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Press Release

Kemper Reports Third Quarter 2026 Operating Results*

CHICAGO, November 9, 2026 — Kemper Corporation (NYSE: KMPR) reported Net Income of $52.4 million, or $0.88 per diluted share, for the third quarter of 2026, compared to Net Loss of $21.0 million, or $(0.34) per share, for the third quarter of 2025.

Adjusted Consolidated Net Operating Income[1] was $59.9 million, or $1.01 per diluted share, for the third quarter of 2026, compared to $20.4 million, or $0.33 per share, for the third quarter of 2025.

Summary of quarterly performance:

- *Strong sequential earnings improvement, led by improved Personal Auto performance*
- *Personal Auto profitability continued to improve, reflecting the cumulative benefits of our rate and non-rate actions*
- *California Personal Auto Combined Ratio and Underlying Combined Ratio[1] improved 12 points and 7 points, respectively, since 1Q'26*
- *Continued to strengthen leadership across P&C, Life, claims and distribution*

"Our third-quarter results demonstrate continued progress as the actions we've taken to improve profitability are taking hold," said Stephen J. McAnena, President and Chief Executive Officer. "While there is more work ahead, we are moving in the right direction and remain focused on restoring profitability and building capabilities to position Kemper for durable, profitable growth."

*Unless otherwise specified, discussion of our third quarter 2026 results is focused on net income attributable to Kemper Corporation common shareholders, which does not include financial results from Kemper Reciprocal that are presented within the condensed consolidated financial results in this release. The results of Kemper Reciprocal are consolidated under US GAAP.

[1] Non-GAAP financial measure. All Non-GAAP financial measures are denoted with footnote 1 throughout this release. See "Use of Non-GAAP Financial Measures" for additional information.

(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
Net Income (Loss)	$ 52.4	$ (21.0)	$ (414.1)	$ 151.3
Adjusted Consolidated Net Operating Income[1]	$ 59.9	$ 20.4	$ 98.7	$ 210.9
Impact of Catastrophe Losses and Related Loss Adjustment Expense (LAE) on Net Income (Loss)	*$ (2.3)*	*$ (0.6)*	*$ (10.3)*	*$ (12.3)*
Diluted Net Income (Loss) Per Share From:				
Net Income (Loss)	$ 0.88	$ (0.34)	$ (7.04)	$ 2.37
Adjusted Consolidated Net Operating Income[1]	$ 1.01	$ 0.33	$ 1.68	$ 3.31
Impact of Catastrophe Losses and Related LAE on Net Income (Loss) Per Share	*$ (0.04)*	*$ (0.01)*	*$ (0.18)*	*$ (0.20)*

Revenues

Total Revenues for the third quarter of 2026 decreased $149.1 million to $1,090.6 million compared to the third quarter of 2025. The decline was primarily due to lower Specialty Personal Automobile volumes, partially offset by higher Specialty Commercial Automobile volumes.

Segment Results

Unless otherwise noted, (i) the segment results discussed below are presented on an after-tax basis, (ii) prior-year development includes both catastrophe and non-catastrophe losses and LAE, (iii) catastrophe losses and LAE exclude the impact of prior-year development, (iv) loss ratio includes loss and LAE, and (v) all comparisons are made to the prior year quarter unless otherwise stated.

	Three Months Ended		Nine Months Ended	
(Dollars in Millions) (Unaudited)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Segment Adjusted Net Operating Income:				
Specialty Property & Casualty Insurance	$ 54.4	$ 7.6	$ 70.3	$ 184.5
Life Insurance	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)
Adjusted Consolidated Net Operating Income[1]	59.9	20.4	98.7	210.9
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

The Specialty Property and Casualty Insurance segment reported Adjusted Net Operating Income of $54.4 million in the third quarter of 2026, compared to Adjusted Net Operating Income of $7.6 million in the third quarter of 2025. The $24.6 million increase in Specialty Personal Automobile was primarily driven by favorable prior year development. The $22.2 million increase in Specialty Commercial Automobile was primarily driven by lower adverse prior year development, partially offset by higher underlying losses resulting primarily from higher claim severity.

The Life Insurance segment reported Adjusted Net Operating Income of $19.8 million for the third quarter of 2026, compared to Adjusted Net Operating Income of $18.6 million in the third quarter of 2025. The improvement was primarily driven by higher Earned Premiums, partially offset by higher Policyholders' Benefits from life insurance products.

