Fourth Quarter 2021 Earnings

January 31, 2022

KEMPER

Preliminary Matters

Cautionary Statements Regarding Forward-Looking Information

This presentation 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;
- product demand and pricing;
- effects of governmental and regulatory actions;
- litigation outcomes;
- investment risks;
- cybersecurity risks;
- 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 ("SEC").

The COVID-19 outbreak and subsequent global pandemic ("Pandemic") is an extraordinary catastrophe that creates unique uncertainties and risks. Kemper cannot provide any assurances as to the impacts of the Pandemic and related economic conditions on Kemper's operating and financial results.

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 presentation, including any such statements related to the Pandemic.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures that the company believes are meaningful to investors. Non-GAAP financial measures have been reconciled to the most comparable GAAP financial measure.

Create Long-Term Shareholder Value

Leverage competitive advantages to grow returns and BVPS[1] over time



Strategic focus:

Consumer-related businesses with opportunities that:

- Target specialty markets
- Have limited, weak or unfocused competition
- Require unique expertise (underwriting, claim, distribution, analytics and other)

Deliver low double-digit ROE[2] over time

[1] *Book value per share*
[2] *Return on equity*

Fourth Quarter 2021 Highlights

Pandemic headwinds continued to impact margins

Shareholder Value Creation

Environmental pressures challenged 4Q21 financial results

- Net loss of $106 million ($1.66) per share, as reported, or $101 million ($1.59) per share, as adjusted[3]
- Adjusted consolidated net operating loss[1] of $131 million ($2.05) per share, as reported, or $126 million ($1.98) per share, as adjusted[3]
- (3)% ROAE[2], (5)% ROAE[2] excluding net unrealized gains on fixed maturities and goodwill[1]
- Generated $351 million of operating cash flow for the year
- Dividends paid of $0.31

4th Quarter Overview

Taking actions to return to target profitability

- Inflation trends related to supply chain issues and labor shortages continued to drive loss costs, exceeding the benefits of rate and underwriting actions
- Specialty P&C rate actions: Filed for 8% rate increase on ~57% of book, includes California
- Preferred P&C rate actions: Filed for 12% rate increase on ~23% of book, ongoing repositioning of book to improve profitability

Capital Management and Financial Strength

Strong capital and liquidity enables us to navigate environmental challenges

- Holding company remains a source of strength for subsidiaries, with more than $900 million of liquidity
- Debt-to-capital ratio of 21.9% remains within target range
- Upsized and renewed multi-year occurrence and annual aggregate programs

[1] *Non-GAAP financial measure; please see reconciliation in appendix on pages 20-29*
[2] *Return on average shareholders' equity (5-point average)*
[3] *As adjusted for acquisition; see reconciliation on Pages 26-29*

Fourth Quarter Financial Highlights

Environmental headwinds impacted profitability and TBVPS growth

(Dollars in millions, except per share amounts)	As Reported Quarter Ended Dec 31, 2021	As Reported Quarter Ended Dec 31, 2020	As Adjusted[1] Quarter Ended Dec 31, 2021	As Adjusted[1] Quarter Ended Dec 31, 2020
Net Income (Loss)	$(106)	$98	$(101)	$118
Net Income (Loss) – Per Diluted Share	$(1.66)	$1.46	$(1.59)	$1.77
Adjusted Consolidated Net Operating Income (Loss)[1]	$(131)	$106	$(126)	$119
Adj. Consolidated Net Op. Income (Loss) – Per Diluted Share[1]	$(2.05)	$1.59	$(1.98)	$1.78
Catastrophe Losses	$13	$6		
Tangible Book Value Per Common Share excluding unrealized gains[1]	$34.44	$41.65		
Return on Avg. Tangible Common Equity[1]	(4.9)%	16.3%		
Dividend Paid to Shareholders Per Share	$0.31	$0.30		
Specialty PIF growth	17.9%	2.5%	4.5%	2.2%

AAC goodwill diluted TBVPS by $3.11

Focus is on restoring profitability and positioning businesses for growth in 2023

[1] *As adjusted for acquisition; see reconciliation on Pages 26-29*

Review of Net Operating Income

4Q21 financial results pressured by environmental challenges

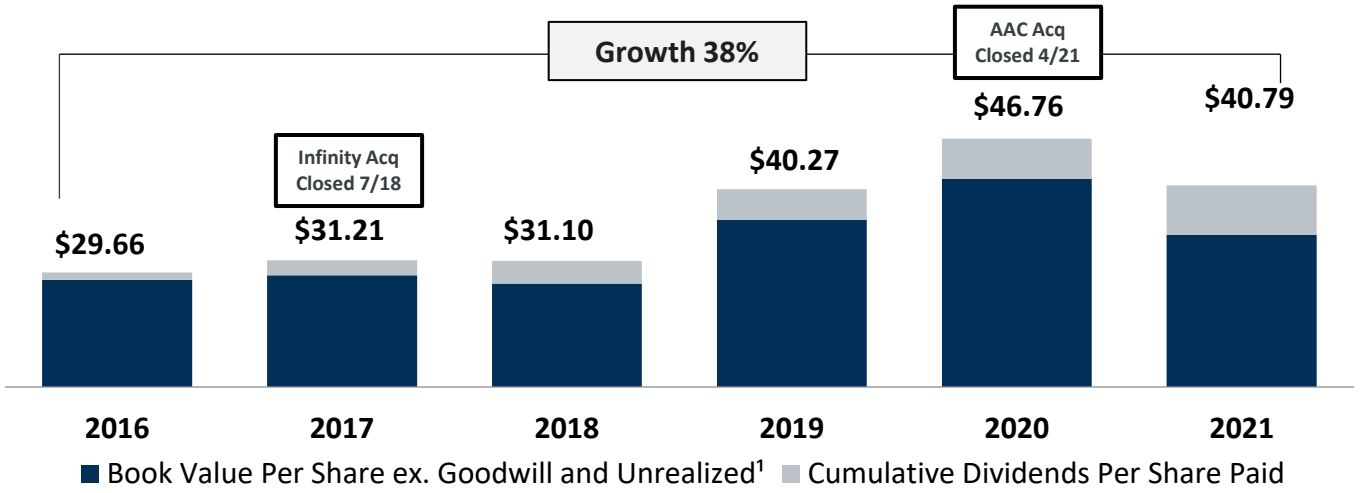
Dollars per Unrestricted Share - Diluted	Three Months Ended, As Reported					Variance
	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020	QoQ
Net Income (Loss)	**$ (1.66)**	**$ (1.18)**	**$ (0.97)**	**$ 1.85**	**$ 1.46**	**(3.12)**
(Income) Loss from Change in FV of Equity & Convertible Securities	(0.27)	0.01	(0.50)	(0.62)	(0.86)	0.59
Investment Related (Gains)/Losses	(0.27)	(0.13)	(0.24)	(0.16)	-	(0.27)
Net Impairment Losses	0.04	0.01	0.04	0.05	(0.01)	0.05
Acquisition Related Transaction, Integration & Other Costs	0.11	0.10	0.13	0.19	0.24	(0.13)
Debt Extinguishment, Pension and Other Charges	-	-	-	-	0.76	(0.76)
Adj. Consolidated Net Operating Income (Loss)[1]	**(2.05)**	**(1.19)**	**(1.54)**	**1.31**	**1.59**	**(3.64)**
Sources of Volatility:						
Income (Loss) After-Tax From:						
Catastrophes	(0.16)	(0.40)	(0.43)	(0.33)	(0.07)	(0.09)
Solar Investment	(0.05)	0.11	0.01	0.20	0.05	(0.10)
Prior-year Reserve Development	0.01	(0.31)	(1.01)	-	(0.10)	0.11
Alternative Investment Income	0.29	0.27	0.38	0.32	0.27	0.02
Impact of Purchase Accounting	(0.07)	(0.10)	(0.15)	(0.03)	(0.05)	(0.02)
Total from Sources of Volatility	$ 0.02	$ (0.43)	$ (1.20)	$ 0.16	$ 0.10	$ (0.08)

