Fourth Quarter 2024 Earnings

February 5, 2025

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;
- changes in interest rate environment;
- supply chain disruption;
- product demand and pricing;
- effects of governmental and regulatory actions;
- 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 ("SEC").

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.

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.

Leading Insurer Empowering Specialty and Underserved Markets

Enabled by a dynamic, diverse and innovative team who act like owners

KEMPER

KEMPER Auto

Specialty auto insurance[1] for underserved markets; Latino, Hispanic and urban areas

Delivering appropriate and affordable insurance and financial solutions

KEMPER Life

Life insurance[2] for low/moderate income customers

Market Characteristics	Sizable Market	Require Unique Expertise	Have Limited or Unfocused Competition	Enable Systematic, Sustainable Competitive Advantages (SSCAs)
Differentiated Capabilities	Low-Cost Management	Ease of Use	Distribution	Product Sophistication

Target top quartile value creation for customers, employees and shareholders

[1] *Kemper Auto is equivalent to the Specialty Property & Casualty Insurance Segment*
[2] *Kemper Life is equivalent to the Life Insurance Segment*

Fourth Quarter 2024 Summary

Strong profitable growth continues

Shareholder Value Creation

Double-digit Return on Equity and BVPS accretion

- 4Q'24 Net Income attributable to Kemper Corporation of $97.4 million or $1.51 per diluted share
- 4Q'24 Adjusted Consolidated Net Operating Income[1] of $115.1 million or $1.78 per diluted share
- ROE of 14.0% and Adjusted ROE[1] of 21.4% for 4Q'24; 11.9% and 18.3%, respectively, for FY'24
- Book Value Per Share and Adjusted BVPS[1] increased 11.8% and 14.4% YoY, respectively

Operating Performance Highlights

Continued strong operating performance, notably in Specialty P&C; focus remains on profitable growth

- Specialty P&C delivered strong profitability and growth
  - Underlying Combined Ratio[1] of 91.7% for 4Q'24, 91.5% for FY'24
  - PIF grew 1.7% sequentially; 5.1% YoY
- Life business continued to generate consistent return on capital and distributable cash flows
- Pre-tax catastrophe losses of ~$5 million, including ~$3 million from non-core operations (Preferred P&C)

Balance Sheet Strength

Further strengthened capital and liquidity positions, enhancing financial flexibility

- Parent company liquidity of approximately $1.3 billion
- Insurance companies are well capitalized
- Retiring $450 million of senior notes due February 2025; repurchased ~$14 million of stock

[1] *Non-GAAP financial measure; please see reconciliation in appendix on pages 13-18*

Fourth Quarter 2024 Financial Summary

Delivered another quarter of strong financial results

($ in millions, except per share amounts)	Quarter Ended Dec 31, 2024	Quarter Ended Dec 31, 2023	Year Ended Dec 31, 2024	Year Ended Dec 31, 2023
Net Income (Loss) Per Diluted Share attributable to Kemper Corporation	$1.51	$0.80	$4.91	$(4.25)
Adj. Consolidated Net Operating Income (Loss) – Per Diluted Share[1]	$1.78	$0.78	$5.89	$(0.74)
Book Value – Per Diluted Share	$43.68	$39.08	$43.68	$39.08
Adjusted Book Value – Per Diluted Share[1]	$29.04	$25.39	$29.04	$25.39
Return on Shareholders' Equity	14.0%	8.4%	11.9%	(10.7)%
Return on Adjusted Shareholders' Equity[1]	21.4%	12.7%	18.3%	(15.9)%
Life Face Value of In-Force YoY Change	(0.5)%	(0.7)%	(0.5)%	(0.7)%
Specialty P&C Earned Premium YoY Change	10.3%	(11.8)%	(1.5)%	(10.2)%
Specialty P&C PIF YoY Change	5.1%	(31.7)%	5.1%	(31.7)%

