



**Investor Supplement  
Third Quarter 2019**

The financial statements and financial exhibits included herein are unaudited. These financial statements and exhibits should be read in conjunction with the Company's periodic reports on Forms 10-K, 10-Q and 8-K filed with the U.S. Securities and Exchange Commission (the "SEC"). The results of operations for interim periods should not be considered indicative of results to be expected for the full year.

**Non-GAAP Financial Measures**

This document contains non-GAAP financial measures to analyze the Company's operating performance for the periods presented. Because the Company's calculation of these measures may differ from similar measures used by other companies, investors should be careful when comparing the Company's non-GAAP financial measures to those of other companies. For detailed disclosures on non-GAAP financial measures please refer to the "Definitions of Non-GAAP Financial Measures" on Page 33.

**Caution Regarding Forward-Looking Statements**

This Investor Supplement may contain or incorporate by reference information that includes or is based on forward-looking statements within the meaning of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give expectations or forecasts of future events, and can be identified by the fact that they relate to future actions, performance or results rather than strictly to historical or current facts.

Any or all forward-looking statements may turn out to be wrong, and, accordingly, readers are cautioned not to place undue reliance on such statements, which speak only as of November 4, 2019, the date this Investor Supplement was included as an exhibit to the Company's Current Report on Form 8-K. Forward-looking statements involve a number of risks and uncertainties that are difficult to predict, and are not guarantees of future performance. Among the general factors that could cause actual results and financial condition to differ materially from estimated results and financial condition are those listed in periodic reports filed by Kemper with the SEC. No assurances can be given that the results and financial condition contemplated in any forward-looking statements will be achieved or will be achieved in any particular timetable. 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 Investor Supplement. The reader is advised, however, to consult any further disclosures Kemper makes on related subjects in its filings with the SEC.

**Kemper Corporation**  
**Investor Supplement**  
**Third Quarter 2019**  
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**Kemper Corporation**  
**Consolidated Financial Highlights**  
(Dollars in Millions, Except Per Share Amounts)  
(Unaudited)

|                                                                                                           | Three Months Ended |                   |                   |                   |                   |                 |                 | Nine Months Ended |                   |
|-----------------------------------------------------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------|-------------------|-------------------|
|                                                                                                           | Sep 30,<br>2019    | Jun 30,<br>2019   | Mar 31,<br>2019   | Dec 31,<br>2018   | Sep 30,<br>2018   | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018   |
| <b><u>For Period Ended</u></b>                                                                            |                    |                   |                   |                   |                   |                 |                 |                   |                   |
| Earned Premiums .....                                                                                     | \$ 1,135.2         | 1,116.6           | \$ 1,074.8        | \$ 1,063.6        | \$ 1,052.9        | \$ 658.1        | \$ 609.8        | \$ 3,326.6        | \$ 2,320.8        |
| Net Investment Income .....                                                                               | 91.7               | 96.0              | 82.7              | 91.3              | 92.0              | 78.4            | 79.2            | 270.4             | 249.6             |
| Other Income .....                                                                                        | 7.2                | 22.7              | 1.9               | 2.0               | 37.8              | 1.2             | 1.2             | 31.8              | 40.2              |
| Income (Loss) from Change in Fair Value of Equity and Convertible Securities .....                        | 9.8                | 25.5              | 64.4              | (76.4)            | 11.0              | 0.4             | 0.7             | 99.7              | 12.1              |
| Net Investment Gains .....                                                                                | (0.1)              | 14.6              | 12.5              | 14.2              | 1.8               | 3.8             | 2.1             | 27.0              | 7.7               |
| Total Revenues .....                                                                                      | <u>\$ 1,243.8</u>  | <u>\$ 1,275.4</u> | <u>\$ 1,236.3</u> | <u>\$ 1,094.7</u> | <u>\$ 1,195.5</u> | <u>\$ 741.9</u> | <u>\$ 693.0</u> | <u>\$ 3,755.5</u> | <u>\$ 2,630.4</u> |
| Net Income .....                                                                                          | \$ 129.0           | \$ 122.1          | \$ 155.3          | \$ 6.5            | \$ 92.2           | \$ 37.6         | \$ 53.8         | \$ 406.4          | \$ 183.6          |
| Income from Continuing Operations .....                                                                   | \$ 129.0           | \$ 122.1          | \$ 155.3          | \$ 5.0            | \$ 92.3           | \$ 37.5         | \$ 53.6         | \$ 406.4          | \$ 183.4          |
| Adjusted Consolidated Net Operating Income <sup>1</sup> .....                                             | \$ 130.0           | \$ 91.5           | \$ 98.9           | \$ 59.9           | \$ 104.5          | \$ 36.5         | \$ 57.5         | \$ 320.4          | \$ 198.5          |
| Per Unrestricted Common Share Amounts:                                                                    |                    |                   |                   |                   |                   |                 |                 |                   |                   |
| <u>Basic:</u>                                                                                             |                    |                   |                   |                   |                   |                 |                 |                   |                   |
| Net Income .....                                                                                          | \$ 1.93            | \$ 1.87           | \$ 2.38           | \$ 0.10           | \$ 1.42           | \$ 0.73         | \$ 1.03         | \$ 6.17           | \$ 3.26           |
| Income from Continuing Operations .....                                                                   | \$ 1.93            | \$ 1.87           | \$ 2.38           | \$ 0.08           | \$ 1.42           | \$ 0.73         | \$ 1.03         | \$ 6.17           | \$ 3.26           |
| Adjusted Consolidated Net Operating Income <sup>1</sup> .....                                             | \$ 1.95            | \$ 1.39           | \$ 1.52           | \$ 0.92           | \$ 1.61           | \$ 0.70         | \$ 1.11         | \$ 4.86           | \$ 3.53           |
| <u>Diluted:</u>                                                                                           |                    |                   |                   |                   |                   |                 |                 |                   |                   |
| Net Income .....                                                                                          | \$ 1.91            | \$ 1.84           | \$ 2.35           | \$ 0.10           | \$ 1.40           | \$ 0.73         | \$ 1.02         | \$ 6.10           | \$ 3.23           |
| Income from Continuing Operations .....                                                                   | \$ 1.91            | \$ 1.84           | \$ 2.35           | \$ 0.08           | \$ 1.40           | \$ 0.73         | \$ 1.02         | \$ 6.10           | \$ 3.23           |
| Adjusted Consolidated Net Operating Income <sup>1</sup> .....                                             | \$ 1.93            | \$ 1.38           | \$ 1.50           | \$ 0.91           | \$ 1.59           | \$ 0.70         | \$ 1.10         | \$ 4.81           | \$ 3.49           |
| Dividends Paid to Shareholders Per Share .....                                                            | \$ 0.25            | \$ 0.25           | \$ 0.25           | \$ 0.24           | \$ 0.24           | \$ 0.24         | \$ 0.24         | \$ 0.75           | \$ 0.72           |
| <b><u>At Period End</u></b>                                                                               |                    |                   |                   |                   |                   |                 |                 |                   |                   |
| Total Assets .....                                                                                        | \$12,819.9         | \$12,616.5        | \$12,182.2        | \$11,544.9        | \$11,772.6        | \$ 8,840.5      | \$ 8,371.0      |                   |                   |
| Insurance Reserves .....                                                                                  | \$ 5,507.8         | \$ 5,492.9        | \$ 5,437.2        | \$ 5,433.6        | \$ 5,370.5        | \$ 4,603.2      | \$ 4,539.4      |                   |                   |
| Debt .....                                                                                                | \$ 778.7           | \$ 873.3          | \$ 908.5          | \$ 909.0          | \$ 1,123.7        | \$ 951.8        | \$ 592.3        |                   |                   |
| Shareholders' Equity .....                                                                                | \$ 3,894.2         | \$ 3,683.7        | \$ 3,320.1        | \$ 3,050.1        | \$ 3,063.8        | \$ 2,045.7      | \$ 2,063.8      |                   |                   |
| Shareholders' Equity Excluding Goodwill <sup>1,2</sup> .....                                              | \$ 2,780.2         | \$ 2,569.7        | \$ 2,208.6        | \$ 1,937.7        | \$ 1,972.6        | \$ 1,722.7      | \$ 1,740.8      |                   |                   |
| Common Shares Issued and Outstanding (In Millions) .....                                                  | 66.642             | 66.564            | 64.931            | 64.757            | 64.738            | 51.559          | 51.533          |                   |                   |
| Book Value Per Share <sup>2</sup> .....                                                                   | \$ 58.43           | \$ 55.34          | \$ 51.13          | \$ 47.10          | \$ 47.33          | \$ 39.68        | \$ 40.05        |                   |                   |
| Book Value Per Share Excluding Goodwill <sup>1,2</sup> .....                                              | \$ 41.72           | \$ 38.60          | \$ 34.01          | \$ 29.92          | \$ 30.47          | \$ 33.41        | \$ 33.78        |                   |                   |
| Book Value Per Share Excluding Net Unrealized Gains on Fixed Maturities <sup>1,2</sup> .....              | \$ 51.51           | \$ 49.82          | \$ 47.41          | \$ 45.40          | \$ 45.66          | \$ 36.85        | 36.35           |                   |                   |
| Book Value Per Share Excluding Net Unrealized Gains on Fixed Maturities and Goodwill <sup>1,2</sup> ..... | \$ 34.80           | \$ 33.08          | \$ 30.29          | \$ 28.22          | \$ 28.81          | \$ 30.59        | 30.08           |                   |                   |
| Debt to Total Capitalization <sup>2</sup> .....                                                           | 16.7%              | 19.2%             | 21.5%             | 23.0%             | 26.8%             | 31.8%           | 22.3%           |                   |                   |
| Rolling 12 Months Return on 5-point Average Shareholders Equity <sup>2,3</sup> .....                      | 12.1%              | 12.4%             | 10.8%             | 7.7%              | 9.7%              | 8.5%            | 8.5%            |                   |                   |

<sup>1</sup> Non-GAAP Financial Measure. See page 33 for definition.

<sup>2</sup> See Capital Metrics on pages 8-9 for detail calculations.

<sup>3</sup> Rolling 12 Months Return on 5-point Average Shareholders Equity is calculated by taking the last 12 months of Net Income (Loss) divided by the 5-point average Shareholders' Equity. The 5-point Average Shareholders' Equity is calculated by using a 5-point quarter average of Shareholders' Equity for the 12 month period.

**Kemper Corporation**  
**Consolidated Statements of Operations**  
(Dollars in Millions, Except Per Share Amounts)  
(Unaudited)

|                                                                                    | Three Months Ended |                 |                 |                 |                 |                 | Nine Months Ended |                 |                 |
|------------------------------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|                                                                                    | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018   | Sep 30,<br>2019 | Sep 30,<br>2018 |
| <b>Revenues:</b>                                                                   |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Earned Premiums .....                                                              | \$ 1,135.2         | \$ 1,116.6      | \$ 1,074.8      | \$ 1,063.6      | \$ 1,052.9      | \$ 658.1        | \$ 609.8          | \$ 3,326.6      | \$ 2,320.8      |
| Net Investment Income .....                                                        | 91.7               | 96.0            | 82.7            | 91.3            | 92.0            | 78.4            | 79.2              | 270.4           | 249.6           |
| Other Income .....                                                                 | 7.2                | 22.7            | 1.9             | 2.0             | 37.8            | 1.2             | 1.2               | 31.8            | 40.2            |
| Income (Loss) from Change in Fair Value of Equity and Convertible Securities ..... | 9.8                | 25.5            | 64.4            | (76.4)          | 11.0            | 0.4             | 0.7               | 99.7            | 12.1            |
| Net Realized Gains on Sales of Investments .....                                   | 1.7                | 21.3            | 16.1            | 16.4            | 3.6             | 3.8             | 2.6               | 39.1            | 10.0            |
| Other-than-temporary Impairment Losses:                                            |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Total Other-than-temporary Impairment Losses .....                                 | (1.8)              | (6.7)           | (3.5)           | (2.2)           | (1.8)           | —               | (0.5)             | (12.0)          | (2.3)           |
| Portion of Losses Recognized in Other Comprehensive Income .....                   | —                  | —               | (0.1)           | —               | —               | —               | —                 | (0.1)           | —               |
| Net Impairment Losses Recognized in Earnings .....                                 | (1.8)              | (6.7)           | (3.6)           | (2.2)           | (1.8)           | —               | (0.5)             | (12.1)          | (2.3)           |
| Total Revenues .....                                                               | 1,243.8            | 1,275.4         | 1,236.3         | 1,094.7         | 1,195.5         | 741.9           | 693.0             | 3,755.5         | 2,630.4         |
| <b>Expenses:</b>                                                                   |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Policyholders’ Benefits and Incurred Losses and Loss Adjustment Expenses .....     | 782.6              | 825.4           | 765.4           | 772.8           | 757.3           | 499.5           | 436.9             | 2,373.4         | 1,693.7         |
| Insurance Expenses .....                                                           | 256.0              | 263.5           | 234.8           | 273.2           | 296.0           | 171.2           | 160.1             | 754.3           | 627.3           |
| Loss from Early Extinguishment of Debt .....                                       | 5.8                | —               | —               | —               | —               | —               | —                 | 5.8             | —               |
| Interest and Other Expenses .....                                                  | 37.9               | 38.0            | 41.4            | 42.6            | 61.7            | 25.7            | 29.0              | 117.3           | 116.4           |
| Total Expenses .....                                                               | 1,082.3            | 1,126.9         | 1,041.6         | 1,088.6         | 1,115.0         | 696.4           | 626.0             | 3,250.8         | 2,437.4         |
| <b>Income from Continuing Operations before Income Taxes .....</b>                 | <b>161.5</b>       | <b>148.5</b>    | <b>194.7</b>    | <b>6.1</b>      | <b>80.5</b>     | <b>45.5</b>     | <b>67.0</b>       | <b>504.7</b>    | <b>193.0</b>    |
| Income Tax Benefit (Expense) .....                                                 | (32.5)             | (26.4)          | (39.4)          | (1.1)           | 11.8            | (8.0)           | (13.4)            | (98.3)          | (9.6)           |
| <b>Income from Continuing Operations .....</b>                                     | <b>129.0</b>       | <b>122.1</b>    | <b>155.3</b>    | <b>5.0</b>      | <b>92.3</b>     | <b>37.5</b>     | <b>53.6</b>       | <b>406.4</b>    | <b>183.4</b>    |
| Discontinued Operations:                                                           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Income (Loss) from Discontinued Operations before Income Taxes .....               | —                  | —               | —               | 2.1             | (0.2)           | 0.1             | 0.3               | —               | 0.2             |
| Income Tax Expense .....                                                           | —                  | —               | —               | (0.6)           | 0.1             | —               | (0.1)             | —               | —               |
| <b>Income (Loss) from Discontinued Operations .....</b>                            | <b>—</b>           | <b>—</b>        | <b>—</b>        | <b>1.5</b>      | <b>(0.1)</b>    | <b>0.1</b>      | <b>0.2</b>        | <b>—</b>        | <b>0.2</b>      |
| <b>Net Income .....</b>                                                            | <b>\$ 129.0</b>    | <b>\$ 122.1</b> | <b>\$ 155.3</b> | <b>\$ 6.5</b>   | <b>\$ 92.2</b>  | <b>\$ 37.6</b>  | <b>\$ 53.8</b>    | <b>\$ 406.4</b> | <b>\$ 183.6</b> |
| <b>Income from Continuing Operations Per Unrestricted Share:</b>                   |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Basic .....                                                                        | \$ 1.93            | \$ 1.87         | \$ 2.38         | \$ 0.08         | \$ 1.42         | \$ 0.73         | \$ 1.03           | \$ 6.17         | \$ 3.26         |
| Diluted .....                                                                      | \$ 1.91            | \$ 1.84         | \$ 2.35         | \$ 0.08         | \$ 1.40         | \$ 0.73         | \$ 1.02           | \$ 6.10         | \$ 3.23         |
| <b>Net Income Per Unrestricted Share:</b>                                          |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Basic .....                                                                        | \$ 1.93            | \$ 1.87         | \$ 2.38         | \$ 0.10         | \$ 1.42         | \$ 0.73         | \$ 1.03           | \$ 6.17         | \$ 3.26         |
| Diluted .....                                                                      | \$ 1.91            | \$ 1.84         | \$ 2.35         | \$ 0.10         | \$ 1.40         | \$ 0.73         | \$ 1.02           | \$ 6.10         | \$ 3.23         |
| <b>Dividends Paid to Shareholders Per Share .....</b>                              | <b>\$ 0.25</b>     | <b>\$ 0.25</b>  | <b>\$ 0.25</b>  | <b>\$ 0.24</b>  | <b>\$ 0.24</b>  | <b>\$ 0.24</b>  | <b>\$ 0.24</b>    | <b>\$ 0.75</b>  | <b>\$ 0.72</b>  |
| <b>Weighted Average Unrestricted Common Shares Outstanding (in Millions) .....</b> | <b>66.622</b>      | <b>65.408</b>   | <b>64.815</b>   | <b>64.748</b>   | <b>64.580</b>   | <b>51.550</b>   | <b>51.503</b>     | <b>65.622</b>   | <b>55.926</b>   |

**Kemper Corporation**  
**Consolidated Balance Sheets**  
(Dollars in Millions)  
(Unaudited)

|                                                                                                  | Sep 30,<br>2019   | Jun 30,<br>2019   | Mar 31,<br>2019   | Dec 31,<br>2018   | Sep 30,<br>2018   | Jun 30,<br>2018   | Mar 31,<br>2018   |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Assets:</b>                                                                                   |                   |                   |                   |                   |                   |                   |                   |
| Investments:                                                                                     |                   |                   |                   |                   |                   |                   |                   |
| Fixed Maturities at Fair Value .....                                                             | \$ 6,883.6        | \$ 6,540.2        | \$ 6,573.1        | \$ 6,424.2        | \$ 6,108.6        | \$ 5,260.3        | \$ 5,301.2        |
| Equity Securities at Fair Value .....                                                            | 928.7             | 923.3             | 916.9             | 684.4             | 815.8             | 514.9             | 568.2             |
| Equity Securities at Modified Cost .....                                                         | 41.2              | 38.1              | 39.2              | 41.5              | 50.9              | 54.1              | 59.3              |
| Equity Method Limited Liability Investments at Cost Plus Cumulative Undistributed Earnings ..... | 213.4             | 219.7             | 197.8             | 187.0             | 170.0             | 170.9             | 168.8             |
| Convertible Securities at Fair Value .....                                                       | 35.6              | 34.3              | 33.8              | 31.5              | —                 | —                 | —                 |
| Short-term Investments at Cost which Approximates Fair Value .....                               | 424.2             | 642.5             | 350.4             | 286.1             | 688.5             | 169.0             | 188.8             |
| Other Investments .....                                                                          | 447.4             | 442.8             | 425.6             | 414.8             | 412.8             | 411.7             | 413.0             |
| <b>Total Investments</b> .....                                                                   | <u>8,974.1</u>    | <u>8,840.9</u>    | <u>8,536.8</u>    | <u>8,069.5</u>    | <u>8,246.6</u>    | <u>6,580.9</u>    | <u>6,699.3</u>    |
| Cash .....                                                                                       | 133.6             | 104.4             | 107.0             | 75.1              | 92.8              | 649.9             | 115.4             |
| Receivables from Policyholders .....                                                             | 1,139.8           | 1,095.2           | 1,048.6           | 1,007.1           | 1,029.9           | 407.5             | 386.0             |
| Other Receivables .....                                                                          | 217.1             | 248.1             | 254.6             | 245.4             | 243.1             | 189.2             | 187.9             |
| Deferred Policy Acquisition Costs .....                                                          | 536.5             | 521.0             | 499.2             | 470.0             | 447.4             | 388.9             | 378.0             |
| Goodwill .....                                                                                   | 1,114.0           | 1,114.0           | 1,111.5           | 1,112.4           | 1,091.2           | 323.0             | 323.0             |
| Current Income Tax Assets .....                                                                  | 44.1              | 41.0              | 19.7              | 38.9              | 58.1              | 0.9               | —                 |
| Deferred Income Tax Assets .....                                                                 | —                 | —                 | —                 | —                 | —                 | 10.6              | —                 |
| Other Assets .....                                                                               | 660.7             | 651.9             | 604.8             | 526.5             | 563.5             | 289.6             | 281.4             |
| <b>Total Assets</b> .....                                                                        | <u>\$12,819.9</u> | <u>\$12,616.5</u> | <u>\$12,182.2</u> | <u>\$11,544.9</u> | <u>\$11,772.6</u> | <u>\$ 8,840.5</u> | <u>\$ 8,371.0</u> |
| <b>Liabilities and Shareholders' Equity:</b>                                                     |                   |                   |                   |                   |                   |                   |                   |
| Insurance Reserves:                                                                              |                   |                   |                   |                   |                   |                   |                   |
| Life and Health .....                                                                            | \$ 3,566.2        | \$ 3,581.0        | \$ 3,568.5        | \$ 3,558.7        | \$ 3,551.4        | \$ 3,543.5        | \$ 3,534.3        |
| Property and Casualty .....                                                                      | 1,941.6           | 1,911.9           | 1,868.7           | 1,874.9           | 1,819.1           | 1,059.7           | 1,005.1           |
| <b>Total Insurance Reserves</b> .....                                                            | <u>5,507.8</u>    | <u>5,492.9</u>    | <u>5,437.2</u>    | <u>5,433.6</u>    | <u>5,370.5</u>    | <u>4,603.2</u>    | <u>4,539.4</u>    |
| Unearned Premiums .....                                                                          | 1,574.9           | 1,545.6           | 1,499.5           | 1,424.3           | 1,470.9           | 723.8             | 690.2             |
| Current Income Tax Liabilities .....                                                             | —                 | —                 | —                 | —                 | —                 | —                 | 0.2               |
| Deferred Income Tax Liabilities .....                                                            | 175.3             | 124.1             | 82.6              | 26.2              | 40.4              | —                 | 1.1               |
| Liability for Unrecognized Tax Benefits .....                                                    | —                 | —                 | 3.9               | 4.4               | 4.5               | 9.2               | 8.1               |
| Collateralized Investment Borrowings .....                                                       | 137.6             | 155.0             | 187.7             | 10.0              | 10.0              | 10.0              | 10.0              |
| Long-term Debt, Current and Non-current, at Amortized Cost .....                                 | 778.7             | 873.3             | 908.5             | 909.0             | 1,123.7           | 951.8             | 592.3             |
| Accrued Expenses and Other Liabilities .....                                                     | 751.4             | 741.9             | 742.7             | 687.3             | 688.8             | 496.8             | 465.9             |
| <b>Total Liabilities</b> .....                                                                   | <u>8,925.7</u>    | <u>8,932.8</u>    | <u>8,862.1</u>    | <u>8,494.8</u>    | <u>8,708.8</u>    | <u>6,794.8</u>    | <u>6,307.2</u>    |
| <b>Shareholders' Equity:</b>                                                                     |                   |                   |                   |                   |                   |                   |                   |
| Common Stock .....                                                                               | 6.7               | 6.7               | 6.5               | 6.5               | 6.5               | 5.2               | 5.1               |
| Paid-in Capital .....                                                                            | 1,812.9           | 1,806.4           | 1,673.0           | 1,666.3           | 1,661.3           | 681.5             | 676.9             |
| Retained Earnings .....                                                                          | 1,704.5           | 1,593.7           | 1,489.7           | 1,355.5           | 1,365.1           | 1,289.4           | 1,264.9           |
| Accumulated Other Comprehensive Income .....                                                     | 370.1             | 276.9             | 150.9             | 21.8              | 30.9              | 69.6              | 116.9             |
| <b>Total Shareholders' Equity</b> .....                                                          | <u>3,894.2</u>    | <u>3,683.7</u>    | <u>3,320.1</u>    | <u>3,050.1</u>    | <u>3,063.8</u>    | <u>2,045.7</u>    | <u>2,063.8</u>    |
| <b>Total Liabilities and Shareholders' Equity</b> .....                                          | <u>\$12,819.9</u> | <u>\$12,616.5</u> | <u>\$12,182.2</u> | <u>\$11,544.9</u> | <u>\$11,772.6</u> | <u>\$ 8,840.5</u> | <u>\$ 8,371.0</u> |