Restoration activities will persist through 2022

[1] *Non-GAAP financial measure; see reconciliation in appendix pages 20-29*

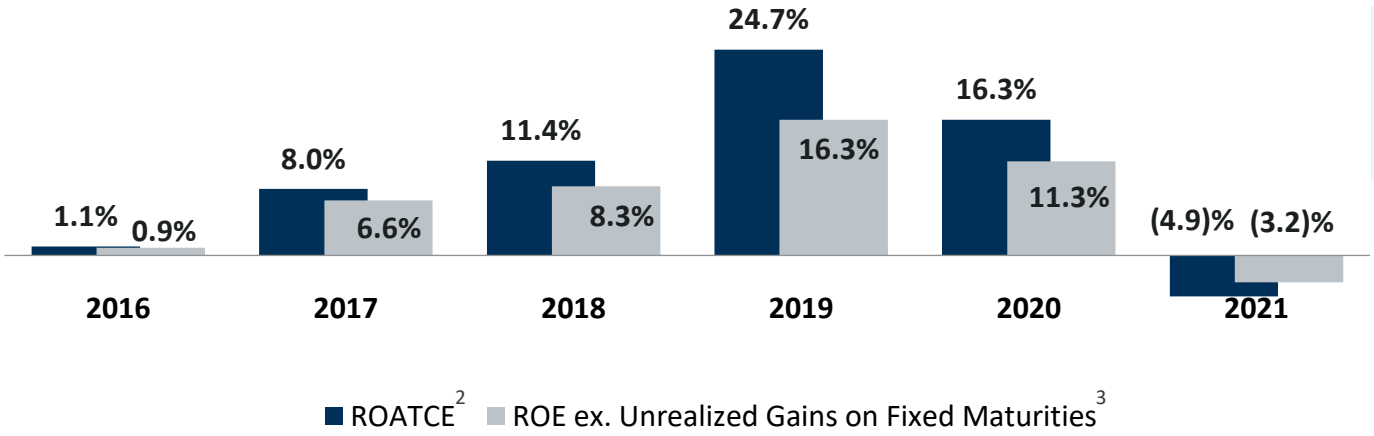
Environmental Factors Pressuring Capital Generation & Returns

Total Adjusted Return of BVPS Ex. Unrealized Gains on Fixed Maturities and Goodwill



- AAC goodwill diluted TBVPS by $3.11
- Infinity transaction diluted TBVPS by $3.84

Return on Shareholders' Equity



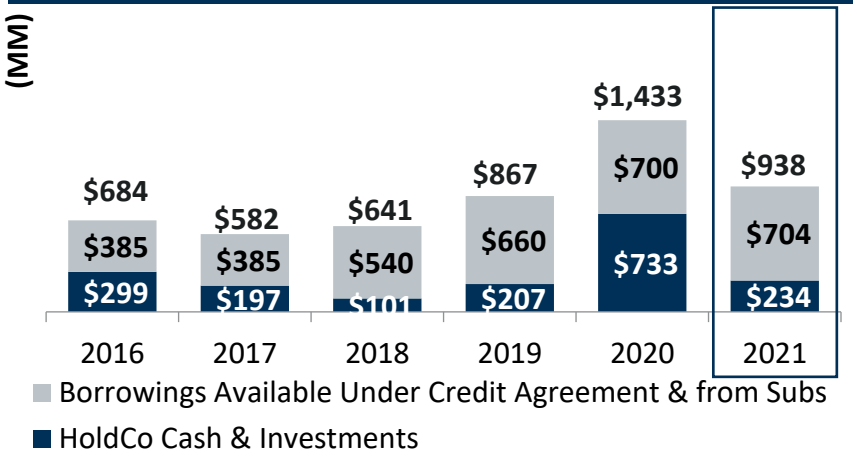
- ROATCE measure captures investors' compensation on tangible equity

[1] *Non-GAAP financial measure; please see reconciliation in appendix on pages 20-29*
[2] *Return on average tangible common equity (rolling 5 point avg.); please see reconciliation in appendix on pages 20-29*
[3] *Return on average shareholder's equity excluding unrealized gains on fixed maturities (rolling 5 point avg.); please see reconciliation in appendix on pages 20-29*

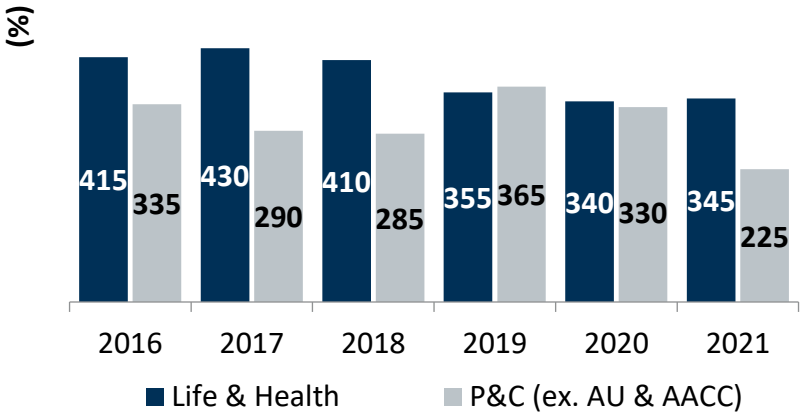
Strong Balance Sheet with Well-Funded Insurance Entities

