Dollars in Millions)	Sep 30, 2026	Dec 31, 2025
Mortgage Loans	$ 140.1	$ 149.8
Real Estate at Depreciated Cost	97.4	92.7
Equity Securities at Modified Cost	17.7	21.7
Other	16.9	7.1
Total Other Investments	$ 272.1	$ 271.3

Investments in Equity Securities at Modified Cost were $17.7 million and $21.7 million at September 30, 2026 and December 31, 2025, respectively. The Company performs a qualitative impairment analysis on a quarterly basis consisting of various factors such as earnings performance, current market conditions, changes in credit ratings, changes in the regulatory environment and other factors. If the qualitative analysis identifies the presence of impairment indicators, the Company estimates the fair value of the investment. If the estimated fair value is below the carrying value, the Company records an impairment in the Condensed Consolidated Statements of Income (Loss) to reduce the carrying value to the estimated fair value. When the Company identifies observable transactions of the same or similar securities to those held by the Company, the Company increases or decreases the carrying value to the observable transaction price. The Company did not recognize any changes in carrying value due to observable transactions for the nine months ended September 30, 2026 and 2025. The Company did not recognize any impairment on Equity Securities at Modified Cost for the nine months ended September 30, 2026 and 2025 as a result of the Company's impairment analysis. As of September 30, 2026 and December 31, 2025, the Company recognized no cumulative increases or decreases in the carrying value due to observable transactions and $1.3 million and $3.2 million, respectively, of cumulative impairments on Equity Securities at Modified Cost.

Note 7 - Investments (Continued)

Net Investment Income

Net Investment Income for the three and nine months ended September 30, 2026 and 2025 was:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Investment Income:				
Interest on Fixed Maturities[1]	$ 81.4	$ 79.1	$ 241.7	$ 232.4
Dividends on Equity Securities Excluding Alternative Investments	1.9	2.1	4.7	3.6
Alternative Investments:				
Equity Method Limited Liability Investments	(1.8)	—	—	(6.0)
Limited Liability Investments Included in Equity Securities	5.5	4.0	16.1	10.8
Total Alternative Investments	3.7	4.0	16.1	4.8
Short-term Investments	2.9	4.2	8.7	18.8
Loans to Policyholders	5.1	5.2	15.6	15.6
Real Estate	2.6	2.5	7.6	7.0
Company-Owned Life Insurance	13.5	10.8	37.1	31.5
Other	2.9	3.1	10.2	8.4
Total Investment Income	114.0	111.0	341.7	322.1
Investment Expenses:				
Real Estate	2.3	2.0	6.8	6.3
Other Investment Expenses	4.4	4.2	15.1	13.9
Total Investment Expenses	6.7	6.2	21.9	20.2
Net Investment Income	$ 107.3	$ 104.8	$ 319.8	$ 301.9

[1] Reduced by interest expense incurred on Federal Home Loan Banks ("FHLB") borrowings used for spread lending purposes of $3.5 million and $4.7 million for the three months ended September 30, 2026 and 2025, respectively, and $10.9 million and $14.3 million for the nine months ended September 30, 2026 and 2025, respectively.

The components of Net Realized Investment (Losses) Gains for the three and nine months ended September 30, 2026 and 2025 are presented below:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Fixed Maturities:				
Gains on Sales	$ 0.9	$ 3.7	$ 4.8	$ 5.4
Losses on Sales	(2.1)	(0.5)	(5.2)	(1.5)
Equity Securities:				
Gains on Sales	0.1	0.5	0.3	0.5
Losses on Sales	(0.1)	—	(0.1)	—
Other Investments:				
Gains on Sales	0.1	0.2	0.1	0.3
Losses on Sales	—	—	—	—
Net Realized Investment (Losses) Gains	$ (1.1)	$ 3.9	$ (0.1)	$ 4.7
Gross Gains on Sales	$ 1.1	$ 4.4	$ 5.2	$ 6.2
Gross Losses on Sales	(2.2)	(0.5)	(5.3)	(1.5)
Net Realized Investment (Losses) Gains	$ (1.1)	$ 3.9	$ (0.1)	$ 4.7

Note 8 - Fair Value Measurements

The Company classifies its Investments in Fixed Maturities as available-for-sale and reports these investments at fair value. The Company reports equity investments with readily determinable fair values as Equity Securities at Fair Value. Certain investments that are measured at fair value using the net asset value ("NAV") practical expedient are not required to be classified using the fair value hierarchy, but are presented in the following two tables to permit reconciliation of the fair value hierarchy to the amounts presented in the Condensed Consolidated Balance Sheets.

The valuation of assets and liabilities measured at fair value in the Company's Condensed Consolidated Balance Sheet at September 30, 2026 is summarized below. The Company had no material liabilities that are measured and reported at fair value.

	Fair Value Measurements				
(Dollars in Millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total Fair Value
Assets:					
Fixed Maturities:					
U.S. Government and Government Agencies and Authorities	$ 97.4	$ 539.1	$ —	$ —	$ 636.5
States and Political Subdivisions	—	1,118.0	0.1	—	1,118.1
Foreign Governments	—	5.4	—	—	5.4
Corporate Securities:					
Bonds and Notes	—	3,030.4	441.3	—	3,471.7
Redeemable Preferred Stock	—	5.4	4.0	—	9.4
Collateralized Loan Obligations	—	743.7	7.0	—	750.7
Other Mortgage and Asset-backed	—	271.2	56.8	—	328.0
Total Investments in Fixed Maturities	97.4	5,713.2	509.2	—	6,319.8
Equity Securities:					
Preferred Stocks:					
Finance, Insurance and Real Estate	—	8.2	2.9	—	11.1
Other Industries	—	5.0	—	—	5.0
Common Stocks:					
Finance, Insurance and Real Estate	47.9	—	—	—	47.9
Other Industries	0.2	—	7.6	—	7.8
Other Equity Interests:					
Exchange Traded Funds	11.5	—	—	—	11.5
Limited Liability Companies and Limited Partnerships	—	—	—	227.7	227.7
Total Investments in Equity Securities	59.6	13.2	10.5	227.7	311.0
Total Assets	$ 157.0	$ 5,726.4	$ 519.7	$ 227.7	$ 6,630.8

Note 8 - Fair Value Measurements (Continued)

The valuation of assets and liabilities measured at fair value in the Company's Condensed Consolidated Balance Sheet at December 31, 2025 is summarized below. The Company had no material liabilities that are measured and reported at fair value.

	Fair Value Measurements				
(Dollars in Millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total Fair Value
Assets:					
Fixed Maturities:					
U.S. Government and Government Agencies and Authorities	$ 115.9	$ 506.5	$ —	$ —	$ 622.4
States and Political Subdivisions	—	1,251.5	1.7	—	1,253.2
Foreign Governments	—	11.0	—	—	11.0
Corporate Securities:					
Bonds and Notes	—	3,357.3	293.0	—	3,650.3
Redeemable Preferred Stocks	—	5.8	4.4	—	10.2
Collateralized Loan Obligations	—	830.6	12.4	—	843.0
Other Mortgage and Asset-backed	—	325.3	27.9	—	353.2
Total Investments in Fixed Maturities	115.9	6,288.0	339.4	—	6,743.3
Equity Securities:					
Preferred Stocks:					
Finance, Insurance and Real Estate	—	11.6	2.6	—	14.2
Other Industries	—	5.0	—	—	5.0
Common Stocks:					
Finance, Insurance and Real Estate	63.2	—	—	—	63.2
Other Industries	0.2	—	1.6	—	1.8
Other Equity Interests:					
Exchange Traded Funds	11.9	—	—	—	11.9
Limited Liability Companies and Limited Partnerships	—	—	—	210.3	210.3
Total Investments in Equity Securities	75.3	16.6	4.2	210.3	306.4
Total Assets	$ 191.2	$ 6,304.6	$ 343.6	$ 210.3	$ 7,049.7

Note 8 - Fair Value Measurements (Continued)

The Company's investments in Fixed Maturities that are classified as Level 1 primarily consist of U.S. Treasury Bonds and Notes. The Company's investments in Equity Securities that are classified as Level 1 consist of either investments in mutual funds or exchange traded funds. The Company's investments in Fixed Maturities that are classified as Level 2 primarily consist of investments in corporate bonds, obligations of states and political subdivisions, collateralized loan obligations, and mortgage-backed securities of U.S. government agencies. The Company's investments in Equity Securities that are classified as Level 2 consist of investments in preferred stocks. The Company uses a leading, nationally recognized provider of market data and analytics to price the vast majority of the Company's Level 2 measurements. The provider utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information. Because many fixed maturity securities do not trade on a daily basis, the provider's evaluated pricing applications apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings and matrix pricing to prepare evaluations. In addition, the provider uses model processes to develop prepayment and interest rate scenarios. The pricing provider's models and processes also take into account market convention. For each asset class, teams of its evaluators gather information from market sources and integrate relevant credit information, perceived market movements and sector news into the evaluated pricing applications and models. The Company generally validates the measurements obtained from its primary pricing provider by comparing them with measurements obtained from one additional pricing provider that provides either prices from recent market transactions, quotes in inactive markets or evaluations based on its own proprietary models.

The Company investigates significant differences related to the values provided. On completion of its investigation, management exercises judgment to determine the price selected and whether adjustments, if any, to the price obtained from the Company's primary pricing provider would warrant classification of the price as Level 3. In instances where a measurement cannot be obtained from either pricing provider, the Company generally will evaluate bid prices from one or more binding quotes obtained from market makers to value investments in inactive markets and classified by the Company as Level 2. The Company generally classifies securities when it receives non-binding quotes or indications as Level 3 securities unless the Company can validate the quote or indication against recent transactions in the market.

The tables below present quantitative information about the significant unobservable inputs utilized by the Company in determining fair values for fixed maturity investments classified as Level 3 at September 30, 2026 and December 31, 2025. Valuations for assets presented in the tables below are primarily based on broker/dealer quotes for which there is a lack of transparency as to inputs used to develop the valuations. The quantitative detail of these unobservable inputs is neither provided nor reasonably available to the Company. The weighted average yield is calculated based on fair value.

	September 30, 2026			
(Dollars in Millions)	Unobservable Input	Total Fair Value	Range of Unobservable Inputs	Weighted-average Yield
Investment-grade	Market Yield	$ 146.9	5.2 % - 11.2 %	6.7 %
Non-investment-grade:				
Senior Debt	Market Yield	200.0	6.0 - 16.0	9.2
Junior Debt	Market Yield	30.1	7.1 - 21.0	12.7
Other	Various	132.2		
Total Level 3 Fixed Maturity Investments		$ 509.2		

	December 31, 2025			
(Dollars in Millions)	Unobservable Input	Total Fair Value	Range of Unobservable Inputs	Weighted-average Yield
Investment-grade	Market Yield	$ 99.1	1.6 % - 11.1 %	7.2 %
Non-investment-grade:				
Senior Debt	Market Yield	102.6	6.3 - 26.1	9.1
Junior Debt	Market Yield	35.2	8.5 - 26.0	13.4
Other	Various	102.5		
Total Level 3 Fixed Maturity Investments		$ 339.4		

Note 8 - Fair Value Measurements (Continued)

For an investment in a fixed maturity security, an increase in the yield used to determine the fair value of the security will decrease the fair value of the security. A decrease in the yield used to determine fair value will increase the fair value of the security, but for callable securities the fair value increase is generally limited to par, unless security is currently callable at a premium.

Information by security type pertaining to the changes in the fair value of the Company's investments classified as Level 3 for the three months ended September 30, 2026 and 2025 is presented below. The transfers into and out of Level 3 were due to changes in the availability of market observable inputs.

	Three Months Ended September 30, 2026						
	Fixed Maturities					Equity Securities	
(Dollars in Millions)	Corporate Bonds and Notes	States and Political Sub-divisions	Redeemable Preferred Stocks	Collateralized Loan Obligations	Other Mortgage- and Asset-backed	Preferred and Common Stocks	Total
Balance, Beginning of Period	$ 426.0	$ 0.2	$ 4.0	$ 4.0	$ 46.0	$ 5.5	$ 485.7
Total Gains (Losses):							
Included in Condensed Consolidated Statements of Income (Loss)	1.0	—	—	—	(0.4)	5.6	6.2
Included in Other Comprehensive Loss	(5.6)	(0.1)	—	—	(1.6)	(0.9)	(8.2)
Purchases	91.9	—	—	7.0	2.8	—	101.7
Sales	(93.2)	—	—	—	(0.1)	—	(93.3)
Transfers into Level 3	23.5	—	—	—	10.1	0.3	33.9
Transfers out of Level 3	(2.3)	—	—	(4.0)	—	—	(6.3)
Balance, End of Period	$ 441.3	$ 0.1	$ 4.0	$ 7.0	$ 56.8	$ 10.5	$ 519.7

	Three Months Ended September 30, 2025							
	Fixed Maturities						Equity Securities	
(Dollars in Millions)	Corporate Bonds and Notes	Foreign Governments	States and Political Sub-divisions	Redeemable Preferred Stocks	Collateralized Loan Obligations	Other Mortgage- and Asset-backed	Preferred and Common Stocks	Total
Balance, Beginning of Period	$ 261.6	$ —	$ 0.2	$ 4.3	$ 52.8	$ 22.5	$ 4.8	$ 346.2
Total Gains (Losses):								
Included in Condensed Consolidated Statements of Income (Loss)	0.4	—	—	—	—	—	(1.9)	(1.5)
Included in Other Comprehensive Income	(4.8)	—	(0.1)	0.1	—	0.8	0.4	(3.6)
Purchases	87.6	5.0	—	—	5.7	13.1	(0.5)	110.9
Sales	(64.1)	(2.5)	—	—	—	—	1.2	(65.4)
Transfers into Level 3	—	—	1.7	—	—	—	—	1.7
Transfers out of Level 3	—	—	—	—	(52.8)	(1.5)	—	(54.3)
Balance, End of Period	$ 280.7	$ 2.5	$ 1.8	$ 4.4	$ 5.7	$ 34.9	$ 4.0	$ 334.0

Note 8 - Fair Value Measurements (Continued)

Information by security type pertaining to the changes in the fair value of the Company's investments classified as Level 3 for the nine months ended September 30, 2026 and 2025 is presented below. The transfers into and out of Level 3 were due primarily to changes in the availability of market observable inputs.