**Kemper Corporation**  
**Consolidated Statements of Cash Flows**  
(Dollars in Millions)  
(Unaudited)

|                                                                                                       | Nine Months Ended |                 |
|-------------------------------------------------------------------------------------------------------|-------------------|-----------------|
|                                                                                                       | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b>Operating Activities:</b>                                                                          |                   |                 |
| Net Income .....                                                                                      | \$ 406.4          | \$ 183.6        |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:                     |                   |                 |
| Amortization of Intangible Assets Acquired .....                                                      | 24.3              | 106.1           |
| Equity in Earnings of Equity Method Limited Liability Investments .....                               | 0.5               | (8.1)           |
| Distribution of Accumulated Earnings of Equity Method Limited Liability Investments .....             | 9.2               | 9.2             |
| Payment for Pension Contribution .....                                                                | (55.3)            | (5.1)           |
| Decrease (Increase) in Value of Fair Value Option Investments Reported in Net Investment Income ..... | —                 | —               |
| Increase in Value of Equity Securities at Fair Value .....                                            | (99.7)            | (12.1)          |
| Amortization of Investment Securities and Depreciation of Investment Real Estate .....                | 1.2               | 6.9             |
| Net Realized Gains on Sales of Investments .....                                                      | (39.1)            | (10.0)          |
| Net Impairment Losses Recognized in Earnings .....                                                    | 12.1              | 2.3             |
| Loss from Early Extinguishment of Debt .....                                                          | 5.8               | —               |
| Depreciation of Property and Equipment .....                                                          | 21.7              | 12.2            |
| Increase in Receivables .....                                                                         | (104.4)           | (102.3)         |
| Increase in Deferred Policy Acquisition Costs .....                                                   | (66.5)            | (82.1)          |
| Increase in Insurance Reserves .....                                                                  | 71.5              | 131.8           |
| Increase in Unearned Premiums .....                                                                   | 150.7             | 102.3           |
| Change in Income Taxes .....                                                                          | 46.1              | 4.6             |
| Change in Accrued Expenses and Other Liabilities .....                                                | (22.8)            | (5.4)           |
| Other, Net .....                                                                                      | 4.8               | 11.4            |
| <b>Net Cash Provided by Operating Activities (Carryforward to page 7) .....</b>                       | <b>366.5</b>      | <b>345.3</b>    |

**Kemper Corporation**  
**Consolidated Statements of Cash Flows**  
(Dollars in Millions)  
(Unaudited)

|                                                                             | Nine Months Ended      |                       |
|-----------------------------------------------------------------------------|------------------------|-----------------------|
|                                                                             | Sep 30,<br>2019        | Sep 30,<br>2018       |
| <b>Net Cash Provided by Operating Activities (Carryforward from page 6)</b> | <u>366.5</u>           | <u>345.3</u>          |
| <b>Investing Activities:</b>                                                |                        |                       |
| Sales, Paydowns and Maturities of Fixed Maturities .....                    | 1,067.9                | 2,133.7               |
| Purchases of Fixed Maturities .....                                         | (1,013.7)              | (1,520.7)             |
| Sales of Equity Securities .....                                            | 99.7                   | 186.6                 |
| Purchases of Equity Securities .....                                        | (248.2)                | (344.3)               |
| Return of Investment of Equity Method Limited Liability Investments .....   | 25.7                   | 7.3                   |
| Acquisitions of Equity Method Limited Liability Investments .....           | (61.8)                 | (17.4)                |
| Decrease (Increase) in Short-term Investments .....                         | (111.5)                | (351.6)               |
| Improvements of Investment Real Estate .....                                | (1.2)                  | (1.0)                 |
| Acquisition of Business, Net of Cash Acquired .....                         | —                      | (560.6)               |
| Increase (Decrease) in Other Investments .....                              | (32.3)                 | 0.6                   |
| Purchase of Corporate-owned Life Insurance .....                            | (50.0)                 | —                     |
| Acquisition of Software and Long-lived Assets .....                         | (53.8)                 | (53.9)                |
| Other, Net .....                                                            | (2.0)                  | 4.6                   |
| <b>Net Cash Provided (Used) by Investing Activities .....</b>               | <u>(381.2)</u>         | <u>(516.7)</u>        |
| <b>Financing Activities:</b>                                                |                        |                       |
| Net Proceeds from Issuances of Long-term Debt .....                         | 49.9                   | 249.0                 |
| Repayments of Long-term Debt .....                                          | (185.0)                | —                     |
| Dividends and Dividend Equivalents Paid .....                               | (49.1)                 | (40.7)                |
| Proceeds from Collateralized Investment Borrowings .....                    | 385.6                  | 10.0                  |
| Repayment of Collateralized Investment Borrowing .....                      | (258.0)                | —                     |
| Proceeds from Issuance of Common Stock, Net of Transaction Costs .....      | 127.5                  | —                     |
| Proceeds from Shares Issued under Employee Stock Purchase Plan .....        | 1.0                    | —                     |
| Cash Exercise of Stock Options .....                                        | 2.2                    | 0.7                   |
| Other, Net .....                                                            | (0.9)                  | (0.5)                 |
| <b>Net Cash Provided by Financing Activities .....</b>                      | <u>73.2</u>            | <u>218.5</u>          |
| <b>Increase in Cash .....</b>                                               | <u>58.5</u>            | <u>47.1</u>           |
| <b>Cash, Beginning of Year .....</b>                                        | <u>75.1</u>            | <u>45.7</u>           |
| <b>Cash, End of Period .....</b>                                            | <u><u>\$ 133.6</u></u> | <u><u>\$ 92.8</u></u> |

**Kemper Corporation**  
**Capital Metrics**  
(Dollars and Shares in Millions, Except Per Share Amounts)  
(Unaudited)

|                                                                                                                                                               | Three Months Ended |                   |                   |                   |                   |                   |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                                                                                               | Sep 30,<br>2019    | Jun 30,<br>2019   | Mar 31,<br>2019   | Dec 31,<br>2018   | Sep 30,<br>2018   | Jun 30,<br>2018   | Mar 31,<br>2018   |
| <b>Book Value Per Share</b>                                                                                                                                   |                    |                   |                   |                   |                   |                   |                   |
| <u>Numerator</u>                                                                                                                                              |                    |                   |                   |                   |                   |                   |                   |
| Shareholders' Equity .....                                                                                                                                    | \$ 3,894.2         | \$ 3,683.7        | \$ 3,320.1        | \$ 3,050.1        | \$ 3,063.8        | \$ 2,045.7        | \$ 2,063.8        |
| Less: Goodwill .....                                                                                                                                          | (1,114.0)          | (1,114.0)         | (1,111.5)         | (1,112.4)         | (1,091.2)         | (323.0)           | (323.0)           |
| Shareholders' Equity Excluding Goodwill <sup>1</sup> .....                                                                                                    | <u>\$ 2,780.2</u>  | <u>\$ 2,569.7</u> | <u>\$ 2,208.6</u> | <u>\$ 1,937.7</u> | <u>\$ 1,972.6</u> | <u>\$ 1,722.7</u> | <u>\$ 1,740.8</u> |
| Shareholders' Equity .....                                                                                                                                    | \$ 3,894.2         | \$ 3,683.7        | \$ 3,320.1        | \$ 3,050.1        | \$ 3,063.8        | \$ 2,045.7        | \$ 2,063.8        |
| Less: Net Unrealized Gains on Fixed Maturities .....                                                                                                          | (461.3)            | (367.8)           | (241.9)           | (110.4)           | (107.6)           | (145.6)           | (190.5)           |
| Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities <sup>1</sup> .....                                                                    | <u>\$ 3,432.9</u>  | <u>\$ 3,315.9</u> | <u>\$ 3,078.2</u> | <u>\$ 2,939.7</u> | <u>\$ 2,956.2</u> | <u>\$ 1,900.1</u> | <u>\$ 1,873.3</u> |
| Less: Goodwill .....                                                                                                                                          | (1,114.0)          | (1,114.0)         | (1,111.5)         | (1,112.4)         | (1,091.2)         | (323.0)           | (323.0)           |
| Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities and Goodwill <sup>1</sup> .....                                                       | <u>\$ 2,318.9</u>  | <u>\$ 2,201.9</u> | <u>\$ 1,966.7</u> | <u>\$ 1,827.3</u> | <u>\$ 1,865.0</u> | <u>\$ 1,577.1</u> | <u>\$ 1,550.3</u> |
| <u>Denominator</u>                                                                                                                                            |                    |                   |                   |                   |                   |                   |                   |
| Common Shares Issued and Outstanding .....                                                                                                                    | 66.642             | 66.564            | 64.931            | 64.757            | 64.738            | 51.559            | 51.533            |
| Book Value Per Share .....                                                                                                                                    | <u>\$ 58.43</u>    | <u>\$ 55.34</u>   | <u>\$ 51.13</u>   | <u>\$ 47.10</u>   | <u>\$ 47.33</u>   | <u>\$ 39.68</u>   | <u>\$ 40.05</u>   |
| Book Value Per Share Excluding Goodwill <sup>1</sup> .....                                                                                                    | <u>\$ 41.72</u>    | <u>\$ 38.60</u>   | <u>\$ 34.01</u>   | <u>\$ 29.92</u>   | <u>\$ 30.47</u>   | <u>\$ 33.41</u>   | <u>\$ 33.78</u>   |
| Book Value Per Share Excluding Net Unrealized Gains on Fixed Maturities <sup>1</sup> .....                                                                    | <u>\$ 51.51</u>    | <u>\$ 49.82</u>   | <u>\$ 47.41</u>   | <u>\$ 45.40</u>   | <u>\$ 45.66</u>   | <u>\$ 36.85</u>   | <u>\$ 36.35</u>   |
| Book Value Per Share Excluding Net Unrealized Gains on Fixed Maturities and Goodwill <sup>1</sup> .....                                                       | <u>\$ 34.80</u>    | <u>\$ 33.08</u>   | <u>\$ 30.29</u>   | <u>\$ 28.22</u>   | <u>\$ 28.81</u>   | <u>\$ 30.59</u>   | <u>\$ 30.08</u>   |
| <b>Return on Shareholders' Equity</b>                                                                                                                         |                    |                   |                   |                   |                   |                   |                   |
| <u>Numerator</u>                                                                                                                                              |                    |                   |                   |                   |                   |                   |                   |
| Rolling 12 Months Net Income .....                                                                                                                            | \$ 412.9           | \$ 376.1          | \$ 291.6          | \$ 190.1          | \$ 220.5          | \$ 176.0          | \$ 175.0          |
| <u>Denominator (5-point Average)</u>                                                                                                                          |                    |                   |                   |                   |                   |                   |                   |
| 5-point Average Shareholders' Equity .....                                                                                                                    | <u>\$ 3,402.4</u>  | <u>\$ 3,032.7</u> | <u>\$ 2,708.7</u> | <u>\$ 2,467.8</u> | <u>\$ 2,274.3</u> | <u>\$ 2,068.2</u> | <u>\$ 2,055.8</u> |
| Rolling 12 Months Return on Average Shareholders' Equity (5-point Average) .....                                                                              | <u>12.1%</u>       | <u>12.4%</u>      | <u>10.8%</u>      | <u>7.7%</u>       | <u>9.7%</u>       | <u>8.5%</u>       | <u>8.5%</u>       |
| <b>Return on Shareholders' Equity Excluding Goodwill<sup>1</sup></b>                                                                                          |                    |                   |                   |                   |                   |                   |                   |
| <u>Denominator (5-point Average)</u>                                                                                                                          |                    |                   |                   |                   |                   |                   |                   |
| 5-point Average Shareholders' Equity Excluding Goodwill <sup>1</sup> .....                                                                                    | <u>\$ 2,293.8</u>  | <u>\$ 2,082.3</u> | <u>\$ 1,916.5</u> | <u>\$ 1,833.3</u> | <u>\$ 1,797.6</u> | <u>\$ 1,745.2</u> | <u>\$ 1,732.8</u> |
| Rolling 12 Months Return on Average Shareholders' Equity Excluding Goodwill (5-point Average) <sup>1</sup> .....                                              | <u>18.0%</u>       | <u>18.1%</u>      | <u>15.2%</u>      | <u>10.4%</u>      | <u>12.3%</u>      | <u>10.1%</u>      | <u>10.1%</u>      |
| <b>Return on Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities<sup>1</sup></b>                                                          |                    |                   |                   |                   |                   |                   |                   |
| <u>Denominator (5-point Average)</u>                                                                                                                          |                    |                   |                   |                   |                   |                   |                   |
| 5-point Average Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities <sup>1</sup> .....                                                    | <u>\$ 3,144.6</u>  | <u>\$ 2,838.0</u> | <u>\$ 2,549.5</u> | <u>\$ 2,299.9</u> | <u>\$ 2,081.0</u> | <u>\$ 1,850.2</u> | <u>\$ 1,827.3</u> |
| Rolling 12 Months Return on Average Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities (5-point Average) <sup>1</sup> .....              | <u>13.1%</u>       | <u>13.3%</u>      | <u>11.4%</u>      | <u>8.3%</u>       | <u>10.6%</u>      | <u>9.5%</u>       | <u>9.6%</u>       |
| <b>Return on Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities and Goodwill<sup>1</sup></b>                                             |                    |                   |                   |                   |                   |                   |                   |
| <u>Denominator (5-point Average)</u>                                                                                                                          |                    |                   |                   |                   |                   |                   |                   |
| 5-point Average Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities and Goodwill <sup>1</sup> .....                                       | <u>\$ 2,036.0</u>  | <u>\$ 1,887.6</u> | <u>\$ 1,757.3</u> | <u>\$ 1,665.4</u> | <u>\$ 1,604.4</u> | <u>\$ 1,527.2</u> | <u>\$ 1,504.3</u> |
| Rolling 12 Months Return on Average Shareholders' Equity Excluding Net Unrealized Gains on Fixed Maturities and Goodwill (5-point Average) <sup>1</sup> ..... | <u>20.3%</u>       | <u>19.9%</u>      | <u>16.6%</u>      | <u>11.4%</u>      | <u>13.7%</u>      | <u>11.5%</u>      | <u>11.6%</u>      |

<sup>1</sup> Non-GAAP financial measure. See definitions beginning on page 33.

**Kemper Corporation**  
**Capital Metrics**  
(Dollars and Shares in Millions, Except Per Share Amounts)  
(Unaudited)

|                                                   | Three Months Ended |                   |                   |                   |                   |                   |                   |
|---------------------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                   | Sep 30,<br>2019    | Jun 30,<br>2019   | Mar 31,<br>2019   | Dec 31,<br>2018   | Sep 30,<br>2018   | Jun 30,<br>2018   | Mar 31,<br>2018   |
| <b><u>Debt and Total Capitalization</u></b>       |                    |                   |                   |                   |                   |                   |                   |
| Debt .....                                        | \$ 778.7           | \$ 873.3          | \$ 908.5          | \$ 909.0          | \$ 1,123.7        | \$ 951.8          | \$ 592.3          |
| Shareholders' Equity .....                        | 3,894.2            | 3,683.7           | 3,320.1           | 3,050.1           | 3,063.8           | 2,045.7           | 2,063.8           |
| Total Capitalization .....                        | <u>\$ 4,672.9</u>  | <u>\$ 4,557.0</u> | <u>\$ 4,228.6</u> | <u>\$ 3,959.1</u> | <u>\$ 4,187.5</u> | <u>\$ 2,997.5</u> | <u>\$ 2,656.1</u> |
| Ratio of Debt to Shareholders' Equity .....       | <u>20.0%</u>       | <u>23.7%</u>      | <u>27.4%</u>      | <u>29.8%</u>      | <u>36.7%</u>      | <u>46.5%</u>      | <u>28.7%</u>      |
| Ratio of Debt to Total Capitalization .....       | <u>16.7%</u>       | <u>19.2%</u>      | <u>21.5%</u>      | <u>23.0%</u>      | <u>26.8%</u>      | <u>31.8%</u>      | <u>22.3%</u>      |
| <b><u>Parent Company Liquidity</u></b>            |                    |                   |                   |                   |                   |                   |                   |
| Kemper Holding Company Cash and Investments ..... | \$ 169.1           | \$ 312.7          | \$ 118.6          | \$ 100.6          | \$ 91.3           | \$ 708.6          | \$ 184.4          |
| Borrowings Available Under Credit Agreement ..... | 400.0              | 400.0             | 300.0             | 300.0             | 300.0             | 300.0             | 225.0             |
| Parent Company Liquidity .....                    | <u>\$ 569.1</u>    | <u>\$ 712.7</u>   | <u>\$ 418.6</u>   | <u>\$ 400.6</u>   | <u>\$ 391.3</u>   | <u>\$ 1,008.6</u> | <u>\$ 409.4</u>   |
| <b><u>Capital Returned to Shareholders</u></b>    |                    |                   |                   |                   |                   |                   |                   |
| Cash Dividends Paid .....                         | <u>16.7</u>        | <u>16.2</u>       | <u>16.2</u>       | <u>15.6</u>       | <u>15.6</u>       | <u>12.4</u>       | <u>12.5</u>       |