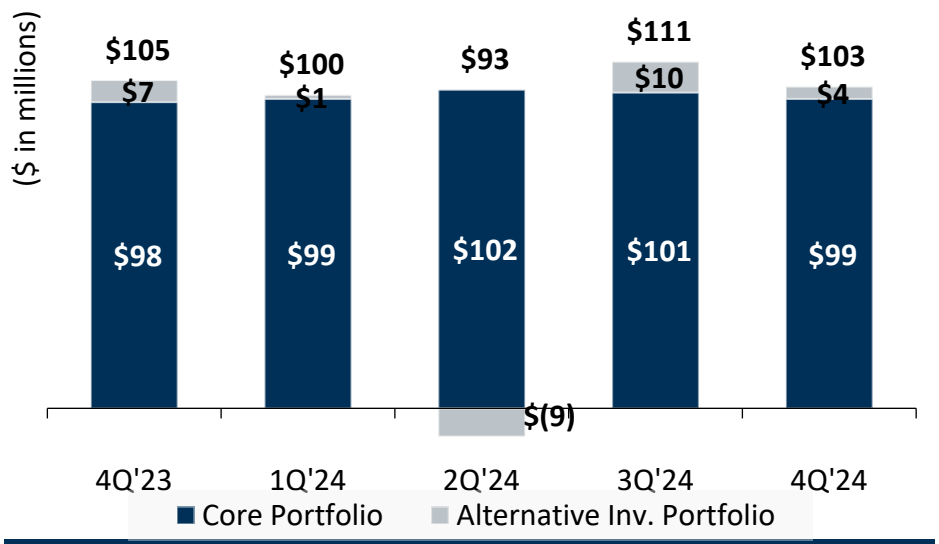
	Dec 31, 2024	Sep 30, 2024
Specialty P&C PIF Sequential Quarterly Change	1.7%	4.5%

Achieved 11.9% ROE for FY'24; Specialty P&C PIF grew 5.1% YoY

[1] *Non-GAAP financial measure; please see reconciliation in appendix on pages 13-18*

Diversified Investment Portfolio with Consistent Returns

Net Investment Income[1]

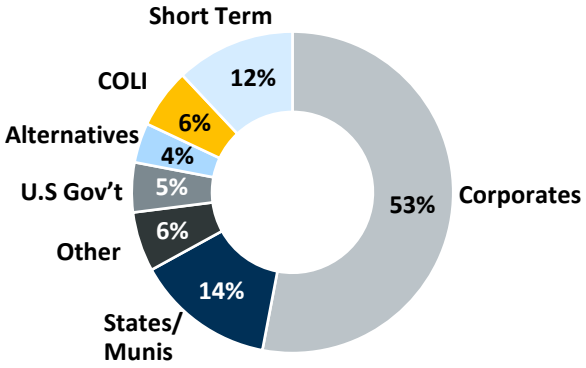


Highlights

- High-quality portfolio provides consistent net investment income; 71% of fixed income portfolio rated A or higher
- 4.4% pre-tax equivalent (PTE) annualized book yield on core portfolio
- Average investment grade new money yields approximately 5.7% for the quarter

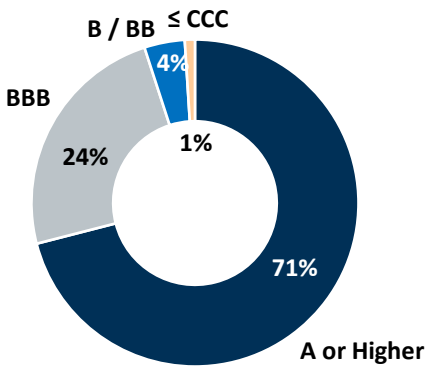
Diversified and Highly-Rated Portfolio

Portfolio Composition[2]