Significant capital and liquidity positions

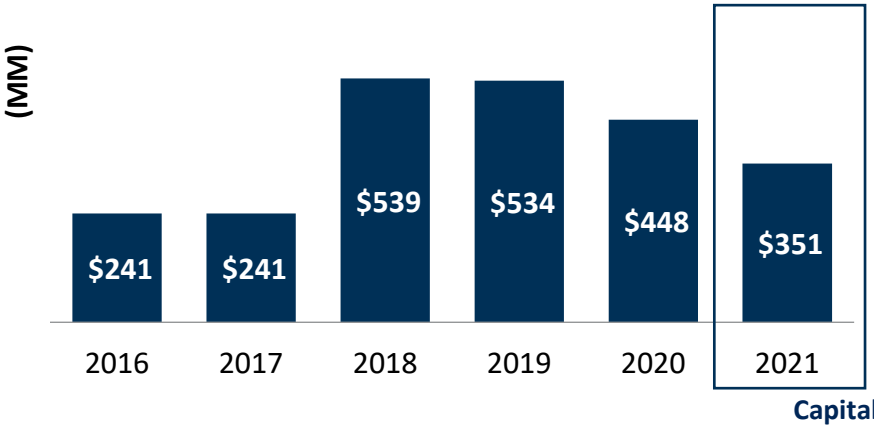
Parent Company Liquidity



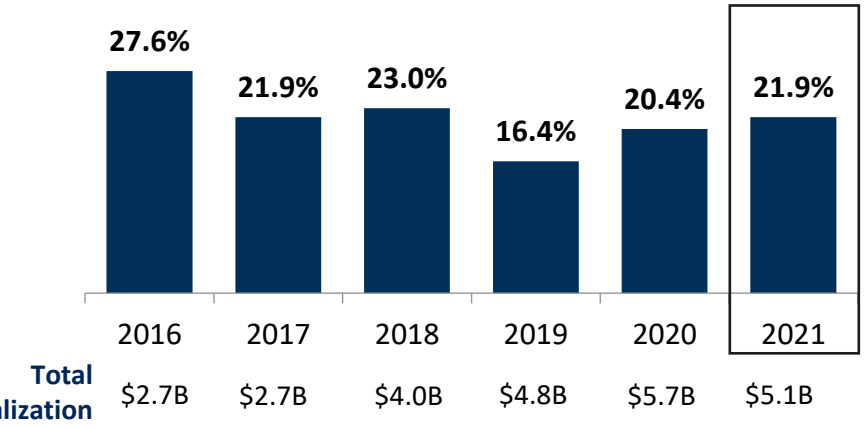
Risk-Based Capital Ratios[1]



Cash Flow from Operating Activities



Debt-to-Capital <30%



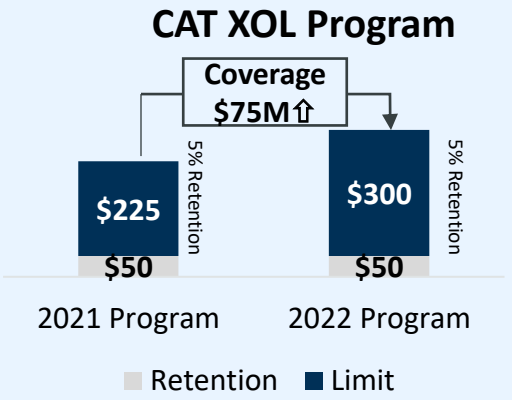
Capital and liquidity positions enable us to navigate environment and position business for success

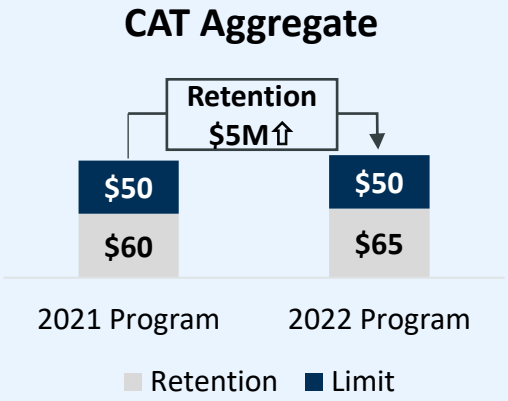
[1] *The estimated Risk-Based Capital Ratios are calculated at the Company Action Level*

2022 Reinsurance Program Highlights[1]

Renewed programs and upsized our catastrophe excess of loss reinsurance program

- **Catastrophe Excess of Loss (XOL) Reinsurance Program**
  - Increased limits by $75M for 2022 commensurate with increased size of business
  - Program covers losses at 95% of $300M in excess of $50M
  - Limits align with our risk appetite and minimizes our cost of capital
- **Aggregate Catastrophe Program**
  - Increased retention by $5 million
  - **Coverage:**
    - $50 million in excess of $65 million
    - $500K deductible per storm
    - Perils: All perils, excluding named storms (e.g., hurricanes) and earthquakes
    - Covered Line: Property, Fire and Dwelling
- **Minimal change in total reinsurance program costs vs 2021**



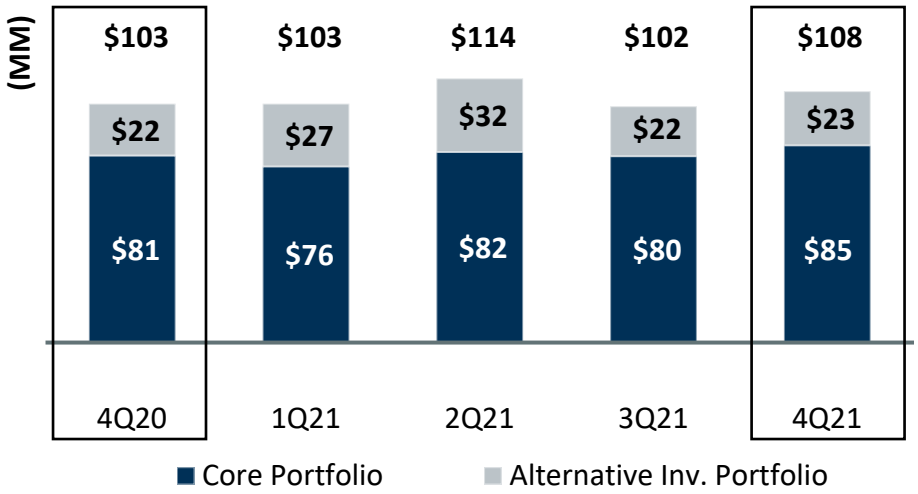


Program is designed to mitigate risk and reduce cost of capital

[1]*Further reinsurance program details on slide 19.*

Diversified Portfolio with Consistent Returns

Net Investment Income[1]

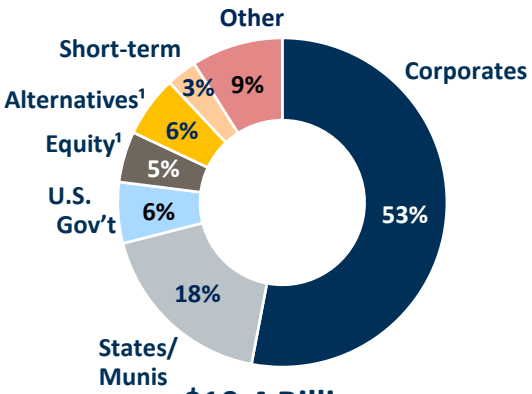


Overview

- Portfolio continues to provide stable net investment income
  - 4.6% PTE annualized book yield
- Investment portfolio is designed for growth of both income and total return
- Steady investment income supports long-term business objectives