	Nine Months Ended September 30, 2026							
	Fixed Maturities						Equity Securities	
(Dollars in Millions)	Corporate Bonds and Notes	Foreign Governments	States and Political Sub-divisions	Redeemable Preferred Stocks	Collateralized Loan Obligations	Other Mortgage- and Asset-backed	Preferred and Common Stocks	Total
Balance, Beginning of Year	$ 293.0	$ —	$ 1.7	$ 4.4	$ 12.4	$ 27.9	$ 4.2	$ 343.6
Total Gains (Losses):								
Included in Condensed Consolidated Statements of Income (Loss)	1.4	—	—	—	(1.4)	(1.1)	5.7	4.6
Included in Other Comprehensive Loss	(6.7)	—	(0.2)	0.1	1.5	(2.2)	—	(7.5)
Purchases	334.6	6.1	—	—	21.0	27.4	—	389.1
Sales	(215.8)	(6.1)	—	(0.5)	(1.6)	(0.1)	—	(224.1)
Transfers into Level 3	37.1	—	—	—	1.5	10.1	0.6	49.3
Transfers out of Level 3	(2.3)	—	(1.4)	—	(26.4)	(5.2)	—	(35.3)
Balance, End of Period	$ 441.3	$ —	$ 0.1	$ 4.0	$ 7.0	$ 56.8	$ 10.5	$ 519.7

	Nine Months Ended September 30, 2025							
	Fixed Maturities						Equity Securities	
(Dollars in Millions)	Corporate Bonds and Notes	Foreign Governments	States and Political Sub-divisions	Redeemable Preferred Stocks	Collateralized Loan Obligations	Other Mortgage- and Asset-backed	Preferred and Common Stocks	Total
Balance, Beginning of Year	$ 194.2	$ —	$ 1.8	$ 4.2	$ —	$ 5.0	$ 3.8	$ 209.0
Total Gains (Losses):								
Included in Condensed Consolidated Statements of Income (Loss)	1.9	—	—	—	—	—	—	1.9
Included in Other Comprehensive Income	(2.1)	—	(0.2)	0.2	—	0.7	0.4	(1.0)
Purchases	216.5	5.0	—	—	125.5	20.8	0.3	368.1
Sales	(134.6)	(2.5)	—	—	(10.0)	(0.1)	(0.5)	(147.7)
Transfers into Level 3	5.0	—	1.7	—	—	10.0	—	16.7
Transfers out of Level 3	(0.2)	—	(1.5)	—	(109.8)	(1.5)	—	(113.0)
Balance, End of Period	$ 280.7	$ 2.5	$ 1.8	$ 4.4	$ 5.7	$ 34.9	$ 4.0	$ 334.0

Note 8 - Fair Value Measurements (Continued)

The table below shows investments reported at fair value using NAV and their unfunded commitments by asset class as of September 30, 2026 and December 31, 2025.

(Dollars in Millions)	September 30, 2026		December 31, 2025	
Asset Class	Fair Value Using NAV	Unfunded Commitments	Fair Value Using NAV	Unfunded Commitments
Reported as Equity Method Limited Liability Investments:				
Mezzanine Debt	$ 114.9	$ 36.1	$ 115.5	$ 38.8
Real Estate	26.0	—	24.1	—
Senior Debt	24.0	56.7	21.1	56.9
Leveraged Buyout	6.9	11.9	6.5	0.1
Other	10.9	1.8	8.8	1.7
Total Equity Method Limited Liability Investments	182.7	106.5	176.0	97.5
Reported as Other Equity Interests at Fair Value:				
Mezzanine Debt	118.0	85.0	115.8	82.3
Leveraged Buyout	52.5	33.8	40.5	41.0
Senior Debt	22.5	7.1	25.5	6.1
Distressed Debt	9.4	17.7	10.8	16.1
Growth Equity	11.9	5.0	10.7	5.7
Other	13.4	4.0	7.0	1.3
Total Reported as Other Equity Interests at Fair Value	227.7	152.6	210.3	152.5
Reported as Equity Securities at Modified Cost:				
Other	0.8	—	1.8	0.1
Total Reported as Equity Securities at Modified Cost	0.8	—	1.8	0.1
Total Investments Reported at Fair Value Using NAV	$ 411.2	$ 259.1	$ 388.1	$ 250.1

The fund investments included above are not redeemable, because distributions from the funds will be received when underlying investments of the funds are liquidated. The funds are generally expected to have approximately 10 year lives at their inception, but these lives may be extended at the fund manager’s discretion, typically in one or two-year increments.

Note 8 - Fair Value Measurements (Continued)

The following table includes information related to the Company's investments that calculate a NAV per share:

Asset Class	Investment Category Includes
Mezzanine Debt	Funds with investments in junior or subordinated debt and potentially minority equity securities issued by private companies.
Senior Debt	Funds with investments in senior or first lien debt and potentially minority equity securities typically issued by private companies.
Distressed Debt	Funds with debt or minority equity investments that are made opportunistically in companies that are in or near default or under financial strain with potential to have an active role in restructuring the company.
Leveraged Buyout	Funds with control equity investments in more mature, positive cash flowing, private companies that are typically purchased with the use of financial leverage.
Growth Equity	Funds that invest in early or venture stage companies with high growth potential with view towards generating realizations through sale or initial public offering of company.
Real Estate	Funds with investments in multi-family housing properties.
Other	Consists of funds that focus on purchasing third party fund interests from investors seeking liquidity within their portfolio as well as direct investments of preferred equity or minority common equity investments into private companies structured as limited partnerships or limited liability companies.

Presented below are the carrying values and fair value estimates of financial instruments not carried at fair value.

		September 30, 2026		December 31, 2025	
(Dollars in Millions)	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:					
Loans to Policyholders	Level 3	$ 279.9	$ 279.9	$ 279.9	$ 279.9
Short-term Investments	Level 1	343.8	343.8	313.5	313.5
Mortgage Loans	Level 3	140.1	140.1	149.8	149.8
Company-Owned Life Insurance	Level 2	560.8	560.8	579.2	579.2
Equity Securities at Modified Cost	Level 3	17.7	17.7	21.7	21.7
Financial Liabilities:					
Long-term Debt	Level 2	$ 945.0	$ 831.7	$ 943.5	$ 868.0
Policyholder Obligations	Level 2	422.4	422.4	513.8	513.8

Loans to Policyholders are carried at unpaid principal balance which approximates fair value and are categorized as Level 3 within the fair value hierarchy. The nature of policy loans is to have a negligible default risk as the loans are fully collateralized by the value of the policy. Policy loans do not have a stated maturity and the balances and accrued interest are repaid either by the policyholder or with proceeds from the policy. Due to the collateralized nature of policy loans and unpredictable timing of payments, the Company believes the carrying value of policy loans approximates fair value. The fair value measurement of Short-term Investments is estimated using inputs that are considered Level 1 measurements. The Mortgage Loans fair value measurement is considered equal to amortized cost given the short-term nature of the investments. The cash surrender value of Company-Owned Life Insurance approximates fair value and is considered to be a Level 2 investment. The fair value measurement of Equity Securities at Modified Cost is estimated using inputs that are considered Level 3 measurements. The fair value of Long-term Debt is estimated using quoted prices for similar liabilities in markets that are not active. The inputs used in the valuation are considered Level 2 measurements. Policyholder Obligations presented in the preceding table consist of advances from the FHLB of Chicago, and the inputs used in the valuation are considered Level 2 measurements.

Note 9 - Variable Interest Entities

A VIE is a legal entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support or is structured such that equity investors lack the ability to make significant decisions relating to the entity's operations through voting rights or do not substantively participate in the gains and losses of the entity. The Company consolidates VIEs in which the Company is deemed the primary beneficiary. The primary beneficiary is the entity that has both (1) the power to direct the activities of the VIE that most significantly affect that entity's economic performance and (2) the obligation to absorb losses or the right to receive benefits that could be potentially significant to the VIE.

Reciprocal Exchange

The Company has formed a management company that acts as attorney-in-fact ("AIF") for Kemper Reciprocal (the "Reciprocal Exchange" or "Exchange"), an Illinois-domiciled reciprocal insurance exchange. The Exchange principally writes specialty personal automobile policies sold to subscribers of the Exchange. The establishment of Kemper Reciprocal was completed in the third quarter of 2023.

The Company consolidates the Exchange since (1) the AIF manages the business operations of the Exchange and therefore has the power to direct the activities that most significantly impact the economic performance of the Exchange and (2) the Company has provided capital to the Exchange and would absorb any expected losses that could potentially be significant to the Exchange. The Exchange's anticipated economic performance is the product of its underwriting and investment results. The AIF receives a management fee for the services provided to the Reciprocal Exchange. The management fee revenues are based upon all premiums written or assumed by the Exchange. The AIF determines the management fee rate to be paid by the Exchange. The AIF can charge a management fee of up to 30% of the Exchange's gross written and assumed premiums. The effects of the transactions between the Company and the Reciprocal Exchange are eliminated in consolidation to derive consolidated Net Income (Loss). However, the management fee income earned by the AIF is reported in Net Income (Loss) attributable to Kemper Corporation and is included in basic and diluted earnings per share.

The assets of the Reciprocal Exchange can be used only to settle the obligations of the Reciprocal Exchange for which creditors and other beneficial owners have no recourse to the Company. The Company has no obligation related to any underwriting and/or investment losses experienced by the Exchange. As of September 30, 2026 and December 31, 2025, the Company had contributed $36.0 million in the form of surplus notes and guarantee fund certificates to the Reciprocal Exchange. Due to ongoing operating losses and reductions in the forecasted cash flows, the Company established an allowance for credit loss of $21.0 million related to the surplus notes during the second quarter of 2026, which is reflected in Impairment Losses in the Condensed Consolidated Statement of Income (Loss) for the nine months ended September 30, 2026 and Other Assets in the Condensed Consolidated Balance Sheet as of September 30, 2026.

Noncontrolling interest is the portion of equity (net assets) not attributable, directly or indirectly, to a parent. Since the Company has no ownership interest in Kemper Reciprocal, the difference between the carrying value of the Exchange's assets and liabilities represents noncontrolling interest and any income or loss generated by the net assets of the Exchange is presented as income or loss attributable to noncontrolling interest.

Note 10 - Deferred Policy Acquisition Costs

The following tables present the balances and changes in Deferred Policy Acquisition Costs for the nine months ended September 30, 2026 and 2025.

(Dollars in Millions)	Specialty	Life	Segment Total	Non-Core Operations	Total
Balance, December 31, 2025[1]	$ 158.8	$ 497.1	$ 655.9	$ 0.8	$ 656.7
Capitalizations	353.3	54.1	407.4	3.0	410.4
Amortization Expense[2, 3]	(357.9)	(23.1)	(381.0)	(3.2)	(384.2)
Balance, September 30, 2026[1]	$ 154.2	$ 528.1	$ 682.3	$ 0.6	$ 682.9

[1] Includes $0.5 million and $1.3 million attributable to Kemper Reciprocal as of September 30, 2026 and December 31, 2025, respectively, which is reported as a consolidated VIE.

[2] Life includes increases to amortization expense related to experience adjustments of $3.4 million for the nine months ended September 30, 2026.

[3] Non-Core Operations includes $1.2 million of impairment related to a premium deficiency recognized during the period.

(Dollars in Millions)	Specialty	Life	Segment Total	Non-Core Operations	Total
Balance, December 31, 2024[1]	$ 162.8	$ 463.1	$ 625.9	$ 4.1	$ 630.0
Capitalizations	411.0	48.4	459.4	4.9	464.3
Amortization Expense[2, 3]	(404.4)	(21.7)	(426.1)	(7.9)	(434.0)
Balance, September 30, 2025[1]	$ 169.4	$ 489.8	$ 659.2	$ 1.1	$ 660.3

[1] Includes $1.4 million and $1.1 million attributable to Kemper Reciprocal as of September 30, 2025 and December 31, 2024, respectively, which is reported as a consolidated VIE.

[2] Life includes increases to amortization expense related to experience adjustments of $3.1 million for the nine months ended September 30, 2025.

[3] Non-Core Operations includes $2.0 million of impairment related to a premium deficiency recognized during the period.

Costs directly associated with the successful acquisition of business, principally commissions, certain premium taxes and policy issuance costs, are deferred. Costs deferred on property and casualty insurance contracts are amortized over the period in which the related premiums are earned. Costs deferred on traditional life insurance products and other long-duration insurance contracts are amortized on a constant level basis over the expected life of the contracts in accordance with the assumptions used to estimate the liability for future policyholder benefits for nonparticipating traditional and limited-payment contracts. The underlying assumptions for deferred policy acquisition costs and the liability for future policyholder benefits are updated concurrently.

The Company made changes to future assumptions for the Life Insurance segment during the third quarter of 2026. The Company did not make any changes to future assumptions for the nine months ended 2025.

Note 11 - Receivables from Policyholders - Allowance for Expected Credit Losses

The following tables present the balances of Receivables from Policyholders, net of the allowance for expected credit losses, as of September 30, 2026 and 2025, and a roll forward of changes in the allowance for expected credit losses for the three and nine months ended September 30, 2026 and 2025.

	Three Months Ended September 30, 2026				
(Dollars in Millions)	Specialty	Life	Total Segments	Non-Core Operations	Total Allowance for Expected Credit Losses
Balance, Beginning of Period	$ 1.1	$ —	$ 1.1	$ 0.1	$ 1.2
Provision for Expected Credit Losses	9.3	0.1	9.4	0.3	9.7
Write-offs of Uncollectible Receivables from Policyholders	(9.3)	(0.1)	(9.4)	(0.3)	(9.7)
Balance, End of Period	$ 1.1	$ —	$ 1.1	$ 0.1	$ 1.2
Receivable Balance, End of Period[1]	$ 954.9	$ 11.3	$ 966.2	$ 3.5	$ 969.7

[1]Specialty, Total Segments, and Total Includes $1.5 million attributable to Kemper Reciprocal, which is reported as a consolidated VIE.

	Three Months Ended September 30, 2025				
(Dollars in Millions)	Specialty	Life	Total Segments	Non-Core Operations	Total Allowance for Expected Credit Losses
Balance, Beginning of Period	$ 1.8	$ —	$ 1.8	$ 0.2	$ 2.0
Provision for Expected Credit Losses	14.5	0.1	14.6	—	14.6
Write-offs of Uncollectible Receivables from Policyholders	(14.0)	(0.1)	(14.1)	(0.1)	(14.2)
Balance, End of Period	$ 2.3	$ —	$ 2.3	$ 0.1	$ 2.4
Receivable Balance, End of Period[1]	$ 1,014.9	$ 11.3	$ 1,026.2	$ 7.4	$ 1,033.6

[1]Specialty, Total Segments, and Total Includes $10.7 million attributable to Kemper Reciprocal, which is reported as a consolidated VIE.

	Nine Months Ended September 30, 2026				
(Dollars in Millions)	Specialty	Life	Total Segments	Non-Core Operations	Total Allowance for Expected Credit Losses
Balance, Beginning of Year	$ 1.9	$ —	$ 1.9	$ 0.1	$ 2.0
Provision for Expected Credit Losses	28.1	0.1	28.2	0.3	28.5
Write-offs of Uncollectible Receivables from Policyholders	(28.9)	(0.1)	(29.0)	(0.3)	(29.3)
Balance, End of Period	$ 1.1	$ —	$ 1.1	$ 0.1	$ 1.2
Receivable Balance, End of Period[1]	$ 954.9	$ 11.3	$ 966.2	$ 3.5	$ 969.7

[1]Specialty, Total Segments, and Total Includes $1.5 million attributable to Kemper Reciprocal, which is reported as a consolidated VIE.

	Nine Months Ended September 30, 2025				
(Dollars in Millions)	Specialty	Life	Total Segments	Non-Core Operations	Total Allowance for Expected Credit Losses
Balance, Beginning of Year	$ 2.6	$ —	$ 2.6	$ 0.3	$ 2.9
Provision for Expected Credit Losses	41.1	0.2	41.3	0.2	41.5
Write-offs of Uncollectible Receivables from Policyholders	(41.4)	(0.2)	(41.6)	(0.4)	(42.0)
Balance, End of Period	$ 2.3	$ —	$ 2.3	$ 0.1	$ 2.4
Receivable Balance, End of Period[1]	$ 1,014.9	$ 11.3	$ 1,026.2	$ 7.4	$ 1,033.6

[1]Specialty, Total Segments, and Total Includes $10.7 million attributable to Kemper Reciprocal, which is reported as a consolidated VIE.