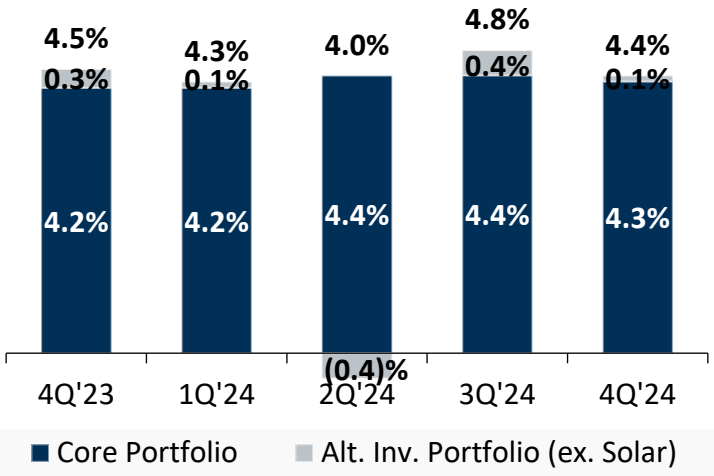
$8.9 Billion

Fixed Maturity Ratings



$6.4 Billion

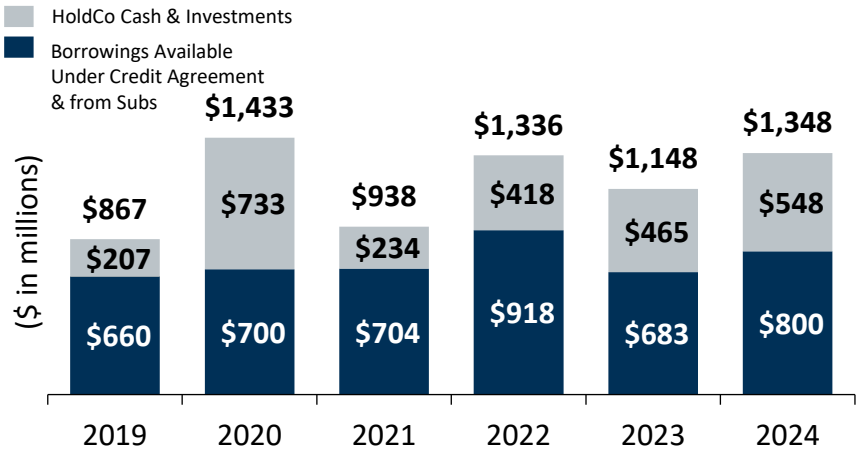
PTE Annualized Book Yield Contribution



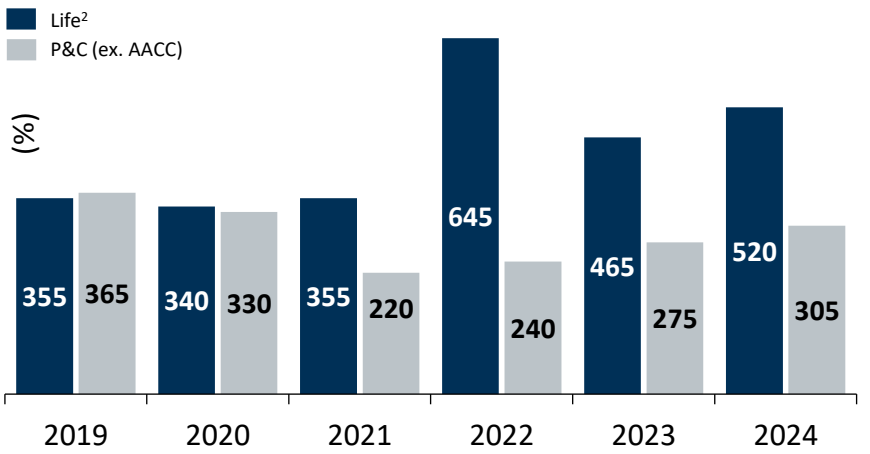
Well-Capitalized Insurance Subsidiaries

Balance sheet continued to strengthen, enhancing financial flexibility

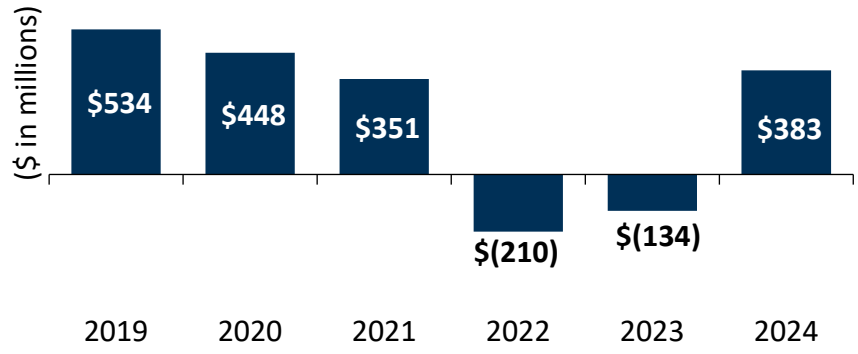
Parent Company Liquidity



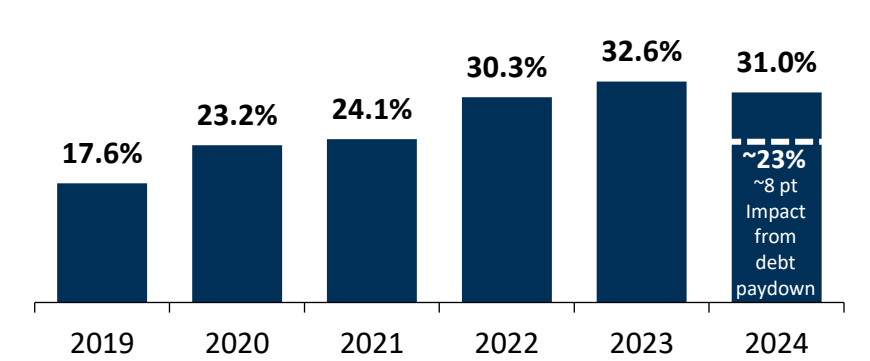
Risk-Based Capital Ratios[1]



Cash Flow from Operating Activities



Debt-to-Capital[3]



Strong capital and liquidity position; retiring $450 million February 2025 debt maturity

[1] *4Q'24 Risk-Based Capital Ratios shown are estimates calculated at the Company Action Level from aggregate financials of all separate insurance companies within each segment. NAIC annually reported entity-level RBCs will differ.*

[2] *Excludes business ceded to Kemper Bermuda Ltd. (KBL)* | [3] *Excludes AOCI: closely aligns with rating agencies and post-LDTI implementation*

2025 Reinsurance Program

Renewed Catastrophe XoL Reinsurance