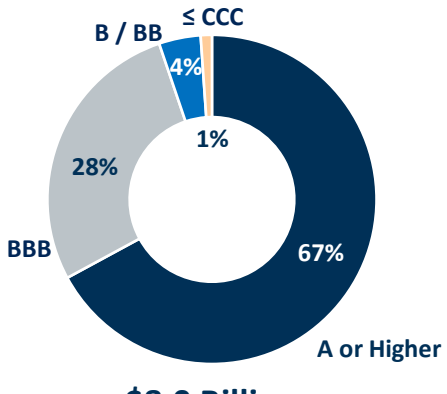
Diversified & Highly-Rated Portfolio

Portfolio Composition



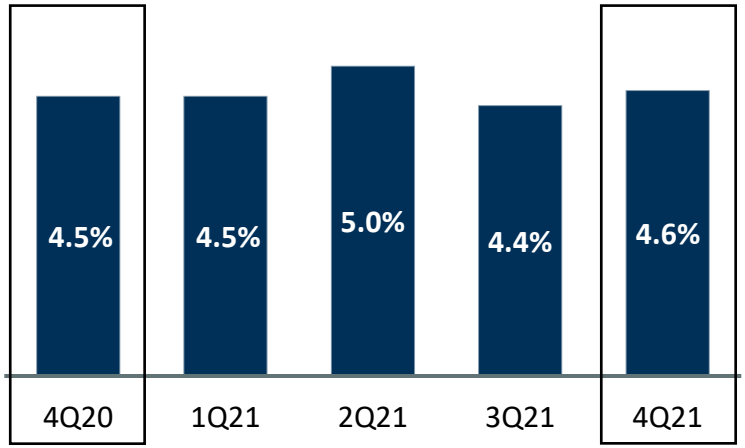
$10.4 Billion

Fixed Maturity Ratings



$8.0 Billion

Pre-Tax Equiv. Annualized Book Yield

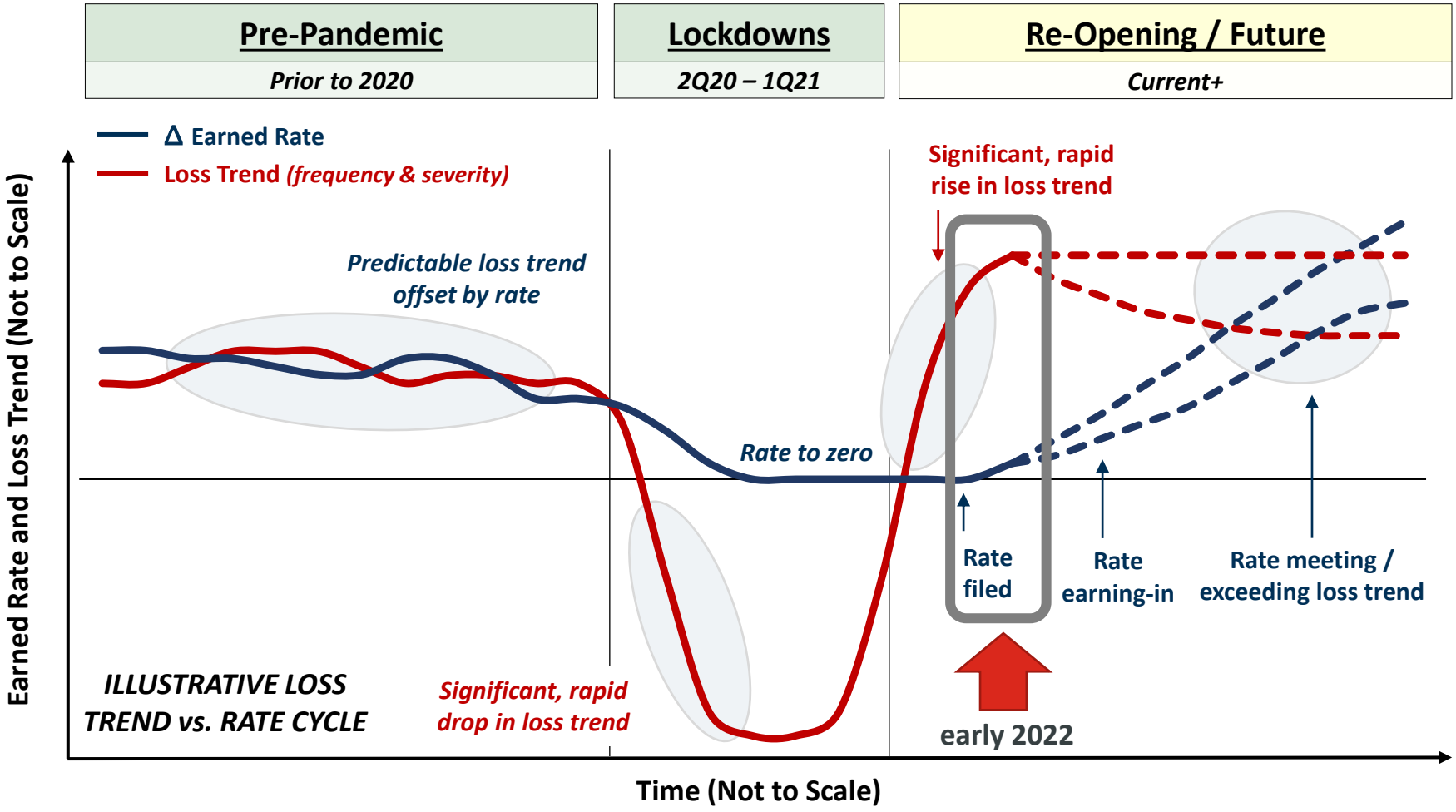


Note: Charts may not balance due to rounding

[1] *Equity securities excludes $333 million of Other Equity Interests of LP/LLC's that have been reclassified into Alternative Investments*

Implementing Pricing and Underwriting Actions to Combat Trend

Actions take time to earn into financials; illustrative earned rate vs. trend comparison



Target margins return when combination of earned rate and other underwriting actions exceed loss trend

Specialty Property & Casualty Segment[1]

Environmental challenges continued to pressure near-term profitability

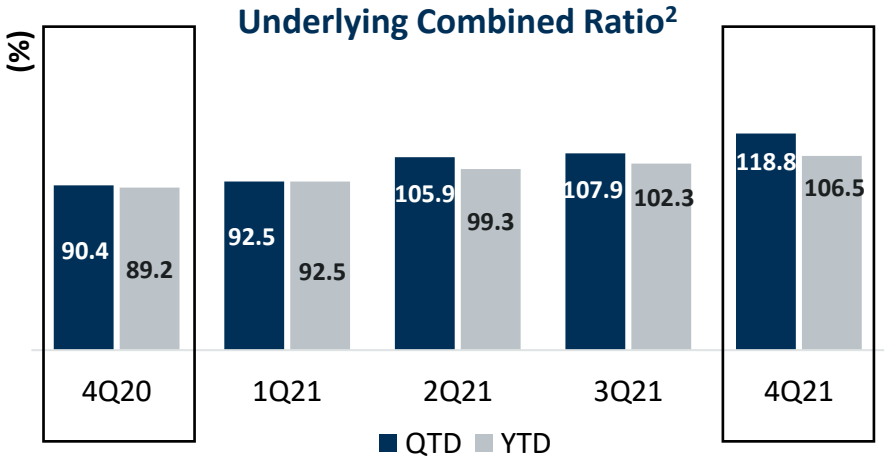
Key Highlights

- Inflation trends related to supply chain issues and labor shortages led to an increase in the underlying combined ratio[2]
- Corrective actions in progress
- Unfavorable intra-year development of roughly 2pts related to increasing inflation in BI & metal losses
- Earned rate will increase throughout 2022 and 2023