Note 12 - Other Comprehensive (Loss) Income and Accumulated Other Comprehensive Loss

The tables below display the changes in Accumulated Other Comprehensive Loss ("AOCI") by component for the three months ended September 30, 2026 and 2025.

	Changes in Net Unrealized Losses on Investment Securities					
(Dollars in Millions)	Having No Credit Losses Recognized in Condensed Consolidated Statements of Income	Having Credit Losses Recognized in Condensed Consolidated Statements of Income	Net Unrecognized Postretirement Benefit Income	Net Loss on Cash Flow Hedges	Change in Discount Rate on Future Life Policyholder Benefits	Total
Balance as of June 30, 2026	$ (589.0)	$ (3.7)	$ 5.5	$ (0.8)	$ 382.7	$ (205.3)
Other Comprehensive (Loss) Income Before Reclassifications	(285.7)	(4.0)	—	—	195.9	(93.8)
Amounts Reclassified from AOCI Net of Tax (Benefit) Expense of $(1.0), $0.9, $(0.1), $(0.1), $0.0 and $(0.3)	(3.7)	3.3	(0.3)	(0.1)	—	(0.8)
Other Comprehensive (Loss) Income Net of Tax (Benefit) Expense of $(77.1), $(0.1), $(0.1), $(0.1), $52.1 and $(25.3)	(289.4)	(0.7)	(0.3)	(0.1)	195.9	(94.6)
Balance as of September 30, 2026	$ (878.4)	$ (4.4)	$ 5.2	$ (0.9)	$ 578.6	$ (299.9)

	Changes in Net Unrealized Losses on Investment Securities					
(Dollars in Millions)	Having No Credit Losses Recognized in Condensed Consolidated Statements of Income	Having Credit Losses Recognized in Condensed Consolidated Statements of Income	Net Unrecognized Postretirement Benefit Income	Net Loss on Cash Flow Hedges	Change in Discount Rate on Future Life Policyholder Benefits	Total
Balance as of June 30, 2025	$ (631.7)	$ (2.2)	$ 7.6	$ (1.4)	$ 370.0	$ (257.7)
Other Comprehensive Income (Loss) Before Reclassifications	84.7	(5.1)	—	0.6	(54.0)	26.2
Amounts Reclassified from AOCI Net of Tax Expense of $0.2, $1.2, $0.0, $0.0, $0.0 and $1.4	0.7	4.3	(0.5)	(0.1)	—	4.4
Other Comprehensive Income (Loss) Net of Tax Expense (Benefit) of $22.4, $(0.2), $0.0, $0.2, $(14.4) and $8.0	85.4	(0.8)	(0.5)	0.5	(54.0)	30.6
Balance as of September 30, 2025	$ (546.3)	$ (3.0)	$ 7.1	$ (0.9)	$ 316.0	$ (227.1)

Note 12 - Other Comprehensive (Loss) Income and Accumulated Other Comprehensive Loss (Continued)

The tables below display the changes in AOCI by component for the nine months ended September 30, 2026 and 2025.

(Dollars in Millions)	Changes in Net Unrealized Losses on Investment Securities: Having No Credit Losses Recognized in Condensed Consolidated Statements of Income	Changes in Net Unrealized Losses on Investment Securities: Having Credit Losses Recognized in Condensed Consolidated Statements of Income	Net Unrecognized Postretirement Benefit Income	Net Loss on Cash Flow Hedges	Change in Discount Rate on Future Life Policyholder Benefits	Total
Balance as of January 1, 2026	$ (559.5)	$ (3.0)	$ 6.1	$ (0.6)	$ 350.8	(206.2)
Other Comprehensive (Loss) Income Before Reclassifications	(315.9)	(3.6)	—	—	227.8	(91.7)
Amounts Reclassified from AOCI Net of Tax (Benefit) Expense of $(0.8), $0.6, $(0.2), $(0.1), $0.0 and $(0.5)	(3.0)	2.2	(0.9)	(0.3)	—	(2.0)
Other Comprehensive (Loss) Income Net of Tax (Benefit) Expense of $(84.9), $(0.3), $(0.2), $(0.1), $60.6 and $(24.9)	(318.9)	(1.4)	(0.9)	(0.3)	227.8	(93.7)
Balance as of September 30, 2026	$ (878.4)	$ (4.4)	$ 5.2	$ (0.9)	$ 578.6	$ (299.9)

(Dollars in Millions)	Changes in Net Unrealized Losses on Investment Securities: Having No Credit Losses Recognized in Condensed Consolidated Statements of Income	Changes in Net Unrealized Losses on Investment Securities: Having Credit Losses Recognized in Condensed Consolidated Statements of Income	Net Unrecognized Postretirement Benefit Income	Net Loss on Cash Flow Hedges	Change in Discount Rate on Future Life Policyholder Benefits	Total
Balance as of January 1, 2025	$ (687.8)	$ (3.2)	$ 8.4	$ (2.2)	$ 380.3	$ (304.5)
Other Comprehensive Income (Loss) Before Reclassifications	140.7	(0.3)	—	1.4	(64.3)	77.5
Amounts Reclassified from AOCI Net of Tax Expense (Benefit) of $0.2, $0.2, $(0.3), $0.0, $0.0 and $0.1	0.8	0.5	(1.3)	(0.1)	—	(0.1)
Other Comprehensive Income (Loss) Net of Tax Expense (Benefit) of $37.3, $0.1, $(0.3), $(0.2), $(17.1) and $19.8	141.5	0.2	(1.3)	1.3	(64.3)	77.4
Balance as of September 30, 2025	$ (546.3)	$ (3.0)	$ 7.1	$ (0.9)	$ 316.0	$ (227.1)

Amounts reclassified from AOCI shown above are reported in Net Income (Loss) as follows:

Components of AOCI	Condensed Consolidated Statements of Income (Loss) Line Item Affected by Reclassifications
Net Unrealized Losses on Investment Securities with No Credit Losses	Net Realized Investment (Losses) Gains
Net Unrealized Losses on Investment Securities with Credit Losses	Impairment Losses and Net Realized Investment (Losses) Gains
Net Unrecognized Postretirement Benefit Income	Policyholders' Benefits and Incurred Losses and Loss Adjustment Expenses, Insurance and Other Expenses, and Interest Expense
Net Loss on Cash Flow Hedges	Net Investment Income and Interest Expense

Note 13 - Shareholders' Equity

Common Stock Repurchases

On August 5, 2025, Kemper's Board of Directors approved a share repurchase authorization, under which the Company can repurchase up to $500.0 million of its common stock (the "2025 Repurchase Program"). As of September 30, 2026, the remaining share repurchase authorization under the 2025 Repurchase Program was $304.2 million.

No shares were repurchased during the three and nine months ended September 30, 2026.

On August 13, 2025, the Company entered into an accelerated share repurchase agreement (the "ASR Agreement") with Goldman Sachs & Co. LLC ("Goldman Sachs") to repurchase an aggregate of $150.0 million of shares of the Company's common stock. Under the terms of the ASR Agreement, the Company made a payment of $150.0 million to Goldman Sachs, and on August 14, 2025, received initial deliveries of an aggregate of 2,279,000 shares of the Company's common stock, or approximately 80% of the total shares that are expected to be repurchased under the ASR Agreement, based on the closing price on August 13, 2025 of $52.65 per share.

The initial delivery of shares resulted in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted earnings per share. The ASR Agreement was accounted for as a treasury stock transaction and forward stock purchase contract. The shares delivered were immediately retired, and the unsettled portion of the ASR Agreement was recorded in additional paid-in capital in the Company's Condensed Consolidated Balance Sheet. The forward stock purchase contract was considered indexed to the Company's own stock and was classified as an equity instrument.

On October 13, 2025, as final settlement of the share repurchase transaction under the ASR Agreement, the Company received from Goldman Sachs approximately 615,000 shares of the Company's common stock. In total, the Company repurchased 2,894,000 shares of its Common Stock under the ASR Agreement at $51.84 per share, which represents the volume-weighted average market price of the Company's common stock during the term of the ASR Agreement less a customary discount. The shares delivered were immediately retired.

In addition to the ASR Agreement repurchases, Kemper repurchased and retired approximately 1,126,000 and 1,636,000 of its common stock in open market transactions under its share repurchase authorization during the three and nine months ended September 30, 2025, respectively. The repurchases during the three months ended September 30, 2025 were for an aggregate cost of $66.5 million and an average cost per share of $59.00 and the repurchases during the nine months ended September 30, 2025 were for an aggregate cost of $99.0 million and an average cost per share of $60.52.

Employee Stock Purchase Plan

During the three months ended September 30, 2026, the Company did not issue any shares under the Kemper Employee Stock Purchase Plan ("ESPP"). During the three months ended September 30, 2025, the Company issued 17,000 shares under the Kemper ESPP at an average discount price of $43.82 per share. Compensation costs charged against income were $0.1 million during the three months ended September 30, 2025.

During the nine months ended September 30, 2026 and 2025, the Company issued approximately 58,000 and 45,000 shares under the Kemper ESPP, respectively, at an average discounted price of $24.26 and $51.17 per share. Compensation costs charged against income were $0.2 million and $0.4 million for the nine months ended September 30, 2026 and 2025, respectively.

Note 14 - Amortization of Intangible Assets

The following table presents the amortization expense on definite life intangible assets incurred by the Company for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Specialty Property & Casualty Insurance	$ 5.1	$ 5.5	$ 14.7	$ 14.3
Life Insurance	1.7	1.8	5.2	5.1
Total Segment Amortization Expense	6.8	7.3	19.9	19.4
Corporate and Other	2.9	4.2	9.6	14.0
Non-Core Operations[1]	0.1	22.3	0.7	23.6
Total Amortization Expense	$ 9.8	$ 33.8	$ 30.2	$ 57.0

[1] During the three and nine months ended September 30, 2025, the Company recognized a $21.7 million impairment of Internal-Use Software assets included in Non-Core Operations.

Note 15 - Policyholder Obligations

Policyholder Obligations at September 30, 2026 and December 31, 2025 were as follows:

(Dollars in Millions)	Sep 30, 2026	Dec 31, 2025
FHLB Funding Agreements	$ 422.4	$ 513.8
Universal Life-type Policyholder Account Balances	91.8	94.2
Total	$ 514.2	$ 608.0

FHLB Funding Agreements

Kemper's subsidiary, United Insurance Company of America ("United Insurance") has entered into funding agreements with the FHLB of Chicago in exchange for cash, which it uses for spread lending purposes. During the nine months ended September 30, 2026, United Insurance received no advances from the FHLB of Chicago and made repayments of $91.4 million under the spread lending program.

When a funding agreement is issued, United Insurance is required to post collateral in the form of eligible securities including mortgage-backed, government, and agency debt instruments for each of the advances that are entered. The fair value of the collateral pledged must be maintained at certain specified levels above the borrowed amount, which can vary depending on the assets pledged. If the fair value of the collateral declines below these specified levels of the amount borrowed, United Insurance would be required to pledge additional collateral or repay outstanding borrowings. Upon any event of default by United Insurance, the FHLB's recovery on the collateral is limited to the amount of United Insurance's liability under the funding agreements to the FHLB of Chicago.

United Insurance's liability under the funding agreements with the FHLB of Chicago, the amount of collateral pledged under such agreements and FHLB of Chicago common stock owned by United Insurance at September 30, 2026 and December 31, 2025 is presented below.

(Dollars in Millions)	Sep 30, 2026	Dec 31, 2025
Liability under Funding Agreements	$ 422.4	$ 513.8
Fair Value of Collateral Pledged	506.0	661.3
FHLB of Chicago Common Stock Owned at Cost	14.7	17.7

Note 15 - Policyholder Obligations (Continued)

Universal Life-type Policyholder Account Balances

The Company's weighted-average crediting rate for Universal Life-type Policyholder Account Balances was 5.1% as of September 30, 2026 and 2025, respectively. Guaranteed minimum benefit amounts in excess of the current account balances for these contracts were $247.8 million and $260.3 million as of September 30, 2026 and December 31, 2025, respectively. The cash surrender value of the Company's policyholder obligations for these contracts was $91.8 million and $94.2 million as of September 30, 2026 and December 31, 2025, respectively.

Note 16 - Debt

Amended and Extended Credit Agreement

On March 15, 2022, the Company entered into an amended and extended credit agreement. The amended and extended credit agreement increased the borrowing capacity of the existing unsecured credit agreement to $600.0 million and extended the maturity date to March 15, 2027. Furthermore, the amended and extended credit agreement provided for an accordion feature whereby the Company could increase the revolving credit borrowing capacity by an additional $200.0 million for a total maximum capacity of $800.0 million. On May 4, 2026, the Company reduced the borrowing capacity under the credit agreement from $600.0 million to $350.0 million in accordance with terms of the agreement. The accordion feature remained unchanged and permits the Company to increase total borrowing capacity up to $550.0 million. There were no outstanding borrowings under the credit agreement at either September 30, 2026 or December 31, 2025.

On August 3, 2026, the Company entered into an amendment (the "Amendment") to the credit agreement. The Amendment, among other things, (i) replaced the consolidated net worth financial covenant contained in the agreement with a consolidated tangible net worth financial covenant, effective as of June 29, 2026, and (ii) added a quarterly-tested financial covenant requiring each of Trinity Universal Insurance Company ("Trinity") and United Insurance to maintain a minimum risk-based capital ratio.

Long-term Debt

The Company designates debt obligations as either short-term or long-term based on maturity date at issuance. Total amortized cost of Long-term Debt, Non-Current outstanding at September 30, 2026 and December 31, 2025 was:

(Dollars in Millions)	Sep 30, 2026	Dec 31, 2025
Non-Current:		
2.400% Senior Notes due September 30, 2030	$ 398.2	$ 397.9
3.800% Senior Notes due February 23, 2032	397.3	396.9
5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062	149.5	148.7
Total Long-term Debt Outstanding	$ 945.0	$ 943.5

Redemption of 4.350% Senior Notes Due 2025

On January 15, 2025, Kemper issued a notice of redemption for the entire $450.0 million aggregate principal of 4.350% senior notes originally due February 15, 2025 (the "2025 Senior Notes") at a redemption price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest on the redemption date. On February 11, 2025, Kemper completed the redemption and the 2025 Senior Notes were repaid in full.

2.400% Senior Notes Due 2030

Kemper has $400.0 million aggregate principal of 2.400% senior notes due September 30, 2030 (the "2030 Senior Notes"). The net proceeds of issuance were $395.8 million, net of discount and transaction costs, for an effective yield of 2.52%. The 2030 Senior Notes are unsecured and may be redeemed in whole at any time or in part from time to time, at Kemper's option, at specified redemption prices.

Note 16 - Debt (Continued)

3.800% Senior Notes Due 2032

On February 15, 2022, Kemper offered and sold $400.0 million aggregate principal of 3.800% senior notes due February 23, 2032 (the "2032 Senior Notes"). The net proceeds of issuance were $395.1 million, net of discount and transaction costs, for an effective yield of 3.950%. The 2032 Senior Notes are unsecured and may be redeemed in whole at any time or in part from time to time, at Kemper's option, at specified redemption prices.