Catastrophe Reinsurance Program

1-Year Term **Placed 1/1/25** **$65M xs $110M** **95% Placed**	**Layer 2: 5% co-participation**
1-Year Term **Placed 1/1/25** **$60M xs $50M** **95% Placed**	**Layer 1: 5% co-participation**
100% Retention of first $50M	

- New policy effective January 1, 2025:
  - New limit aligned with risk-appetite
  - New structure improves overall cost of capital for Kemper

Highlights

Catastrophe Excess of Loss Program (XOL):

- One year program consists of two layers:
  - $60 million excess $50 million
  - $65 million excess $110 million
  - 5% co-participation of both layers
- 2025 purchase limit reflects exposure changes largely due to Preferred P&C exit

Specialty Property & Casualty Insurance Segment

Delivered strong margins and PIF growth

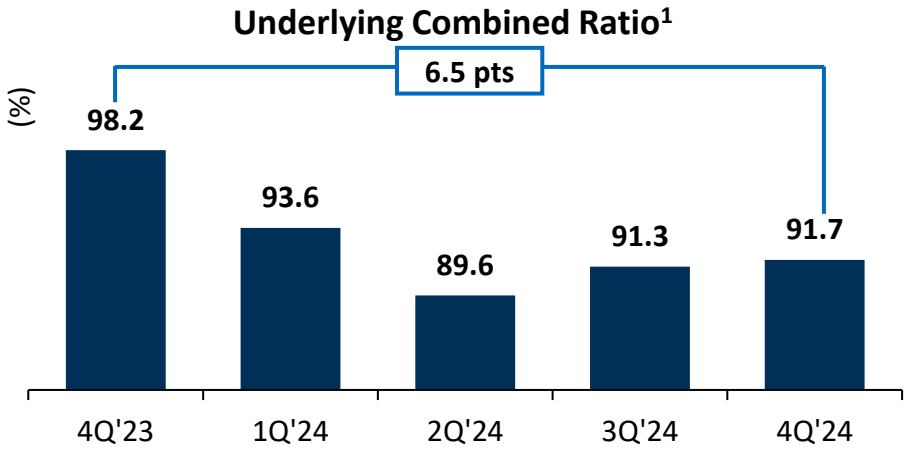
Highlights

- Underlying Combined Ratio of 91.7%
  - Private Passenger Auto: 91.4%
  - Commercial Auto: 93.0%
- PIF increased 1.7% sequentially; 5.1% YoY
  - Hard market conditions continue
  - Premium increases continue to elevate customer shopping