Specialty PPA (Rate Change Activity Since 2Q21)

	Rate Actions[3]				Overall Impact	
	Filed		Effective[4]		Written	Earned
	% Prem Impacted	*Wtd Ave Rate*	*% Prem Impacted*	*Wtd Ave Rate*	Cumulative Impact on Specialty Personal Auto Book	
3Q 2021	34%	3%	34%	3%	1.8%	0.1%
4Q 2021	57%	8%	37%	9%	3.6%	0.3%
1Q 2022	~60%	~7%	~21%	~7%	~5.8%	~1.1%

Key Metrics *($ in millions)*	4Q'21	4Q'20	Change vs 4Q'20
Earned Premiums[2]	$1,032	$974	6.0%
Underlying Loss & LAE Ratio[2]	99.6%	70.7%	28.9pts
Underlying Expense Ratio[2]	19.2%	19.7%	(0.5pts)
Policies In-Force (000)	2,201	2,106	4.5%



Positioned to navigate challenging environment and return to long-term profitability targets

[1] *As adjusted for acquisition; see reconciliation on Pages 26-29;*
[2] *Non-GAAP financial measure; see reconciliation in appendix on pages 20-29; excludes impact of purchase accounting*
[3] *Represents the percent of total book impacted in the quarter and the weighted average rate of actual filings;* [4] *Period rate goes into effect*

Preferred Property & Casualty Insurance Segment

Primary focus on restoring profitability

Key Highlights

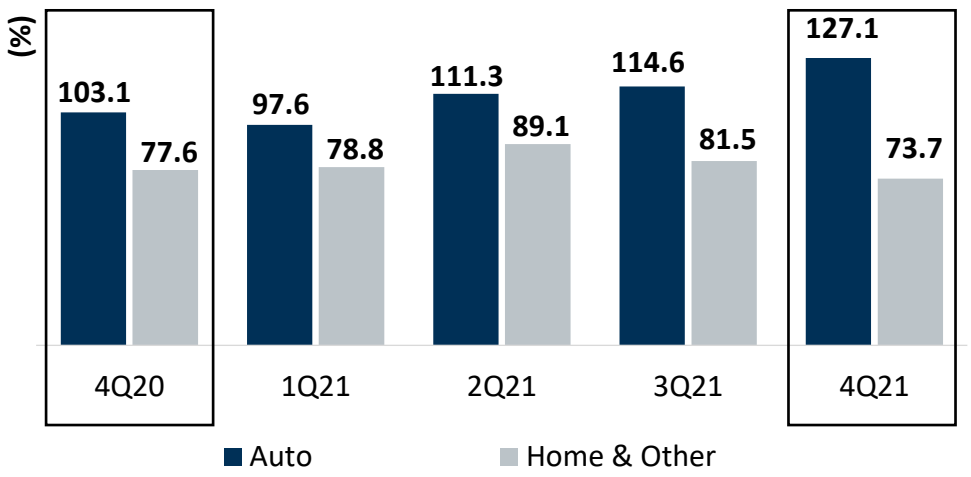
- Underlying combined ratio[1] in segment increased to 107% for the quarter
- Increase driven by elevated severity trends
- Unfavorable intra-year development of roughly 2pts related to increasing inflation in BI & metal losses

Key Metrics *($ in millions)*	4Q'21	4Q'20	Change vs 4Q'20
Auto			
Earned Premiums	$101	$107	(5.6)%
Policies In-Force (000)	205	219	(6.4)%
Home & Other			
Earned Premiums	$61	$62	(0.1)%
Policies In-Force (000)	212	213	(0.5)%

Preferred Personal Auto (Rate Change Activity Since 2Q21)

	Rate Actions[2]				Overall Impact	
	Filed		Effective[3]		Written	Earned
	% Prem Impacted	*Wtd Ave Rate*	*% Prem Impacted*	*Wtd Ave Rate*	Cumulative Impact on Preferred Personal Auto Book	
3Q 2021	39%	4%	31%	6%	1.6%	0.1%
4Q 2021	23%	12%	21%	6%	2.9%	0.1%
1Q 2022	~17%	~10%	~17%	~13%	~5.2%	~0.5%

Underlying Combined Ratio[1]



Profitability impacted by severity challenges

[1] *Non-GAAP financial measure; please see reconciliation in appendix on pages 20-29*
[2] *Represents the percent of total book impacted in the quarter and the weighted average rate of actual filings;*
[3] *Period rate goes into effect*

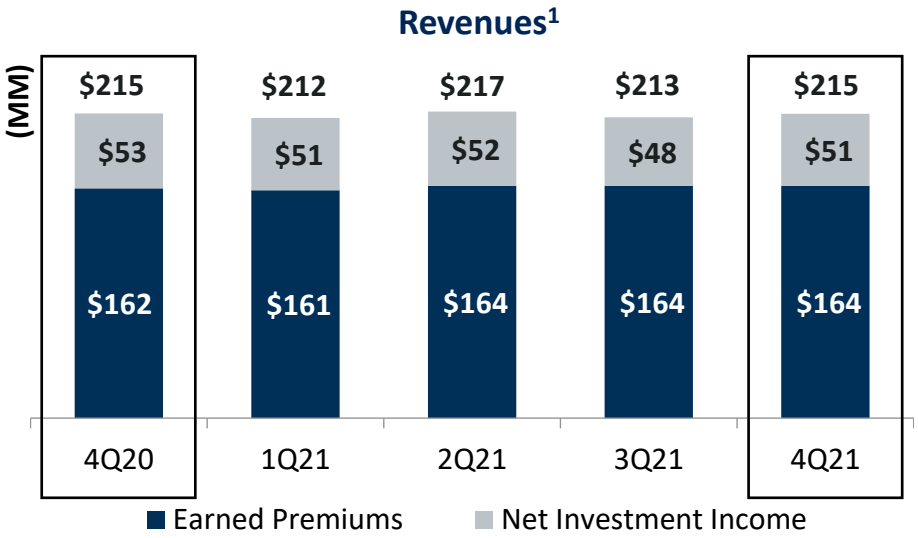
Life & Health Insurance Segment

New Covid variants continue to impact Life results

Key Highlights

- Life Earned Premium increased $5.0 million (5%) in Q4'21 to $101.5 million, due to cumulative persistency improvement
  - Persistency remained elevated over pre-Pandemic levels (2017-2019)
- Annualized Life new business sales remain above historical levels
- Life claim activity above pre-Pandemic levels and remains in-line with national mortality trends

Key Metrics *($ in millions except per policy amounts)*	4Q'21	4Q'20	Change vs 4Q'20
L&H			
Net Operating Income	$5	$9	(44.4)%
Life			
Face Value of In-Force	$20,430	$19,859	2.9%
Avg. Face per Policy	$6,192	$5,909	4.8%
Avg. Premium per Policy Issued	$541	$492	10.0%



Improved Life persistency and continued growth in new business sales position business for long-term profitability

Note: Chart may not balance due to rounding

[1] Excludes other income and solar credit impairment

Appendix

A Leading Specialized Insurer

Taking advantage of a diversified portfolio of niche businesses….