Capital

Total Kemper Corporation Shareholders' Equity as of September 30, 2026 was $2,133.3 million, a decrease of $548.1 million, or 20 percent, since year-end 2025 primarily driven by comprehensive losses for the period. Kemper and its direct non-insurance subsidiaries ended the quarter with cash and investments of $90.8 million, and $350.0 million of available borrowing capacity under the revolving credit agreement.

On August 5, 2026, Kemper announced that its Board of Directors declared a quarterly dividend of $0.32 per share, or $18.9 million. The dividend was paid on September 4, 2026, to its shareholders of record as of August 21, 2026.

Kemper ended the quarter with a book value per share of $36.20, a decrease of 21 percent from $45.71 at the end of 2025. Adjusted book value per share[1] was $28.13 at the end of the quarter, compared to $28.06 at the end of 2025.

Unaudited Condensed Consolidated Statements of Income (Loss) for the three and nine months ended September 30, 2026 and 2025 are presented below.

(Dollars in Millions, Except Per Share Amounts)	Three Months Ended Sep 30, 2026	Three Months Ended Sep 30, 2025	Nine Months Ended Sep 30, 2026	Nine Months Ended Sep 30, 2025
Revenues:				
Earned Premiums[2]	$ 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[3]	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
Weighted-average Outstanding (Shares in Thousands):				
Unrestricted Shares - Basic	58,923.1	61,477.4	58,844.6	63,092.2
Unrestricted Shares and Equivalent Shares - Diluted	59,587.8	61,477.4	58,844.6	63,720.4
Dividends Paid to Shareholders per Share	$ 0.32	$ 0.32	$ 0.96	$ 0.96

[2] 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.

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

Unaudited business segment revenues 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
REVENUES:				
Specialty Property & Casualty Insurance:				
Earned Premiums:				
Personal Automobile	$ 599.9	$ 785.1	$ 1,894.3	$ 2,328.1
Commercial Automobile	258.0	232.2	745.4	662.2
Total 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 Revenues	917.4	1,073.6	2,812.2	3,150.7
Life Insurance:				
Earned Premiums:				
Life	100.8	84.1	273.9	252.6
Accident & Health	5.3	5.5	16.0	16.4
Property	9.6	10.2	29.3	31.0
Total 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 Revenues	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[2]	(7.7)	1.8	(31.6)	0.2
Total Revenues	$ 1,090.6	$ 1,239.7	$ 3,290.5	$ 3,658.3

[2] In 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.

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in Millions)
(Unaudited)

	Sep 30, 2026	Dec 31, 2025
Assets:		
Investments:		
Fixed Maturities at Fair Value	$ 6,319.8	$ 6,743.3
Equity Securities at Fair Value	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	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	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

KEMPER CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)
(Dollars in Millions)
(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	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

Unaudited selected financial information for the Specialty Property & Casualty Insurance segment follows.

(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
Results of Operations				
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[1]				
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[1]	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[1]	101.7 %	99.6 %	103.3 %	95.2 %

Unaudited selected financial information for the Life Insurance segment follows.

(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
Results of Operations				
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

Use of Non-GAAP Financial Measures

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. The most directly comparable GAAP financial measure is Net Income (Loss) attributable to Kemper Corporation. There were no applicable significant non-recurring items that Kemper excluded from the calculation of Adjusted Consolidated Net Operating Income for the three and nine months ended September 30, 2026 or 2025.

Kemper believes that 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. Change in Fair Value of Equity and Convertible Securities, Net Realized Investment (Losses) Gains and Impairment Losses related to investments included in Kemper'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 Kemper's investments, the timing of which is unrelated to the insurance underwriting process. Acquisition and Disposition Related Transaction, Integration, 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 Kemper'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 Kemper's business or economic trends. 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 profitability of Kemper's businesses.

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

	Three Months Ended		Nine Months Ended	
(Dollars in Millions) (Unaudited)	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
Less 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)
Adjusted Consolidated Net Operating Income	$ 59.9	$ 20.4	$ 98.7	$ 210.9

Diluted Adjusted Consolidated Net Operating Income per Unrestricted Share is a non-GAAP financial measure computed by dividing Adjusted Consolidated Net Operating Income by the weighted-average unrestricted shares and equivalent shares outstanding. The most directly comparable GAAP financial measure is Diluted Net Income (Loss) attributable to Kemper Corporation per Unrestricted Share.