Metrics *($ in millions)*	4Q'24	4Q'23	Variance
Earned Premiums	$955	$866	10.3%
Underlying Loss & LAE Ratio[1]	70.0%	77.7%	(7.7) pts
Expense Ratio	21.7%	20.5%	1.2 pts
Policies In-Force (000s)	1,277	1,215	5.1%
	4Q'24	**3Q'24**	
PIF– Sequential Quarter Chg	1.7%	4.5%	(2.8) pts

Sequential Quarter Growth[3]

	4Q'24 TTM DWP	4Q'24 % of DWP	4Q'24 QoQ PIF Growth
Private Passenger Auto			
California	$ 1,875	50.7%	1.5%
Florida / Texas	759	20.5%	0.3%
Other	264	7.1%	3.5%
Total PPA	**$ 2,898**	**78.4%**	**1.5%**
Commercial Auto	800	21.6%	4.2%
Total Kemper Auto	**$ 3,698**	**100.0%**	**1.8%**



Profitable growth remains the top priority

[1] *Non-GAAP financial measure; see reconciliation in appendix on pages 13-18*
[2] *Represents the cumulative weighted average rate impact of actual filings on the total book*
[3] *Excluding Classic Car*

Life Insurance Segment

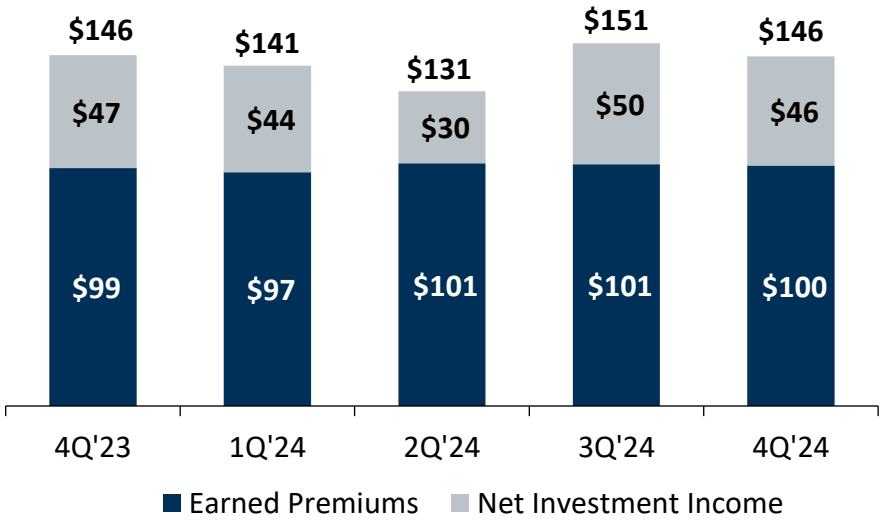
Business trends remained stable

Highlights

- Inflation continues to disproportionately pressure low-to-moderate income consumers
  - Premiums relatively flat to prior-year; lapse performance in-line with historical trends
- Mortality modestly favorable to historical experience[1]
- LDTI annual actuarial assumption update favorably impacted current and prior-year quarter

Metrics *($ in millions, except per policy amounts)*	4Q'24	4Q'23	Variance
Adjusted Net Operating Income	$24	$15	60.0%
Impact of LDTI Annual Update	*$6*	*$7*	—
Face Value of In-Force	$19,775	$19,881	(0.5)%
Avg. Face Value per Policy	$6,451	$6,346	1.7%
Avg. Premium per Policy Issued[2]	$672	$609	10.3%

Normalized Revenues[3] ($ in millions)



Underlying business continued to generate strong return on capital and distributable cash flows

[1] *Historical experience excludes Covid-19 pandemic period (FY'20-1H'22)*
[2] *Annual basis*
[3] *Excludes earned premium impact from annual LDTI actuarial assumption update (4Q'23: -$15 million; 4Q'24: -$5 million)*