**Kemper Corporation**  
**Debt Outstanding and Ratings**  
**(Dollars in Millions)**  
**(Unaudited)**

|                                                                              | Sep 30,<br>2019  | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018  | Jun 30,<br>2018 | Mar 31,<br>2018 |
|------------------------------------------------------------------------------|------------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|
| Kemper Corporation:                                                          |                  |                 |                 |                 |                  |                 |                 |
| Term Loan due June 29, 2020 .....                                            | \$ —             | \$ —            | \$ 34.9         | \$ 34.9         | \$ 249.4         | \$ 249.4        | \$ —            |
| Term Loan due July 5, 2023 .....                                             | 49.9             | —               | —               | —               | —                | \$ —            | \$ —            |
| Senior Notes at Amortized Cost:                                              |                  |                 |                 |                 |                  |                 |                 |
| 5.0% Senior Notes due September 19, 2022 .....                               | 280.3            | 280.6           | 281.0           | 281.5           | 281.7            | —               | —               |
| 4.35% Senior Notes due February 15, 2025 .....                               | 448.5            | 448.5           | 448.4           | 448.4           | 448.4            | 448.2           | 448.1           |
| 7.375% Subordinated Debentures due February 27, 2054 at Amortized Cost ..... | —                | 144.2           | 144.2           | 144.2           | 144.2            | 144.2           | 144.2           |
| Debt Outstanding .....                                                       | <u>\$ 778.7</u>  | <u>\$ 873.3</u> | <u>\$ 908.5</u> | <u>\$ 909.0</u> | <u>\$1,123.7</u> | <u>\$ 841.8</u> | <u>\$ 592.3</u> |
| Federal Home Loan Bank Advances to Insurance Subsidiaries:                   |                  |                 |                 |                 |                  |                 |                 |
| Reported as Collateralized Investment Borrowings:                            |                  |                 |                 |                 |                  |                 |                 |
| Federal Home Loan Bank of Chicago .....                                      | \$ 137.6         | \$ 155.0        | \$ 187.7        | \$ 10.0         | \$ 10.0          | \$ 10.0         | \$ 10.0         |
| Reported as Debt Outstanding:                                                |                  |                 |                 |                 |                  |                 |                 |
| Federal Home Loan Bank of Dallas .....                                       | \$ —             | \$ —            | \$ —            | \$ —            | \$ —             | \$ 55.0         | \$ —            |
| Federal Home Loan Bank of Chicago .....                                      | —                | —               | —               | —               | —                | 55.0            | —               |
|                                                                              | <u>A.M. Best</u> | <u>Moody's</u>  | <u>S&amp;P</u>  | <u>Fitch</u>    |                  |                 |                 |
| <u>As of Date of Financial Supplement</u>                                    |                  |                 |                 |                 |                  |                 |                 |
| Kemper Debt Ratings:                                                         |                  |                 |                 |                 |                  |                 |                 |
| 5.0% Senior Notes due September 19, 2022 .....                               | bbb-             | Baa3            | BBB-            | —               |                  |                 |                 |
| 4.35% Senior Notes due February 15, 2025 .....                               | bbb-             | Baa3            | BBB-            | BBB-            |                  |                 |                 |
| 7.375% Subordinated Debentures due February 27, 2054 at Amortized Cost ..... | bb+              | Ba1             | BB              | BB              |                  |                 |                 |
| Insurance Company Financial Strength Ratings:                                |                  |                 |                 |                 |                  |                 |                 |
| Trinity Universal Insurance Company .....                                    | A-               | A3              | A-              | A-              |                  |                 |                 |
| United Insurance Company of America .....                                    | A-               | A3              | A-              | A-              |                  |                 |                 |
| Reserve National Insurance Company .....                                     | A-               | NR              | NR              | NR              |                  |                 |                 |
| Infinity Insurance Company .....                                             | A-               | A3              | A-              | NR              |                  |                 |                 |

NR - Not Rated

**Kemper Corporation**  
**Segment Revenues**  
(Dollars in Millions)  
(Unaudited)

|                                                                                    | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|------------------------------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                                                    | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b>Revenues:</b>                                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Preferred Property & Casualty Insurance:                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Earned Premiums:                                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Preferred Automobile .....                                                         | \$ 119.7           | \$ 117.9        | \$ 115.4        | \$ 115.2        | \$ 111.4        | \$ 108.7        | \$ 104.9        | \$ 353.0          | \$ 325.0        |
| Homeowners .....                                                                   | 61.5               | 60.8            | 60.3            | 63.6            | 62.5            | 62.2            | 61.8            | 182.6             | 186.5           |
| Other Personal .....                                                               | 9.8                | 9.8             | 9.9             | 10.0            | 10.1            | 10.2            | 10.1            | 29.5              | 30.4            |
| Total Preferred Property & Casualty Insurance Earned Premium .....                 | 191.0              | 188.5           | 185.6           | 188.8           | 184.0           | 181.1           | 176.8           | 565.1             | 541.9           |
| Net Investment Income .....                                                        | 12.0               | 12.3            | 8.3             | 14.0            | 20.1            | 14.0            | 13.7            | 32.6              | 47.8            |
| Total Preferred Property & Casualty Insurance Revenues .....                       | 203.0              | 200.8           | 193.9           | 202.8           | 204.1           | 195.1           | 190.5           | 597.7             | 589.7           |
| Specialty Property & Casualty Insurance:                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Earned Premiums:                                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Specialty Automobile .....                                                         | 719.2              | 703.7           | 669.6           | 660.5           | 655.3           | 307.5           | 266.2           | 2,092.5           | 1,229.0         |
| Commercial Automobile .....                                                        | 64.2               | 62.3            | 59.7            | 57.3            | 55.9            | 12.5            | 12.2            | 186.2             | 80.6            |
| Total Specialty Property & Casualty Insurance Earned Premium .....                 | 783.4              | 766.0           | 729.3           | 717.8           | 711.2           | 320.0           | 278.4           | 2,278.7           | 1,309.6         |
| Net Investment Income .....                                                        | 28.8               | 28.9            | 21.5            | 22.6            | 20.7            | 10.2            | 9.9             | 79.2              | 40.8            |
| Other Income .....                                                                 | 4.4                | 1.0             | 0.8             | 0.8             | 0.9             | 0.4             | 0.3             | 6.2               | 1.6             |
| Total Specialty Property & Casualty Insurance Revenues .....                       | 816.6              | 795.9           | 751.6           | 741.2           | 732.8           | 330.6           | 288.6           | 2,364.1           | 1,352.0         |
| Life & Health Insurance:                                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Earned Premiums:                                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Life .....                                                                         | 96.2               | 97.0            | 95.8            | 94.1            | 95.2            | 95.4            | 93.7            | 289.0             | 284.3           |
| Accident and Health .....                                                          | 47.6               | 47.9            | 46.9            | 45.5            | 44.9            | 43.8            | 43.3            | 142.4             | 132.0           |
| Property .....                                                                     | 17.0               | 17.2            | 17.2            | 17.4            | 17.6            | 17.8            | 17.6            | 51.4              | 53.0            |
| Total Life & Health Insurance Earned Premiums .....                                | 160.8              | 162.1           | 159.9           | 157.0           | 157.7           | 157.0           | 154.6           | 482.8             | 469.3           |
| Net Investment Income .....                                                        | 49.7               | 53.0            | 51.7            | 51.7            | 51.0            | 54.5            | 53.7            | 154.4             | 159.2           |
| Other Income .....                                                                 | 2.9                | 1.6             | 1.1             | 1.1             | 1.2             | 0.9             | 0.8             | 5.6               | 2.9             |
| Total Life & Health Insurance Revenues .....                                       | 213.4              | 216.7           | 212.7           | 209.8           | 209.9           | 212.4           | 209.1           | 642.8             | 631.4           |
| Total Segment Revenues .....                                                       | 1,233.0            | 1,213.4         | 1,158.2         | 1,153.8         | 1,146.8         | 738.1           | 688.2           | 3,604.6           | 2,573.1         |
| Income (Loss) from Change in Fair Value of Equity and Convertible Securities ..... | 9.8                | 25.5            | 64.4            | (76.4)          | 11.0            | 0.4             | 0.7             | 99.7              | 12.1            |
| Net Realized Gains on Sales of Investments .....                                   | 1.7                | 21.3            | 16.1            | 16.4            | 3.6             | 3.8             | 2.6             | 39.1              | 10.0            |
| Net Impairment Losses Recognized in Earnings .....                                 | (1.8)              | (6.7)           | (3.6)           | (2.2)           | (1.8)           | —               | (0.5)           | (12.1)            | (2.3)           |
| Other .....                                                                        | 1.1                | 21.9            | 1.2             | 3.1             | 35.9            | (0.4)           | 2.0             | 24.2              | 37.5            |
| Total Revenues .....                                                               | \$ 1,243.8         | \$ 1,275.4      | \$ 1,236.3      | \$ 1,094.7      | \$ 1,195.5      | \$ 741.9        | \$ 693.0        | \$ 3,755.5        | \$ 2,630.4      |

**Kemper Corporation**  
**Segment Operating Results**  
(Dollars in Millions)  
(Unaudited)

|                                                                    | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|--------------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                                    | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b><u>Segment Operating Profit:</u></b>                            |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Preferred Property & Casualty Insurance .....                      | \$ 26.5            | \$ 6.4          | \$ 3.3          | \$ 6.6          | \$ 14.1         | \$ (8.7)        | \$ 16.6         | \$ 36.2           | \$ 22.0         |
| Specialty Property & Casualty Insurance .....                      | 98.6               | 79.4            | 99.4            | 61.5            | 26.9            | 28.2            | 29.0            | 277.4             | 84.1            |
| Life & Health Insurance .....                                      | 41.0               | 16.1            | 29.3            | 18.3            | 33.5            | 33.8            | 30.3            | 86.4              | 97.6            |
| Total Segment Operating Profit .....                               | 166.1              | 101.9           | 132.0           | 86.4            | 74.5            | 53.3            | 75.9            | 400.0             | 203.7           |
| Corporate and Other Operating Income(Loss) .....                   | (3.1)              | 7.7             | (8.6)           | (11.4)          | 21.4            | (8.4)           | (5.5)           | (4.0)             | 7.5             |
| Total Operating Profit .....                                       | 163.0              | 109.6           | 123.4           | 75.0            | 95.9            | 44.9            | 70.4            | 396.0             | 211.2           |
| Income (Loss) From: .....                                          |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Change in Fair Value of Equity and Convertible Securities .....    | 9.8                | 25.5            | 64.4            | (76.4)          | 11.0            | 0.4             | 0.7             | 99.7              | 12.1            |
| Net Realized Gains on Sales of Investments .....                   | 1.7                | 21.3            | 16.1            | 16.4            | 3.6             | 3.8             | 2.6             | 39.1              | 10.0            |
| Net Impairment Losses Recognized in Earnings .....                 | (1.8)              | (6.7)           | (3.6)           | (2.2)           | (1.8)           | —               | (0.5)           | (12.1)            | (2.3)           |
| Acquisition Related Transaction Integration and Other Costs .....  | (5.4)              | (1.2)           | (5.6)           | (6.7)           | (28.2)          | (3.6)           | (6.2)           | (12.2)            | (38.0)          |
| Loss from Early Extinguishment of Debt .....                       | (5.8)              | —               | —               | —               | —               | —               | —               | (5.8)             | —               |
| Income from Continuing Operations before Income Taxes .....        | \$ 161.5           | \$ 148.5        | \$ 194.7        | \$ 6.1          | \$ 80.5         | \$ 45.5         | \$ 67.0         | \$ 504.7          | \$ 193.0        |
| <b><u>Segment Net Operating Income:</u></b>                        |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Preferred Property & Casualty Insurance .....                      | \$ 21.1            | \$ 5.2          | \$ 2.8          | \$ 6.0          | \$ 12.2         | \$ (6.0)        | \$ 13.5         | \$ 29.1           | \$ 19.7         |
| Specialty Property & Casualty Insurance .....                      | 78.5               | 62.7            | 79.6            | 48.5            | 21.5            | 22.4            | 23.4            | 220.8             | 67.3            |
| Life & Health Insurance .....                                      | 33.4               | 13.3            | 23.1            | 13.6            | 27.1            | 26.7            | 24.1            | 69.8              | 77.9            |
| Total Segment Net Operating Income .....                           | 133.0              | 81.2            | 105.5           | 68.1            | 60.8            | 43.1            | 61.0            | 319.7             | 164.9           |
| Corporate and Other Net Operating Income (Loss) From:              |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Effects of Tax Law Changes .....                                   | —                  | —               | —               | 0.4             | 26.0            | —               | —               | —                 | 26.0            |
| Partial Satisfaction of Legal Judgment .....                       | —                  | 15.9            | —               | —               | 28.2            | —               | —               | 15.9              | 28.2            |
| Other .....                                                        | (3.0)              | (5.6)           | (6.6)           | (8.6)           | (10.5)          | (6.6)           | (3.5)           | (15.2)            | (20.6)          |
| Corporate and Other Net Operating Income (Loss) .....              | (3.0)              | 10.3            | (6.6)           | (8.2)           | 43.7            | (6.6)           | (3.5)           | 0.7               | 33.6            |
| Adjusted Consolidated Net Operating Income .....                   | 130.0              | 91.5            | 98.9            | 59.9            | 104.5           | 36.5            | 57.5            | 320.4             | 198.5           |
| Net Income (Loss) From:                                            |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Change in Fair Value of Equity and Convertible Securities .....    | 7.8                | 20.1            | 50.9            | (60.4)          | 8.7             | 0.3             | 0.6             | 78.8              | 9.6             |
| Net Realized Gains on Sales of Investments .....                   | 1.4                | 16.8            | 12.7            | 13.0            | 2.8             | 3.0             | 2.1             | 30.9              | 7.9             |
| Net Impairment Losses Recognized in Earnings .....                 | (1.5)              | (5.3)           | (2.8)           | (1.8)           | (1.4)           | —               | (0.4)           | (9.6)             | (1.8)           |
| Acquisition Related Transaction, Integration and Other Costs ..... | (4.1)              | (1.0)           | (4.4)           | (5.7)           | (22.3)          | (2.3)           | (6.2)           | (9.5)             | (30.8)          |
| Loss from Early Extinguishment of Debt .....                       | (4.6)              | —               | —               | —               | —               | —               | —               | (4.6)             | —               |
| Income from Continuing Operations .....                            | \$ 129.0           | \$ 122.1        | \$ 155.3        | \$ 5.0          | \$ 92.3         | \$ 37.5         | \$ 53.6         | \$ 406.4          | \$ 183.4        |

**Kemper Corporation**  
**Catastrophe Frequency and Severity**  
(Dollars in Millions)  
(Unaudited)

Nine Months Ended Sep 30, 2019

|                                    | Preferred Property & Casualty Insurance Segment |                | Specialty Property & Casualty Insurance Segment |                | Life & Health Insurance Segment |                | Consolidated     |                |
|------------------------------------|-------------------------------------------------|----------------|-------------------------------------------------|----------------|---------------------------------|----------------|------------------|----------------|
|                                    | Number of Events                                | Losses and LAE | Number of Events                                | Losses and LAE | Number of Events                | Losses and LAE | Number of Events | Losses and LAE |
| Range of Losses and LAE Per Event: |                                                 |                |                                                 |                |                                 |                |                  |                |
| Below \$5 .....                    | 41                                              | \$ 25.8        | 31                                              | \$ 7.3         | 19                              | \$ 2.6         | 43               | \$ 33.8        |
| \$5 - \$10 .....                   | 2                                               | 12.0           | —                                               | —              | —                               | —              | 2                | 13.0           |
| \$10 - \$15 .....                  | 1                                               | 13.3           | —                                               | —              | —                               | —              | 1                | 14.2           |
| \$15 - \$20 .....                  | —                                               | —              | —                                               | —              | —                               | —              | —                | —              |
| \$20 - \$25 .....                  | —                                               | —              | —                                               | —              | —                               | —              | —                | —              |
| Greater Than \$25 .....            | —                                               | —              | —                                               | —              | —                               | —              | —                | —              |
| Total .....                        | 44                                              | \$ 51.1        | 31                                              | \$ 7.3         | 19                              | \$ 2.6         | 46               | \$ 61.0        |

Nine Months Ended Sep 30, 2018

|                                    | Preferred Property & Casualty Insurance Segment |                | Specialty Property & Casualty Insurance Segment |                | Life & Health Insurance Segment |                | Consolidated     |                |
|------------------------------------|-------------------------------------------------|----------------|-------------------------------------------------|----------------|---------------------------------|----------------|------------------|----------------|
|                                    | Number of Events                                | Losses and LAE | Number of Events                                | Losses and LAE | Number of Events                | Losses and LAE | Number of Events | Losses and LAE |
| Range of Losses and LAE Per Event: |                                                 |                |                                                 |                |                                 |                |                  |                |
| Below \$5 .....                    | 37                                              | \$ 27.5        | 30                                              | \$ 3.7         | 23                              | \$ 1.7         | 37               | \$ 27.0        |
| \$5 - \$10 .....                   | 2                                               | 15.4           | —                                               | —              | —                               | —              | 3                | 21.6           |
| \$10 - \$15 .....                  | 2                                               | 22.3           | —                                               | —              | —                               | —              | 2                | 22.7           |
| \$15 - \$20 .....                  | —                                               | —              | —                                               | —              | —                               | —              | —                | —              |
| \$20 - \$25 .....                  | —                                               | —              | —                                               | —              | —                               | —              | —                | —              |
| Greater Than \$25 .....            | —                                               | —              | —                                               | —              | —                               | —              | —                | —              |
| Total .....                        | 41                                              | \$ 65.2        | 30                                              | \$ 3.7         | 23                              | \$ 1.7         | 42               | \$ 71.3        |

**Kemper Corporation**  
**Preferred Property & Casualty Insurance Segment**  
**Results of Operations and Selected Financial Information**  
(Dollars in Millions)  
(Unaudited)

|                                                         | Three Months Ended |                 |                 |                 |                 |                 | Nine Months Ended |                 |                 |
|---------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|                                                         | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018   | Sep 30,<br>2019 | Sep 30,<br>2018 |
| <b>Results of Operations</b>                            |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Net Premiums Written .....                              | \$ 189.6           | \$ 197.5        | \$ 179.6        | \$ 184.7        | \$ 195.6        | \$ 198.0        | \$ 170.5          | \$ 566.7        | \$ 564.1        |
| Earned Premiums .....                                   | \$ 191.0           | \$ 188.5        | \$ 185.6        | \$ 188.8        | \$ 184.0        | \$ 181.1        | \$ 176.8          | \$ 565.1        | \$ 541.9        |
| Net Investment Income .....                             | 12.0               | 12.3            | 8.3             | 14.0            | 20.1            | 14.0            | 13.7              | 32.6            | 47.8            |
| Total Revenues .....                                    | 203.0              | 200.8           | 193.9           | 202.8           | 204.1           | 195.1           | 190.5             | 597.7           | 589.7           |
| Incurred Losses and LAE related to:                     |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year:                                           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Non-catastrophe Losses and LAE .....                    | 121.7              | 119.1           | 120.8           | 120.8           | 116.6           | 107.8           | 114.2             | 361.6           | 338.6           |
| Catastrophe Losses and LAE .....                        | 11.9               | 22.6            | 16.6            | 21.4            | 18.3            | 40.3            | 7.3               | 51.1            | 65.9            |
| Prior Years:                                            |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Non-catastrophe Losses and LAE .....                    | (1.1)              | (4.3)           | (5.1)           | (3.0)           | (1.9)           | 0.6             | 4.2               | (10.5)          | 2.9             |
| Catastrophe Losses and LAE .....                        | (15.4)             | (0.9)           | 1.0             | (0.8)           | (0.2)           | (1.8)           | (5.4)             | (15.3)          | (7.4)           |
| Total Incurred Losses and LAE .....                     | 117.1              | 136.5           | 133.3           | 138.4           | 132.8           | 146.9           | 120.3             | 386.9           | 400.0           |
| Insurance Expenses .....                                | 59.4               | 57.9            | 57.3            | 57.8            | 57.2            | 56.9            | 53.6              | 174.6           | 167.7           |
| Operating Profit (Loss) .....                           | 26.5               | 6.4             | 3.3             | 6.6             | 14.1            | (8.7)           | 16.6              | 36.2            | 22.0            |
| Income Tax Benefit (Expense) .....                      | (5.4)              | (1.2)           | (0.5)           | (0.6)           | (1.9)           | 2.7             | (3.1)             | (7.1)           | (2.3)           |
| Segment Net Operating Income (Loss) .....               | \$ 21.1            | \$ 5.2          | \$ 2.8          | \$ 6.0          | \$ 12.2         | \$ (6.0)        | \$ 13.5           | \$ 29.1         | \$ 19.7         |
| <b>Ratios Based On Earned Premiums</b>                  |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 63.8%              | 63.2%           | 65.1%           | 64.0%           | 63.4%           | 59.5%           | 64.6%             | 64.1%           | 62.5%           |
| Current Year Catastrophe Losses and LAE Ratio .....     | 6.2                | 12.0            | 8.9             | 11.3            | 9.9             | 22.3            | 4.1               | 9.0             | 12.2            |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.6)              | (2.3)           | (2.7)           | (1.6)           | (1.0)           | 0.3             | 2.4               | (1.9)           | 0.5             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (8.1)              | (0.5)           | 0.5             | (0.4)           | (0.1)           | (1.0)           | (3.1)             | (2.7)           | (1.4)           |
| Total Incurred Loss and LAE Ratio .....                 | 61.3               | 72.4            | 71.8            | 73.3            | 72.2            | 81.1            | 68.0              | 68.5            | 73.8            |
| Insurance Expense Ratio .....                           | 31.1               | 30.7            | 30.9            | 30.6            | 31.1            | 31.4            | 30.3              | 30.9            | 30.9            |
| Combined Ratio .....                                    | 92.4%              | 103.1%          | 102.7%          | 103.9%          | 103.3%          | 112.5%          | 98.3%             | 99.4%           | 104.7%          |
| <b>Underlying Combined Ratio <sup>1</sup></b>           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 63.8%              | 63.2%           | 65.1%           | 64.0%           | 63.4%           | 59.5%           | 64.6%             | 64.1%           | 62.5%           |
| Insurance Expense Ratio .....                           | 31.1               | 30.7            | 30.9            | 30.6            | 31.1            | 31.4            | 30.3              | 30.9            | 30.9            |
| Underlying Combined Ratio .....                         | 94.9%              | 93.9%           | 96.0%           | 94.6%           | 94.5%           | 90.9%           | 94.9%             | 95.0%           | 93.4%           |
| <b>Non-GAAP Measure Reconciliation</b>                  |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Combined Ratio as Reported .....                        | 92.4%              | 103.1%          | 102.7%          | 103.9%          | 103.3%          | 112.5%          | 98.3%             | 99.4%           | 104.7%          |
| Less:                                                   |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Catastrophe Losses and LAE Ratio .....     | 6.2                | 12.0            | 8.9             | 11.3            | 9.9             | 22.3            | 4.1               | 9.0             | 12.2            |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.6)              | (2.3)           | (2.7)           | (1.6)           | (1.0)           | 0.3             | 2.4               | (1.9)           | 0.5             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (8.1)              | (0.5)           | 0.5             | (0.4)           | (0.1)           | (1.0)           | (3.1)             | (2.7)           | (1.4)           |
| Underlying Combined Ratio .....                         | 94.9%              | 93.9%           | 96.0%           | 94.6%           | 94.5%           | 90.9%           | 94.9%             | 95.0%           | 93.4%           |

<sup>1</sup> Underlying Combined Ratio is a non-GAAP measure, which is computed as the difference between three operating ratios: the combined ratio, the effect of catastrophes (excluding development of prior-year catastrophes) on the combined ratio and the effect of prior-year reserve development at the reporting date (including development on prior-year catastrophes) on the combined ratio.