KEMPER

Founded in 1990 and headquartered in Chicago, with subsidiaries writing policies since 1911

~$15B	~6.5M	~35,400	~10,300
Assets	Policies	Agents/Brokers	Employees

KEMPER Auto

Specialty P&C insurance providing personal and commercial automobile insurance products

KEMPER Personal Insurance

Preferred personal lines insurance providing preferred automobile, homeowners and other personal insurance products

KEMPER Life & Health

Life and health insurance providing life, supplemental benefits, and other property insurance products

….to create value for all our stakeholders

Capital Deployment Priorities

Dedicated to being good stewards of capital

1. **Investment in the business**
   - Fund profitable organic growth at appropriate risk-adjusted returns
   - Strategic investments and acquisitions that enhance the business and meet or exceed our ROE targets over time
2. **Return capital to shareholders**
   - Repurchase shares opportunistically
   - Maintain competitive dividends

Management and capital deployment priorities focused on maximizing shareholder value

Solar Energy Investment: In Line with Environmental Impact Goals

$100 million commitment to solar energy partnership investment generating attractive returns

- In conjunction with Sunrun, invested in a diversified group of residential solar energy projects
- Opportunity to provide renewable energy solutions for homeowners that benefits the environment
- Expect to earn an attractive return that will primarily be recognized as tax credits / deductions as well as operating cash flows
  - Due to tax profile of transaction, this investment needs to be evaluated on after-tax basis
- Majority of financial benefits will be recognized over the next two years
  - Will reduce our Effective Tax Rate over next two years
  - Largest impact is expected to have taken place in 1Q'21

Reporting on Income Statement Line Items

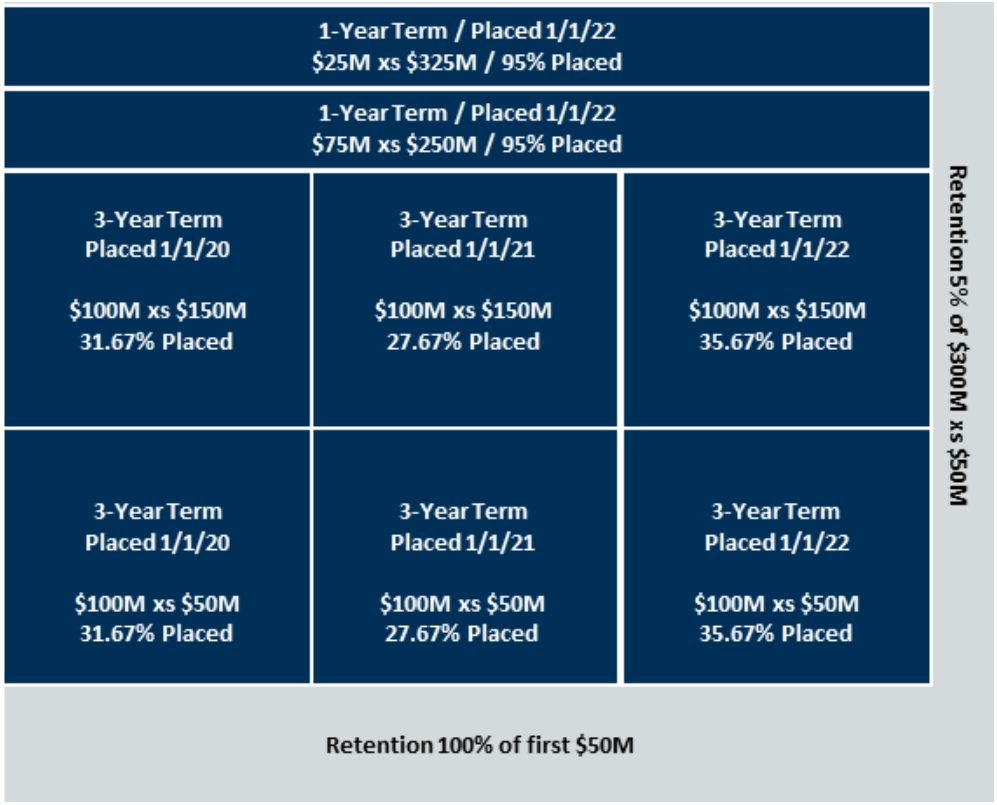
Key Metrics *($ in millions, except per share data)*	**4Q'20**	**1Q'21**	**2Q'21**	**3Q'21**	**4Q'21**	**Cumulative**
Revenue Reduction	$ --	$15.4	$7.7	$23.8	$14.3	**$61.2**
Per Share	$ --	*$(0.23)*	*$(0.12)*	*$(0.37)*	*$(0.22)*	***$(0.94)***
Tax Credit / Deductions	$3.2	$28.6	$8.6	$30.6	$11.2	**$82.2**
Per Share	*$0.05*	*$0.43*	*$0.13*	*$0.48*	*$0.18*	***$1.27***
Net Benefit (Loss)	$3.2	$13.2	$0.9	$6.8	$(3.1)	**$21.0**
Per Share	*$0.05*	*$0.20*	*$0.01*	*$0.11*	*$(0.05)*	***$0.32***

Continue to optimize our capital management through investments with attractive returns and cash flows

2022 Reinsurance Program

Renewed programs and upsized our catastrophe reinsurance program

Catastrophe Reinsurance Program (Multi-Year)



- Policy placed at 1/1/22 upsized relative to prior four years
  - New limit aligned with risk-appetite to cover 1-in-200 occurrence
  - Minimizes rating agency cost of capital
- Total coverage: 95% of $300 million in excess of $50 million

Aggregate Catastrophe Program

- Increased retention vs. 2021 program
  - Intended to reduce volatility from high-frequency, low severity events
- Coverage
  - $50 million in excess of $65 million
  - $500K deductible per storm
  - Perils: All perils, excluding named storms (e.g., hurricanes) and earthquakes
  - Covered Line: Property, Fire and Dwelling

2022 Aggregate Catastrophe Reinsurance Program



Non-GAAP Financial Measures

Book Value Per Share Excluding Net Unrealized Gains on Fixed Maturities is a ratio that uses a non-GAAP financial measure. It is calculated by dividing shareholders' equity after excluding the after-tax impact of net unrealized gains on fixed income securities by total Common Shares Issued and Outstanding. Book value per share is the most directly comparable GAAP financial measure. The Company uses the trend in book value per share, excluding the after-tax impact of net unrealized gains on fixed income securities in conjunction with book value per share to identify and analyze the change in net worth attributable to management efforts between periods. The Company 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 generally not influenced by management. The Company believes it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers.