Key Takeaways

Specialty P&C

- Delivered strong operating results and underlying combined ratio
- Solid PIF growth with 4Q'24 outperforming traditional seasonal levels
- Focusing on continued profitable growth

Life

- Business fundamentals remain stable and continue to generate strong returns on capital

Balance Sheet

- Retiring $450 million of senior notes due February 2025
- Repurchased ~$14 million of stock; ~$130 million remaining under repurchase program
- Strong capital and liquidity position provides financial flexibility

Profitable growth remains the top priority

Appendix

Non-GAAP Financial Measures

Adjusted Consolidated Net Operating Income (Loss) 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 Gains (Losses); (iii) Impairment Losses; (iv) Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs; (v) Debt Extinguishment, Pension Settlement and Other Charges; (vi) Goodwill Impairment Charges; (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 the Company excluded from the calculation of Adjusted Consolidated Net Operating Income (Loss) for the three months ended December 31, 2024 or 2023.

The Company 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. Change in Fair Value of Equity and Convertible Securities, Net Realized Investment Gains (Losses) 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, Integration, Restructuring and Other 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 Settlement 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 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. Goodwill Impairment Charges 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 Generally Accepted Accounting Principles ("GAAP"). Significant non-recurring items are excluded because, by their nature, they are not indicative of the Company'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 the Company's businesses.

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

The Company believes that 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 investment gains (losses), impairment gains (losses) related to investments, acquisition related transaction, integration and other costs, loss from early extinguishment of debt, and goodwill impairment charges 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.

Non-GAAP Financial Measures

Return on Adjusted Shareholders' Equity is a calculation that uses a non-GAAP financial measure. It is calculated by dividing the period's net income attributable to Kemper Corporation 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. The Company 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. The Company believes it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. The "Return on Adjusted Shareholders' Equity" metric was referred to as "Return on Tangible Shareholders' Equity" in prior periods.

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. The Company 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. 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. The "Adjusted Book Value Per Share" metric was referred to as "Tangible Book Value Per Share" in prior periods.

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.

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 no 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.

Non-GAAP Financial Measures

Adjusted Consolidated Net Operating Income (Loss) attributable to Kemper Corporation

	Three Months Ended		Year Ended	
($ in millions)	**Dec 31, 2024**	**Dec 31, 2023**	**Dec 31, 2024**	**Dec 31, 2023**
Net Income (Loss) attributable to Kemper Corporation	**$97.4**	**$51.4**	**$317.8**	**$(272.1)**
Less Net (Loss) Income From:				
Change in Fair Value of Equity and Convertible Securities	(2.0)	(1.8)	(2.1)	3.7
Net Realized Investment Gains (Losses)	3.1	15.6	10.4	(14.7)
Impairment Losses	(1.6)	(1.0)	(4.6)	(0.9)
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	(7.5)	(14.4)	(31.8)	(95.0)
Debt Extinguishment, Pension Settlement and Other Charges	(7.3)	-	(7.4)	(55.5)
Goodwill Impairment Charge	-	-	-	(45.5)
Non-Core Operations	(2.4)	2.5	(28.2)	(17.0)
Adjusted Consolidated Net Operating Income (Loss)	**$115.1**	**$50.5**	**$381.5**	**$(47.2)**

	Three Months Ended		Year Ended	
($ per unrestricted share)	**Dec 31, 2024**	**Dec 31, 2023**	**Dec 31, 2024**	**Dec 31, 2023**
Net Income (Loss) attributable to Kemper Corporation	**$1.52**	**$0.80**	**$4.95**	**$(4.25)**
Less Net (Loss) Income From:				
Change in Fair Value of Equity and Convertible Securities	(0.03)	(0.03)	(0.03)	0.06
Net Realized Investment Gains (Losses)	0.04	0.24	0.16	(0.23)
Impairment Losses	(0.03)	(0.01)	(0.08)	(0.01)
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	(0.12)	(0.23)	(0.50)	(1.49)
Debt Extinguishment, Pension Settlement and Other Charges	(0.11)	-	(0.11)	(0.87)
Goodwill Impairment Charge	-	-	-	(0.71)
Non-Core Operations	(0.04)	0.04	(0.44)	(0.26)
Adjusted Consolidated Net Operating Income (Loss)	**$1.81**	**$0.79**	**$5.95**	**$(0.74)**

