

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

FORM 10-Q

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

For the Quarterly Period Ended 9/30/2025

OR

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

For the Transition Period from _____ to _____

Commission file number 001-18298

Kemper Corporation

(Exact name of registrant as specified in its charter)

DE

95-4255452

**(State or other jurisdiction of
incorporation or organization)**

**(I.R.S. Employer
Identification No.)**

**200 E. Randolph Street
Suite 3300**

Chicago IL 60601
(Address of principal executive offices)

60601
(Zip Code)

(312) 661-4600

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

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

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

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

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

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

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

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

58,546,860 shares of common stock, \$0.10 par value, were outstanding as of November 3, 2025.

KEMPER CORPORATION

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Caution Regarding Forward-Looking Statements

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

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

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

In addition to the factors discussed under Item 1A., “Risk Factors,” of Part I of Kemper’s Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (the “SEC”), for the year ended December 31, 2024 (the “2024 Annual Report”), the reader should consider the following list of factors that, among others, could cause the Company’s actual results and financial condition to differ materially from estimated results and financial condition.

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

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

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

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

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

Factors related to the Company's ability to compete

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

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

- Changes in general economic conditions, including those related to, without limitation, performance of financial markets, increased volatilities in market conditions, interest rates, inflation, unemployment rates, significant global catastrophes and/or pandemics, tariffs and international trade policies, such as the implementation of tariffs recently imposed by the US government pursuant to the International Emergency Economic Powers Act, and fluctuating values of particular investments held by the Company;
- Absolute and relative performance of investments made by the Company;
- Changes in insurance industry trends and significant industry developments;
- Changes in consumer trends, including changes in number of miles driven by automobile insurance policyholders, and significant consumer or product developments;
- Changes in capital requirements, including the calculations thereof, used by regulators and rating agencies;
- Regulatory, accounting or tax changes that may affect the Company's earnings, the cost of, or demand for, the Company's products or services or after-tax returns from the Company's investments;

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

Other risks and uncertainties described from time to time in Kemper's filings with the U.S. Securities and Exchange Commission ("SEC")

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

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Revenues:				
Earned Premiums ¹	\$ 1,133.3	\$ 1,068.5	\$ 3,352.0	\$ 3,134.1
Net Investment Income	104.8	111.1	301.9	304.5
Other Income	2.9	2.7	8.6	7.9
Change in Fair Value of Equity and Convertible Securities	(2.1)	(2.3)	(2.5)	(0.1)
Net Realized Investment Gains	3.9	1.1	4.7	9.2
Impairment Losses	(3.1)	(2.2)	(6.4)	(3.8)
Total Revenues	1,239.7	1,178.9	3,658.3	3,451.8
Expenses:				
Policyholders' Benefits and Incurred Losses and Loss Adjustment Expenses ²	924.6	769.3	2,521.0	2,269.7
Insurance and Other Expenses	339.1	304.5	933.6	870.6
Interest Expense	9.1	14.4	29.5	42.3
Total Expenses	1,272.8	1,088.2	3,484.1	3,182.6
(Loss) Income before Income Taxes	(33.1)	90.7	174.2	269.2
Income Tax (Benefit) Expense	(8.9)	18.5	31.6	52.4
Net (Loss) Income	(24.2)	72.2	142.6	216.8
Less: Net Loss attributable to Noncontrolling Interest	(3.2)	(1.5)	(8.7)	(3.6)
Net (Loss) Income attributable to Kemper Corporation	\$ (21.0)	\$ 73.7	\$ 151.3	\$ 220.4
Net (Loss) Income attributable to Kemper Corporation per Unrestricted Share:				
Basic	\$ (0.34)	\$ 1.15	\$ 2.40	\$ 3.43
Diluted	\$ (0.34)	\$ 1.14	\$ 2.37	\$ 3.40

¹ Includes a remeasurement loss related to the deferred profit liability within the Life insurance business of \$0.9 million and \$0.5 million for the three months ended September 30, 2025 and 2024, respectively, and a remeasurement loss of \$1.6 million and \$1.2 million for the nine months ended September 30, 2025 and 2024, respectively.