**Kemper Corporation**  
**Preferred Property & Casualty Insurance Segment**  
**Results of Operations and Selected Financial Information (continued)**  
(Dollars in Millions)  
(Unaudited)

|                                   | Sep 30,<br>2019 | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b><u>Insurance Reserves:</u></b> |                 |                 |                 |                 |                 |                 |                 |
| Preferred Automobile .....        | \$ 267.3        | \$ 264.5        | \$ 268.0        | \$ 270.0        | \$ 272.3        | \$ 276.3        | \$ 278.8        |
| Homeowners .....                  | 108.8           | 131.6           | 133.5           | 147.9           | 139.4           | 137.2           | 124.6           |
| Other Personal .....              | 32.2            | 34.0            | 34.3            | 35.0            | 32.6            | 34.8            | 35.3            |
| Insurance Reserves .....          | <u>\$ 408.3</u> | <u>\$ 430.1</u> | <u>\$ 435.8</u> | <u>\$ 452.9</u> | <u>\$ 444.3</u> | <u>\$ 448.3</u> | <u>\$ 438.7</u> |
| <b><u>Insurance Reserves:</u></b> |                 |                 |                 |                 |                 |                 |                 |
| Loss and Allocated LAE Reserves:  |                 |                 |                 |                 |                 |                 |                 |
| Case and Allocated LAE .....      | \$ 277.8        | \$ 278.5        | \$ 290.2        | \$ 312.5        | \$ 304.4        | \$ 307.7        | \$ 313.6        |
| Incurred but Not Reported .....   | 100.4           | 120.2           | 113.0           | 110.0           | 109.0           | 109.6           | 95.5            |
| Total Loss Reserves .....         | 378.2           | 398.7           | 403.2           | 422.5           | 413.4           | 417.3           | 409.1           |
| Unallocated LAE Reserves .....    | 30.1            | 31.4            | 32.6            | 30.4            | 30.9            | 31.0            | 29.6            |
| Insurance Reserves .....          | <u>\$ 408.3</u> | <u>\$ 430.1</u> | <u>\$ 435.8</u> | <u>\$ 452.9</u> | <u>\$ 444.3</u> | <u>\$ 448.3</u> | <u>\$ 438.7</u> |

**Kemper Corporation**  
**Preferred Property & Casualty Insurance Segment**  
**Preferred Personal Automobile Insurance - Results of Operations and Selected Financial Information**  
**(Dollars in Millions)**  
**(Unaudited)**

|                                                         | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|---------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                         | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b><u>Results of Operations</u></b>                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Net Premiums Written .....                              | \$ 117.5           | \$ 123.4        | \$ 116.5        | \$ 115.7        | \$ 119.3        | \$ 120.9        | \$ 106.2        | \$ 357.4          | \$ 346.4        |
| Earned Premiums .....                                   | \$ 119.7           | \$ 117.9        | \$ 115.4        | \$ 115.2        | \$ 111.4        | \$ 108.7        | \$ 104.9        | \$ 353.0          | \$ 325.0        |
| Net Investment Income .....                             | 5.6                | 5.8             | 3.9             | 6.5             | 9.3             | 6.5             | 6.3             | 15.3              | 22.1            |
| Total Revenues .....                                    | 125.3              | 123.7           | 119.3           | 121.7           | 120.7           | 115.2           | 111.2           | 368.3             | 347.1           |
| Incurred Losses and LAE related to:                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year:                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | 83.2               | 82.9            | 80.2            | 85.6            | 74.9            | 74.7            | 73.6            | 246.3             | 223.2           |
| Catastrophe Losses and LAE .....                        | 2.1                | 1.7             | 2.5             | 0.4             | 2.3             | 3.9             | 0.6             | 6.3               | 6.8             |
| Prior Years:                                            |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | (0.5)              | (3.7)           | (1.2)           | (2.2)           | (2.6)           | (1.4)           | 0.5             | (5.4)             | (3.5)           |
| Catastrophe Losses and LAE .....                        | (0.1)              | —               | (0.1)           | —               | —               | (0.1)           | —               | (0.2)             | (0.1)           |
| Total Incurred Losses and LAE .....                     | 84.7               | 80.9            | 81.4            | 83.8            | 74.6            | 77.1            | 74.7            | 247.0             | 226.4           |
| Insurance Expenses .....                                | 36.8               | 35.5            | 35.0            | 34.9            | 34.0            | 32.1            | 31.7            | 107.3             | 97.8            |
| Operating Profit .....                                  | 3.8                | 7.3             | 2.9             | 3.0             | 12.1            | 6.0             | 4.8             | 14.0              | 22.9            |
| Income Tax Expense .....                                | (0.7)              | (1.5)           | (0.5)           | (0.3)           | (2.0)           | (1.0)           | (0.8)           | (2.7)             | (3.8)           |
| Total Product Line Net Operating Income (Loss) .....    | \$ 3.1             | \$ 5.8          | \$ 2.4          | \$ 2.7          | \$ 10.1         | \$ 5.0          | \$ 4.0          | \$ 11.3           | \$ 19.1         |
| <b><u>Ratios Based On Earned Premiums</u></b>           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 69.5%              | 70.3%           | 69.4%           | 74.3%           | 67.2%           | 68.7%           | 70.1%           | 69.8%             | 68.7%           |
| Current Year Catastrophe Losses and LAE Ratio .....     | 1.8                | 1.4             | 2.2             | 0.3             | 2.1             | 3.6             | 0.6             | 1.8               | 2.1             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.4)              | (3.1)           | (1.0)           | (1.9)           | (2.3)           | (1.3)           | 0.5             | (1.5)             | (1.1)           |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (0.1)              | —               | (0.1)           | —               | —               | (0.1)           | —               | (0.1)             | —               |
| Total Incurred Loss and LAE Ratio .....                 | 70.8               | 68.6            | 70.5            | 72.7            | 67.0            | 70.9            | 71.2            | 70.0              | 69.7            |
| Insurance Expense Ratio .....                           | 30.7               | 30.1            | 30.3            | 30.3            | 30.5            | 29.5            | 30.2            | 30.4              | 30.1            |
| Combined Ratio .....                                    | 101.5%             | 98.7%           | 100.8%          | 103.0%          | 97.5%           | 100.4%          | 101.4%          | 100.4%            | 99.8%           |
| <b><u>Underlying Combined Ratio</u></b> <sup>1</sup>    |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 69.5%              | 70.3%           | 69.4%           | 74.3%           | 67.2%           | 68.7%           | 70.1%           | 69.8%             | 68.7%           |
| Insurance Expense Ratio .....                           | 30.7               | 30.1            | 30.3            | 30.3            | 30.5            | 29.5            | 30.2            | 30.4              | 30.1            |
| Underlying Combined Ratio .....                         | 100.2%             | 100.4%          | 99.7%           | 104.6%          | 97.7%           | 98.2%           | 100.3%          | 100.2%            | 98.8%           |
| <b><u>Non-GAAP Measure Reconciliation</u></b>           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Combined Ratio .....                                    | 101.5%             | 98.7%           | 100.8%          | 103.0%          | 97.5%           | 100.4%          | 101.4%          | 100.4%            | 99.8%           |
| Less:                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Catastrophe Losses and LAE Ratio .....     | 1.8                | 1.4             | 2.2             | 0.3             | 2.1             | 3.6             | 0.6             | 1.8               | 2.1             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.4)              | (3.1)           | (1.0)           | (1.9)           | (2.3)           | (1.3)           | 0.5             | (1.5)             | (1.1)           |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (0.1)              | —               | (0.1)           | —               | —               | (0.1)           | —               | (0.1)             | —               |
| Underlying Combined Ratio .....                         | 100.2%             | 100.4%          | 99.7%           | 104.6%          | 97.7%           | 98.2%           | 100.3%          | 100.2%            | 98.8%           |

<sup>1</sup> Underlying Combined Ratio is a non-GAAP measure, which is computed as the difference between three operating ratios: the combined ratio, the effect of catastrophes (excluding development of prior-year catastrophes) on the combined ratio and the effect of prior-year reserve development at the reporting date (including development on prior-year catastrophes) on the combined ratio.

**Kemper Corporation**  
**Preferred Property & Casualty Insurance Segment**  
**Homeowners and Other Personal Insurance - Results of Operations and Selected Financial Information**  
**(Dollars in Millions)**  
**(Unaudited)**

|                                                         | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|---------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                         | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b><u>Results of Operations</u></b>                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Net Premiums Written .....                              | \$ 72.1            | \$ 74.1         | \$ 63.1         | \$ 69.0         | \$ 76.3         | \$ 77.1         | \$ 64.3         | \$ 209.3          | \$ 217.7        |
| Earned Premiums .....                                   | \$ 71.3            | \$ 70.6         | \$ 70.2         | \$ 73.6         | \$ 72.6         | \$ 72.4         | \$ 71.9         | \$ 212.1          | \$ 216.9        |
| Net Investment Income .....                             | 6.4                | 6.5             | 4.4             | 7.5             | 10.8            | 7.5             | 7.4             | 17.3              | 25.7            |
| Total Revenues .....                                    | 77.7               | 77.1            | 74.6            | 81.1            | 83.4            | 79.9            | 79.3            | 229.4             | 242.6           |
| Incurred Losses and LAE related to:                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year:                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | 38.5               | 36.2            | 40.6            | 35.2            | 41.7            | 33.1            | 40.6            | 115.3             | 115.4           |
| Catastrophe Losses and LAE .....                        | 9.8                | 20.9            | 14.1            | 21.0            | 16.0            | 36.4            | 6.7             | 44.8              | 59.1            |
| Prior Years:                                            |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | (0.6)              | (0.6)           | (3.9)           | (0.8)           | 0.7             | 2.0             | 3.7             | (5.1)             | 6.4             |
| Catastrophe Losses and LAE .....                        | (15.3)             | (0.9)           | 1.1             | (0.8)           | (0.2)           | (1.7)           | (5.4)           | (15.1)            | (7.3)           |
| Total Incurred Losses and LAE .....                     | 32.4               | 55.6            | 51.9            | 54.6            | 58.2            | 69.8            | 45.6            | 139.9             | 173.6           |
| Insurance Expenses .....                                | 22.6               | 22.4            | 22.3            | 22.9            | 23.2            | 24.8            | 21.9            | 67.3              | 69.9            |
| Operating Profit (Loss) .....                           | 22.7               | (0.9)           | 0.4             | 3.6             | 2.0             | (14.7)          | 11.8            | 22.2              | (0.9)           |
| Income Tax Benefit (Expense) .....                      | (4.7)              | 0.3             | —               | (0.3)           | 0.1             | 3.7             | (2.3)           | (4.4)             | 1.5             |
| Total Product Line Net Operating Income (Loss) .....    | \$ 18.0            | \$ (0.6)        | \$ 0.4          | \$ 3.3          | \$ 2.1          | \$ (11.0)       | \$ 9.5          | \$ 17.8           | \$ 0.6          |
| <b><u>Ratios Based On Earned Premiums</u></b>           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 54.0%              | 51.3%           | 57.8%           | 47.9%           | 57.5%           | 45.6%           | 56.5%           | 54.4%             | 53.2%           |
| Current Year Catastrophe Losses and LAE Ratio .....     | 13.7               | 29.6            | 20.1            | 28.5            | 22.0            | 50.3            | 9.3             | 21.1              | 27.2            |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.8)              | (0.8)           | (5.6)           | (1.1)           | 1.0             | 2.8             | 5.1             | (2.4)             | 3.0             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (21.5)             | (1.3)           | 1.6             | (1.1)           | (0.3)           | (2.3)           | (7.5)           | (7.1)             | (3.4)           |
| Total Incurred Loss and LAE Ratio .....                 | 45.4               | 78.8            | 73.9            | 74.2            | 80.2            | 96.4            | 63.4            | 66.0              | 80.0            |
| Insurance Expense Ratio .....                           | 31.7               | 31.7            | 31.8            | 31.1            | 32.0            | 34.3            | 30.5            | 31.7              | 32.2            |
| Combined Ratio .....                                    | 77.1%              | 110.5%          | 105.7%          | 105.3%          | 112.2%          | 130.7%          | 93.9%           | 97.7%             | 112.2%          |
| <b><u>Underlying Combined Ratio</u><sup>1</sup></b>     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 54.0%              | 51.3%           | 57.8%           | 47.9%           | 57.5%           | 45.6%           | 56.5%           | 54.4%             | 53.2%           |
| Insurance Expense Ratio .....                           | 31.7               | 31.7            | 31.8            | 31.1            | 32.0            | 34.3            | 30.5            | 31.7              | 32.2            |
| Underlying Combined Ratio .....                         | 85.7%              | 83.0%           | 89.6%           | 79.0%           | 89.5%           | 79.9%           | 87.0%           | 86.1%             | 85.4%           |
| <b><u>Non-GAAP Measure Reconciliation</u></b>           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Combined Ratio .....                                    | 77.1%              | 110.5%          | 105.7%          | 105.3%          | 112.2%          | 130.7%          | 93.9%           | 97.7%             | 112.2%          |
| Less:                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Catastrophe Losses and LAE Ratio .....     | 13.7               | 29.6            | 20.1            | 28.5            | 22.0            | 50.3            | 9.3             | 21.1              | 27.2            |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.8)              | (0.8)           | (5.6)           | (1.1)           | 1.0             | 2.8             | 5.1             | (2.4)             | 3.0             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (21.5)             | (1.3)           | 1.6             | (1.1)           | (0.3)           | (2.3)           | (7.5)           | (7.1)             | (3.4)           |
| Underlying Combined Ratio .....                         | 85.7%              | 83.0%           | 89.6%           | 79.0%           | 89.5%           | 79.9%           | 87.0%           | 86.1%             | 85.4%           |

<sup>1</sup>Underlying Combined Ratio is a non-GAAP measure, which is computed as the difference between three operating ratios: the combined ratio, the effect of catastrophes (excluding development of prior-year catastrophes) on the combined ratio and the effect of prior-year reserve development at the reporting date (including development on prior-year catastrophes) on the combined ratio.

**Kemper Corporation**  
**Preferred Property & Casualty Insurance Segment**  
**Homeowners Insurance - Results of Operations and Selected Financial Information**  
(Dollars in Millions)  
(Unaudited)

|                                                         | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|---------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                         | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b><u>Results of Operations</u></b>                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Net Premiums Written .....                              | \$ 62.3            | \$ 64.2         | \$ 54.1         | \$ 59.6         | \$ 66.0         | \$ 66.6         | \$ 55.1         | \$ 180.6          | \$ 187.7        |
| Earned Premiums .....                                   | \$ 61.5            | \$ 60.8         | \$ 60.3         | \$ 63.6         | \$ 62.5         | \$ 62.2         | \$ 61.8         | \$ 182.6          | \$ 186.5        |
| Net Investment Income .....                             | 5.5                | 5.6             | 3.8             | 6.7             | 9.3             | 6.5             | 6.3             | 14.9              | 22.1            |
| Total Revenues .....                                    | 67.0               | 66.4            | 64.1            | 70.3            | 71.8            | 68.7            | 68.1            | 197.5             | 208.6           |
| Incurred Losses and LAE related to:                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year:                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | 34.2               | 31.6            | 35.8            | 30.7            | 36.8            | 28.8            | 35.2            | 101.6             | 100.8           |
| Catastrophe Losses and LAE .....                        | 9.3                | 20.6            | 13.8            | 16.8            | 16.0            | 35.9            | 6.5             | 43.7              | 58.4            |
| Prior Years:                                            |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | 0.2                | 0.9             | (1.1)           | 0.3             | 1.8             | 2.7             | 5.6             | —                 | 10.1            |
| Catastrophe Losses and LAE .....                        | (13.6)             | (1.0)           | 1.0             | (0.7)           | (0.1)           | (1.3)           | (5.1)           | (13.6)            | (6.5)           |
| Total Incurred Losses and LAE .....                     | 30.1               | 52.1            | 49.5            | 47.1            | 54.5            | 66.1            | 42.2            | 131.7             | 162.8           |
| Insurance Expenses .....                                | 19.8               | 19.7            | 19.6            | 20.0            | 20.5            | 21.9            | 19.2            | 59.1              | 61.6            |
| Operating Profit (Loss) .....                           | 17.1               | (5.4)           | (5.0)           | 3.2             | (3.2)           | (19.3)          | 6.7             | 6.7               | (15.8)          |
| Income Tax Benefit (Expense) .....                      | (3.5)              | 1.2             | 1.1             | (0.3)           | 1.4             | 4.4             | (1.3)           | (1.2)             | 4.5             |
| Total Product Line Net Operating Income (Loss) .....    | \$ 13.6            | \$ (4.2)        | \$ (3.9)        | \$ 2.9          | \$ (1.8)        | \$ (14.9)       | \$ 5.4          | \$ 5.5            | \$ (11.3)       |
| <b><u>Ratios Based On Earned Premiums</u></b>           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 55.6%              | 51.9%           | 59.3%           | 48.3%           | 58.9%           | 46.4%           | 57.0%           | 55.6%             | 54.1%           |
| Current Year Catastrophe Losses and LAE Ratio .....     | 15.1               | 33.9            | 22.9            | 26.4            | 25.6            | 57.7            | 10.5            | 23.9              | 31.3            |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | 0.3                | 1.5             | (1.8)           | 0.5             | 2.9             | 4.3             | 9.1             | —                 | 5.4             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (22.1)             | (1.6)           | 1.7             | (1.1)           | (0.2)           | (2.1)           | (8.3)           | (7.4)             | (3.5)           |
| Total Incurred Loss and LAE Ratio .....                 | 48.9               | 85.7            | 82.1            | 74.1            | 87.2            | 106.3           | 68.3            | 72.1              | 87.3            |
| Insurance Expense Ratio .....                           | 32.2               | 32.4            | 32.5            | 31.4            | 32.8            | 35.2            | 31.1            | 32.4              | 33.0            |
| Combined Ratio .....                                    | 81.1%              | 118.1%          | 114.6%          | 105.5%          | 120.0%          | 141.5%          | 99.4%           | 104.5%            | 120.3%          |
| <b><u>Underlying Combined Ratio</u><sup>1</sup></b>     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 55.6%              | 51.9%           | 59.3%           | 48.3%           | 58.9%           | 46.4%           | 57.0%           | 55.6%             | 54.1%           |
| Insurance Expense Ratio .....                           | 32.2               | 32.4            | 32.5            | 31.4            | 32.8            | 35.2            | 31.1            | 32.4              | 33.0            |
| Underlying Combined Ratio .....                         | 87.8%              | 84.3%           | 91.8%           | 79.7%           | 91.7%           | 81.6%           | 88.1%           | 88.0%             | 87.1%           |
| <b><u>Non-GAAP Measure Reconciliation</u></b>           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Combined Ratio .....                                    | 81.1%              | 118.1%          | 114.6%          | 105.5%          | 120.0%          | 141.5%          | 99.4%           | 104.5%            | 120.3%          |
| Less:                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Catastrophe Losses and LAE Ratio .....     | 15.1               | 33.9            | 22.9            | 26.4            | 25.6            | 57.7            | 10.5            | 23.9              | 31.3            |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | 0.3                | 1.5             | (1.8)           | 0.5             | 2.9             | 4.3             | 9.1             | —                 | 5.4             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (22.1)             | (1.6)           | 1.7             | (1.1)           | (0.2)           | (2.1)           | (8.3)           | (7.4)             | (3.5)           |
| Underlying Combined Ratio .....                         | 87.8%              | 84.3%           | 91.8%           | 79.7%           | 91.7%           | 81.6%           | 88.1%           | 88.0%             | 87.1%           |

<sup>1</sup> Underlying Combined Ratio is a non-GAAP measure, which is computed as the difference between three operating ratios: the combined ratio, the effect of catastrophes (excluding development of prior-year catastrophes) on the combined ratio and the effect of prior-year reserve development at the reporting date (including development on prior-year catastrophes) on the combined ratio.