5.875% Fixed-Rate Reset Junior Subordinated Debentures Due 2062

On March 10, 2022, Kemper issued $150.0 million aggregate principal amount of 5.875% Fixed-Rate Reset Junior Subordinated Debentures due March 15, 2062 (the "2062 Junior Debentures"). The net proceeds from issuance were $144.7 million, net of discount and transaction costs. The 2062 Junior Debentures will bear interest from and including the date of original issue to, but excluding, March 15, 2027 (the "First Reset Date") at the fixed rate of 5.875% per annum. The interest rate on the First Reset Date, and subsequent Reset Dates, will be equal to the Five-Year Treasury Rate as of the most recent Reset Date plus 4.140% to be reset on each Reset Date. Interest is due quarterly in arrears beginning on June 15, 2022. The Company has the option to defer interest payments for one or more optional deferral periods of up to five consecutive years, provided that no optional deferral period shall extend beyond March 15, 2062, or any earlier accelerated maturity date arising from an event of default or any earlier redemption of the 2062 Junior Debentures.

The 2062 Junior Debentures are unsecured and may be redeemed in whole or in part on the First Reset Date or any time thereafter, at a redemption price equal to the principal amount of the debentures being redeemed plus any accrued and unpaid interest.

Short-term Debt

Kemper's subsidiaries, United Insurance, Trinity and American Access Casualty Company ("AAC"), are members of the FHLBs of Chicago, Dallas and Chicago, respectively. The Company periodically uses short-term FHLB borrowings for cash management and risk management purposes, in addition to long-term FHLB borrowings for the spread lending program. The Company did not receive advances or make repayments of short-term debt during the three and nine months ended September 30, 2026 and 2025 for cash and risk management purposes. There were no short-term debt advances from the FHLBs of Chicago or Dallas outstanding at September 30, 2026 or December 31, 2025. For information on United Insurance's funding agreement with the FHLB of Chicago in connection with the spread lending program, see Note 15, "Policyholder Obligations" to the Condensed Consolidated Financial Statements.

Note 17 - Income Taxes

The statute of limitations related to Kemper and its eligible subsidiaries' consolidated Federal income tax returns is closed for all tax years up to and including 2011 as well as 2018, 2019 and 2021. As a result of the Company filing amended federal income tax returns, tax years 2012 and 2013 are under limited examination with respect to carryback adjustments associated with the amended returns. The statute of limitations related to tax years 2014, 2015, 2016, and 2017 has been extended to December 31, 2027. Tax years 2020, 2022, 2023 are currently under examination and will remain open until the examinations are complete. The statute of limitations for tax years 2020 and 2022 are open until December 31, 2027. Tax years 2023 and 2024 are subject to statute of limitations of three years from their extended due dates of October 15, 2024, and 2025, respectively.

The expiration of the statute of limitations related to the various state income tax returns that Kemper and its subsidiaries file varies by state.

The interim period tax expense or benefit is the difference between the year-to-date income tax provision and the amounts reported for the previous interim periods of the fiscal year. For the three months ended September 30, 2026, the income tax expense attributable to Kemper Corporation was $10.1 million, or 16.1% of income before income taxes, compared to an income tax benefit of $7.9 million, or 27.3% of loss before income taxes for the three months ended September 30, 2025. For the nine months ended September 30, 2026, the income tax expense attributable to Kemper Corporation was $5.3 million or (1.3)% of loss before income taxes, compared to an income tax expense of $34.0 million or 18.3% of income before income taxes for the nine months ended September 30, 2025.

Note 17 - Income Taxes (Continued)

As of September 30, 2026, the Company recorded $1.7 million in Unrecognized Tax Benefits, including accrued interest. There were no Unrecognized Tax Benefits at December 31, 2025. The Company recognizes liabilities related to Unrecognized Tax Benefits and related interest and penalties in Income Tax Expense (Benefit).

For the nine months ended September 30, 2026 and 2025, federal income taxes paid, net of income tax refunds received, were $21.9 million and $20.5 million, respectively.

For the nine months ended September 30, 2026 and 2025, state income taxes paid, net of income tax refunds received, were $0.4 million and $1.7 million, respectively. No foreign income taxes were paid or refunded for the nine months ended September 30, 2026 and 2025.

Note 18 - Commitments and Contingencies

In the ordinary course of its businesses, the Company is involved in legal proceedings including lawsuits, arbitration, regulatory examinations, audits and inquiries. Based on currently available information, the Company does not believe that it is reasonably possible that any of its pending legal proceedings will have a material effect on the Company’s Condensed Consolidated Financial Statements and Notes to the Condensed Consolidated Financial Statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Non-GAAP Financial Measures

In this report, the Company presents certain measures of its performance on a consolidated and segment basis that are not calculated in accordance with GAAP. We believe that these non-GAAP financial measures enhance the understanding for the Company and our investors of our performance by highlighting the results of operations and the underlying profitability drivers of our business. Segment-specific financial measures are calculated using only the portion of consolidated results attributable to that specific segment.

Adjusted Consolidated Net Operating Income

The Company believes that the non-GAAP financial measure of Adjusted Consolidated Net Operating Income provides investors with a valuable measure of its ongoing performance because it reveals underlying operational performance trends that otherwise might be less apparent if the items were not excluded. The most directly comparable GAAP financial measure is Net Income (Loss) attributable to Kemper Corporation.

Adjusted Consolidated Net Operating Income is an after-tax, non-GAAP financial measure and is computed by excluding from Net Income (Loss) attributable to Kemper Corporation the after-tax impact of:

(i) Change in Fair Value of Equity and Convertible Securities;

(ii) Net Realized Investment (Losses) Gains;

(iii) Impairment Losses;

(iv) Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs;

(v) Debt Extinguishment and Other Charges;

(vi) Goodwill Impairment;

(vii) Non-Core Operations; and

(viii) Significant non-recurring or infrequent items that may not be indicative of ongoing operations

Significant non-recurring items are excluded when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, and (b) there has been no similar charge or gain within the prior two years. There were no applicable significant non-recurring items that the Company excluded from the calculation of Adjusted Consolidated Net Operating Income for the three and nine months ended September 30, 2026 or 2025.

Change in Fair Value of Equity and Convertible Securities, Net Realized Investment (Losses) Gains and Impairment Losses related to investments included in the Company's results may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions that impact the values of the Company's investments, the timing of which is unrelated to the insurance underwriting process. Acquisition and Disposition Related Transaction Costs, Integration Costs, and Restructuring and Other Costs may vary significantly between periods and are generally driven by the timing of business decisions which are unrelated to the insurance underwriting process. In the second quarter of 2026, the Company completed the sale of Newins and recorded a gain in connection with the transaction. In the third quarter of 2025, a restructuring program was launched to achieve operational and organizational efficiencies. The Company will continue to evaluate additional efficiency opportunities through 2027. Debt Extinguishment and Other Charges relate to (i) loss from early extinguishment of debt, which is driven by the Company's financing and refinancing decisions and capital needs, as well as external economic developments such as debt market conditions, the timing of which is unrelated to the insurance underwriting process; and (ii) other charges that are non-standard, not part of the ordinary course of business, and unrelated to the insurance underwriting process. Goodwill Impairments are excluded because they are infrequent and non-recurring charges. Non-Core Operations includes the results of our Preferred Insurance business which we expect to fully exit. These results are excluded because they are irrelevant to our ongoing operations and do not qualify for Discontinued Operations under GAAP. Significant non-recurring items are excluded because, by their nature, they are not indicative of the Company's business or economic trends.

Non-GAAP Financial Measures (Continued)

Underlying Losses and Loss Adjustment Expenses ("LAE") and Underlying Combined Ratio

The following discussion uses the non-GAAP financial measures of (i) Underlying Losses and LAE and (ii) Underlying Combined Ratio. Underlying Losses and LAE (also referred to in the discussion as "Current Year Non-catastrophe Losses and LAE") exclude the impact of catastrophe losses and loss and LAE reserve development from prior years from the Company's Incurred Losses and LAE, which is the most directly comparable GAAP financial measure.

The Underlying Combined Ratio is computed by adding the Current Year Non-catastrophe Losses and LAE Ratio with the Insurance Expense Ratio. The most directly comparable GAAP financial measure is the Combined Ratio, which is computed by adding Total Incurred Losses and LAE Ratio, including the impact of catastrophe losses and loss and LAE reserve development from prior years, with the Insurance Expense Ratio.

The Company believes Underlying Losses and LAE and the Underlying Combined Ratio are useful to investors and uses these financial measures to reveal the trends in the Company's Property & Casualty Insurance segment that may be obscured by catastrophe losses and prior-year reserve development. These catastrophe losses may cause the Company's loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude and can have a significant impact on incurred losses and LAE and the Combined Ratio. Prior-year reserve developments are caused by unexpected loss development on historical reserves. Because reserve development relates to the re-estimation of losses from earlier periods, it has minimal bearing on the performance of the Company's insurance products in the current period. The Company believes it is useful for investors to evaluate these components separately and in the aggregate when reviewing the Company's underwriting performance.

The preceding non-GAAP financial measures should not be considered a substitute for the comparable GAAP financial measures, as they do not fully recognize the overall profitability of the Company's businesses.

Summary of Results

A reconciliation of Net Income (Loss) attributable to Kemper Corporation to Adjusted Consolidated Net Operating Income (a non-GAAP financial measure) for the three and nine months ended September 30, 2026 and 2025 is presented below.

	Three Months Ended			Nine Months Ended		
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Change	Sep 30, 2026	Sep 30, 2025	Change
Net Income (Loss) attributable to Kemper Corporation	$ 52.4	$ (21.0)	$ 73.4	$ (414.1)	$ 151.3	$ (565.4)
Less:						
Change in Fair Value of Equity and Convertible Securities	2.6	(1.7)	4.3	0.2	(2.0)	2.2
Net Realized Investment (Losses) Gains	(0.9)	3.1	(4.0)	(0.1)	3.7	(3.8)
Impairment Losses	(2.9)	(2.5)	(0.4)	(23.0)	(5.1)	(17.9)
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	(6.4)	(19.6)	13.2	(23.0)	(27.6)	4.6
Debt Extinguishment and Other Charges	—	—	—	—	0.4	(0.4)
Goodwill Impairment	—	—	—	(460.0)	—	(460.0)
Non-Core Operations	0.1	(20.7)	20.8	(6.9)	(29.0)	22.1
Adjusted Consolidated Net Operating Income	$ 59.9	$ 20.4	$ 39.5	$ 98.7	$ 210.9	$ (112.2)
Components of Adjusted Consolidated Net Operating Income:						
Segment Adjusted Net Operating Income:						
Specialty Property & Casualty Insurance	$ 54.4	$ 7.6	$ 46.8	$ 70.3	$ 184.5	$ (114.2)
Life Insurance	19.8	18.6	1.2	56.1	48.4	7.7
Total Segment Adjusted Net Operating Income	74.2	26.2	48.0	126.4	232.9	(106.5)
Corporate and Other Adjusted Net Operating Loss	(13.0)	(9.0)	(4.0)	(30.3)	(30.7)	0.4
Less: Net Income (Loss) attributable to Noncontrolling Interest	1.3	(3.2)	4.5	(2.6)	(8.7)	6.1
Adjusted Consolidated Net Operating Income	$ 59.9	$ 20.4	$ 39.5	$ 98.7	$ 210.9	$ (112.2)

Summary of Results (Continued)

Net Income (Loss) attributable to Kemper Corporation

Three Months Ended September 30, 2026 Compared to the Same Period in 2025

Net Income attributable to Kemper Corporation was $52.4 million, or $0.89 per unrestricted common share, for the three months ended September 30, 2026, compared to Net Loss attributable to Kemper Corporation of $21.0 million, or $(0.34) per unrestricted common share, for the same period in 2025. Net Income attributable to Kemper Corporation increased by $73.4 million due primarily to higher Adjusted Consolidated Net Operating Income, higher income from Non-Core Operations and lower Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs.

Adjusted Consolidated Net Operating Income increased by $39.5 million for the three months ended September 30, 2026, compared to the same period in 2025, due primarily to favorable prior year development in Specialty Personal Automobile. The increase was also driven by lower adverse prior year development in Specialty Commercial Automobile, partially offset by higher underlying losses resulting primarily from higher claim severity.

Income from Non-Core Operations increased by $20.8 million for the three months ended September 30, 2026 compared to the same period in 2025, primarily due to $21.7 million of impairment losses recognized on Internal-Use Software assets in the prior year period. Separately, on August 1, 2025, certain Non-Core Operations subsidiaries entered into a renewal rights agreement with a third party and certain of its affiliates (collectively, the "Third Party") whereby the Third Party will offer replacement policies for certain policies written by these subsidiaries in New York in accordance with the state's non-renewal rules. During the second quarter of 2026, these subsidiaries and the Third Party began execution of the agreement, based on having received regulatory approval from the New York Department of Financial Services during the first quarter of 2026.

Corporate and Other Adjusted Net Operating Loss increased by $4.0 million for the three months ended September 30, 2026 compared to the same period in 2025, primarily driven by lower net investment income.

Nine Months Ended September 30, 2026 Compared to the Same Period in 2025

Net Loss attributable to Kemper Corporation was $414.1 million, or $(7.04) per unrestricted common share, for the nine months ended September 30, 2026, compared to Net Income attributable to Kemper Corporation of $151.3 million, or $2.40 per unrestricted common share, for the same period in 2025. Net (Loss) Income attributable to Kemper Corporation decreased by $565.4 million due primarily to a $460.0 million goodwill impairment related to the Specialty Property & Casualty Insurance segment in the second quarter of 2026 and lower Adjusted Consolidated Net Operating Income.

Adjusted Consolidated Net Operating Income decreased by $112.2 million for the nine months ended September 30, 2026, compared to the same period in 2025, due primarily to a deterioration in Specialty Personal Automobile's Underlying loss and LAE ratio driven by higher claim severity and frequency on bodily injury coverages in California and a Florida Statutory Profit Limit Refund (as further discussed below), partially offset by favorable prior year development in the Specialty Property & Casualty Insurance segment.

Following the enactment of Florida insurance reform in 2023, the Company has experienced lower loss costs within its personal auto business, resulting in favorable loss reserve development and improved expected profitability for recent accident years. As of December 31, 2025, the Company concluded that it is probable Florida personal auto underwriting profit for the three most recent accident years ended December 31, 2025 will exceed the profit limitation established under Florida statute, and recorded a reduction to earned premiums representing its estimate of profits expected to be returned to policyholders. During the first quarter of 2026, the Company increased its estimate of profits expected to be returned to policyholders for the three most recent accident years ended December 31, 2025 by $11.0 million given favorable development through March 31, 2026. During the first quarter of 2026, the Company also concluded that it is probable underwriting profit for the subsequent three-year accident period (2024 through 2026) will exceed the applicable profit limitation and recorded a reduction to earned premiums of $17.0 million representing its estimate of profits expected to be returned to policyholders for that period. These actions resulted in a total reduction to earned premiums of $28.0 million for the first quarter of 2026. During the second and third quarters of 2026, the Company increased its estimate of profits expected to be returned to policyholders for accident years 2024 through 2026 and recorded a reduction to earned premiums of $2.0 million and $10.0 million, respectively. The estimate for accident years 2024 through 2026 remains subject to changes based on future development through March 31, 2027. The statute requires that excess profits for accident years 2023 through 2025 be returned to policyholders active as of December 31, 2025, and the Company expects to do so.