Non-GAAP Financial Measures

Return on Adjusted Shareholders' Equity

($ in millions)	Three Months Ended		Year Ended	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Annualized Net Income (Loss) attributable to Kemper Corporation	$389.6	$205.6	$317.8	$(272.1)
Average Shareholders' Equity[1]	$2,780.9	$2,433.3	$2,665.6	$2,539.2
Less: Average Net Unrealized Losses on Fixed Maturities	576.1	716.9	598.1	673.1
Less: Average Change in Discount Rate on Future Life Policyholder Benefits	(286.6)	(286.7)	(272.8)	(232.6)
Less: Average Goodwill	(1,250.7)	(1,250.7)	(1,250.7)	(1,270.5)
Average Adjusted Shareholders' Equity[1]	$1,819.7	$1,612.8	$1,740.2	$1,709.2
Return on Shareholders' Equity	**14.0%**	**8.4%**	**11.9%**	**(10.7)%**
Return on Adjusted Shareholders' Equity	**21.4%**	**12.7%**	**18.3%**	**(15.9)%**

[1] Average shareholders' equity and average adjusted shareholders' equity for the three months ended 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 the (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.

Non-GAAP Financial Measures

Adjusted Book Value Per Share

($ and shares in millions except per share amounts)	As of Dec 31, 2024	As of Dec 31, 2023
Kemper Corporation Shareholders' Equity	$2,788.4	$2,505.2
Less: Net Unrealized Losses on Fixed Maturities	696.5	533.8
Less: Change in Discount Rate on Future Life Policyholder Benefits	(380.3)	(160.6)
Less: Goodwill	(1,250.7)	(1,250.7)
Adjusted Shareholders' Equity	**$1,853.9**	**$1,627.7**
Common Shares Issued and Outstanding	63.840	64.112
Book Value Per Share	$43.68	$39.08
Less: Net Unrealized Losses on Fixed Maturities	10.91	8.33
Less: Change in Discount Rate on Future Life Policyholder Benefits	(5.96)	(2.51)
Less: Goodwill	(19.59)	(19.51)
Adjusted Book Value Per Share	**$29.04**	**$25.39**

Non-GAAP Financial Measures

Underlying Combined Ratio

	Three Months Ended				
	4Q'24	3Q'24	2Q'24	1Q'24	4Q'23
Specialty P&C Insurance					
Combined Ratio as Reported	92.1%	91.7%	90.7%	94.8%	98.5%
Current Year Catastrophe Losses and LAE Ratio	(0.2)	(0.4)	(1.2)	(0.5)	(0.3)
Prior Years Non-Catastrophe Losses and LAE Ratio	(0.2)	-	0.1	(0.6)	-
Prior Years Catastrophe Losses and LAE Ratio	-	-	-	(0.1)	-
Underlying Combined Ratio	91.7%	91.3%	89.6%	93.6%	98.2%
Personal Auto Insurance					
Combined Ratio as Reported	90.8%	91.1%	90.8%	95.1%	99.5%
Current Year Catastrophe Losses and LAE Ratio	(0.1)	(0.3)	(1.1)	(0.5)	(0.3)
Prior Years Non-Catastrophe Losses and LAE Ratio	0.7	0.4	(0.1)	(1.0)	0.3
Prior Years Catastrophe Losses and LAE Ratio	-	-	-	(0.1)	-
Underlying Combined Ratio	91.4%	91.2%	89.6%	93.5%	99.5%
Commercial Auto Insurance					
Combined Ratio as Reported	97.0%	94.1%	90.5%	93.6%	94.9%
Current Year Catastrophe Losses and LAE Ratio	(0.4)	(0.8)	(1.4)	(0.4)	(0.4)
Prior Years Non-Catastrophe Losses and LAE Ratio	(3.6)	(1.4)	0.8	0.7	(1.2)
Prior Years Catastrophe Losses and LAE Ratio	-	(0.1)	0.1	(0.1)	(0.1)
Underlying Combined Ratio	93.0%	91.8%	90.0%	93.8%	93.2%