A reconciliation of Diluted Net Income (Loss) attributable to Kemper Corporation per Unrestricted Share to Diluted Adjusted Consolidated Net Operating Income per Unrestricted Share for the three and nine months ended September 30, 2026 and 2025 is presented below.

	Three Months Ended		Nine Months Ended	
(Unaudited)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Diluted Net Income (Loss) attributable to Kemper Corporation per Unrestricted Share	$ 0.88	$ (0.34)	$ (7.04)	$ 2.37
Less Net Income (Loss) per Unrestricted Share From:				
Change in Fair Value of Equity and Convertible Securities	0.04	(0.03)	—	(0.03)
Net Realized Investment (Losses) Gains	(0.01)	0.05	—	0.06
Impairment Losses	(0.05)	(0.04)	(0.39)	(0.08)
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	(0.11)	(0.32)	(0.39)	(0.44)
Debt Extinguishment and Other Charges	—	—	—	0.01
Goodwill Impairment	—	—	(7.82)	—
Non-Core Operations	—	(0.33)	(0.12)	(0.46)
Diluted Adjusted Consolidated Net Operating Income per Unrestricted Share	$ 1.01	$ 0.33	$ 1.68	$ 3.31

Return on Adjusted Shareholders' Equity is a calculation that uses a non-GAAP financial measure. It is calculated by dividing the period's annualized Net Income (Loss) attributable to Kemper Corporation, excluding the annualization of the after-tax goodwill impairment and the credit loss allowance recognized on the Reciprocal Exchange surplus notes, by the average shareholders' equity excluding net unrealized gains and losses on fixed maturities, the change in discount rate on future life policyholder benefits and goodwill. Return on Shareholders' Equity is the most directly comparable GAAP measure. We use this non-GAAP measure to identify and analyze the change in performance attributable to management efforts between periods. Kemper believes this non-GAAP financial measure is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are not influenced by management. Kemper believes it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers.

A reconciliation of Return on Shareholders' Equity to Return on Adjusted Shareholders' Equity is presented below:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions) (Unaudited)	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
Numerator:				
Annualized Net Income (Loss) attributable to Kemper Corporation[1]	$ 209.6	$ (84.0)	$ (393.3)	$ 201.7
Denominator:				
Average Shareholders' Equity[2]	$2,163.1	$2,842.8	$2,414.3	$2,847.9
Less: Average Net Unrealized Losses on Fixed Maturities	741.3	595.9	671.4	631.7
Less: Average Change in Discount Rate on Future Life Policyholder Benefits	(480.6)	(343.0)	(428.3)	(358.0)
Less: Average Goodwill	(783.5)	(1,250.7)	(1,017.1)	(1,250.7)
Average Adjusted Shareholders' Equity[2]	$1,640.3	$1,845.0	$1,640.3	$1,870.9
Return on Shareholders' Equity:				
Return on Shareholders' Equity	9.7 %	(3.0)%	(16.3)%	7.1 %
Return on Adjusted Shareholders' Equity	12.8 %	(4.6)%	(24.0)%	10.8 %

[1] The nine months ended September 30, 2026 excludes the annualization of the $460.0 million after-tax goodwill impairment and the $16.6 million after-tax credit loss allowance ($21.0 million pre-tax) recognized on the Reciprocal Exchange surplus notes during the second quarter of 2026.

[2] Average shareholders' equity and average adjusted shareholders' equity is the simple average of the beginning and ending balances for the period. Average shareholders' equity and average adjusted shareholders' equity on a year-to-date basis is (a) the sum of the balance at the beginning of the year and the ending balance for each quarter within that year divided by (b) the number of quarters in the period presented plus one.

Underlying Combined Ratio is a non-GAAP financial measure. It 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.

Kemper believes Underlying Losses and LAE and the Underlying Combined Ratio are useful to investors and uses these financial measures to reveal the trends in Kemper's Property & Casualty Insurance segment that may be obscured by catastrophe losses and prior-year reserve development. These catastrophe losses may cause Kemper'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 no bearing on the performance of Kemper's insurance products in the current period. Kemper believes it is useful for investors to evaluate these components separately and in the aggregate when reviewing Kemper's underwriting performance.