Summary of Results (Continued)

The loss from Non-Core Operations decreased by $22.1 million for the nine months ended September 30, 2026 compared to the same period in 2025, primarily due to $21.7 million of impairment losses recognized on Internal-Use Software assets in the prior year period.

Corporate and Other Adjusted Net Operating Loss decreased by $0.4 million for the nine months ended September 30, 2026 compared to the same period in 2025, primarily driven by lower interest expense due to the redemption of $450 million of 4.350% senior notes in the first quarter of 2025, partially offset by lower net investment income.

Revenues

Three Months Ended September 30, 2026 Compared to the Same Period in 2025

Total Revenues decreased by $149.1 million to $1,090.6 million for the three months ended September 30, 2026, compared to $1,239.7 million for the same period in 2025. The decrease was primarily driven by lower earned premiums.

Earned Premiums decreased by $149.9 million to $983.4 million for the three months ended September 30, 2026, compared to $1,133.3 million for the same period in 2025, primarily driven by a $159.4 million decrease from the Specialty Property & Casualty Insurance segment, mainly attributable to lower personal automobile volumes. These decreases were partially offset by higher commercial automobile volumes within the Specialty Property & Casualty Insurance segment.

Net Investment Income increased by $2.5 million to $107.3 million for the three months ended September 30, 2026, compared to $104.8 million for the same period in 2025, primarily driven by higher yields from Company-Owned Life Insurance.

Impairment Losses increased by $0.6 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily driven by an increase in the allowance for credit losses on fixed maturity securities.

Nine Months Ended September 30, 2026 Compared to the Same Period in 2025

Total Revenues decreased by $367.8 million to $3,290.5 million for the nine months ended September 30, 2026, compared to $3,658.3 million for the same period in 2025. The decrease was primarily driven by lower earned premiums and higher impairment losses, partially offset by higher net investment income.

Earned Premiums decreased by $357.7 million to $2,994.3 million for the nine months ended September 30, 2026, compared to $3,352.0 million for the same period in 2025, primarily driven by a $350.6 million decrease from the Specialty Property & Casualty Insurance segment, mainly attributable to lower personal automobile volumes, a $40.0 million Florida Statutory Profit Limit Refund in the first nine months of 2026, and further impacted by a $26.3 million reduction from the Preferred Insurance business, reported as Non-Core Operations, due primarily to lower volumes resulting from the exit and run-off of the business. These decreases were partially offset by higher commercial automobile volumes within the Specialty Property & Casualty Insurance segment.

Net Investment Income increased by $17.9 million to $319.8 million for the nine months ended September 30, 2026, compared to $301.9 million for the same period in 2025, primarily driven by increased earnings on alternative investments and higher levels and yields from fixed maturity securities and Company-Owned Life Insurance, partially offset by lower average Short-term invested assets.

Impairment Losses increased by $22.7 million for the nine months ended September 30, 2026, compared to the same period in 2025, primarily driven by a $21.0 million credit loss allowance recognized on the Reciprocal Exchange surplus notes in the second quarter of 2026.

Specialty Property & Casualty Insurance

Selected financial information for the Specialty Property & Casualty Insurance segment is presented below.

(Dollars in Millions)	Three Months Ended Sep 30, 2026	Three Months Ended Sep 30, 2025	Nine Months Ended Sep 30, 2026	Nine Months Ended Sep 30, 2025
Net Premiums Written	$ 838.7	$ 982.2	$2,618.4	$3,052.5
Earned Premiums	$ 857.9	$1,017.3	$2,639.7	$2,990.3
Net Investment Income	58.5	53.8	167.5	153.9
Other Income	1.0	2.5	5.0	6.5
Total Revenues	917.4	1,073.6	2,812.2	3,150.7
Incurred Losses and LAE related to:				
Current Year:				
Non-catastrophe Losses and LAE	691.9	798.7	2,167.4	2,211.1
Catastrophe Losses and LAE	2.0	1.0	9.4	10.1
Prior Years:				
Non-catastrophe Losses and LAE	(23.2)	51.4	(10.9)	65.5
Catastrophe Losses and LAE	—	—	0.5	0.6
Total Incurred Losses and LAE	670.7	851.1	2,166.4	2,287.3
Insurance Expenses	180.2	214.6	560.7	634.5
Segment Adjusted Operating Income	66.5	7.9	85.1	228.9
Income Tax Expense	12.1	0.3	14.8	44.4
Total Segment Adjusted Net Operating Income	$ 54.4	$ 7.6	$ 70.3	$ 184.5
Ratios Based On Earned Premiums				
Current Year Non-catastrophe Losses and LAE Ratio	80.7 %	78.5 %	82.1 %	74.0 %
Current Year Catastrophe Losses and LAE Ratio	0.2	0.1	0.4	0.3
Prior Years Non-catastrophe Losses and LAE Ratio	(2.7)	5.1	(0.4)	2.2
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Total Incurred Loss and LAE Ratio	78.2	83.7	82.1	76.5
Insurance Expense Ratio	21.0	21.1	21.2	21.2
Combined Ratio	99.2 %	104.8 %	103.3 %	97.7 %
Underlying Combined Ratio				
Current Year Non-catastrophe Losses and LAE Ratio	80.7 %	78.5 %	82.1 %	74.0 %
Insurance Expense Ratio	21.0	21.1	21.2	21.2
Underlying Combined Ratio	101.7 %	99.6 %	103.3 %	95.2 %
Non-GAAP Measure Reconciliation				
Combined Ratio	99.2 %	104.8 %	103.3 %	97.7 %
Less:				
Current Year Catastrophe Losses and LAE Ratio	0.2	0.1	0.4	0.3
Prior Years Non-catastrophe Losses and LAE Ratio	(2.7)	5.1	(0.4)	2.2
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Underlying Combined Ratio	101.7 %	99.6 %	103.3 %	95.2 %

Specialty Property & Casualty Insurance (Continued)

Insurance Reserves

(Dollars in Millions)	Sep 30, 2026	Dec 31, 2025
Insurance Reserves:		
Personal Automobile	$ 1,861.8	$ 1,826.8
Commercial Automobile	1,122.5	942.6
Total Insurance Reserves	$ 2,984.3	$ 2,769.4
Insurance Reserves:		
Loss and Allocated LAE Reserves:		
Case and Allocated LAE	$ 1,081.9	$ 960.4
Incurred But Not Reported	1,709.3	1,610.9
Total Loss and LAE Reserves	2,791.2	2,571.3
Unallocated LAE Reserves	193.1	198.1
Total Insurance Reserves[1]	$ 2,984.3	$ 2,769.4

[1] Includes $28.1 million and $29.4 million attributable to Kemper Reciprocal as of September 30, 2026 and December 31, 2025, respectively, which is reported as a consolidated VIE.

See MD&A, "Critical Accounting Estimates," of the 2025 Annual Report for additional information pertaining to the Company's process of estimating property and casualty insurance reserves for losses and LAE, development of property and casualty insurance losses and LAE from prior accident years, also referred to as "reserve development" in the discussion of segment results, estimated variability of property and casualty insurance reserves for losses and LAE, and a discussion of some of the variables that may impact development of property and casualty insurance losses and LAE and the estimated variability of property and casualty insurance reserves for losses and LAE.

Overall

Three Months Ended September 30, 2026 Compared to the Same Period in 2025

The Specialty Property & Casualty Insurance segment reported Total Segment Adjusted Net Operating Income of $54.4 million for the three months ended September 30, 2026, compared to $7.6 million for the same period in 2025. Segment adjusted net operating results increased by $46.8 million, which included a $24.6 million increase from personal automobile insurance and a $22.2 million increase from commercial automobile insurance. The increase in personal automobile Adjusted Net Operating Income was primarily driven by favorable prior year development. The increase in commercial automobile insurance Adjusted Net Operating Income was primarily driven by lower adverse prior year development, partially offset by higher underlying losses resulting primarily from higher claim severity on bodily injury coverages.

Earned Premiums in the Specialty Property & Casualty Insurance segment decreased by $159.4 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily due to lower personal automobile volumes, partially offset by higher commercial automobile volumes.

Net Investment Income increased by $4.7 million for the three months ended September 30, 2026 compared to the same period in 2025, due primarily to higher levels and yields from fixed maturity securities and increased earnings on alternative investments.

Specialty Property & Casualty Insurance (Continued)

Incurred Loss and LAE were $670.7 million or 78.2% of earned premiums for the three months ended September 30, 2026 compared to $851.1 million or 83.7% of earned premiums, for the same period in 2025. Incurred losses and LAE as a percentage of earned premiums decreased primarily due to favorable prior year development partially offset by a deterioration in the current year underlying loss and LAE ratio. Underlying losses and LAE as a percentage of earned premiums were 80.7% for the three months ended September 30, 2026, a deterioration of 2.2 percentage points, compared to the same period in 2025, due to higher claim severity primarily related to bodily injury coverages in California. Underlying losses and LAE exclude the impact of catastrophes and loss and LAE reserve development. Favorable loss and LAE reserve development (including catastrophe reserve development) was $23.2 million for the three months ended September 30, 2026, compared to adverse development of $51.4 million for the same period in 2025, an improvement of $74.6 million, due primarily to favorable development on bodily injury and physical damage coverages in personal automobile and lower adverse prior year development on bodily injury coverages in commercial automobile. Catastrophe losses and LAE (excluding reserve development) were $2.0 million for the three months ended September 30, 2026 compared to $1.0 million for the same period in 2025, a deterioration of $1.0 million.

Insurance Expenses were $180.2 million, or 21.0% of earned premiums, for the three months ended September 30, 2026, compared to $214.6 million, or 21.1% of earned premiums for the same period in 2025. Insurance Expenses decreased $34.4 million due to lower expenses associated with decreased business volumes.

The Specialty Property & Casualty Insurance segment's three months ended September 30, 2026 effective tax rate was 18.2% compared to 3.1% for the same period in 2025. The effective income tax rate for the third quarters of 2026 and 2025 differs from the federal statutory income tax rate due to investments in Company-Owned Life Insurance, tax-exempt investment income and nondeductible stock and executive compensation. The difference in effective tax rates between the third quarters of 2026 and 2025 is primarily due to changes in pretax income.

Nine Months Ended September 30, 2026 Compared to the Same Period in 2025

The Specialty Property & Casualty Insurance segment reported Total Segment Adjusted Net Operating Income of $70.3 million for the nine months ended September 30, 2026, compared to $184.5 million for the same period in 2025. Segment adjusted net operating results decreased by $114.2 million, which included a $136.9 million decrease from personal automobile insurance and a $22.7 million increase from commercial automobile insurance. The decrease in personal automobile Adjusted Net Operating Income was primarily driven by higher underlying losses resulting from higher claim severity and frequency in California and a $40.0 million Florida Statutory Profit Limit Refund, partially offset by favorable prior year development. The increase in commercial automobile insurance Adjusted Net Operating Income was primarily driven by lower adverse prior year development.

Earned Premiums in the Specialty Property & Casualty Insurance segment decreased by $350.6 million for the nine months ended September 30, 2026, compared to the same period in 2025, due to lower personal automobile volumes and $40.0 million for the Florida Statutory Profit Limit Refund, partially offset by higher commercial automobile volumes.

Net Investment Income increased by $13.6 million for the nine months ended September 30, 2026 compared to the same period in 2025, due primarily to higher levels and yields of fixed maturity securities and increased earnings on alternative investments, partially offset by lower average short-term investments.

Incurred Loss and LAE were $2,166.4 million or 82.1% of earned premiums for the nine months ended September 30, 2026 compared to $2,287.3 million or 76.5% of earned premiums, for the same period in 2025. Incurred losses and LAE as a percentage of earned premiums increased primarily due to a deterioration in the underlying loss and LAE ratio partially offset by favorable prior year development. Underlying losses and LAE as a percentage of earned premiums were 82.1% for the nine months ended September 30, 2026, a deterioration of 8.1 percentage points, compared to the same period in 2025 due to higher claim severity and frequency primarily related to bodily injury coverages in California and the Florida Statutory Profit Limit Refund impact to earned premiums, partially offset by higher average earned premium per exposure in commercial automobile (2.0% increase year over year). Underlying losses and LAE exclude the impact of catastrophes and loss and LAE reserve development. Favorable loss and LAE reserve development (including catastrophe reserve development) was $10.4 million for the nine months ended September 30, 2026, compared to adverse development of $66.1 million for the same period in 2025, an improvement of $76.5 million due primarily to favorable development on bodily injury and physical damage coverages in personal automobile and lower adverse prior year development on bodily injury coverages in commercial automobile. Catastrophe losses and LAE (excluding reserve development) were $9.4 million for the nine months ended September 30, 2026 compared to $10.1 million for the same period in 2025, an improvement of $0.7 million.

Specialty Property & Casualty Insurance (Continued)

Insurance Expenses were $560.7 million, or 21.2% of earned premiums, for the nine months ended September 30, 2026, compared to $634.5 million, or 21.2% of earned premiums for the same period in 2025. Insurance Expenses decreased $73.8 million due to lower expenses associated with decreased business volumes.

The Specialty Property & Casualty Insurance segment's nine months ended September 30, 2026 effective tax rate was 17.6% compared to 19.5% for the same period in 2025. The effective income tax rate for the nine months ended September 30, 2026 and 2025 differs from the federal statutory income tax rate due to investments in Company-Owned Life Insurance, tax-exempt investment income and nondeductible stock and executive compensation. The difference in effective tax rates between the nine months ended 2026 and 2025 is primarily due to changes in pretax income.

Specialty Personal Automobile Insurance

Selected financial information for the specialty personal automobile insurance product line is presented below.