Book Value Per Share Excluding Net Unrealized Gains on Fixed Maturities and Goodwill 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 on fixed income securities and goodwill by total Common Shares Issued and Outstanding. Book value per share is the most directly comparable GAAP financial measure. The Company uses the trends in book value per share excluding the after-tax impact of net unrealized gains on fixed income securities 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. The Company 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. The Company believes it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers.

	For the Periods Ended					
	2021	2020	2019	2018	2017	2016
Book Value Per Share	$ 62.93	$ 69.74	$ 59.59	$ 47.10	$ 41.11	$ 38.52
Less: Net Unrealized Gains on Fixed Maturities Per Share	(7.89)	(11.07)	(6.51)	(1.70)	(5.54)	(3.52)
Book Value Per Share Excluding Net Unrealized Gains on Fixed Maturities	$ 55.04	$ 58.67	$ 53.08	$ 45.40	$ 35.57	$ 35.00
Less: Goodwill	(20.60)	(17.02)	(16.72)	(17.18)	(6.28)	(6.30)
Book Value Per Share Excluding Net Unrealized Gains on Fixed Maturities and Goodwill	$ 34.44	$ 41.65	$ 36.36	$ 28.22	$ 29.29	$ 28.70

Non-GAAP Financial Measures

Return on Equity

	For the Periods Ended					
	2021	2020	2019	2018	2017	2016
Rolling 12 Month Return on Average Shareholders' Equity (5 Point Avg)	(2.8)%	9.8%	14.8%	7.7%	5.9%	0.8%
Less: Net Unrealized Gains on Fixed Maturities	(0.4)%	1.5%	1.5%	0.6%	0.7%	0.1%
Rolling 12 Month Return on Average Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities (5 Point Avg)	(3.2)%	11.3%	16.3%	8.3%	6.6%	0.9%
Less: Goodwill	(1.7)%	5.0%	8.4%	3.1%	1.4%	0.2%
Rolling 12 Month Return on Average Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities and Goodwill (5 Point Avg)	(4.9)%	16.3%	24.7%	11.4%	8.0%	1.1%

Non-GAAP Financial Measures

Kemper believes that **Adjusted Consolidated Net Operating Income (Loss)** 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. Income (Loss) from Change in Fair Value of Equity and Convertible Securities, Net Realized Gains on Sales of Investments 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 Related Transaction and Integration Costs may vary significantly between periods and are generally driven by the timing of acquisitions and business decisions which are unrelated to the insurance underwriting process. Debt Extinguishment, Pension 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; (ii) settlement of pension plan obligations which are business decisions are made by the Company, the timing of which is unrelated to the underwriting process; and (iii) other charges that are non-standard, not part of the ordinary course of business, and unrelated to the insurance underwriting process. 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

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

Kemper believes that Diluted Adjusted Consolidated Net Operating Income (Loss) Per Unrestricted Share 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. Income from change in fair value of equity and convertible securities, net realized gains on sales of investments, impairment losses related to investments, acquisition related transaction, integration and other costs and loss from early extinguishment of debt 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 the company's investments, the timing of which is unrelated to the insurance underwriting process.

	For the Three Months Ended				
Per Unrestricted Share	4Q21	3Q21	2Q21	1Q21	4Q20
Net Income (Loss) - Diluted	$ (1.66)	$ (1.18)	$ (0.97)	$ 1.85	$ 1.46
Net (Income) Loss From:					
Change in Fair Value of Equity & Convertible Securities	(0.27)	0.01	(0.50)	(0.62)	(0.86)
Net Realized Gains on Sales of Investments	(0.27)	(0.13)	(0.24)	(0.16)	-
Impairment Losses	0.04	0.01	0.04	0.05	(0.01)
Acquisition Related Transaction, Integration and Other Costs	0.11	0.10	0.13	0.19	0.24
Debt Extinguishment, pension and other charges	-	-	-	-	0.76
Adj. Consolidated Net Operating Income (Loss) - Diluted	$ (2.05)	$ (1.19)	$ (1.54)	$ 1.31	$ 1.59

Non-GAAP Financial Measures

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, including the impact of catastrophe losses and loss and LAE reserve development from prior years, with the Insurance Expense Ratio.

The Company believes the underlying combined ratio is useful to investors and is used by management to reveal the trends in the Company's property and casualty insurance businesses that may be obscured by catastrophe losses and prior-year reserve development. These catastrophe losses cause loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on 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 our 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 underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business.

Non-GAAP Financial Measures

Underlying Combined Ratio – Continued

	For the Three Months Ended				
	4Q21	3Q21	2Q21	1Q21	4Q20
Specialty P&C Insurance					
Combined Ratio as Reported	118.9%	111.6%	116.1%	93.5%	91.7%
Current Year Catastrophe Loss and LAE Ratio	(0.2)%	(0.3)%	(0.8)%	(0.2)%	(0.6)%
Prior Years Non-Catastrophe Losses and LAE	0.7%	(2.4)%	(8.0)%	0.2%	0.2%
Prior Years Catastrophe Losses and LAE Ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Underlying Combined Ratio	119.4%	108.9%	107.3%	93.5%	91.3%
Preferred P&C Insurance					
Combined Ratio as Reported	115.5%	116.6%	118.9%	105.4%	96.2%
Current Year Catastrophe Loss and LAE Ratio	(4.6)%	(14.3)%	(14.8)%	(14.8)%	3.1%
Prior Years Non-Catastrophe Losses and LAE	(5.2)%	0.0%	(3.1)%	(0.1)%	(5.6)%
Prior Years Catastrophe Losses and LAE Ratio	1.2%	(0.1)%	2.1%	0.2%	(0.1)%
Underlying Combined Ratio	106.9%	102.2%	103.1%	90.7%	93.6%
Preferred Auto					
Combined Ratio as Reported	135.5%	117.4%	117.3%	99.5%	112.3%
Current Year Catastrophe Loss and LAE Ratio	(1.3)%	(2.6)%	(2.7)%	(0.6)%	(0.4)%
Prior Years Non-Catastrophe Losses and LAE	(7.2)%	(0.1)%	(3.5)%	(1.2)%	(9.2)%
Prior Years Catastrophe Losses and LAE Ratio	0.1%	(0.1)%	0.2%	(0.1)%	0.4%
Underlying Combined Ratio	127.1%	114.6%	111.3%	97.6%	103.1%
Preferred Home & Other					
Combined Ratio as Reported	82.5%	115.2%	121.8%	115.7%	68.6%
Current Year Catastrophe Loss and LAE Ratio	(10.1)%	(33.9)%	(35.8)%	(39.5)%	9.2%
Prior Years Non-Catastrophe Losses and LAE	(1.8)%	0.2%	(2.3)%	1.9%	0.6%
Prior Years Catastrophe Losses and LAE Ratio	3.1%	0.0%	5.4%	0.7%	(0.8)%
Underlying Combined Ratio	73.7%	81.5%	89.1%	78.8%	77.6%

Non-GAAP Financial Measures

As Adjusted for Acquisition amounts are non-GAAP financial measures. Subsequent to the applicable acquisitions, the As Adjusted for Acquisitions amounts are computed by subtracting the impact of purchase accounting adjustments from the comparable consolidated GAAP financial measure reported by Kemper. The Company believes computing and presenting results on an adjusted basis are useful to investors and are used by management to provide meaningful and comparable year-over-year comparisons.