**Kemper Corporation**  
**Preferred Property & Casualty Insurance Segment**  
**Other Personal Insurance - Results of Operations and Selected Financial Information**  
(Dollars in Millions)  
(Unaudited)

|                                                         | Three Months Ended |                 |                 |                 |                 |                 | Nine Months Ended |                 |                 |
|---------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|                                                         | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018   | Sep 30,<br>2019 | Sep 30,<br>2018 |
| <b><u>Results of Operations</u></b>                     |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Net Premiums Written .....                              | \$ 9.8             | \$ 9.9          | \$ 9.0          | \$ 9.4          | \$ 10.3         | \$ 10.5         | \$ 9.2            | \$ 28.7         | \$ 30.0         |
| Earned Premiums .....                                   | \$ 9.8             | \$ 9.8          | \$ 9.9          | \$ 10.0         | \$ 10.1         | \$ 10.2         | \$ 10.1           | \$ 29.5         | \$ 30.4         |
| Net Investment Income .....                             | 0.9                | 0.9             | 0.6             | 0.8             | 1.5             | 1.0             | 1.1               | 2.4             | 3.6             |
| Total Revenues .....                                    | 10.7               | 10.7            | 10.5            | 10.8            | 11.6            | 11.2            | 11.2              | 31.9            | 34.0            |
| Incurred Losses and LAE related to:                     |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year:                                           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Non-catastrophe Losses and LAE .....                    | 4.3                | 4.6             | 4.8             | 4.5             | 4.9             | 4.3             | 5.4               | 13.7            | 14.6            |
| Catastrophe Losses and LAE .....                        | 0.5                | 0.3             | 0.3             | 4.2             | —               | 0.5             | 0.2               | 1.1             | 0.7             |
| Prior Years:                                            |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Non-catastrophe Losses and LAE .....                    | (0.8)              | (1.5)           | (2.8)           | (1.1)           | (1.1)           | (0.7)           | (1.9)             | (5.1)           | (3.7)           |
| Catastrophe Losses and LAE .....                        | (1.7)              | 0.1             | 0.1             | (0.1)           | (0.1)           | (0.4)           | (0.3)             | (1.5)           | (0.8)           |
| Total Incurred Losses and LAE .....                     | 2.3                | 3.5             | 2.4             | 7.5             | 3.7             | 3.7             | 3.4               | 8.2             | 10.8            |
| Insurance Expenses .....                                | 2.8                | 2.7             | 2.7             | 2.9             | 2.7             | 2.9             | 2.7               | 8.2             | 8.3             |
| Operating Profit .....                                  | 5.6                | 4.5             | 5.4             | 0.4             | 5.2             | 4.6             | 5.1               | 15.5            | 14.9            |
| Income Tax Expense .....                                | (1.2)              | (0.9)           | (1.1)           | —               | (1.3)           | (0.7)           | (1.0)             | (3.2)           | (3.0)           |
| Total Product Line Net Operating Income .....           | \$ 4.4             | \$ 3.6          | \$ 4.3          | \$ 0.4          | \$ 3.9          | \$ 3.9          | \$ 4.1            | \$ 12.3         | \$ 11.9         |
| <b><u>Ratios Based On Earned Premiums</u></b>           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 43.9%              | 46.9%           | 48.5%           | 45.0%           | 48.5%           | 42.2%           | 53.5%             | 46.5%           | 48.0%           |
| Current Year Catastrophe Losses and LAE Ratio .....     | 5.1                | 3.1             | 3.0             | 42.0            | —               | 4.9             | 2.0               | 3.7             | 2.3             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (8.2)              | (15.3)          | (28.3)          | (11.0)          | (10.9)          | (6.9)           | (18.8)            | (17.3)          | (12.2)          |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (17.3)             | 1.0             | 1.0             | (1.0)           | (1.0)           | (3.9)           | (3.0)             | (5.1)           | (2.6)           |
| Total Incurred Loss and LAE Ratio .....                 | 23.5               | 35.7            | 24.2            | 75.0            | 36.6            | 36.3            | 33.7              | 27.8            | 35.5            |
| Insurance Expense Ratio .....                           | 28.6               | 27.6            | 27.3            | 29.0            | 26.7            | 28.4            | 26.7              | 27.8            | 27.3            |
| Combined Ratio .....                                    | 52.1%              | 63.3%           | 51.5%           | 104.0%          | 63.3%           | 64.7%           | 60.4%             | 55.6%           | 62.8%           |
| <b><u>Underlying Combined Ratio</u><sup>1</sup></b>     |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 43.9%              | 46.9%           | 48.5%           | 45.0%           | 48.5%           | 42.2%           | 53.5%             | 46.5%           | 48.0%           |
| Insurance Expense Ratio .....                           | 28.6               | 27.6            | 27.3            | 29.0            | 26.7            | 28.4            | 26.7              | 27.8            | 27.3            |
| Underlying Combined Ratio .....                         | 72.5%              | 74.5%           | 75.8%           | 74.0%           | 75.2%           | 70.6%           | 80.2%             | 74.3%           | 75.3%           |
| <b><u>Non-GAAP Measure Reconciliation</u></b>           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Combined Ratio .....                                    | 52.1%              | 63.3%           | 51.5%           | 104.0%          | 63.3%           | 64.7%           | 60.4%             | 55.6%           | 62.8%           |
| Less:                                                   |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Catastrophe Losses and LAE Ratio .....     | 5.1                | 3.1             | 3.0             | 42.0            | —               | 4.9             | 2.0               | 3.7             | 2.3             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (8.2)              | (15.3)          | (28.3)          | (11.0)          | (10.9)          | (6.9)           | (18.8)            | (17.3)          | (12.2)          |
| Prior Years Catastrophe Losses and LAE Ratio .....      | (17.3)             | 1.0             | 1.0             | (1.0)           | (1.0)           | (3.9)           | (3.0)             | (5.1)           | (2.6)           |
| Underlying Combined Ratio .....                         | 72.5%              | 74.5%           | 75.8%           | 74.0%           | 75.2%           | 70.6%           | 80.2%             | 74.3%           | 75.3%           |

<sup>1</sup> Underlying Combined Ratio is a non-GAAP measure, which is computed as the difference between three operating ratios: the combined ratio, the effect of catastrophes (excluding development of prior-year catastrophes) on the combined ratio and the effect of prior-year reserve development at the reporting date (including development on prior-year catastrophes) on the combined ratio.

**Kemper Corporation**  
**Specialty Property & Casualty Insurance Segment**  
**Results of Operations and Selected Financial Information**  
(Dollars in Millions)  
(Unaudited)

|                                                         | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|---------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                         | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b><u>Results of Operations</u></b>                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Net Premiums Written .....                              | \$ 815.0           | \$ 804.7        | \$ 809.1        | \$ 674.7        | \$ 735.4        | \$ 338.9        | \$ 318.4        | \$ 2,428.8        | \$ 1,392.7      |
| Earned Premiums .....                                   | \$ 783.4           | \$ 766.0        | \$ 729.3        | \$ 717.8        | \$ 711.2        | \$ 320.0        | \$ 278.4        | \$ 2,278.7        | \$ 1,309.6      |
| Net Investment Income .....                             | 28.8               | 28.9            | 21.5            | 22.6            | 20.7            | 10.2            | 9.9             | 79.2              | 40.8            |
| Other Income .....                                      | 4.4                | 1.0             | 0.8             | 0.8             | 0.9             | 0.4             | 0.3             | 6.2               | 1.6             |
| Total Revenues .....                                    | 816.6              | 795.9           | 751.6           | 741.2           | 732.8           | 330.6           | 288.6           | 2,364.1           | 1,352.0         |
| Incurred Losses and LAE related to:                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year:                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | 579.4              | 579.2           | 544.3           | 530.3           | 527.6           | 247.2           | 212.3           | 1,702.9           | 987.1           |
| Catastrophe Losses and LAE .....                        | 2.3                | 4.4             | 0.6             | 1.0             | 1.4             | 2.1             | 0.2             | 7.3               | 3.7             |
| Prior Years:                                            |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | (4.1)              | (8.6)           | (18.3)          | —               | (1.6)           | 4.1             | (0.5)           | (31.0)            | 2.0             |
| Catastrophe Losses and LAE .....                        | 0.2                | (0.1)           | 0.2             | —               | —               | —               | (0.3)           | 0.3               | (0.3)           |
| Total Incurred Losses and LAE .....                     | 577.8              | 574.9           | 526.8           | 531.3           | 527.4           | 253.4           | 211.7           | 1,679.5           | 992.5           |
| Insurance Expenses .....                                | 139.2              | 140.9           | 124.8           | 148.0           | 176.8           | 49.0            | 47.9            | 404.9             | 273.7           |
| Other Expenses .....                                    | 1.0                | 0.7             | 0.6             | 0.4             | 1.7             | —               | —               | 2.3               | 1.7             |
| Operating Profit .....                                  | 98.6               | 79.4            | 99.4            | 61.5            | 26.9            | 28.2            | 29.0            | 277.4             | 84.1            |
| Income Tax Expense .....                                | (20.1)             | (16.7)          | (19.8)          | (13.0)          | (5.4)           | (5.8)           | (5.6)           | (56.6)            | (16.8)          |
| Segment Net Operating Income .....                      | \$ 78.5            | \$ 62.7         | \$ 79.6         | \$ 48.5         | \$ 21.5         | \$ 22.4         | \$ 23.4         | \$ 220.8          | \$ 67.3         |
| <b><u>Ratios Based On Earned Premiums</u></b>           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 74.0%              | 75.6%           | 74.6%           | 73.9%           | 74.2%           | 77.2%           | 76.2%           | 74.8%             | 75.3%           |
| Current Year Catastrophe Losses and LAE Ratio .....     | 0.3                | 0.6             | 0.1             | 0.1             | 0.2             | 0.7             | 0.1             | 0.3               | 0.3             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.5)              | (1.1)           | (2.5)           | —               | (0.2)           | 1.3             | (0.2)           | (1.4)             | 0.2             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | —                  | —               | —               | —               | —               | —               | (0.1)           | —                 | —               |
| Total Incurred Loss and LAE Ratio .....                 | 73.8               | 75.1            | 72.2            | 74.0            | 74.2            | 79.2            | 76.0            | 73.7              | 75.8            |
| Insurance Expense Ratio .....                           | 17.8               | 18.4            | 17.1            | 20.6            | 24.9            | 15.3            | 17.2            | 17.8              | 20.9            |
| Combined Ratio .....                                    | 91.6%              | 93.5%           | 89.3%           | 94.6%           | 99.1%           | 94.5%           | 93.2%           | 91.5%             | 96.7%           |
| <b><u>Underlying Combined Ratio</u></b> <sup>1</sup>    |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 74.0%              | 75.6%           | 74.6%           | 73.9%           | 74.2%           | 77.2%           | 76.2%           | 74.8%             | 75.3%           |
| Insurance Expense Ratio .....                           | 17.8               | 18.4            | 17.1            | 20.6            | 24.9            | 15.3            | 17.2            | 17.8              | 20.9            |
| Underlying Combined Ratio .....                         | 91.8%              | 94.0%           | 91.7%           | 94.5%           | 99.1%           | 92.5%           | 93.4%           | 92.6%             | 96.2%           |
| <b><u>Non-GAAP Measure Reconciliation</u></b>           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Combined Ratio as Reported .....                        | 91.6%              | 93.5%           | 89.3%           | 94.6%           | 99.1%           | 94.5%           | 93.2%           | 91.5%             | 96.7%           |
| Less:                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Catastrophe Losses and LAE Ratio .....     | 0.3                | 0.6             | 0.1             | 0.1             | 0.2             | 0.7             | 0.1             | 0.3               | 0.3             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.5)              | (1.1)           | (2.5)           | —               | (0.2)           | 1.3             | (0.2)           | (1.4)             | 0.2             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | —                  | —               | —               | —               | —               | —               | (0.1)           | —                 | —               |
| Underlying Combined Ratio .....                         | 91.8%              | 94.0%           | 91.7%           | 94.5%           | 99.1%           | 92.5%           | 93.4%           | 92.6%             | 96.2%           |

<sup>1</sup> Underlying Combined Ratio is a non-GAAP measure, which is computed as the difference between three operating ratios: the combined ratio, the effect of catastrophes (excluding development of prior-year catastrophes) on the combined ratio and the effect of prior-year reserve development at the reporting date (including development on prior-year catastrophes) on the combined ratio.

**Kemper Corporation**  
**Specialty Property & Casualty Insurance Segment**  
**Specialty Personal Automobile Insurance - Results of Operations and Selected Financial Information**  
(Dollars in Millions)  
(Unaudited)

|                                                         | Three Months Ended |                 |                 |                 |                 |                 | Nine Months Ended |                 |                 |
|---------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|                                                         | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018   | Sep 30,<br>2019 | Sep 30,<br>2018 |
| <b>Results of Operations</b>                            |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Net Premiums Written .....                              | \$ 749.5           | \$ 734.5        | \$ 742.2        | \$ 618.5        | \$ 679.1        | \$ 325.4        | \$ 304.9          | \$2,226.2       | \$1,309.4       |
| Earned Premiums .....                                   | \$ 719.2           | \$ 703.7        | \$ 669.6        | \$ 660.5        | \$ 655.3        | \$ 307.5        | \$ 266.2          | \$2,092.5       | \$1,229.0       |
| Net Investment Income .....                             | 24.9               | 24.6            | 18.4            | 19.1            | 17.2            | 8.8             | 8.4               | 67.9            | 34.4            |
| Other Income .....                                      | 4.3                | 0.9             | 0.8             | 0.7             | 0.9             | 0.3             | 0.3               | 6.0             | 1.5             |
| Total Revenues .....                                    | 748.4              | 729.2           | 688.8           | 680.3           | 673.4           | 316.6           | 274.9             | 2,166.4         | 1,264.9         |
| Incurred Losses and LAE related to:                     |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year:                                           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Non-catastrophe Losses and LAE .....                    | 538.2              | 537.0           | 498.8           | 492.0           | 485.6           | 237.8           | 202.8             | 1,574.0         | 926.2           |
| Catastrophe Losses and LAE .....                        | 2.0                | 4.1             | 0.5             | 0.7             | 1.3             | 1.7             | 0.2               | 6.6             | 3.2             |
| Prior Years:                                            |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Non-catastrophe Losses and LAE .....                    | (1.8)              | (3.7)           | (14.4)          | 2.4             | (1.1)           | 4.2             | 0.2               | (19.9)          | 3.3             |
| Catastrophe Losses and LAE .....                        | 0.2                | —               | 0.1             | —               | —               | —               | (0.2)             | 0.3             | (0.2)           |
| Total Incurred Losses and LAE .....                     | 538.6              | 537.4           | 485.0           | 495.1           | 485.8           | 243.7           | 203.0             | 1,561.0         | 932.5           |
| Insurance Expenses .....                                | 128.4              | 128.9           | 114.7           | 132.5           | 160.8           | 46.7            | 45.2              | 372.0           | 252.7           |
| Other Expenses .....                                    | 1.0                | 0.7             | 0.6             | 0.4             | 1.6             | —               | —                 | 2.3             | 1.6             |
| Operating Profit .....                                  | 80.4               | 62.2            | 88.5            | 52.3            | 25.2            | 26.2            | 26.7              | 231.1           | 78.1            |
| Income Tax Expense .....                                | (18.4)             | (13.0)          | (17.8)          | (10.9)          | (4.8)           | (5.4)           | (5.2)             | (49.2)          | (15.4)          |
| Total Product Line Net Operating Income .....           | \$ 62.0            | \$ 49.2         | \$ 70.7         | \$ 41.4         | \$ 20.4         | \$ 20.8         | \$ 21.5           | \$ 181.9        | \$ 62.7         |
| <b>Ratios Based On Earned Premiums</b>                  |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 74.9%              | 76.3%           | 74.5%           | 74.5%           | 74.1%           | 77.3%           | 76.2%             | 75.3%           | 75.3%           |
| Current Year Catastrophe Losses and LAE Ratio .....     | 0.3                | 0.6             | 0.1             | 0.1             | 0.2             | 0.6             | 0.1               | 0.3             | 0.3             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.3)              | (0.5)           | (2.2)           | 0.4             | (0.2)           | 1.4             | 0.1               | (1.0)           | 0.3             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | —                  | —               | —               | —               | —               | —               | (0.1)             | —               | —               |
| Total Incurred Loss and LAE Ratio .....                 | 74.9               | 76.4            | 72.4            | 75.0            | 74.1            | 79.3            | 76.3              | 74.6            | 75.9            |
| Insurance Expense Ratio .....                           | 17.9               | 18.3            | 17.1            | 20.1            | 24.5            | 15.2            | 17.0              | 17.8            | 20.6            |
| Combined Ratio .....                                    | 92.8%              | 94.7%           | 89.5%           | 95.1%           | 98.6%           | 94.5%           | 93.3%             | 92.4%           | 96.5%           |
| <b>Underlying Combined Ratio <sup>1</sup></b>           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 74.9%              | 76.3%           | 74.5%           | 74.5%           | 74.1%           | 77.3%           | 76.2%             | 75.3%           | 75.3%           |
| Insurance Expense Ratio .....                           | 17.9               | 18.3            | 17.1            | 20.1            | 24.5            | 15.2            | 17.0              | 17.8            | 20.6            |
| Underlying Combined Ratio .....                         | 92.8%              | 94.6%           | 91.6%           | 94.6%           | 98.6%           | 92.5%           | 93.2%             | 93.1%           | 95.9%           |
| <b>Non-GAAP Measure Reconciliation</b>                  |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Combined Ratio .....                                    | 92.8%              | 94.7%           | 89.5%           | 95.1%           | 98.6%           | 94.5%           | 93.3%             | 92.4%           | 96.5%           |
| Less:                                                   |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Catastrophe Losses and LAE Ratio .....     | 0.3                | 0.6             | 0.1             | 0.1             | 0.2             | 0.6             | 0.1               | 0.3             | 0.3             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (0.3)              | (0.5)           | (2.2)           | 0.4             | (0.2)           | 1.4             | 0.1               | (1.0)           | 0.3             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | —                  | —               | —               | —               | —               | —               | (0.1)             | —               | —               |
| Underlying Combined Ratio .....                         | 92.8%              | 94.6%           | 91.6%           | 94.6%           | 98.6%           | 92.5%           | 93.2%             | 93.1%           | 95.9%           |

<sup>1</sup> Underlying Combined Ratio is a non-GAAP measure, which is computed as the difference between three operating ratios: the combined ratio, the effect of catastrophes (excluding development of prior-year catastrophes) on the combined ratio and the effect of prior-year reserve development at the reporting date (including development on prior-year catastrophes) on the combined ratio.