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Net Premiums Written	$ 530.5	$ 727.6	$1,771.6	$2,318.5
Earned Premiums	$ 599.9	$ 785.1	$1,894.3	$2,328.1
Incurred Losses and LAE related to:				
Current Year:				
Non-catastrophe Losses and LAE	$ 485.0	$ 629.2	$1,596.2	$1,729.3
Catastrophe Losses and LAE	1.6	0.6	7.8	7.6
Prior Years:				
Non-catastrophe Losses and LAE	(25.9)	8.0	(37.4)	(1.7)
Catastrophe Losses and LAE	—	(0.1)	0.4	0.3
Total Incurred Losses and LAE	$ 460.7	$ 637.7	$1,567.0	$1,735.5
Ratios Based On Earned Premiums				
Current Year Non-catastrophe Losses and LAE Ratio	80.8 %	80.1 %	84.3 %	74.3 %
Current Year Catastrophe Losses and LAE Ratio	0.3	0.1	0.4	0.3
Prior Years Non-catastrophe Losses and LAE Ratio	(4.3)	1.0	(2.0)	(0.1)
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Total Incurred Loss and LAE Ratio	76.8	81.2	82.7	74.5
Insurance Expense Ratio	22.5	22.0	22.5	22.0
Combined Ratio	99.3 %	103.2 %	105.2 %	96.5 %
Underlying Combined Ratio				
Current Year Non-catastrophe Losses and LAE Ratio	80.8 %	80.1 %	84.3 %	74.3 %
Insurance Expense Ratio	22.5	22.0	22.5	22.0
Underlying Combined Ratio	103.3 %	102.1 %	106.8 %	96.3 %
Non-GAAP Measure Reconciliation				
Combined Ratio	99.3 %	103.2 %	105.2 %	96.5 %
Less:				
Current Year Catastrophe Losses and LAE Ratio	0.3	0.1	0.4	0.3
Prior Years Non-catastrophe Losses and LAE Ratio	(4.3)	1.0	(2.0)	(0.1)
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Underlying Combined Ratio	103.3 %	102.1 %	106.8 %	96.3 %

Specialty Property & Casualty Insurance (Continued)

Three Months Ended September 30, 2026 Compared to the Same Period in 2025

Earned Premiums on personal automobile insurance decreased by $185.2 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily due to lower volumes. Incurred losses and LAE were $460.7 million, or 76.8% of earned premiums for the three months ended September 30, 2026, compared to $637.7 million, or 81.2% of earned premiums, for the same period in 2025. Incurred losses and LAE as a percentage of earned premiums decreased due to favorable prior year development partially offset by a deterioration in the underlying loss and LAE ratio. Underlying losses and LAE as a percentage of related earned premiums were 80.8% for the three months ended September 30, 2026, compared to 80.1% for the same period in 2025, a deterioration of 0.7 percentage points. The deterioration was driven by higher claim severity, primarily related to bodily injury coverages in California. Prior year favorable loss and LAE reserve development was $25.9 million for the three months ended September 30, 2026, compared to adverse development of $7.9 million for the same period in 2025, an improvement of $33.8 million due primarily to favorable development on bodily injury and physical damage coverages. Catastrophe losses and LAE (excluding reserve development) were $1.6 million for the three months ended September 30, 2026, compared to $0.6 million for the same period in 2025, a deterioration of $1.0 million.

Nine Months Ended September 30, 2026 Compared to the Same Period in 2025

Earned Premiums on personal automobile insurance decreased by $433.8 million for the nine months ended September 30, 2026, compared to the same period in 2025, primarily due to lower volumes and a $40.0 million Florida Statutory Profit Limit Refund in the first nine months of 2026. Incurred losses and LAE were $1,567.0 million, or 82.7% of earned premiums for the nine months ended September 30, 2026, compared to $1,735.5 million, or 74.5% of earned premiums, for the same period in 2025. Incurred losses and LAE as a percentage of earned premiums increased due to a deterioration in the underlying loss and LAE ratio, partially offset by favorable loss and LAE reserve development. Underlying losses and LAE as a percentage of related earned premiums were 84.3% for the nine months ended September 30, 2026, compared to 74.3% for the same period in 2025, a deterioration of 10.0 percentage points. The deterioration was driven by higher claim severity and frequency, primarily related to bodily injury coverages in California, and the Florida Statutory Profit Limit Refund impact to earned premiums. Favorable loss and LAE reserve development was $37.0 million for the nine months ended September 30, 2026, compared to $1.4 million for the same period in 2025, an improvement of $35.6 million due primarily to favorable development on bodily injury and physical damage coverages. Catastrophe losses and LAE (excluding reserve development) were $7.8 million for the nine months ended September 30, 2026, compared to $7.6 million for the same period in 2025, a deterioration of $0.2 million.

Specialty Property & Casualty Insurance (Continued)

Commercial Automobile Insurance

Selected financial information for the commercial automobile insurance product line is presented below.

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Net Premiums Written	$ 308.2	$ 254.6	$ 846.8	$ 734.0
Earned Premiums	$ 258.0	$ 232.2	$ 745.4	$ 662.2
Incurred Losses and LAE related to:				
Current Year:				
Non-catastrophe Losses and LAE	$ 206.9	$ 169.5	$ 571.2	$ 481.8
Catastrophe Losses and LAE	0.4	0.4	1.6	2.5
Prior Years:				
Non-catastrophe Losses and LAE	2.7	43.4	26.5	67.2
Catastrophe Losses and LAE	—	0.1	0.1	0.3
Total Incurred Losses and LAE	$ 210.0	$ 213.4	$ 599.4	$ 551.8
Ratios Based On Earned Premiums				
Current Year Non-catastrophe Losses and LAE Ratio	80.2 %	73.0 %	76.6 %	72.8 %
Current Year Catastrophe Losses and LAE Ratio	0.2	0.2	0.2	0.4
Prior Years Non-catastrophe Losses and LAE Ratio	1.0	18.7	3.6	10.1
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Total Incurred Loss and LAE Ratio	81.4	91.9	80.4	83.3
Insurance Expense Ratio	17.6	18.1	18.1	18.3
Combined Ratio	99.0 %	110.0 %	98.5 %	101.6 %
Underlying Combined Ratio				
Current Year Non-catastrophe Losses and LAE Ratio	80.2 %	73.0 %	76.6 %	72.8 %
Insurance Expense Ratio	17.6	18.1	18.1	18.3
Underlying Combined Ratio	97.8 %	91.1 %	94.7 %	91.1 %
Non-GAAP Measure Reconciliation				
Combined Ratio	99.0 %	110.0 %	98.5 %	101.6 %
Less:				
Current Year Catastrophe Losses and LAE Ratio	0.2	0.2	0.2	0.4
Prior Years Non-catastrophe Losses and LAE Ratio	1.0	18.7	3.6	10.1
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Underlying Combined Ratio	97.8 %	91.1 %	94.7 %	91.1 %

Specialty Property & Casualty Insurance (Continued)

Three Months Ended September 30, 2026 Compared to the Same Period in 2025

Earned Premiums on commercial automobile insurance increased by $25.8 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily due to higher business volumes and higher average earned premium per exposure. Incurred losses and LAE were $210.0 million, or 81.4% of earned premiums in 2026, compared to $213.4 million, or 91.9% of earned premiums in 2025. Incurred losses and LAE as a percentage of earned premiums improved primarily due to lower adverse prior year development, partially offset by a deterioration in the underlying loss and LAE ratio. Underlying losses and LAE as a percentage of earned premiums were 80.2% in the three months ended September 30, 2026, compared to 73.0% during the same period in 2025, a deterioration of 7.2 percentage points driven by higher claim severity, primarily related to bodily injury coverages, partially offset by higher average earned premium per exposure (1.9% increase year over year). Adverse loss and LAE reserve development was $2.7 million for the three months ended September 30, 2026, compared to adverse development of $43.5 million for the same period in 2025, a decrease of $40.8 million due primarily to lower adverse development on bodily injury coverages. Catastrophe losses and LAE (excluding reserve development) were $0.4 million for the three months ended September 30, 2026 and 2025, respectively.

Nine Months Ended September 30, 2026 Compared to the Same Period in 2025

Earned Premiums on commercial automobile insurance increased by $83.2 million for the nine months ended September 30, 2026, compared to the same period in 2025, primarily due to higher business volumes and higher average earned premium per exposure. Incurred losses and LAE were $599.4 million, or 80.4% of earned premiums in 2026, compared to $551.8 million, or 83.3% of earned premiums in 2025. Incurred losses and LAE as a percentage of earned premiums decreased primarily due to lower adverse prior year development partially offset by a deterioration in the underlying loss and LAE ratio. Underlying losses and LAE as a percentage of earned premiums were 76.6% for the nine months ended September 30, 2026, compared to 72.8% during the same period in 2025, a deterioration of 3.8 percentage points driven by higher claim severity, primarily related to bodily injury coverages, partially offset by higher average earned premium per exposure (2.0% increase year over year). Adverse loss and LAE reserve development was $26.6 million for the nine months ended September 30, 2026, compared to adverse development of $67.5 million for the same period in 2025, a decrease of $40.9 million due primarily to lower adverse development on bodily injury coverages. Catastrophe losses and LAE (excluding reserve development) were $1.6 million for the nine months ended September 30, 2026, compared to $2.5 million for the same period in 2025, an improvement of $0.9 million.

Life Insurance

Selected financial information for the Life Insurance segment is presented below.

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Earned Premiums	$ 115.7	$ 99.8	$ 319.2	$ 300.0
Net Investment Income	49.9	48.0	147.9	141.1
Other Income	0.2	0.4	0.9	1.4
Total Revenues	165.8	148.2	468.0	442.5
Policyholders' Benefits and Incurred Losses and LAE	75.0	60.5	202.5	186.2
Insurance Expenses	67.9	65.6	199.8	199.7
Segment Adjusted Operating Income	22.9	22.1	65.7	56.6
Income Tax Expense	3.1	3.5	9.6	8.2
Total Segment Adjusted Net Operating Income	$ 19.8	$ 18.6	$ 56.1	$ 48.4

Life Insurance (Continued)

Insurance Reserves

(Dollars in Millions)	Sep 30, 2026	Dec 31, 2025
Insurance Reserves:		
Future Policyholder Benefits	$ 3,006.0	$ 3,248.1
Incurred Losses and LAE Reserves:		
Life	33.7	35.0
Accident and Health	5.0	4.4
Property	1.7	1.9
Total Incurred Losses and LAE Reserves	40.4	41.3
Total Insurance Reserves	$ 3,046.4	$ 3,289.4

Overall

Three Months Ended September 30, 2026 Compared to the Same Period in 2025

The Life Insurance segment reported Total Segment Adjusted Net Operating Income of $19.8 million for the three months ended September 30, 2026, compared to $18.6 million for the same period in 2025. The increase in segment net operating results was due primarily to higher Earned Premiums, partially offset by higher Policyholders' Benefits from life insurance products.

Earned Premiums increased by $15.9 million for the three months ended September 30, 2026, compared to the same period in 2025, due primarily to increases from model adjustments impacting the deferred profit liability, partially offset by decreases from the annual assumption update (combined $12.6 million increase in Earned Premiums) as compared to the same period in 2025. In 2026, the Company changed its annual assumption update from the fourth quarter to the third quarter to better align with its annual planning process and industry practice. Excluding the impacts from model adjustments and the annual assumption update, Earned Premiums increased by $3.3 million primarily driven by higher new business volume on life insurance products.

Net Investment Income increased by $1.9 million for the three months ended September 30, 2026, compared to the same period in 2025, due primarily to higher yields on Company-Owned Life Insurance.

Policyholders' Benefits and Incurred Losses and LAE increased by $14.5 million for the three months ended September 30, 2026, compared to the same period in 2025, due primarily to increases from model adjustments, partially offset by decreases from the annual assumption update (combined $10.9 million increase in Life Policyholders' Benefits) as compared to the same period in 2025. Excluding the impacts from model adjustments and the annual assumption update, Policyholders' Benefits and Incurred Losses and LAE increased by $3.6 million, due to an increase in insurance reserves primarily driven by changes in mortality experience.

Insurance Expenses increased by $2.3 million for the three months ended September 30, 2026, compared to the same period in 2025, due to higher operating expenses primarily from personnel costs and higher commission expense on sales of life insurance products.

The Life Insurance segment's three months ended September 30, 2026 effective income tax rate was 13.3% compared to 15.3% for the same period in 2025. The effective income tax rate for the third quarters of 2026 and 2025 differs from the federal statutory income tax rate primarily due to investments in Company-Owned Life Insurance, tax-exempt investment income and nondeductible stock and executive compensation. The decrease in the effective tax rate from the three months ended September 30, 2025 is primarily due to an increase in tax benefits from Company-Owned Life Insurance.

Nine Months Ended September 30, 2026 Compared to the Same Period in 2025

The Life Insurance segment reported Total Segment Adjusted Net Operating Income of $56.1 million for the nine months ended September 30, 2026, compared to $48.4 million for the same period in 2025. The increase in segment net operating results was due primarily to higher Earned Premiums and Net Investment Income, partially offset by higher Policyholders' Benefits from life insurance products.

Life Insurance (Continued)

Earned Premiums increased by $19.2 million for the nine months ended September 30, 2026, compared to the same period in 2025, due primarily to increases from model adjustments impacting the deferred profit liability, partially offset by decreases from the annual assumption update (combined $12.6 million increase in Earned Premiums) as compared to the same period in 2025. Excluding the impacts from model adjustments and the annual assumption update, Earned Premiums increased by $6.6 million primarily driven by higher new business volume on life insurance products.

Net Investment Income increased by $6.8 million for the nine months ended September 30, 2026, compared to the same period in 2025, due primarily to increased earnings on alternative investments and higher yields on Company-Owned Life Insurance, partially offset by lower yields on fixed maturity securities.

Policyholders' Benefits and Incurred Losses and LAE increased by $16.3 million for the nine months ended September 30, 2026, compared to the same period in 2025, due primarily to increases from model adjustments, partially offset by decreases from the annual assumption update (combined $10.9 million increase in Life Policyholders' Benefits) as compared to the same period in 2025. Excluding the impacts from model adjustments and the annual assumption update, Policyholders' Benefits and Incurred Losses and LAE increased by $5.4 million, due to an increase in insurance reserves primarily driven by changes in mortality experience.

Insurance Expenses increased by $0.1 million for the nine months ended September 30, 2026, compared to the same period in 2025.

The Life Insurance segment's effective income tax rate was 14.5% for the nine months ended September 30, 2026 and 2025, respectively. The effective income tax rate for the nine months ended September 30, 2026 and 2025 differs from the federal statutory income tax rate due to investments in Company-Owned Life Insurance, tax-exempt investment income and nondeductible stock and executive compensation.

Investment Results

Net Investment Income

Net Investment Income for the three and nine months ended September 30, 2026 and 2025 is presented below:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Investment Income:				
Interest on Fixed Maturities[1]	$ 81.4	$ 79.1	$ 241.7	$ 232.4
Dividends on Equity Securities Excluding Alternative Investments	1.9	2.1	4.7	3.6
Alternative Investments:				
Equity Method Limited Liability Investments	(1.8)	—	—	(6.0)
Limited Liability Investments Included in Equity Securities	5.5	4.0	16.1	10.8
Total Alternative Investments	3.7	4.0	16.1	4.8
Short-term Investments	2.9	4.2	8.7	18.8
Loans to Policyholders	5.1	5.2	15.6	15.6
Real Estate	2.6	2.5	7.6	7.0
Company-Owned Life Insurance	13.5	10.8	37.1	31.5
Other	2.9	3.1	10.2	8.4
Total Investment Income	114.0	111.0	341.7	322.1
Investment Expenses:				
Real Estate	2.3	2.0	6.8	6.3
Other Investment Expenses	4.4	4.2	15.1	13.9
Total Investment Expenses	6.7	6.2	21.9	20.2
Net Investment Income	$ 107.3	$ 104.8	$ 319.8	$ 301.9

[1] Reduced by interest expense incurred on FHLB borrowings used for spread lending purposes of $3.5 million and $4.7 million for the three months ended September 30, 2026 and 2025, respectively, and $10.9 million and $14.3 million for the nine months ended September 30, 2026 and 2025, respectively.

Net Investment Income increased by $2.5 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily driven by higher yields from Company-Owned Life Insurance.

Net Investment Income increased by $17.9 million for the nine months ended September 30, 2026, compared to the same period in 2025, primarily driven by increased earnings on alternative investments and higher levels and yields from fixed maturity securities and Company-Owned Life Insurance, partially offset by lower average Short-term invested assets.

Change in Unrealized Gains and Losses on Investments

Unrealized losses on investments increased $368.2 million and $406.8 million for the three and nine months ended September 30, 2026, respectively, driven by increases in interest rates.