A reconciliation of the Combined Ratio to the Underlying Combined Ratio for Specialty Property & Casualty Insurance's Personal Automobile product line in California is presented below:

	Three Months Ended	
(Unaudited)	Sep 30, 2026	Mar 31, 2026
Specialty Property & Casualty Insurance - California Personal Automobile		
Combined Ratio	98.2 %	110.6 %
Less:		
Current Year Catastrophe Losses and LAE Ratio	—	0.1
Prior Years Non-catastrophe Losses and LAE Ratio	(3.9)	1.2
Prior Years Catastrophe Losses and LAE Ratio	—	0.1
Underlying Combined Ratio	102.1 %	109.2 %

Adjusted Book Value Per Share is a calculation that uses a non-GAAP financial measure. It is calculated by dividing shareholders' equity after excluding the after-tax impact of net unrealized gains and losses on fixed income securities, the change in discount rate on future life policyholder benefits and goodwill by total Common Shares Issued and Outstanding. Book value per share is the most directly comparable GAAP financial measure. Kemper uses the trends in book value per share excluding the after-tax impact of net unrealized gains and losses on fixed income securities, the change in discount rate on future life policyholder benefits and goodwill in conjunction with book value per share to identify and analyze the change in net worth excluding goodwill attributable to management efforts between periods. Kemper believes the non-GAAP financial measure is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are not influenced by management. Kemper believes it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers.

A reconciliation of Book Value Per Share to Adjusted Book Value Per Share is presented below:

	As of	
(Dollars and Shares in Millions Except Per Share Amounts) (Unaudited)	Sep 30, 2026	Dec 31, 2025
Numerator:		
Kemper Corporation Shareholders' Equity	$ 2,133.3	$ 2,681.4
Less: Net Unrealized Losses on Fixed Maturities	886.2	566.2
Less: Change in Discount Rate on Future Life Policyholder Benefits	(578.6)	(350.8)
Less: Goodwill	(783.5)	(1,250.7)
Adjusted Shareholders' Equity	$ 1,657.4	$ 1,646.1
Denominator:		
Common Shares Issued and Outstanding	58.924	58.667
Book Value Per Share:		
Book Value Per Share	$ 36.20	$ 45.71
Less: Net Unrealized Losses on Fixed Maturities	15.04	9.65
Less: Change in Discount Rate on Future Life Policyholder Benefits	(9.82)	(5.98)
Less: Goodwill	(13.29)	(21.32)
Adjusted Book Value Per Share	$ 28.13	$ 28.06

Conference Call

Kemper will host its conference call to discuss third quarter 2026 results on Tuesday, November 10, at 8:00 a.m. Eastern (7:00 a.m. Central). The conference call will be accessible via the internet and by telephone at **833.461.5787, Conference ID 716 652 350**. To listen via webcast, register online at the investor section of kemper.com at least 15 minutes prior to the webcast to download and install any necessary software. A replay of the call will be available online at the investor section of kemper.com.

More detailed financial information can be found in Kemper's Investor Financial Supplement and Earnings Call Presentation for the third quarter of 2026, which is available at the investor section of kemper.com.

About Kemper

The Kemper family of companies is one of the nation's leading specialized insurers. With approximately $12 billion in assets, Kemper is improving the world of insurance by providing affordable and easy-to-use personalized solutions to individuals, families and businesses through its Kemper Auto and Kemper Life brands. Kemper serves approximately 4.3 million policies, is represented by approximately 24,000 agents and brokers, and has approximately 6,700 associates dedicated to meeting the ever-changing needs of its customers.

Learn more about Kemper at kemper.com.

Caution Regarding Forward-Looking Statements

This press release 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. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Such statements involve known and unknown risks, uncertainties, and other factors, including but not limited to:

- changes in the frequency and severity of insurance claims;
- claim development and the process of estimating claim reserves;
- the impacts of inflation;
- changes in interest rate environment;
- supply chain disruption;
- product demand and pricing;
- effects of legislative, governmental and regulatory actions;
- heightened competition;
- litigation outcomes and trends;
- investment risks;
- cybersecurity risks or incidents;
- impact of catastrophes; and
- other risks and uncertainties detailed in Kemper's Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission.

Kemper assumes no obligation to publicly correct or update any forward-looking statements as a result of events or developments subsequent to the date of this press release.

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Contacts

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