**Kemper Corporation**  
**Specialty Property & Casualty Insurance Segment**  
**Commercial Automobile Insurance - Results of Operations and Selected Financial Information**  
(Dollars in Millions)  
(Unaudited)

|                                                         | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|---------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                         | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b>Results of Operations</b>                            |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Net Premiums Written .....                              | \$ 65.5            | \$ 70.2         | \$ 66.9         | \$ 56.2         | \$ 56.3         | \$ 13.5         | \$ 13.5         | \$ 202.6          | \$ 83.3         |
| Earned Premiums .....                                   | \$ 64.2            | \$ 62.3         | \$ 59.7         | \$ 57.3         | \$ 55.9         | \$ 12.5         | \$ 12.2         | \$ 186.2          | \$ 80.6         |
| Net Investment Income .....                             | 3.9                | 4.3             | 3.1             | 3.5             | 3.5             | 1.4             | 1.5             | 11.3              | 6.4             |
| Other Income .....                                      | 0.1                | 0.1             | —               | 0.1             | —               | 0.1             | —               | 0.2               | 0.1             |
| Total Revenues .....                                    | 68.2               | 66.7            | 62.8            | 60.9            | 59.4            | 14.0            | 13.7            | 197.7             | 87.1            |
| Incurred Losses and LAE related to:                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year:                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | 41.2               | 42.2            | 45.5            | 38.3            | 42.0            | 9.4             | 9.5             | 128.9             | 60.9            |
| Catastrophe Losses and LAE .....                        | 0.3                | 0.3             | 0.1             | 0.3             | 0.1             | 0.4             | —               | 0.7               | 0.5             |
| Prior Years:                                            |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Non-catastrophe Losses and LAE .....                    | (2.3)              | (4.9)           | (3.9)           | (2.4)           | (0.5)           | (0.1)           | (0.7)           | (11.1)            | (1.3)           |
| Catastrophe Losses and LAE .....                        | —                  | (0.1)           | 0.1             | —               | —               | —               | (0.1)           | —                 | (0.1)           |
| Total Incurred Losses and LAE .....                     | 39.2               | 37.5            | 41.8            | 36.2            | 41.6            | 9.7             | 8.7             | 118.5             | 60.0            |
| Insurance Expenses .....                                | 10.8               | 12.0            | 10.1            | 15.5            | 16.0            | 2.3             | 2.7             | 32.9              | 21.0            |
| Other Expenses .....                                    | —                  | —               | —               | —               | 0.1             | —               | —               | —                 | 0.1             |
| Operating Profit .....                                  | 18.2               | 17.2            | 10.9            | 9.2             | 1.7             | 2.0             | 2.3             | 46.3              | 6.0             |
| Income Tax Expense .....                                | (1.7)              | (3.7)           | (2.0)           | (2.1)           | (0.6)           | (0.4)           | (0.4)           | (7.4)             | (1.4)           |
| Total Product Line Net Operating Income .....           | \$ 16.5            | \$ 13.5         | \$ 8.9          | \$ 7.1          | \$ 1.1          | \$ 1.6          | \$ 1.9          | \$ 38.9           | \$ 4.6          |
| <b>Ratios Based On Earned Premiums</b>                  |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 64.2%              | 67.7%           | 76.1%           | 66.9%           | 75.1%           | 75.2%           | 77.8%           | 69.2%             | 75.5%           |
| Current Year Catastrophe Losses and LAE Ratio .....     | 0.5                | 0.5             | 0.2             | 0.5             | 0.2             | 3.2             | —               | 0.4               | 0.6             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (3.6)              | (7.9)           | (6.5)           | (4.2)           | (0.9)           | (0.8)           | (5.7)           | (6.0)             | (1.6)           |
| Prior Years Catastrophe Losses and LAE Ratio .....      | —                  | (0.1)           | 0.2             | —               | —               | —               | (0.8)           | —                 | (0.1)           |
| Total Incurred Loss and LAE Ratio .....                 | 61.1               | 60.2            | 70.0            | 63.2            | 74.4            | 77.6            | 71.3            | 63.6              | 74.4            |
| Insurance Expense Ratio .....                           | 16.8               | 19.3            | 16.9            | 27.1            | 28.6            | 18.4            | 22.1            | 17.7              | 26.1            |
| Combined Ratio .....                                    | 77.9%              | 79.5%           | 86.9%           | 90.3%           | 103.0%          | 96.0%           | 93.4%           | 81.3%             | 100.5%          |
| <b>Underlying Combined Ratio <sup>1</sup></b>           |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 64.2%              | 67.7%           | 76.1%           | 66.9%           | 75.1%           | 75.2%           | 77.8%           | 69.2%             | 75.5%           |
| Insurance Expense Ratio .....                           | 16.8               | 19.3            | 16.9            | 27.1            | 28.6            | 18.4            | 22.1            | 17.7              | 26.1            |
| Underlying Combined Ratio .....                         | 81.0%              | 87.0%           | 93.0%           | 94.0%           | 103.7%          | 93.6%           | 99.9%           | 86.9%             | 101.6%          |
| <b>Non-GAAP Measure Reconciliation</b>                  |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Combined Ratio .....                                    | 77.9%              | 79.5%           | 86.9%           | 90.3%           | 103.0%          | 96.0%           | 93.4%           | 81.3%             | 100.5%          |
| Less:                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Current Year Catastrophe Losses and LAE Ratio .....     | 0.5                | 0.5             | 0.2             | 0.5             | 0.2             | 3.2             | —               | 0.4               | 0.6             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | (3.6)              | (7.9)           | (6.5)           | (4.2)           | (0.9)           | (0.8)           | (5.7)           | (6.0)             | (1.6)           |
| Prior Years Catastrophe Losses and LAE Ratio .....      | —                  | (0.1)           | 0.2             | —               | —               | —               | (0.8)           | —                 | (0.1)           |
| Underlying Combined Ratio .....                         | 81.0%              | 87.0%           | 93.0%           | 94.0%           | 103.7%          | 93.6%           | 99.9%           | 86.9%             | 101.6%          |

<sup>1</sup> Underlying Combined Ratio is a non-GAAP measure, which is computed as the difference between three operating ratios: the combined ratio, the effect of catastrophes (excluding development of prior-year catastrophes) on the combined ratio and the effect of prior-year reserve development at the reporting date (including development on prior-year catastrophes) on the combined ratio.

**Kemper Corporation**  
**Life & Health Insurance Segment**  
**Results of Operations and Selected Financial Information**  
(Dollars in Millions)  
(Unaudited)

|                                                           | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|-----------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                           | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b><u>Results of Operations</u></b>                       |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Earned Premiums:                                          |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Life .....                                                | \$ 96.2            | \$ 97.0         | \$ 95.8         | \$ 94.1         | \$ 95.2         | \$ 95.4         | \$ 93.7         | \$ 289.0          | \$ 284.3        |
| Accident and Health .....                                 | 47.6               | 47.9            | 46.9            | 45.5            | 44.9            | 43.8            | 43.3            | 142.4             | 132.0           |
| Property .....                                            | 17.0               | 17.2            | 17.2            | 17.4            | 17.6            | 17.8            | 17.6            | 51.4              | 53.0            |
| Earned Premiums .....                                     | \$ 160.8           | \$ 162.1        | \$ 159.9        | \$ 157.0        | \$ 157.7        | \$ 157.0        | \$ 154.6        | \$ 482.8          | \$ 469.3        |
| Net Investment Income .....                               | 49.7               | 53.0            | 51.7            | 51.7            | 51.0            | 54.5            | 53.7            | 154.4             | 159.2           |
| Other Income .....                                        | 2.9                | 1.6             | 1.1             | 1.1             | 1.2             | 0.9             | 0.8             | 5.6               | 2.9             |
| Total Revenues .....                                      | 213.4              | 216.7           | 212.7           | 209.8           | 209.9           | 212.4           | 209.1           | 642.8             | 631.4           |
| Policyholders' Benefits and Incurred Losses and LAE ..... | 88.8               | 113.5           | 105.4           | 103.1           | 97.0            | 99.2            | 104.9           | 307.7             | 301.1           |
| Insurance Expenses .....                                  | 83.6               | 87.1            | 78.0            | 88.4            | 79.4            | 79.4            | 73.9            | 248.7             | 232.7           |
| Operating Profit .....                                    | 41.0               | 16.1            | 29.3            | 18.3            | 33.5            | 33.8            | 30.3            | 86.4              | 97.6            |
| Income Tax Expense .....                                  | (7.6)              | (2.8)           | (6.2)           | (4.7)           | (6.4)           | (7.1)           | (6.2)           | (16.6)            | (19.7)          |
| Segment Net Operating Income .....                        | \$ 33.4            | \$ 13.3         | \$ 23.1         | \$ 13.6         | \$ 27.1         | \$ 26.7         | \$ 24.1         | \$ 69.8           | \$ 77.9         |
|                                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |

**Insurance Reserves:**

|                                              | Sep 30,<br>2019 | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 |
|----------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Future Policyholder Benefits .....           | \$ 3,441.1      | \$ 3,429.4      | \$ 3,412.9      | \$ 3,400.4      | \$ 3,389.4      | \$ 3,379.8      | \$ 3,366.7      |
| Incurred Losses and LAE Reserves:            |                 |                 |                 |                 |                 |                 |                 |
| Life .....                                   | 97.0            | 121.4           | 127.0           | 130.5           | 134.3           | 137.7           | 142.4           |
| Accident and Health .....                    | 28.1            | 30.2            | 28.6            | 27.8            | 27.7            | 26.0            | 25.2            |
| Property .....                               | 3.5             | 4.2             | 3.6             | 4.4             | 4.5             | 3.8             | 4.1             |
| Total Incurred Losses and LAE Reserves ..... | 128.6           | 155.8           | 159.2           | 162.7           | 166.5           | 167.5           | 171.7           |
| Insurance Reserves .....                     | \$ 3,569.7      | \$ 3,585.2      | \$ 3,572.1      | \$ 3,563.1      | \$ 3,555.9      | \$ 3,547.3      | \$ 3,538.4      |

**Kemper Corporation**  
**Life & Health Insurance Segment**  
**Life Insurance - Results of Operations and Selected Financial Information**  
(Dollars in Millions)  
(Unaudited)

|                                                           | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|-----------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                           | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b><u>Results of Operations</u></b>                       |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Earned Premiums .....                                     | \$ 96.2            | \$ 97.0         | \$ 95.8         | \$ 94.1         | \$ 95.2         | \$ 95.4         | \$ 93.7         | \$ 289.0          | \$ 284.3        |
| Net Investment Income .....                               | 47.8               | 51.0            | 49.9            | 49.6            | 48.9            | 52.4            | 51.7            | 148.7             | 153.0           |
| Other Income .....                                        | 2.8                | 1.6             | 1.0             | 1.0             | 0.9             | 0.9             | 0.7             | 5.4               | 2.5             |
| Total Revenues .....                                      | 146.8              | 149.6           | 146.7           | 144.7           | 145.0           | 148.7           | 146.1           | 443.1             | 439.8           |
| Policyholders' Benefits and Incurred Losses and LAE ..... | 56.0               | 75.9            | 72.8            | 69.9            | 66.7            | 69.4            | 73.4            | 204.7             | 209.5           |
| Insurance Expenses .....                                  | 53.3               | 56.7            | 49.9            | 57.3            | 51.8            | 51.2            | 47.4            | 159.9             | 150.4           |
| Operating Profit .....                                    | 37.5               | 17.0            | 24.0            | 17.5            | 26.5            | 28.1            | 25.3            | 78.5              | 79.9            |
| Income Tax Expense .....                                  | (7.0)              | (3.0)           | (5.1)           | (5.1)           | (4.5)           | (6.0)           | (5.1)           | (15.1)            | (15.6)          |
| Total Product Line Operating Income .....                 | \$ 30.5            | \$ 14.0         | \$ 18.9         | \$ 12.4         | \$ 22.0         | \$ 22.1         | \$ 20.2         | \$ 63.4           | \$ 64.3         |
|                                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |

**Kemper Corporation**  
**Life & Health Insurance Segment**  
**Accident & Health Insurance - Results of Operations and Selected Financial Information**  
(Dollars in Millions)  
(Unaudited)

|                                                           | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|-----------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                           | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b><u>Results of Operations</u></b>                       |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Earned Premiums .....                                     | \$ 47.6            | \$ 47.9         | \$ 46.9         | \$ 45.5         | \$ 44.9         | \$ 43.8         | \$ 43.3         | \$ 142.4          | \$ 132.0        |
| Net Investment Income .....                               | 1.5                | 1.5             | 1.5             | 1.5             | 1.5             | 1.6             | 1.5             | 4.5               | 4.6             |
| Other Income .....                                        | 0.1                | —               | 0.1             | 0.1             | 0.3             | —               | 0.1             | 0.2               | 0.4             |
| Total Revenues .....                                      | 49.2               | 49.4            | 48.5            | 47.1            | 46.7            | 45.4            | 44.9            | 147.1             | 137.0           |
| Policyholders' Benefits and Incurred Losses and LAE ..... | 27.6               | 30.6            | 26.3            | 26.1            | 23.5            | 24.1            | 25.2            | 84.5              | 72.8            |
| Insurance Expenses .....                                  | 22.7               | 22.4            | 20.8            | 23.3            | 19.7            | 19.7            | 19.5            | 65.9              | 58.9            |
| Operating Profit (Loss) .....                             | (1.1)              | (3.6)           | 1.4             | (2.3)           | 3.5             | 1.6             | 0.2             | (3.3)             | 5.3             |
| Income Tax Benefit (Expense) .....                        | 0.3                | 0.8             | (0.3)           | 0.8             | (1.0)           | (0.3)           | (0.1)           | 0.8               | (1.4)           |
| Total Product Line Net Operating Income (Loss) .....      | \$ (0.8)           | \$ (2.8)        | \$ 1.1          | \$ (1.5)        | \$ 2.5          | \$ 1.3          | \$ 0.1          | \$ (2.5)          | \$ 3.9          |
|                                                           |                    |                 |                 |                 |                 |                 |                 |                   |                 |

**Kemper Corporation**  
**Life & Health Insurance Segment**  
**Property Insurance - Results of Operations and Selected Financial Information**  
**(Dollars in Millions)**  
**(Unaudited)**

|                                                         | Three Months Ended |                 |                 |                 |                 |                 | Nine Months Ended |                 |                 |
|---------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|                                                         | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018   | Sep 30,<br>2019 | Sep 30,<br>2018 |
| <b><u>Results of Operations</u></b>                     |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Earned Premiums .....                                   | \$ 17.0            | \$ 17.2         | \$ 17.2         | \$ 17.4         | \$ 17.6         | \$ 17.8         | \$ 17.6           | \$ 51.4         | \$ 53.0         |
| Net Investment Income .....                             | 0.4                | 0.5             | 0.3             | 0.6             | 0.6             | 0.5             | 0.5               | 1.2             | 1.6             |
| Total Revenues .....                                    | 17.4               | 17.7            | 17.5            | 18.0            | 18.2            | 18.3            | 18.1              | 52.6            | 54.6            |
| Incurred Losses and LAE related to:                     |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year:                                           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Non-catastrophe Losses and LAE .....                    | 4.5                | 4.7             | 5.1             | 5.0             | 5.9             | 4.5             | 5.1               | 14.3            | 15.5            |
| Catastrophe Losses and LAE .....                        | 0.5                | 1.8             | 0.3             | 2.3             | 0.4             | 1.1             | 0.2               | 2.6             | 1.7             |
| Prior Years:                                            |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Non-catastrophe Losses and LAE .....                    | 0.1                | 0.2             | 0.6             | (0.3)           | 0.6             | 0.1             | 0.9               | 0.9             | 1.6             |
| Catastrophe Losses and LAE .....                        | 0.1                | 0.3             | 0.3             | 0.1             | (0.1)           | —               | 0.1               | 0.7             | —               |
| Total Incurred Losses and LAE .....                     | 5.2                | 7.0             | 6.3             | 7.1             | 6.8             | 5.7             | 6.3               | 18.5            | 18.8            |
| Insurance Expenses .....                                | 7.6                | 8.0             | 7.3             | 7.8             | 7.9             | 8.5             | 7.0               | 22.9            | 23.4            |
| Operating Profit .....                                  | 4.6                | 2.7             | 3.9             | 3.1             | 3.5             | 4.1             | 4.8               | 11.2            | 12.4            |
| Income Tax Expense .....                                | (0.9)              | (0.6)           | (0.8)           | (0.4)           | (0.9)           | (0.8)           | (1.0)             | (2.3)           | (2.7)           |
| Total Product Line Net Operating Income .....           | \$ 3.7             | \$ 2.1          | \$ 3.1          | \$ 2.7          | \$ 2.6          | \$ 3.3          | \$ 3.8            | \$ 8.9          | \$ 9.7          |
| <b><u>Ratios Based On Earned Premiums</u></b>           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 26.5%              | 27.3%           | 29.7%           | 28.7%           | 33.5%           | 25.2%           | 29.0%             | 27.7%           | 29.3%           |
| Current Year Catastrophe Losses and LAE Ratio .....     | 2.9                | 10.5            | 1.7             | 13.2            | 2.3             | 6.2             | 1.1               | 5.1             | 3.2             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | 0.6                | 1.2             | 3.5             | (1.7)           | 3.4             | 0.6             | 5.1               | 1.8             | 3.0             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | 0.6                | 1.7             | 1.7             | 0.6             | (0.6)           | —               | 0.6               | 1.4             | —               |
| Total Incurred Loss and LAE Ratio .....                 | 30.6               | 40.7            | 36.6            | 40.8            | 38.6            | 32.0            | 35.8              | 36.0            | 35.5            |
| Insurance Expense Ratio .....                           | 44.7               | 46.5            | 42.4            | 44.8            | 44.9            | 47.8            | 39.8              | 44.6            | 44.2            |
| Combined Ratio .....                                    | 75.3%              | 87.2%           | 79.0%           | 85.6%           | 83.5%           | 79.8%           | 75.6%             | 80.6%           | 79.7%           |
| <b><u>Underlying Combined Ratio</u><sup>1</sup></b>     |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Non-catastrophe Losses and LAE Ratio ..... | 26.5%              | 27.3%           | 29.7%           | 28.7%           | 33.5%           | 25.2%           | 29.0%             | 27.7%           | 29.3%           |
| Insurance Expense Ratio .....                           | 44.7               | 46.5            | 42.4            | 44.8            | 44.9            | 47.8            | 39.8              | 44.6            | 44.2            |
| Underlying Combined Ratio .....                         | 71.2%              | 73.8%           | 72.1%           | 73.5%           | 78.4%           | 73.0%           | 68.8%             | 72.3%           | 73.5%           |
| <b><u>Non-GAAP Measure Reconciliation</u></b>           |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Combined Ratio .....                                    | 75.3%              | 87.2%           | 79.0%           | 85.6%           | 83.5%           | 79.8%           | 75.6%             | 80.6%           | 79.7%           |
| Less: .....                                             |                    |                 |                 |                 |                 |                 |                   |                 |                 |
| Current Year Catastrophe Losses and LAE Ratio .....     | 2.9                | 10.5            | 1.7             | 13.2            | 2.3             | 6.2             | 1.1               | 5.1             | 3.2             |
| Prior Years Non-catastrophe Losses and LAE Ratio .....  | 0.6                | 1.2             | 3.5             | (1.7)           | 3.4             | 0.6             | 5.1               | 1.8             | 3.0             |
| Prior Years Catastrophe Losses and LAE Ratio .....      | 0.6                | 1.7             | 1.7             | 0.6             | (0.6)           | —               | 0.6               | 1.4             | —               |
| Underlying Combined Ratio .....                         | 71.2%              | 73.8%           | 72.1%           | 73.5%           | 78.4%           | 73.0%           | 68.8%             | 72.3%           | 73.5%           |

<sup>1</sup> Underlying Combined Ratio is a non-GAAP measure, which is computed as the difference between three operating ratios: the combined ratio, the effect of catastrophes (excluding development of prior-year catastrophes) on the combined ratio and the effect of prior-year reserve development at the reporting date (including development on prior-year catastrophes) on the combined ratio.

**Kemper Corporation**  
**Insurance Expenses and Interest and Other Expenses**  
(Dollars in Millions)

|                                                                    | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|--------------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                                    | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b><u>Insurance Expenses:</u></b>                                  |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Commissions .....                                                  | \$ 178.3           | \$ 183.8        | \$ 174.0        | \$ 158.7        | \$ 166.6        | \$ 123.1        | \$ 110.3        | \$ 536.1          | \$ 400.0        |
| General Expenses .....                                             | 68.4               | 75.4            | 62.4            | 74.4            | 66.7            | 42.9            | 45.7            | 206.2             | 155.3           |
| Taxes, Licenses and Fees .....                                     | 23.2               | 24.5            | 25.2            | 19.8            | 22.8            | 16.1            | 14.5            | 72.9              | 53.4            |
| Total Costs Incurred .....                                         | 269.9              | 283.7           | 261.6           | 252.9           | 256.1           | 182.1           | 170.5           | 815.2             | 608.7           |
| Policy Acquisition Costs:                                          |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Deferred .....                                                     | (119.9)            | (120.9)         | (128.8)         | (122.8)         | (156.1)         | (106.1)         | (96.5)          | (369.6)           | (358.7)         |
| Amortized .....                                                    | 104.7              | 99.2            | 99.8            | 99.4            | 98.2            | 93.7            | 85.8            | 303.7             | 277.7           |
| Net Policy Acquisition Costs Deferred .....                        | (15.2)             | (21.7)          | (29.0)          | (23.4)          | (57.9)          | (12.4)          | (10.7)          | (65.9)            | (81.0)          |
| Amortization of Valuation of Business Acquired ("VOBA") .....      | 1.3                | 1.5             | 2.2             | 43.7            | 97.8            | 1.5             | 0.3             | 5.0               | 99.6            |
| Insurance Expenses .....                                           | 256.0              | 263.5           | 234.8           | 273.2           | 296.0           | 171.2           | 160.1           | 754.3             | 627.3           |
| <b><u>Interest and Other Expenses:</u></b>                         |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Interest Expense .....                                             | 9.2                | 11.8            | 11.5            | 14.1            | 13.4            | 8.0             | 7.9             | 32.5              | 29.3            |
| Other Expenses:                                                    |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Loss (Gain) on Cash Flow Hedge .....                               | —                  | —               | —               | —               | (0.2)           | —               | 0.2             | —                 | —               |
| Acquisition Related Transaction, Integration and Other Costs ..... | 5.4                | 1.2             | 5.6             | 6.7             | 28.2            | 3.6             | 6.2             | 12.2              | 38.0            |
| Other .....                                                        | 23.3               | 25.0            | 24.3            | 21.8            | 20.3            | 14.1            | 14.7            | 72.6              | 49.1            |
| Other Expenses .....                                               | 28.7               | 26.2            | 29.9            | 28.5            | 48.3            | 17.7            | 21.1            | 84.8              | 87.1            |
| Interest and Other Expenses .....                                  | 37.9               | 38.0            | 41.4            | 42.6            | 61.7            | 25.7            | 29.0            | 117.3             | 116.4           |
| Total Expenses .....                                               | \$ 293.9           | \$ 301.5        | \$ 276.2        | \$ 315.8        | \$ 357.7        | \$ 196.9        | \$ 189.1        | \$ 871.6          | \$ 743.7        |
|                                                                    |                    |                 |                 |                 |                 |                 |                 |                   |                 |