Investment Results (Continued)

Change in Fair Value of Equity and Convertible Securities

The components of Change in Fair Value of Equity and Convertible Securities for the three and nine months ended September 30, 2026 and 2025 are presented below:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Preferred Stocks	$ (0.1)	$ (0.5)	$ 0.2	$ —
Common Stocks	5.3	(0.1)	6.2	0.6
Other Equity Interests:				
Exchange Traded Funds	(0.3)	—	0.1	—
Limited Liability Companies and Limited Partnerships	(1.7)	(1.5)	(6.3)	(3.1)
Total Other Equity Interests	(2.0)	(1.5)	(6.2)	(3.1)
Change in Fair Value of Equity Securities	3.2	(2.1)	0.2	(2.5)
Change in Fair Value of Convertible Securities	—	—	—	—
Change in Fair Value of Equity and Convertible Securities	$ 3.2	$ (2.1)	$ 0.2	$ (2.5)

Net Realized (Losses) Gains on Sales of Investments

The components of Net Realized Investment (Losses) Gains for the three and nine months ended September 30, 2026 and 2025 are presented below:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Fixed Maturities:				
Gains on Sales	$ 0.9	$ 3.7	$ 4.8	$ 5.4
Losses on Sales	(2.1)	(0.5)	(5.2)	(1.5)
Equity Securities:				
Gains on Sales	0.1	0.5	0.3	0.5
Losses on Sales	(0.1)	—	(0.1)	—
Other Investments:				
Gains on Sales	0.1	0.2	0.1	0.3
Losses on Sales	—	—	—	—
Net Realized Investment (Losses) Gains	$ (1.1)	$ 3.9	$ (0.1)	$ 4.7
Gross Gains on Sales	$ 1.1	$ 4.4	$ 5.2	$ 6.2
Gross Losses on Sales	(2.2)	(0.5)	(5.3)	(1.5)
Net Realized Investment (Losses) Gains	$ (1.1)	$ 3.9	$ (0.1)	$ 4.7

Impairment Losses

The Company regularly reviews its investment portfolio to determine whether a decline in the fair value of an investment has occurred from credit or other, non-credit related factors. If the decline in fair value is due to credit factors and the Company does not expect to receive cash flows sufficient to support the entire amortized cost basis, the credit loss is reported in the Condensed Consolidated Statements of Income (Loss) in the period that the declines are evaluated. Conversely, an increase in the fair value or disposal of an investment with a previously established credit allowance will result in the reversal of impairment losses reported in the Condensed Consolidated Statements of Income (Loss) in the period.

Investment Results (Continued)

The components of Impairment Losses in the Condensed Consolidated Statements of Income (Loss) for the three and nine months ended September 30, 2026 and 2025 were:

	Three Months Ended				Nine Months Ended			
	Sep 30, 2026		Sep 30, 2025		Sep 30, 2026		Sep 30, 2025	
(Dollars in Millions)	Amount	Number of Issuers	Amount	Number of Issuers	Amount	Number of Issuers	Amount	Number of Issuers
Other Assets[1]	$ —	—	$ —	—	$ (21.0)	1	$ —	—
Fixed Maturities	(3.5)	13	(2.9)	22	(7.0)	18	(6.2)	23
Real Estate	(0.2)	2	(0.1)	4	(1.0)	3	(0.1)	4
Other	—	—	(0.1)	5	(0.1)	9	(0.1)	5
Impairment Losses[2]	$ (3.7)		$ (3.1)		$ (29.1)		$ (6.4)	

[1] During the second quarter of 2026, the Company established an allowance for credit loss for the surplus notes related to the Reciprocal Exchange. See Note 9, "Variable Interest Entities" to the Condensed Consolidated Financial Statements for more information.

[2] Includes losses from intent-to-sell securities and direct write-down securities of $1.7 million and $2.9 million for the three and nine months ended September 30, 2026, respectively, and $0.1 million and $1.4 million for the three and nine months ended September 30, 2025, respectively.

Investment Quality and Concentrations

The Company’s fixed maturity investment portfolio is comprised primarily of high-grade corporate, municipal and agency bonds. At September 30, 2026, approximately 93.2% of the Company’s fixed maturity investment portfolio was rated investment-grade, which the Company defines as a security issued by a high quality obligor with at least a relatively stable credit profile and where it is highly likely that all contractual payments of principal and interest will timely occur and carry a rating from the National Association of Insurance Commissioners (“NAIC”) of 1 or 2. Securities with a rating of 1 or 2 from the NAIC typically are rated by one or more Nationally Recognized Statistical Rating Organizations and either have a rating of AAA, AA, A or BBB from Standard & Poor’s (“S&P”); a rating of Aaa, Aa, A or Baa from Moody’s Investors Service (“Moody’s”); or a rating of AAA, AA, A or BBB from Fitch Ratings.

The following table summarizes the credit quality of the Company’s fixed maturity investment portfolio at September 30, 2026 and December 31, 2025:

(Dollars in Millions)		Sep 30, 2026			Dec 31, 2025		
NAIC Rating	Rating	Amortized Cost	Fair Value	Percentage of Total	Amortized Cost	Fair Value	Percentage of Total
1	AAA, AA, A	$ 5,265.2	$ 4,397.3	69.5 %	$ 5,319.9	$ 4,750.5	70.5 %
2	BBB	1,734.2	1,495.2	23.7	1,710.2	1,574.4	23.3
3-4	BB, B	378.0	364.8	5.8	390.6	375.1	5.6
5-6	CCC or Lower	85.3	62.5	1.0	55.0	43.3	0.6
Total Investments in Fixed Maturities		$ 7,462.7	$ 6,319.8	100.0 %	$ 7,475.7	$ 6,743.3	100.0 %

Gross unrealized losses on the Company’s investments in below-investment-grade fixed maturities were $16.4 million and $13.6 million at September 30, 2026 and December 31, 2025, respectively.

Investment Quality and Concentrations (Continued)

The following table summarizes the fair value of the Company's investments in governmental fixed maturities at September 30, 2026 and December 31, 2025:

(Dollars in Millions)	Sep 30, 2026 Fair Value	Sep 30, 2026 Percentage of Total Investments	Dec 31, 2025 Fair Value	Dec 31, 2025 Percentage of Total Investments
U.S. Government and Government Agencies and Authorities	$ 636.5	7.7 %	$ 622.4	7.2 %
States and Political Subdivisions:				
Revenue Bonds	1,010.7	12.2	1,128.5	13.0
States	58.3	0.7	68.7	0.8
Political Subdivisions	49.1	0.6	56.1	0.6
Foreign Governments	5.4	0.1	11.0	0.1
Total Investments in Governmental Fixed Maturities	$ 1,760.0	21.3 %	$ 1,886.7	21.7 %

The following table summarizes the fair value of the Company's investments in non-governmental fixed maturities by range of amounts invested at September 30, 2026:

(Dollars in Millions)	Number of Issuers	Aggregate Fair Value
Below $5	740	$ 1,390.5
$5 -$10	197	1,427.4
$10 - $20	91	1,251.1
$20 - $30	14	326.0
Greater Than $30	5	164.8
Total	1,047	$ 4,559.8

The Company's short-term investments primarily consist of money market funds, U.S. Treasury bills and short-term bonds. At September 30, 2026, the Company had $269.4 million invested in money market funds, which primarily invest in U.S. Treasury securities, and $74.4 million invested in U.S. Treasury bills and short-term bonds.

Investments in Limited Liability Companies and Limited Partnerships

The Company owns investments in various limited liability investment companies and limited partnerships that primarily invest in senior debt, mezzanine debt, and leveraged buyouts. Investments in limited liability investment companies and limited partnerships are reported either as Equity Method Limited Liability Investments, Other Equity Interests included in Equity Securities at Fair Value, or Other Investments, depending on the accounting method used to report the investment. Additional information pertaining to these investments at September 30, 2026 and December 31, 2025 is presented below.

(Dollars in Millions)	Unfunded Commitment	Reported Value	
Asset Class	Sep 30, 2026	Sep 30, 2026	Dec 31, 2025
Reported as Equity Method Limited Liability Investments:			
Senior Debt	$ 56.7	$ 24.0	$ 21.1
Mezzanine Debt	36.1	114.9	115.5
Leveraged Buyout	11.9	6.9	6.5
Real Estate	—	26.0	24.1
Other	1.8	10.9	8.8
Total Equity Method Limited Liability Investments	106.5	182.7	176.0
Reported as Other Equity Interests at Fair Value:			
Mezzanine Debt	85.0	118.0	115.8
Leveraged Buyout	33.8	52.5	40.5
Distressed Debt	17.7	9.4	10.8
Senior Debt	7.1	22.5	25.5
Growth Equity	5.0	11.9	10.7
Other	4.0	13.4	7.0
Total Reported as Other Equity Interests at Fair Value	152.6	227.7	210.3
Reported as Other Investments:			
Other Equity Investments	—	3.7	5.9
Total Investments in Limited Liability Companies and Limited Partnerships	$ 259.1	$ 414.1	$ 392.2

The Company expects that it will be required to fund its commitments over the next several years. The Company expects that the proceeds from distributions from these investments will be the primary source of funding of such commitments.

Insurance, Interest, and Other Expenses

Expenses for the three and nine months ended September 30, 2026 and 2025 were:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Insurance and Other Expenses:				
Insurance Expenses:				
Policy Acquisition Costs	$ 150.3	$ 173.8	$ 459.8	$ 515.2
Business Unit Operating Costs	60.2	94.2	188.0	240.7
Corporate Overhead Costs	43.0	43.7	132.8	135.0
Insurance Expenses	253.5	311.7	780.6	890.9
Other Expenses:				
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	8.4	22.9	25.3	33.0
Other Corporate Costs	3.0	4.5	8.4	9.7
Other Expenses	11.4	27.4	33.7	42.7
Insurance and Other Expenses	264.9	339.1	814.3	933.6
Interest Expense	9.0	9.1	27.2	29.5
Goodwill Impairment	—	—	460.0	—
Total Insurance, Interest, and Other Expenses	$ 273.9	$ 348.2	$ 1,301.5	$ 963.1

Insurance and Other Expenses

Insurance and Other Expenses decreased by $74.2 million and $119.3 million for the three and nine months ended September 30, 2026, respectively, compared to the same periods in 2025, primarily driven by lower Policy Acquisition Costs, Business Unit Operating Costs and Other Expenses.

Policy Acquisition Costs decreased by $23.5 million and $55.4 million for the three and nine months ended September 30, 2026, respectively, compared to the same periods in 2025, primarily driven by reduced business volumes in the Specialty Property & Casualty Insurance segment.

Business Unit Operating Costs decreased by $34.0 million and $52.7 million for the three and nine months ended September 30, 2026, respectively, compared to the same periods in 2025, primarily due to lower expenses in the Specialty Property & Casualty Insurance Segment resulting from reduced business volumes and lower expenses in Non-Core Operations due to $21.7 million of impairment losses recognized on Internal-Use Software assets in the prior year periods.

Other Expenses decreased by $16.0 million for the three months ended September 30, 2026, compared to the same period in 2025, primarily due to lower Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs. These costs for the three months ended September 30, 2026 included $9.8 million of restructuring charges to achieve operational and organizational efficiencies. The Company continues to evaluate additional efficiency opportunities through 2027. These costs for the three months ended September 30, 2025 included $18.5 million of restructuring charges to achieve operational and organizational efficiencies.

Other Expenses decreased by $9.0 million for the nine months ended September 30, 2026, compared to the same period in 2025, primarily due to lower Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs. These costs for the nine months ended September 30, 2026 included $29.6 million of restructuring charges to achieve operational and organizational efficiencies and $4.9 million of integration expenses due to continued investments in information technology, partially offset by a pre-tax gain of $8.6 million related to the sale of Newins. These costs for the nine months ended September 30, 2025 included $18.5 million of restructuring charges to achieve operational and organizational efficiencies and $14.5 million of integration expenses due to continued investments in information technology.

Interest Expense

Interest Expense decreased by $2.3 million for the nine months ended September 30, 2026, compared to the same period in 2025, primarily due to the redemption of $450 million of 4.350% senior notes in the first quarter of 2025.

Insurance, Interest, and Other Expenses (Continued)

Goodwill Impairment

Goodwill Impairment increased by $460.0 million for the nine months ended September 30, 2026, compared to the same period in 2025, due to the impairment of goodwill related to the Specialty & Property Casualty Insurance segment in the second quarter of 2026. See Note 3, "Goodwill" to the Condensed Consolidated Financial Statements for more information.

Income Taxes

The federal corporate statutory income tax rate was 21% for the nine months ended September 30, 2026 and September 30, 2025. The Company's effective income tax rate, which was 16.1% and 27.3% for the three months ended September 30, 2026 and 2025, respectively, and (1.3)% and 18.3% for the nine months ended September 30, 2026 and 2025, respectively, differs from the federal corporate income tax rate due primarily to (1) nondeductible goodwill impairment, (2) tax-exempt investment income, (3) nontaxable income associated with the change in cash surrender value on Company-Owned Life Insurance, (4) general business tax credits, (5) a permanent difference between the amount of long-term equity-based compensation expense recognized under GAAP and the amount deductible for Federal tax purposes, (6) nondeductible executive compensation, (7) impact of deferred taxes in foreign jurisdictions, and (8) a change in valuation allowance related to foreign deferred tax assets.

The Company reported nondeductible goodwill expense of $467.2 million for the nine months ended September 30, 2026. The Company reported no nondeductible goodwill expense for the same period in 2025.

Tax-exempt investment income and dividends received deductions were $3.7 million for the three months ended September 30, 2026, compared to $3.6 million for the same period in 2025. Tax-exempt investment income and dividends received deductions were $10.8 million for the nine months ended September 30, 2026, compared to $11.3 million for the same period in 2025.

The nontaxable increase in cash surrender value on Company-Owned Life Insurance was $13.6 million for the three months ended September 30, 2026, compared to $10.8 million for the same period in 2025. The nontaxable increase in cash surrender value on Company-Owned Life Insurance was $37.1 million for the nine months ended September 30, 2026, compared to $31.5 million for the same period in 2025.

The Company realized investment tax credits and other federal income tax credits of $0.8 million for the three months ended September 30, 2026, compared to realized investment tax credits and other federal income tax credits of $0.3 million for the same period in 2025. The Company realized investment tax credits and other federal income tax credits of $1.3 million for the nine months ended September 30, 2026, compared to realized investment tax credits and other federal income tax credits of $0.9 million for the same period in 2025.

The amount of expense recognized for long-term equity-based compensation expense was the same as the amount that would be deductible under the IRC for the three months ended September 30, 2026, compared to $0.1 million lower for the same period in 2025. The amount of expense recognized for long-term equity-based compensation expense was $6.7 million higher than the amount that would be deductible under the IRC for the nine months ended September 30, 2026, compared to $2.3 million lower for the same period in 2025.

The amount of nondeductible executive compensation was $0.7 million for the three months ended September 30, 2026, compared to $12.7 million for the same period in 2025. The amount of nondeductible executive compensation was $7.4 million for the nine months ended September 30, 2026, compared to $23.2 million for the same period in 2025.

Tax benefit of $40.4 million was recorded for the three months ended September 30, 2026, compared to a tax benefit of $9.9 million for the same period in 2025, related to income taxes imposed in the foreign jurisdiction in which the Company operates. Tax benefit of $40.2 million was recorded for the nine months ended September 30, 2026, compared to a tax benefit of $5.5 million for the same period in 2025, related to income taxes imposed in the foreign jurisdiction in which the Company operates.