Non-GAAP Financial Measures

As Adjusted for Acquisition – Continued

($ in millions, except per share data)	Three Months Ended				
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
Earned Premiums					
Kemper - GAAP As Reported	$ 1,359.1	$ 1,356.1	$ 1,337.7	$ 1,200.8	$ 1,214.0
AAC - Prior to Acquisition	-	-	-	87.9	91.2
As Adjusted [1]	$ 1,359.1	$ 1,356.1	$ 1,337.7	$ 1,288.7	$ 1,305.2
Net Income (Loss)					
Kemper - GAAP As Reported	$ (105.8)	$ (75.3)	$ (62.6)	$ 123.2	$ 97.5
AAC - Prior to Acquisition	-	-	-	6.1	16.9
Less: Impact of Purchase Accounting	(4.5)	(6.7)	(10.1)	(1.8)	(3.2)
As Adjusted [1]	$ (101.3)	$ (68.6)	$ (52.5)	$ 131.1	$ 117.6
As Adjusted [1] - Per Diluted Share	*$ (1.59)*	*$ (1.08)*	*$ (0.82)*	*$ 1.97*	*$ 1.77*
Adjusted Consolidated Net Operating Income (Loss)					
Kemper - GAAP As Reported	$ (130.8)	$ (75.8)	$ (99.4)	$ 87.2	$ 105.8
AAC - Prior to Acquisition	-	-	-	12.3	9.5
Less: Impact of Purchase Accounting	(4.5)	(6.7)	(10.1)	(1.8)	(3.2)
As Adjusted [1]	$ (126.3)	$ (69.1)	$ (89.3)	$ 101.3	$ 118.5
As Adjusted [1] - Per Diluted Share	*$ (1.98)*	*$ (1.08)*	*$ (1.39)*	*$ 1.52*	*$ 1.78*

[1] *As Adjusted is a non-GAAP measure, which is comprised by excluding impact of purchase accounting in 2020 and 2021 and including historical results of Kemper and AAC in periods prior to acquisition date of April 1, 2021.*

Non-GAAP Financial Measures

As Adjusted for Acquisition – Continued

Specialty P&C Insurance Segment

($ in millions)	Three Months Ended				
	31-Dec-21	**30-Sep-21**	**30-Jun-21**	**31-Mar-21**	**31-Dec-20**
Earned Premiums					
Kemper Specialty P&C - GAAP As Reported	$ 1,032.3	$ 1,028.3	$ 1,010.3	$ 877.6	$ 882.4
AAC - Prior to Acquisition	-	-	-	87.9	91.2
As Adjusted [1]	$ 1,032.3	$ 1,028.3	$ 1,010.3	$ 965.5	$ 973.6
Current Year Non-CAT Losses and LAE					
Kemper Specialty P&C - GAAP As Reported	$ 1,028.5	$ 924.4	$ 877.4	$ 650.0	$ 626.2
AAC - Prior to Acquisition	-	-	-	62.0	62.4
Less: Impact of Purchase Accounting					
Amortization of Fair Value Adjustment to Unpaid Loss and LAE	0.2	0.3	0.3	0.4	0.4
As Adjusted [1]	$ 1,028.3	$ 924.1	$ 877.1	$ 711.6	$ 688.2
Insurance Expenses					
Kemper Specialty P&C - GAAP As Reported	$ 204.4	$ 194.2	$ 205.6	$ 170.3	$ 179.1
AAC - Prior to Acquisition	-	-	-	13.1	17.2
Less: Impact of Purchase Accounting	5.9	8.6	12.9	2.3	4.1
As Adjusted [1]	$ 198.5	$ 185.6	$ 192.7	$ 181.1	$ 192.2
As Adjusted [1] Underlying Combined Ratio					
As Adjusted [1] Underlying Loss & LAE Ratio	99.6%	89.9%	86.8%	73.7%	70.7%
As Adjusted [1] Expense Ratio	19.2%	18.0%	19.2%	18.8%	19.7%
As Adjusted [1] Underlying Combined Ratio	118.8%	107.9%	105.9%	92.5%	90.4%

[1] As Adjusted is a non-GAAP measure, which is comprised by excluding impact of purchase accounting in 2020 and 2021 and including historical results of Kemper and AAC in periods prior to acquisition date of April 1, 2021.

Non-GAAP Financial Measures

As Adjusted for Acquisition – Continued

Specialty Personal Automobile Insurance

($ in millions)	Three Months Ended				
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
Earned Premiums					
Kemper Specialty P&C - GAAP As Reported	$ 918.1	$ 920.6	$ 909.6	$ 785.4	$ 796.1
AAC - Prior to Acquisition	-	-	-	87.9	91.2
As Adjusted [1]	$ 918.1	$ 920.6	$ 909.6	$ 873.3	$ 887.3
Current Year Non-CAT Losses and LAE					
Kemper Specialty P&C - GAAP As Reported	$ 938.5	$ 843.9	$ 805.1	$ 586.4	$ 569.1
AAC - Prior to Acquisition	-	-	-	62.0	62.4
Less: Impact of Purchase Accounting					
Amortization of Fair Value Adjustment to Unpaid Loss and LAE	0.2	0.3	0.2	0.3	0.3
As Adjusted [1]	$ 938.3	$ 843.6	$ 804.9	$ 648.1	$ 631.2
Insurance Expenses					
Kemper Specialty P&C - GAAP As Reported	$ 184.3	$ 176.0	$ 187.7	$ 155.3	$ 162.8
AAC - Prior to Acquisition	-	-	-	13.1	17.2
Less: Impact of Purchase Accounting	5.5	8.1	12.4	1.8	3.3
As Adjusted [1]	$ 178.8	$ 167.9	$ 175.3	$ 166.6	$ 176.7
As Adjusted [1] Underlying Combined Ratio					
As Adjusted [1] Underlying Loss & LAE Ratio	102.2%	91.6%	88.5%	74.2%	71.1%
As Adjusted [1] Expense Ratio	19.5%	18.2%	19.3%	19.1%	19.9%
As Adjusted [1] Underlying Combined Ratio	121.7%	109.9%	107.8%	93.3%	91.1%

[1] *As Adjusted is a non-GAAP measure, which is comprised by excluding impact of purchase accounting in 2020 and 2021 and including historical results of Kemper and AAC in periods prior to acquisition date of April 1, 2021.*