**Kemper Corporation**  
**Details of Investment Performance**  
(Dollars in Millions)

|                                                                        | Three Months Ended |                 |                 |                 |                 |                 | Nine Months Ended |                  |                 |
|------------------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|------------------|-----------------|
|                                                                        | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018   | Sep 30,<br>2019  | Sep 30,<br>2018 |
| <b><u>Net Investment Income</u></b>                                    |                    |                 |                 |                 |                 |                 |                   |                  |                 |
| Interest on Fixed Income Securities .....                              | \$ 73.5            | \$ 75.6         | \$ 76.4         | \$ 71.5         | \$ 70.6         | \$ 64.4         | \$ 62.4           | \$ 225.5         | \$ 197.4        |
| Dividends on Equity Securities Excluding Alternative Investments ..... | 5.2                | 6.9             | 2.5             | 6.6             | 2.5             | 2.6             | 1.9               | 14.6             | 7.0             |
| Alternative Investments:                                               |                    |                 |                 |                 |                 |                 |                   |                  |                 |
| Equity Method Limited Liability Investments .....                      | 1.6                | 2.6             | (3.6)           | 2.9             | (0.4)           | 1.4             | 7.1               | 0.6              | 8.1             |
| Limited Liability Investments Included in Equity Securities .....      | 5.2                | 5.1             | 2.6             | 3.6             | 13.7            | 5.2             | 3.9               | 12.9             | 22.8            |
| Total Alternative Investments .....                                    | 6.8                | 7.7             | (1.0)           | 6.5             | 13.3            | 6.6             | 11.0              | 13.5             | 30.9            |
| Short-term Investments .....                                           | 2.5                | 2.6             | 1.8             | 2.7             | 2.3             | 1.2             | 0.8               | 6.9              | 4.3             |
| Real Estate .....                                                      | 2.4                | 2.2             | 2.5             | 2.4             | 2.4             | 2.4             | 2.4               | 7.1              | 7.2             |
| Loans to Policyholders .....                                           | 5.9                | 5.7             | 5.3             | 6.0             | 5.5             | 5.5             | 5.5               | 16.9             | 16.5            |
| Other .....                                                            | 0.6                | 0.3             | —               | 0.3             | 0.2             | 0.4             | —                 | 0.9              | 0.6             |
| Total Investment Income .....                                          | 96.9               | 101.0           | 87.5            | 96.0            | 96.8            | 83.1            | 84.0              | 285.4            | 263.9           |
| Investment Expenses:                                                   |                    |                 |                 |                 |                 |                 |                   |                  |                 |
| Real Estate .....                                                      | 2.5                | 2.3             | 2.4             | 2.2             | 2.6             | 2.6             | 2.3               | 7.2              | 7.5             |
| Other Investment Expenses .....                                        | 2.7                | 2.7             | 2.4             | 2.5             | 2.2             | 2.1             | 2.5               | 7.8              | 6.8             |
| Total Investment Expenses .....                                        | 5.2                | 5.0             | 4.8             | 4.7             | 4.8             | 4.7             | 4.8               | 15.0             | 14.3            |
| Net Investment Income .....                                            | <u>\$ 91.7</u>     | <u>\$ 96.0</u>  | <u>\$ 82.7</u>  | <u>\$ 91.3</u>  | <u>\$ 92.0</u>  | <u>\$ 78.4</u>  | <u>\$ 79.2</u>    | <u>\$ 270.4</u>  | <u>\$ 249.6</u> |
| <b><u>Net Realized Gains (Losses) on Sales of Investments</u></b>      |                    |                 |                 |                 |                 |                 |                   |                  |                 |
| Fixed Maturities:                                                      |                    |                 |                 |                 |                 |                 |                   |                  |                 |
| Gains on Sales .....                                                   | \$ 1.9             | \$ 22.7         | \$ 15.1         | \$ 14.1         | \$ 5.9          | \$ 1.2          | \$ 4.1            | \$ 39.7          | \$ 11.2         |
| Losses on Sales .....                                                  | (0.3)              | (1.9)           | (2.6)           | (4.6)           | (2.5)           | (1.9)           | (2.1)             | (4.8)            | (6.5)           |
| Equity Securities:                                                     |                    |                 |                 |                 |                 |                 |                   |                  |                 |
| Gains on Sales .....                                                   | 0.2                | 0.7             | 3.6             | 6.9             | 0.2             | 4.6             | 0.6               | 4.5              | 5.4             |
| Losses on Sales .....                                                  | (0.1)              | (0.2)           | —               | —               | —               | —               | —                 | (0.3)            | —               |
| Other Investments:                                                     |                    |                 |                 |                 |                 |                 |                   |                  |                 |
| Losses on Sales .....                                                  | —                  | —               | —               | —               | —               | (0.1)           | —                 | —                | (0.1)           |
| Net Realized Gains on Sales of Investments .....                       | <u>\$ 1.7</u>      | <u>\$ 21.3</u>  | <u>\$ 16.1</u>  | <u>\$ 16.4</u>  | <u>\$ 3.6</u>   | <u>\$ 3.8</u>   | <u>\$ 2.6</u>     | <u>\$ 39.1</u>   | <u>\$ 10.0</u>  |
| <b><u>Net Impairment Losses Recognized in Earnings</u></b>             |                    |                 |                 |                 |                 |                 |                   |                  |                 |
| Fixed Maturities .....                                                 | \$ (1.7)           | \$ (6.3)        | \$ (3.6)        | \$ (1.5)        | \$ (0.2)        | \$ —            | \$ (0.3)          | \$ (11.6)        | \$ (0.5)        |
| Equity Securities .....                                                | (0.1)              | (0.4)           | —               | (0.7)           | (1.6)           | —               | (0.2)             | (0.5)            | (1.8)           |
| Net Impairment Losses Recognized in Earnings .....                     | <u>\$ (1.8)</u>    | <u>\$ (6.7)</u> | <u>\$ (3.6)</u> | <u>\$ (2.2)</u> | <u>\$ (1.8)</u> | <u>\$ —</u>     | <u>\$ (0.5)</u>   | <u>\$ (12.1)</u> | <u>\$ (2.3)</u> |

**Kemper Corporation**  
**Details of Invested Assets**  
**(Dollars in Millions)**  
**(Unaudited)**

|                                                                    | Sep 30, 2019      |                               | Dec 31, 2018      |                               | Dec 31, 2017      |                               |
|--------------------------------------------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|
|                                                                    | Carrying Value    | Percent of Total <sup>1</sup> | Carrying Value    | Percent of Total <sup>1</sup> | Carrying Value    | Percent of Total <sup>1</sup> |
| Fixed Maturities Reported at Fair Value:                           |                   |                               |                   |                               |                   |                               |
| U.S. Government and Government Agencies and Authorities .....      | \$ 838.9          | 9.3%                          | \$ 865.7          | 10.7%                         | \$ 556.1          | 8.2%                          |
| States and Political Subdivisions .....                            | 1,545.1           | 17.2                          | 1,619.1           | 20.1                          | 1,701.8           | 25.0                          |
| Foreign Governments .....                                          | 14.4              | 0.2                           | 5.9               | 0.1                           | 3.2               | —                             |
| Corporate Securities:                                              |                   |                               |                   |                               |                   |                               |
| Bonds and Notes .....                                              | 3,907.1           | 43.5                          | 3,393.8           | 42.1                          | 2,980.6           | 43.8                          |
| Redeemable Preferred Stocks .....                                  | —                 | —                             | —                 | —                             | 0.1               | —                             |
| Collateralized Loan Obligations .....                              | 536.5             | 6.0                           | 524.0             | 6.5                           | 139.8             | 2.1                           |
| Other Mortgage- and Asset-backed .....                             | 41.6              | 0.5                           | 15.7              | 0.2                           | 1.1               | —                             |
| Total Fixed Maturities Reported at Fair Value .....                | 6,883.6           | 76.7                          | 6,424.2           | 79.6                          | 5,382.7           | 79.1                          |
| Equity Securities Reported at Fair Value:                          |                   |                               |                   |                               |                   |                               |
| Preferred Stocks .....                                             | 58.2              | 0.6                           | 54.2              | 0.7                           | 78.8              | 1.2                           |
| Common Stocks .....                                                | 12.9              | 0.1                           | 10.9              | 0.1                           | 24.8              | 0.4                           |
| Other Equity Interests:                                            |                   |                               |                   |                               |                   |                               |
| Exchange Traded Funds .....                                        | 659.3             | 7.3                           | 427.3             | 5.3                           | 219.5             | 3.2                           |
| Limited Liability Companies and Limited Partnerships .....         | 198.3             | 2.2                           | 192.0             | 2.4                           | 202.9             | 3.0                           |
| Total Equity Securities Reported at Fair Value .....               | 928.7             | 10.3                          | 684.4             | 8.5                           | 526.0             | 7.7                           |
| Equity Securities Reported at Modified Cost:                       |                   |                               |                   |                               |                   |                               |
| Preferred Stocks .....                                             | 9.0               | 0.1                           | 9.2               | 0.1                           | —                 | —                             |
| Common Stocks .....                                                | 10.9              | 0.1                           | 8.8               | 0.1                           | —                 | —                             |
| Limited Liability Companies and Limited Partnerships .....         | 21.3              | 0.2                           | 23.5              | 0.3                           | —                 | —                             |
| Total Equity Securities Reported at Modified Cost .....            | 41.2              | 0.4                           | 41.5              | 0.5                           | —                 | —                             |
| Convertible Securities at Fair Value .....                         | 35.6              | 0.4                           | 31.5              | 0.4                           | —                 | —                             |
| Equity Method Limited Liability Investments .....                  | 213.4             | 2.4                           | 187.0             | 2.3                           | 161.0             | 2.4                           |
| Fair Value Option Investments .....                                | —                 | —                             | —                 | —                             | 77.5              | 1.1                           |
| Short-term Investments at Cost which Approximates Fair Value ..... | 424.2             | 4.7                           | 286.1             | 3.5                           | 235.5             | 3.5                           |
| Other Investments:                                                 |                   |                               |                   |                               |                   |                               |
| Loans to Policyholders at Unpaid Principal .....                   | 302.7             | 3.4                           | 300.6             | 3.7                           | 298.6             | 4.4                           |
| Real Estate at Depreciated Cost .....                              | 112.3             | 1.3                           | 114.2             | 1.4                           | 116.8             | 1.7                           |
| Mortgage Loans .....                                               | 32.4              | 0.4                           | —                 | —                             | —                 | —                             |
| Trading Securities at Fair Value .....                             | —                 | —                             | —                 | —                             | 6.7               | 0.1                           |
| Other .....                                                        | —                 | —                             | —                 | —                             | 0.1               | —                             |
| Total Other Investments .....                                      | 447.4             | 5.1                           | 414.8             | 5.1                           | 422.2             | 6.2                           |
| Total Investments .....                                            | <u>\$ 8,974.1</u> | <u>100.0%</u>                 | <u>\$ 8,069.5</u> | <u>100.0%</u>                 | <u>\$ 6,804.9</u> | <u>100.0%</u>                 |

<sup>1</sup> Sum of percentages for individual lines may not equal subtotals and grand total due to rounding.

**Kemper Corporation**  
**Details of Invested Assets (continued)**  
**(Dollars in Millions)**  
**(Unaudited)**

|                                                              | Sep 30, 2019      |                               | Dec 31, 2018      |                               | Dec 31, 2017      |                               |
|--------------------------------------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|
|                                                              | Carrying Value    | Percent of Total <sup>1</sup> | Carrying Value    | Percent of Total <sup>1</sup> | Carrying Value    | Percent of Total <sup>1</sup> |
| <b><u>S&amp;P Equivalent Rating for Fixed Maturities</u></b> |                   |                               |                   |                               |                   |                               |
| AAA, AA, A .....                                             | \$ 4,328.7        | 62.9%                         | \$ 4,156.6        | 64.7%                         | \$ 3,481.8        | 64.7%                         |
| BBB .....                                                    | 2,039.9           | 29.6                          | 1,752.6           | 27.3                          | 1,335.2           | 24.8                          |
| BB, B .....                                                  | 360.6             | 5.3                           | 333.7             | 5.2                           | 357.2             | 6.6                           |
| CCC or Lower .....                                           | 154.4             | 2.2                           | 181.3             | 2.8                           | 208.5             | 3.9                           |
| Total Investments in Fixed Maturities .....                  | <u>\$ 6,883.6</u> | <u>100.0%</u>                 | <u>\$ 6,424.2</u> | <u>100.0%</u>                 | <u>\$ 5,382.7</u> | <u>100.0%</u>                 |
| <b><u>Duration (in Years)</u></b>                            |                   |                               |                   |                               |                   |                               |
| Total Investments in Fixed Maturities .....                  | <u>7.3</u>        |                               | <u>6.2</u>        |                               | <u>6.2</u>        |                               |

<sup>1</sup> Sum of percentages for individual lines may not equal subtotals and grand total due to rounding.

**Kemper Corporation**  
**Investment Concentration**  
(Dollars in Millions)  
(Unaudited)

|                                                                    | Sep 30, 2019      |                              | Dec 31, 2018      |                              | Dec 31, 2017      |                              |
|--------------------------------------------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
|                                                                    | Amount            | Percent of Total Investments | Amount            | Percent of Total Investments | Amount            | Percent of Total Investments |
| <b>Fair Value of Non-governmental Fixed Maturities by Industry</b> |                   |                              |                   |                              |                   |                              |
| Manufacturing .....                                                | \$ 1,373.1        | 15.3%                        | \$ 1,270.0        | 15.7%                        | \$ 1,168.8        | 17.2%                        |
| Finance, Insurance and Real Estate .....                           | 1,404.1           | 15.6                         | 1,269.3           | 15.7                         | 780.2             | 11.5                         |
| Services .....                                                     | 615.7             | 6.9                          | 516.4             | 6.4                          | 453.3             | 6.7                          |
| Transportation, Communication and Utilities .....                  | 635.7             | 7.1                          | 449.0             | 5.6                          | 353.7             | 5.2                          |
| Retail Trade .....                                                 | 189.1             | 2.1                          | 164.8             | 2.0                          | 102.6             | 1.5                          |
| Mining .....                                                       | 163.6             | 1.8                          | 158.6             | 2.0                          | 163.5             | 2.4                          |
| Wholesale Trade .....                                              | 74.4              | 0.8                          | 78.4              | 1.0                          | 81.3              | 1.2                          |
| Agriculture, Forestry and Fishing .....                            | 12.4              | 0.1                          | 13.7              | 0.2                          | 14.5              | 0.2                          |
| Other .....                                                        | 17.1              | 0.2                          | 13.3              | 0.2                          | 3.7               | 0.1                          |
| <b>Total Fair Value of Non-governmental Fixed Maturities .....</b> | <b>\$ 4,485.2</b> | <b>49.9%</b>                 | <b>\$ 3,933.5</b> | <b>48.8%</b>                 | <b>\$ 3,121.6</b> | <b>46.0%</b>                 |

|                                                         | Sep 30, 2019    |                              |
|---------------------------------------------------------|-----------------|------------------------------|
|                                                         | Fair Value      | Percent of Total Investments |
| <b>Ten Largest Investment Exposures <sup>1</sup></b>    |                 |                              |
| Fixed Maturities:                                       |                 |                              |
| States including their Political Subdivisions:          |                 |                              |
| Texas .....                                             | \$ 120.6        | 1.3%                         |
| Georgia .....                                           | 94.4            | 1.1                          |
| Colorado .....                                          | 87.3            | 1.0                          |
| Louisiana .....                                         | 71.2            | 0.8                          |
| Michigan .....                                          | 70.1            | 0.8                          |
| California .....                                        | 68.9            | 0.8                          |
| Equity Securities at Fair Value—Other Equity Interests: |                 |                              |
| Vanguard Long-Term Corp Bond ETF .....                  | 105.8           | 1.2                          |
| iShares® Core MSCI Total International Stock ETF .....  | 75.8            | 0.8                          |
| iShares Long-Term Corporate Bond ETF .....              | 69.6            | 0.8                          |
| Vanguard Total Stock Market ETF .....                   | 65.5            | 0.7                          |
| <b>Total .....</b>                                      | <b>\$ 829.2</b> | <b>9.3%</b>                  |

<sup>1</sup> Excluding Investments in U.S. Government and Government Agencies and Authorities at September 30, 2019.

**Kemper Corporation**  
**Municipal Bond Securities**  
(Dollars in Millions)  
(Unaudited)

Sep 30, 2019

|                            | State<br>General<br>Obligation | Political<br>Subdivision<br>General<br>Obligation | Revenue         | Total Fair<br>Value | Percent<br>of Total<br>Muni Bond <sup>1</sup> | Percent<br>of Total<br>Investments <sup>1</sup> |
|----------------------------|--------------------------------|---------------------------------------------------|-----------------|---------------------|-----------------------------------------------|-------------------------------------------------|
| Texas .....                | \$ 33.3                        | \$ 14.1                                           | \$ 73.1         | \$ 120.5            | 7.8%                                          | 1.3%                                            |
| Georgia .....              | 58.8                           | 5.3                                               | 30.3            | 94.4                | 6.1                                           | 1.1                                             |
| Colorado .....             | —                              | 14.4                                              | 72.9            | 87.3                | 5.7                                           | 1.0                                             |
| Louisiana .....            | 45.8                           | 7.3                                               | 18.1            | 71.2                | 4.6                                           | 0.8                                             |
| Michigan .....             | 39.8                           | —                                                 | 30.3            | 70.1                | 4.5                                           | 0.8                                             |
| California .....           | 13.8                           | 5.1                                               | 50.0            | 68.9                | 4.5                                           | 0.8                                             |
| New York .....             | 6.7                            | 2.7                                               | 45.9            | 55.3                | 3.6                                           | 0.6                                             |
| Washington .....           | 15.4                           | 0.3                                               | 39.6            | 55.3                | 3.6                                           | 0.6                                             |
| Ohio .....                 | 6.5                            | —                                                 | 48.3            | 54.8                | 3.5                                           | 0.6                                             |
| Virginia .....             | 8.0                            | 19.9                                              | 15.0            | 42.9                | 2.8                                           | 0.5                                             |
| Pennsylvania .....         | 11.2                           | 2.6                                               | 28.1            | 41.9                | 2.7                                           | 0.5                                             |
| Utah .....                 | 5.9                            | —                                                 | 34.1            | 40.0                | 2.6                                           | 0.4                                             |
| Minnesota .....            | —                              | —                                                 | 37.8            | 37.8                | 2.4                                           | 0.4                                             |
| Indiana .....              | —                              | 1.6                                               | 36.0            | 37.6                | 2.4                                           | 0.4                                             |
| Florida .....              | 12.8                           | —                                                 | 24.2            | 37.0                | 2.4                                           | 0.4                                             |
| Massachusetts .....        | 2.7                            | 1.5                                               | 30.8            | 35.0                | 2.3                                           | 0.4                                             |
| New Mexico .....           | —                              | —                                                 | 34.8            | 34.8                | 2.3                                           | 0.4                                             |
| Oregon .....               | 28.8                           | —                                                 | 3.5             | 32.3                | 2.1                                           | 0.4                                             |
| District Of Columbia ..... | —                              | 4.9                                               | 25.9            | 30.8                | 2.0                                           | 0.3                                             |
| South Carolina .....       | 22.9                           | 1.9                                               | 5.7             | 30.5                | 2.0                                           | 0.3                                             |
| Maryland .....             | 2.1                            | 20.5                                              | 6.8             | 29.4                | 1.9                                           | 0.3                                             |
| Wisconsin .....            | 15.4                           | 7.3                                               | 6.7             | 29.4                | 1.9                                           | 0.3                                             |
| Nevada .....               | 20.1                           | 8.2                                               | —               | 28.3                | 1.8                                           | 0.3                                             |
| Connecticut .....          | 26.3                           | —                                                 | —               | 26.3                | 1.7                                           | 0.3                                             |
| Illinois .....             | —                              | —                                                 | 24.4            | 24.4                | 1.6                                           | 0.3                                             |
| Tennessee .....            | 3.6                            | 8.2                                               | 10.8            | 22.6                | 1.5                                           | 0.3                                             |
| Missouri .....             | —                              | —                                                 | 22.6            | 22.6                | 1.5                                           | 0.3                                             |
| Mississippi .....          | 19.6                           | —                                                 | 2.5             | 22.1                | 1.4                                           | 0.2                                             |
| Delaware .....             | 10.4                           | —                                                 | 10.8            | 21.2                | 1.4                                           | 0.2                                             |
| Hawaii .....               | 21.1                           | —                                                 | —               | 21.1                | 1.4                                           | 0.2                                             |
| Nebraska .....             | —                              | 8.0                                               | 12.1            | 20.1                | 1.3                                           | 0.2                                             |
| New Jersey .....           | —                              | —                                                 | 19.7            | 19.7                | 1.3                                           | 0.2                                             |
| Arkansas .....             | 19.5                           | —                                                 | —               | 19.5                | 1.3                                           | 0.2                                             |
| Kentucky .....             | —                              | —                                                 | 17.8            | 17.8                | 1.2                                           | 0.2                                             |
| Rhode Island .....         | 4.6                            | —                                                 | 11.3            | 15.9                | 1.0                                           | 0.2                                             |
| Alaska .....               | 2.0                            | 3.0                                               | 10.2            | 15.2                | 1.0                                           | 0.2                                             |
| Iowa .....                 | —                              | —                                                 | 14.2            | 14.2                | 0.9                                           | 0.2                                             |
| Alabama .....              | —                              | —                                                 | 14.1            | 14.1                | 0.9                                           | 0.2                                             |
| Arizona .....              | —                              | 0.8                                               | 12.8            | 13.6                | 0.9                                           | 0.2                                             |
| All Other States .....     | 5.6                            | 0.3                                               | 63.3            | 69.2                | 4.5                                           | 0.8                                             |
| Total .....                | <u>\$ 462.7</u>                | <u>\$ 137.9</u>                                   | <u>\$ 944.5</u> | <u>\$ 1,545.1</u>   | <u>100.0%</u>                                 | <u>17.2%</u>                                    |

<sup>1</sup> Sum of percentages for individual lines may not equal total due to rounding.