The Company recorded an increase in valuation allowance of $27.5 million for the three months ended September 30, 2026, compared to a decrease of $10.0 million for the same period in 2025, for those foreign deferred tax assets it determined were not more-likely-than-not to be realized. The Company recorded an increase in valuation allowance of $29.1 million for the nine months ended September 30, 2026, compared to a decrease of $5.6 million for the same period in 2025, for those foreign deferred tax assets it determined were not more-likely-than-not to be realized.

Recently Issued Accounting Pronouncements

The Company has adopted all recently issued accounting pronouncements with effective dates prior to October 1, 2026.

There were no adoptions of such accounting pronouncements during the nine months ended September 30, 2026 that had a material impact on the Company's Condensed Consolidated Financial Statements.

Liquidity and Capital Resources

Amended and Extended Credit Agreement

On March 15, 2022, the Company entered into an amended and extended credit agreement. The amended and extended credit agreement increased the borrowing capacity of the existing unsecured credit agreement to $600.0 million and extended the maturity date to March 15, 2027. Furthermore, the amended and extended credit agreement provided for an accordion feature whereby the Company could increase the revolving credit borrowing capacity by an additional $200.0 million for a total of maximum capacity of $800.0 million. On May 4, 2026, the Company reduced the borrowing capacity under the credit agreement from $600.0 million to $350.0 million in accordance with terms of the agreement. The accordion feature remained unchanged and permits the Company to increase total borrowing capacity up to $550.0 million. Financial covenants within the agreement may limit the Company from accessing the maximum capacity. The amount available as of September 30, 2026 was $350.0 million, the maximum capacity. There were no outstanding borrowings under the credit agreement at either September 30, 2026 or December 31, 2025.

On August 3, 2026, the Company entered into an amendment to the credit agreement. The Amendment, among other things, (i) replaced the consolidated net worth financial covenant contained in the agreement with a consolidated tangible net worth financial covenant, effective as of June 29, 2026, and (ii) added a quarterly-tested financial covenant requiring each of Trinity and United Insurance to maintain a minimum risk-based capital ratio.

Long-term Debt

The Company designates debt obligations as either short-term or long-term based on maturity date at issuance. Total amortized cost of Long-term Debt, Non-Current outstanding on September 30, 2026 and December 31, 2025 was:

(Dollars in Millions)	Sep 30, 2026	Dec 31, 2025
Non-Current:		
2.400% Senior Notes due September 30, 2030	$ 398.2	$ 397.9
3.800% Senior Notes due February 23, 2032	397.3	396.9
5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062	149.5	148.7
Total Long-term Debt Outstanding	$ 945.0	$ 943.5

See Note 16, "Debt" to the Condensed Consolidated Financial Statements for more information regarding the Company's long-term debt.

Federal Home Loan Bank Agreements

Kemper's subsidiaries, United Insurance, Trinity, and AAC are members of the Federal Home Loan Banks ("FHLBs") of Chicago, Dallas and Chicago, respectively. AAC became a member of the FHLB of Chicago in May 2022. United Insurance and Trinity became members of the FHLBs of Chicago and Dallas, respectively, in 2013. Under their memberships, United Insurance, Trinity and AAC may borrow through the advance program of their respective FHLB. The Company's investments in FHLB common stock are reported at cost and included in Other Investments. The carrying value of FHLB of Chicago common stock was $14.7 million and $17.7 million at September 30, 2026 and December 31, 2025, respectively. The carrying value of FHLB of Dallas common stock was $2.2 million and $2.1 million at September 30, 2026 and December 31, 2025, respectively. The Company periodically uses short-term FHLB borrowings for a combination of cash management and risk management purposes, in addition to long-term FHLB borrowings for spread lending purposes.

During the first nine months of 2026, United Insurance received no advances from the FHLB of Chicago and made repayments of $91.4 million. United Insurance had outstanding advances from the FHLB of Chicago totaling $422.4 million at September 30, 2026. These advances were made in connection with the Company's spread lending program. The proceeds related to these advances were used to purchase fixed maturity securities to earn incremental net investment income.

Liquidity and Capital Resources (Continued)

For these advances, United Insurance held pledged securities in a custodial account with the FHLB of Chicago with a fair value of $506.0 million at September 30, 2026. The fair value of the collateral pledged must be maintained at certain specified levels above the borrowed amount, which can vary depending on the assets pledged. If the fair value of the collateral declines below these specified levels of the amount borrowed, United Insurance would be required to pledge additional collateral or repay outstanding borrowings. See Note 15, "Policyholder Obligations" to the Condensed Consolidated Financial Statements for additional information about the United Insurance advances and related funding agreements.

Common Stock Repurchases

On August 5, 2025, Kemper's Board of Directors approved a new share repurchase authorization, under which the Company can repurchase up to $500.0 million of its common stock (the "2025 Repurchase Program"). As of September 30, 2026, the remaining share repurchase authorization under the 2025 Repurchase Program was $304.2 million. The amount and timing of any future share repurchases under the 2025 Repurchase Program will depend on various factors, including market conditions, the Company's financial condition, results of operations, available liquidity, particular circumstances and other considerations.

No shares were repurchased during the three and nine months ended September 30, 2026.

On August 13, 2025, the Company entered into an accelerated share repurchase agreement (the "ASR Agreement") with Goldman Sachs & Co. LLC ("Goldman Sachs") to repurchase an aggregate of $150.0 million of shares of the Company's common stock. Under the terms of the ASR Agreement, the Company made a payment of $150.0 million to Goldman Sachs, and on August 14, 2025, received initial deliveries of an aggregate of 2,279,000 shares of the Company's common stock, or approximately 80% of the total shares that are expected to be repurchased under the ASR Agreement, based on the closing price on August 13, 2025 of $52.65 per share.

On October 13, 2025, as final settlement of the share repurchase transaction under the ASR Agreement, the Company received from Goldman Sachs approximately 615,000 shares of the Company's common stock. In total, the Company repurchased 2,894,000 shares of its Common Stock under the ASR Agreement at $51.84 per share, which represents the volume-weighted average market price of the Company's common stock during the term of the ASR Agreement less a customary discount. The shares delivered were immediately retired.

In addition to the ASR Agreement repurchases, Kemper repurchased and retired approximately 1,126,000 and 1,636,000 of its common stock in open market transactions under its share repurchase authorization during the three and nine months ended September 30, 2025, respectively. The repurchases during the three months ended September 30, 2025 were for an aggregate cost of $66.5 million and an average cost per share of $59.00 and the repurchases during the nine months ended September 30, 2025 were for an aggregate cost of $99.0 million and an average cost per share of $60.52.

Dividends to Shareholders

Kemper paid a quarterly dividend of $0.32 per common share in the third quarter of 2026 and 2025, respectively. Dividends and dividend equivalents paid were $56.5 million and $60.7 million for the nine months ended September 30, 2026 and 2025, respectively.

Subsidiary Dividends

Various insurance laws restrict the ability of Kemper's insurance subsidiaries to pay dividends without regulatory approval. Such insurance laws applicable to the Company's US based insurance subsidiaries generally restrict the amount of dividends paid in an annual period to the greater of statutory net income from the previous year or 10% of statutory capital and surplus. Kemper's US based insurance subsidiaries paid $25.0 million of dividends to Kemper during the first nine months of 2026. As of the filing date, Kemper's US based insurance subsidiaries capacity to pay dividends without prior regulatory approval is estimated to be $39.5 million.

Sources and Uses of Funds

Kemper and its direct non-insurance subsidiaries held cash and investments totaling $90.8 million at September 30, 2026, compared to $145.4 million at December 31, 2025.

The primary sources of funds available for repayment of Kemper's indebtedness, repurchases of common stock, future shareholder dividend payments, and the payment of interest on Kemper's senior notes, include cash and investments directly held by Kemper, receipt of dividends from Kemper's insurance subsidiaries and borrowings under the credit agreement and from subsidiaries.

Liquidity and Capital Resources (Continued)

The primary sources of funds for Kemper's insurance subsidiaries are premiums, investment income, proceeds from the sales and maturity of investments, advances from the FHLBs of Chicago and Dallas, and capital contributions from Kemper. The primary uses of funds are the payment of policyholder benefits under life insurance contracts, claims under property and casualty insurance contracts and accident and health insurance contracts, the payment of commissions and general expenses, the purchase of investments and repayments of advances from the FHLBs of Chicago and Dallas.

Generally, there is a time lag between when premiums are collected and when policyholder benefits and insurance claims are paid. During periods of growth, property and casualty insurance companies typically experience positive operating cash flows and can invest a portion of their operating cash flows to fund future policyholder benefits and claims. During periods in which premium revenues decline, insurance companies may experience negative cash flows from operations and may need to sell investments to fund payments to policyholders and claimants. In addition, if the Company's property and casualty insurance subsidiaries experience several significant catastrophic events over a relatively short period of time, investments may be sold to fund payments, which could result in investment gains or losses. Management believes that its property and casualty insurance subsidiaries maintain adequate levels of liquidity in the event that they were to experience several future catastrophic events over a relatively short period of time.

Information about the Company's cash flows for the nine months ended September 30, 2026 and 2025 is presented below.

(Dollars in Millions)	Sep 30, 2026	Sep 30, 2025
Net Cash Provided by Operating Activities	$ 182.4	$ 409.5
Net Cash (Used in) Provided by Investing Activities	(77.7)	413.4
Net Cash Used in Financing Activities	(150.2)	(780.9)

Cash available for investment activities is dependent on cash flow from Operating Activities and Financing Activities and the level of cash the Company elects to maintain.

Net Cash Provided by Operating Activities

Net cash provided by Operating Activities was $182.4 million for the nine months ended September 30, 2026, compared to $409.5 million for the same period in 2025. The decrease in net cash provided by Operating Activities was primarily driven by lower personal automobile volumes in the Specialty Property & Casualty business.

Net Cash (Used in) Provided by Investing Activities

Net cash used in Investing Activities for the nine months ended September 30, 2026 was $77.7 million, compared to net cash provided of $413.4 million for the same period in 2025. The decrease in net cash provided by Investing Activities was primarily due to proceeds from sales of short term investments in the first quarter of 2025 that were largely used to fund the redemption of the $450.0 million 4.350% Senior Notes due February 15, 2025 (the "2025 Senior Notes").

Net Cash Used in Financing Activities

Net cash used in Financing Activities was $150.2 million for the nine months ended September 30, 2026, compared to $780.9 million for the same period in 2025. This decrease in net cash used in Financing Activities was primarily due to the redemption of the 2025 Senior Notes in the first quarter of 2025 and absence of common stock repurchases in 2026, partially offset by higher net repayments under United Insurance's FHLB of Chicago spread lending program.

Critical Accounting Estimates

Kemper's subsidiaries conduct their operations in two industries: property and casualty insurance and life insurance. Accordingly, the Company is subject to several industry-specific accounting principles under GAAP. The preparation of financial statements in accordance with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The process of estimation is inherently uncertain. Accordingly, actual results could ultimately differ materially from the estimated amounts reported in a company's financial statements. Different assumptions are likely to result in different estimates of reported amounts.

Critical Accounting Estimates (Continued)

The Company's critical accounting policies most sensitive to estimates include the valuation of investments, the valuation of life insurance reserves, the valuation of reserves for property and casualty insurance incurred losses and LAE, the assessment of recoverability of goodwill, and the recoverability of deferred tax assets. The Company's critical accounting policies are described in the MD&A included in the 2025 Annual Report. There have been no material changes to the information disclosed in the 2025 Annual Report with respect to these critical accounting estimates and the Company's significant accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company's disclosures about market risk in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of Part II of the 2025 Annual Report. Accordingly, no disclosures about market risk have been made in Item 3 of this Form 10-Q.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The Company's management, with the participation of Kemper's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this report. Based on such evaluation, Kemper's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in ensuring that information required to be disclosed by Kemper in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the SEC's rules and forms, and accumulated and communicated to the Company's management, including Kemper's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting.

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Items not listed here have been omitted because they are inapplicable or the answer is negative.

Item 1. Legal Proceedings

Information concerning pending legal proceedings is incorporated herein by reference to Note 18, "Commitments and Contingencies" to the Condensed Consolidated Financial Statements in Part I of this Form 10-Q.

Item 1A. Risk Factors

For a discussion of the Company's significant risk factors, see Item 1A. of Part I of the 2025 Annual Report. Readers are also advised to consider other factors not presently known by, or considered material to, the Company that could materially affect the Company's business, financial condition and results of operations, along with other information disclosed in the 2025 Annual Report and this Quarterly Report on Form 10-Q, including the factors set forth under the caption "Caution Regarding Forward-Looking Statements" beginning on page 1 of the 2025 Annual Report and on page 1 of this Quarterly Report on Form 10-Q, and to consult any further disclosures Kemper makes on related subjects in its filings with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Repurchases of Equity Securities

On August 5, 2025, Kemper's Board of Directors approved a share repurchase authorization, under which the Company can repurchase up to $500.0 million of its common stock (the "2025 Repurchase Program"). As of September 30, 2026, the remaining share repurchase authorization under the 2025 Repurchase Program was $304.2 million.

Shares repurchased and retired during the three months ended September 30, 2026 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (Dollars in Millions)
July 2026	—	$ —	—	$ 304.2
August 2026	—	$ —	—	$ 304.2
September 2026	—	$ —	—	$ 304.2

Repurchases are made in the open market in accordance with applicable federal securities laws, including Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Securities Trading Plans of Executive Officers and Directors

The Company's Insider Trading Policy permits executive officers and directors to enter into trading plans designed to comply with Rule 10b5-1 under the Exchange Act. During the three months ended September 30, 2026, none of the Company's executive officers or directors adopted, modified or terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

The Exhibit Index that follows has been filed as part of this report. Exhibit numbers correspond to the numbering system in Item 601 of Regulation S-K.

Exhibit Index

The following exhibits are either filed as a part hereof or are incorporated by reference. Exhibit numbers followed by an asterisk (*) indicate exhibits that are management contracts or compensatory plans or arrangements.

		Incorporated by Reference				
Exhibit Number	Exhibit Description	Form	File Number	Exhibit	Filing Date	Filed or Furnished Herewith
10.1	Form of Separation and Release Agreement					X
18.1	Preferability Letter from Deloitte & Touche LLP Regarding Change in Accounting Principle					X
31.1	Certification of Chief Executive Officer Pursuant to SEC Rule 13a-14(a)					X
31.2	Certification of Chief Financial Officer Pursuant to SEC Rule 13a-14(a)					X
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.1	XBRL Instance Document					X
101.2	XBRL Taxonomy Extension Schema Document					X
101.3	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.4	XBRL Taxonomy Extension Label Linkbase Document					X
101.5	XBRL Taxonomy Extension Presentation Linkbase Document					X
101.6	XBRL Taxonomy Extension Definition Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Kemper Corporation

Date: November 9, 2026

/s/ STEPHEN J. MCANENA

Stephen J. McAnena

President and Chief Executive Officer
(Principal Executive Officer)

Date: November 9, 2026

/s/ BRADLEY T. CAMDEN

Bradley T. Camden

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: November 9, 2026

/s/ JAMES A. ALEXANDER

James A. Alexander

Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)