**Kemper Corporation**  
**Investments in Limited Liability**  
**Companies and Limited Partnerships**  
(Dollars in Millions)  
(Unaudited)

| Asset Class                                                                                                    | Unfunded<br>Commitment | Reported Value  |                 |
|----------------------------------------------------------------------------------------------------------------|------------------------|-----------------|-----------------|
|                                                                                                                | Sep 30,<br>2019        | Sep 30,<br>2019 | Dec 31,<br>2018 |
| <b>Reported as Equity Method Limited Liability Investments at Cost Plus Cumulative Undistributed Earnings:</b> |                        |                 |                 |
| Mezzanine Debt .....                                                                                           | \$ 57.9                | \$ 129.3        | \$ 99.6         |
| Senior Debt .....                                                                                              | 21.2                   | 16.6            | 15.4            |
| Distressed Debt .....                                                                                          | —                      | 24.2            | 34.5            |
| Secondary Transactions .....                                                                                   | 15.2                   | 12.2            | 21.2            |
| Leveraged Buyout .....                                                                                         | —                      | 0.1             | 4.2             |
| Growth Equity .....                                                                                            | —                      | 5.3             | 5.4             |
| Real Estate .....                                                                                              | —                      | 19.9            | —               |
| Other .....                                                                                                    | —                      | 5.8             | 6.7             |
| Total Equity Method Limited Liability Investments .....                                                        | 94.3                   | 213.4           | 187.0           |
| <b>Reported as Other Equity Interests at Fair Value:</b>                                                       |                        |                 |                 |
| Mezzanine Debt .....                                                                                           | 93.1                   | 122.9           | 111.7           |
| Senior Debt .....                                                                                              | 18.3                   | 39.2            | 34.3            |
| Distressed Debt .....                                                                                          | 20.2                   | 15.0            | 14.5            |
| Secondary Transactions .....                                                                                   | 6.7                    | 5.3             | 6.7             |
| Hedge Funds .....                                                                                              | —                      | 3.1             | 14.7            |
| Leveraged Buyout .....                                                                                         | 2.3                    | 4.9             | 4.2             |
| Other .....                                                                                                    | 4.7                    | 7.9             | 5.9             |
| Total Reported as Other Equity Interests at Fair Value .....                                                   | 145.3                  | 198.3           | 192.0           |
| <b>Reported as Other Equity Interests at Modified Cost:</b>                                                    |                        |                 |                 |
| Mezzanine Debt .....                                                                                           | —                      | 1.7             | 1.5             |
| Other .....                                                                                                    | 0.1                    | 19.6            | 22.1            |
| Total Reported as Other Equity Interests at Modified Cost .....                                                | 0.1                    | 21.3            | 23.6            |
| Total Investments in Limited Liability Companies and Limited Partnerships .....                                | \$ 239.7               | \$ 433.0        | \$ 402.6        |

**Kemper Corporation**  
**Definitions of Non-GAAP Financial Measures**

The Company believes that investors' understanding of Kemper's performance is enhanced by the disclosure of the following non-GAAP financial measures. The methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

**Book Value Per Share Excluding Goodwill** is a calculation that uses a non-GAAP financial measure. It is calculated by dividing shareholders' equity excluding goodwill by total Common Shares Issued and Outstanding. Book value per share is the most directly comparable GAAP financial measure. Book Value Per Share Excluding Goodwill is a common measure used by analysts and investors to compare similar companies.

**Book Value Per Share Excluding Net Unrealized Gains on Fixed Maturities** 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 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 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 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.

**Adjusted Consolidated Net Operating Income (Loss)** is an after-tax, non-GAAP financial measure and is computed by excluding from Income (Loss) from Continuing Operations the after-tax impact of:

- 1) Net Realized Gains on Sales of Investments;
- 2) Net Impairment Losses Recognized in Earnings related to investments;
- 3) Income (Loss) from Change in Fair Value of Equity and Convertible Securities;
- 4) Acquisition Related Transaction, Integration and Other Costs;
- 5) Loss from Early Extinguishment of Debt; and
- 6) 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 Income (Loss) from Continuing Operations.

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. Net Realized Gains on Sales of Investments, Net Impairment Losses Recognized in Earnings related to investments, and Income (Loss) from Change in Fair Value of Equity and Convertible Securities 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, Integration 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. Loss from Early Extinguishment of Debt 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. Significant non-recurring items are excluded because, by their nature, they are not indicative of the Company's business or economic trends.

**Kemper Corporation**  
**Definitions of Non-GAAP Financial Measures (continued)**

A reconciliation of Income from Continuing Operations to Adjusted Consolidated Net Operating Income is presented below:

| <i>Dollars in Millions (Unaudited)</i>                          | Three Months Ended |                |                |                |                 |                |                | Nine Months Ended |                 |
|-----------------------------------------------------------------|--------------------|----------------|----------------|----------------|-----------------|----------------|----------------|-------------------|-----------------|
|                                                                 | Sep 30, 2019       | Jun 30, 2019   | Mar 31, 2019   | Dec 31, 2018   | Sep 30, 2018    | Jun 30, 2018   | Mar 31, 2018   | Sep 30, 2019      | Sep 30, 2018    |
| Income from Continuing Operations .....                         | \$ 129.0           | \$ 122.1       | \$ 155.3       | \$ 5.0         | \$ 92.3         | \$ 37.5        | \$ 53.6        | \$ 406.4          | \$ 183.4        |
| Less Net Income (Loss) From:                                    |                    |                |                |                |                 |                |                |                   |                 |
| Change in Fair Value of Equity and Convertible Securities ..... | 7.8                | 20.1           | 50.9           | (60.4)         | 8.7             | 0.3            | 0.6            | 78.8              | 9.6             |
| Net Realized Gains on Sales of Investments .....                | 1.4                | 16.8           | 12.7           | 13.0           | 2.8             | 3.0            | 2.1            | 30.9              | 7.9             |
| Net Impairment Losses Recognized in Earnings .....              | (1.5)              | (5.3)          | (2.8)          | (1.8)          | (1.4)           | —              | (0.4)          | (9.6)             | (1.8)           |
| Acquisition Related Transaction and Integration Costs .....     | (4.1)              | (1.0)          | (4.4)          | (5.7)          | (22.3)          | (2.3)          | (6.2)          | (9.5)             | (30.8)          |
| Loss from Early Extinguishment of Debt .....                    | (4.6)              | —              | —              | —              | —               | —              | —              | (4.6)             | —               |
| Adjusted Consolidated Net Operating Income .....                | <u>\$ 130.0</u>    | <u>\$ 91.5</u> | <u>\$ 98.9</u> | <u>\$ 59.9</u> | <u>\$ 104.5</u> | <u>\$ 36.5</u> | <u>\$ 57.5</u> | <u>\$ 320.4</u>   | <u>\$ 198.5</u> |

**Adjusted Consolidated Net Operating Income Per Unrestricted Share** is a non-GAAP financial measure. It is computed by dividing Adjusted Consolidated Net Operating Income by the weighted average unrestricted shares outstanding. The most directly comparable GAAP financial measure is Income from Continuing Operations Per Unrestricted Share-basic. A reconciliation of Income from Continuing Operations Per Unrestricted Share-basic to Adjusted Consolidated Net Operating Income Per Unrestricted Share-basic is presented below:

| <i>(Unaudited)</i>                                                      | Three Months Ended |                |                |                |                |                |                | Nine Months Ended |                |
|-------------------------------------------------------------------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|
|                                                                         | Sep 30, 2019       | Jun 30, 2019   | Mar 31, 2019   | Dec 31, 2018   | Sep 30, 2018   | Jun 30, 2018   | Mar 31, 2018   | Sep 30, 2019      | Sep 30, 2018   |
| Income from Continuing Operations Per Unrestricted Share .....          | \$ 1.93            | \$ 1.87        | \$ 2.38        | \$ 0.08        | \$ 1.42        | \$ 0.73        | \$ 1.03        | \$ 6.17           | \$ 3.26        |
| Less Net Income (Loss) Per Unrestricted Share From:                     |                    |                |                |                |                |                |                |                   |                |
| Change in Fair Value of Equity and Convertible Securities .....         | 0.11               | 0.31           | 0.78           | (0.93)         | 0.13           | 0.01           | 0.01           | 1.20              | 0.17           |
| Net Realized Gains on Sales of Investments .....                        | 0.02               | 0.26           | 0.19           | 0.20           | 0.04           | 0.06           | 0.04           | 0.47              | 0.14           |
| Net Impairment Losses Recognized in Earnings .....                      | (0.02)             | (0.08)         | (0.04)         | (0.02)         | (0.02)         | —              | (0.01)         | (0.15)            | (0.03)         |
| Acquisition Related Transaction and Integration Costs .....             | (0.06)             | (0.01)         | (0.07)         | (0.09)         | (0.34)         | (0.04)         | (0.12)         | (0.14)            | (0.55)         |
| Loss from Early Extinguishment of Debt .....                            | (0.07)             | —              | —              | —              | —              | —              | —              | (0.07)            | —              |
| Adjusted Consolidated Net Operating Income Per Unrestricted Share ..... | <u>\$ 1.95</u>     | <u>\$ 1.39</u> | <u>\$ 1.52</u> | <u>\$ 0.92</u> | <u>\$ 1.61</u> | <u>\$ 0.70</u> | <u>\$ 1.11</u> | <u>\$ 4.86</u>    | <u>\$ 3.53</u> |

**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.

**Kemper Corporation**  
**As Adjusted for Acquisition Non-GAAP Financial Measure**

**As Adjusted for Acquisition** amounts are non-GAAP financial measures. For the periods subsequent to acquisition, the three months ended September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, the as adjusted amounts are computed by subtracting the impact of purchase accounting adjustments from the comparable consolidated GAAP financial measure reported by Kemper. For the periods prior to the acquisition, the three months ended June 30, 2018 and March 31, 2018, as adjusted amounts are computed by adding the historical results of Infinity to 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.

**Kemper Corporation**  
**As Adjusted for Acquisition - Consolidated Financial Highlights**  
(Dollars in Millions)  
(Unaudited)

|                                                                | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|----------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                                | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b>Earned Premiums</b> .....                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper - GAAP As Reported .....                                | \$ 1,135.2         | \$ 1,116.6      | \$ 1,074.8      | \$ 1,063.6      | \$ 1,052.9      | \$ 658.1        | \$ 609.8        | \$ 3,326.6        | \$ 2,320.8      |
| Infinity - Prior to Acquisition .....                          | —                  | —               | —               | —               | —               | 374.3           | 354.0           | —                 | 728.3           |
| As Adjusted <sup>1</sup> .....                                 | \$ 1,135.2         | \$ 1,116.6      | \$ 1,074.8      | \$ 1,063.6      | \$ 1,052.9      | \$ 1,032.4      | \$ 963.8        | \$ 3,326.6        | \$ 3,049.1      |
| <b>Adjusted Consolidated Net Operating Income (Loss)</b> ..... |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper .....                                                   | \$ 130.0           | \$ 91.5         | \$ 98.9         | \$ 59.9         | \$ 104.5        | \$ 36.5         | \$ 57.5         | \$ 320.4          | \$ 198.5        |
| Infinity - Prior to Acquisition .....                          | —                  | —               | —               | —               | —               | 29.5            | 23.8            | —                 | 53.3            |
| Less: Impact of Purchase Accounting .....                      | (6.6)              | (4.2)           | 2.1             | (20.5)          | (39.5)          | —               | —               | (8.7)             | (39.5)          |
| As Adjusted <sup>1</sup> .....                                 | \$ 136.6           | \$ 95.7         | \$ 96.8         | \$ 80.4         | \$ 144.0        | \$ 66.0         | \$ 81.3         | \$ 329.1          | \$ 291.3        |

<sup>1</sup> As Adjusted is a non-GAAP financial measure, which is computed by excluding the impact of purchase accounting and including the historical results of Legacy Kemper and Legacy Infinity in periods prior to the acquisition date of July 2, 2018.

**Kemper Corporation**  
**Selected Financial Information**  
**As Adjusted for Acquisition - Specialty Property & Casualty Insurance Segment**  
**(Dollars in Millions)**  
**(Unaudited)**

|                                                                               | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|-------------------------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                                               | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b>Earned Premiums</b>                                                        |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper Specialty P&C - GAAP As Reported .....                                 | \$ 783.4           | \$ 766.0        | \$ 729.3        | \$ 717.8        | \$ 711.2        | \$ 320.0        | \$ 278.4        | \$ 2,278.7        | \$ 1,309.6      |
| Infinity - Prior to Acquisition .....                                         | —                  | —               | —               | —               | —               | 374.3           | 354.0           | —                 | 728.3           |
| As Adjusted <sup>1</sup> .....                                                | \$ 783.4           | \$ 766.0        | \$ 729.3        | \$ 717.8        | \$ 711.2        | \$ 694.3        | \$ 632.4        | \$ 2,278.7        | \$ 2,037.9      |
| <b>Current Year Non-CAT Losses and LAE</b>                                    |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper Specialty P&C - GAAP As Reported .....                                 | \$ 579.4           | \$ 579.2        | \$ 544.3        | \$ 530.3        | \$ 527.6        | \$ 247.2        | \$ 212.3        | \$ 1,702.9        | \$ 987.1        |
| Infinity - Prior to Acquisition .....                                         | —                  | —               | —               | —               | —               | 277.4           | 273.3           | —                 | 550.7           |
| Less: Impact of Purchase Accounting .....                                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Amortization of Fair Value Adjustment to Infinity's Unpaid Loss and LAE ..... | 0.8                | 1.2             | 1.5             | 1.9             | 2.5             | —               | —               | 3.5               | 2.5             |
| As Adjusted <sup>1</sup> .....                                                | \$ 578.6           | \$ 578.0        | \$ 542.8        | \$ 528.4        | \$ 525.1        | \$ 524.6        | \$ 485.6        | \$ 1,699.4        | \$ 1,535.3      |
| <b>Insurance Expenses</b>                                                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper Specialty P&C - GAAP As Reported .....                                 | \$ 139.2           | \$ 140.9        | \$ 124.8        | \$ 148.0        | \$ 176.8        | \$ 49.0         | \$ 47.9         | \$ 404.9          | \$ 273.7        |
| Infinity - Prior to Acquisition .....                                         | —                  | —               | —               | —               | —               | 68.1            | 65.4            | —                 | 133.5           |
| Less: Impact of Purchase Accounting .....                                     |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Amortization of VOBA .....                                                    | 0.6                | 0.8             | 1.5             | 42.0            | 97.3            | —               | —               | 2.9               | 97.3            |
| Amortization of Estimated Legacy Infinity Deferred Policy Acquisition .....   | —                  | (3.1)           | (12.1)          | (24.2)          | (56.2)          | —               | —               | (15.2)            | (56.2)          |
| Amortization of VOBA, Net of Legacy Infinity DPAC .....                       | 0.6                | (2.3)           | (10.6)          | 17.8            | 41.1            | —               | —               | (12.3)            | 41.1            |
| Amortization of Finite Life Intangible Assets Acquired .....                  | 3.3                | 3.3             | 3.3             | 3.3             | 3.3             | —               | —               | 9.9               | 3.3             |
| Other .....                                                                   | 3.4                | 3.4             | 3.4             | 3.4             | 3.4             | —               | —               | 10.2              | 3.4             |
| Total Purchase Accounting Adjustments .....                                   | 7.3                | 4.4             | (3.9)           | 24.5            | 47.8            | —               | —               | 7.8               | 47.8            |
| As Adjusted <sup>1</sup> .....                                                | \$ 131.9           | \$ 136.5        | \$ 128.7        | \$ 123.5        | \$ 129.0        | \$ 117.1        | \$ 113.3        | \$ 397.1          | \$ 359.4        |
| <b>Underlying Combined Ratio<sup>1</sup></b>                                  |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper Specialty P&C Segment .....                                            | 91.8%              | 94.0%           | 91.7%           | 94.5%           | 99.1%           | 92.5%           | 93.4%           | 92.6%             | 96.2%           |
| As Adjusted <sup>1</sup> .....                                                | 90.7%              | 93.3%           | 92.1%           | 90.8%           | 92.0%           | 92.4%           | 94.7%           | 92.0%             | 93.0%           |

<sup>1</sup> As Adjusted is a non-GAAP financial measure, which is computed by excluding the impact of purchase accounting in 2018 and including the historical results of Legacy Kemper and Legacy Infinity in periods prior to the acquisition date of July 2, 2018. See page 33.

**Kemper Corporation**  
**Selected Financial Information**  
**As Adjusted for Acquisition - Specialty Personal Automobile Insurance**  
**(Dollars in Millions)**  
**(Unaudited)**

|                                                                                   | Three Months Ended |                 |                 |                 |                 |                 |                 | Nine Months Ended |                 |
|-----------------------------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
|                                                                                   | Sep 30,<br>2019    | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 | Jun 30,<br>2018 | Mar 31,<br>2018 | Sep 30,<br>2019   | Sep 30,<br>2018 |
| <b>Earned Premiums</b> .....                                                      |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper Specialty Personal Automobile Insurance - GAAP As Reported .....           | \$ 719.2           | \$ 703.7        | \$ 669.6        | \$ 660.5        | \$ 655.3        | \$ 307.5        | \$ 266.2        | \$2,092.5         | \$1,229.0       |
| Infinity - Prior to Acquisition .....                                             | —                  | —               | —               | —               | —               | 332.6           | 314.2           | —                 | 646.8           |
| As Adjusted <sup>1</sup> .....                                                    | \$ 719.2           | \$ 703.7        | \$ 669.6        | \$ 660.5        | \$ 655.3        | \$ 640.1        | \$ 580.4        | \$2,092.5         | \$1,875.8       |
| <b>Current Year Non-CAT Losses and LAE</b> .....                                  |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper Specialty Personal Automobile Insurance .....                              | \$ 538.2           | \$ 537.0        | \$ 498.8        | \$ 492.0        | 485.6           | \$ 237.8        | \$ 202.8        | \$1,574.0         | \$ 926.2        |
| Infinity - Prior to Acquisition .....                                             | —                  | —               | —               | —               | —               | 244.5           | 242.3           | —                 | 486.8           |
| Less: Impact of Purchase Accounting                                               |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Amortization of Fair Value Adjustment to Infinity's Unpaid Loss and LAE .....     | 0.6                | 0.9             | 1.3             | 1.5             | 2.0             | —               | —               | 2.8               | 2.0             |
| As Adjusted <sup>1</sup> .....                                                    | \$ 537.6           | \$ 536.1        | \$ 497.5        | \$ 490.5        | \$ 483.6        | \$ 482.3        | \$ 445.1        | \$1,571.2         | \$1,411.0       |
| <b>Insurance Expenses</b> .....                                                   |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper Specialty Personal Automobile Insurance - GAAP As Reported .....           | \$ 128.4           | \$ 128.9        | \$ 114.7        | \$ 132.5        | \$ 160.8        | \$ 46.7         | \$ 45.2         | \$ 372.0          | \$ 252.7        |
| Infinity - Prior to Acquisition .....                                             | —                  | —               | —               | —               | —               | 60.8            | 58.5            | —                 | 119.3           |
| Less: Impact of Purchase Accounting                                               |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Amortization of VOBA .....                                                        | 0.4                | 0.7             | 1.3             | 37.7            | 87.8            | —               | —               | 2.4               | 87.8            |
| Amortization of Estimated Legacy Infinity Deferred Policy Acquisition Costs ..... | —                  | (2.8)           | (9.8)           | (21.9)          | (48.7)          | —               | —               | (12.6)            | (48.7)          |
| Amortization of VOBA, Net of Legacy Infinity DPAC .....                           | 0.4                | (2.1)           | (8.5)           | 15.8            | 39.1            | —               | —               | (10.2)            | 39.1            |
| Amortization of Finite Life Intangible Assets Acquired .....                      | 3.0                | 3.0             | 3.0             | 3.0             | 3.0             | —               | —               | 9.0               | 3.0             |
| Other .....                                                                       | 3.0                | 3.0             | 3.0             | 3.0             | 3.0             | —               | —               | 9.0               | 3.0             |
| Total Purchase Accounting Adjustments .....                                       | 6.4                | 3.9             | (2.5)           | 21.8            | 45.1            | —               | —               | 7.8               | 45.1            |
| As Adjusted <sup>1</sup> .....                                                    | \$ 122.0           | \$ 125.0        | \$ 117.2        | \$ 110.7        | \$ 115.7        | \$ 107.5        | \$ 103.7        | \$ 364.2          | \$ 326.9        |
| <b>Underlying Combined Ratio<sup>1</sup></b> .....                                |                    |                 |                 |                 |                 |                 |                 |                   |                 |
| Kemper Specialty Personal Automobile Insurance .....                              | 92.8%              | 94.6%           | 91.6%           | 94.6%           | 98.6%           | 92.5%           | 93.2%           | 93.1%             | 95.9%           |
| As Adjusted <sup>1</sup> .....                                                    | 91.7%              | 93.9%           | 91.8%           | 91.0%           | 91.5%           | 92.1%           | 94.6%           | 92.5%             | 92.6%           |

<sup>1</sup> As Adjusted is a non-GAAP financial measure, which is computed by excluding the impact of purchase accounting in 2018 and including the historical results of Legacy Kemper and Legacy Infinity in periods prior to the acquisition date of July 2, 2018. See page 33.