² Includes a remeasurement gain of \$1.8 million and \$1.2 million related to the liability for future policyholder benefits within the Life insurance business for the three months ended September 30, 2025 and 2024, respectively, and a remeasurement gain of \$1.8 million and \$2.7 million for the nine months ended September 30, 2025 and 2024, respectively.

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

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

	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Net (Loss) Income	\$ (24.2)	\$ 72.2	\$ 142.6	\$ 216.8
Other Comprehensive Income Before Income Taxes				
Changes in Unrealized Gains (Losses) on Investment Securities with:				
No Credit Losses Recognized in Condensed Consolidated Statements of (Loss) Income	107.9	286.6	179.2	98.4
Credit Losses Recognized in Condensed Consolidated Statements of (Loss) Income	(1.0)	—	0.3	(1.7)
Change in Unrecognized Postretirement Benefit Costs	(0.5)	(0.7)	(1.6)	(2.4)
Gain on Cash Flow Hedges	0.7	4.9	1.1	1.3
Change in Discount Rate on Future Life Policyholder Benefits	(68.4)	(209.1)	(81.4)	40.8
Other Comprehensive Income Before Income Taxes	38.7	81.7	97.6	136.4
Other Comprehensive Income Tax Expense	8.0	16.9	19.9	28.1
Other Comprehensive Income, Net of Taxes	30.7	64.8	77.7	108.3
Total Comprehensive Income	6.5	137.0	220.3	325.1
Less: Net Loss attributable to Noncontrolling Interest	(3.2)	(1.5)	(8.7)	(3.6)
Less: Other Comprehensive Income attributable to Noncontrolling Interest	0.1	—	0.3	—
Less: Total Comprehensive Loss attributable to Noncontrolling Interest	(3.1)	(1.5)	(8.4)	(3.6)
Comprehensive Income attributable to Kemper Corporation	<u>\$ 9.6</u>	<u>\$ 138.5</u>	<u>\$ 228.7</u>	<u>\$ 328.7</u>

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

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

	Sep 30, 2025	Dec 31, 2024
Assets:		
Investments:		
Fixed Maturities at Fair Value (Amortized Cost: 2025 - \$7,331.7; 2024 - \$7,295.0)		
Allowance for Credit Losses: 2025 - \$15.7; 2024 - \$10.7	\$ 6,620.3	\$ 6,409.6
Equity Securities at Fair Value (Cost: 2025 - \$282.1; 2024 - \$197.1)	302.0	218.5
Equity Method Limited Liability Investments	174.9	186.3
Short-term Investments at Cost which Approximates Fair Value	371.2	1,037.1
Company-Owned Life Insurance	567.9	539.2
Loans to Policyholders	279.3	280.7
Other Investments	287.0	217.1
Total Investments	8,602.6	8,888.5
Cash	107.4	64.4
Receivables from Policyholders (Allowance for Credit Losses: 2025 - \$2.4; 2024 - \$2.9)	1,022.9	977.9
Other Receivables	185.0	185.7
Deferred Policy Acquisition Costs	658.9	628.9
Goodwill	1,250.7	1,250.7
Current Income Tax Assets	57.4	63.4
Deferred Income Tax Assets	66.3	93.3
Other Assets	422.2	436.1
Assets of Consolidated Variable Interest Entity		
Fixed Maturities at Fair Value (Amortized Cost: 2025 - \$36.0; 2024 - \$1.7)	36.3	1.7
Short-term Investments at Cost which Approximates Fair Value	17.5	28.0
Cash	—	1.0
Receivables from Policyholders	10.7	8.2
Other Receivables	0.4	—
Deferred Policy Acquisition Costs	1.4	1.1
Deferred Income Tax Assets	3.7	1.5
Total Assets	<u>\$ 12,443.4</u>	<u>\$ 12,630.4</u>

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

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

	Sep 30, 2025	Dec 31, 2024
Liabilities and Shareholders' Equity:		
Insurance Reserves:		
Life and Health	\$ 3,317.6	\$ 3,199.7
Property and Casualty	2,806.0	2,611.9
Total Insurance Reserves	6,123.6	5,811.6
Unearned Premiums	1,310.6	1,264.1
Policyholder Obligations	620.0	637.7
Deferred Income Tax Liabilities	13.5	14.8
Accrued Expenses and Other Liabilities	669.5	705.2
Long-term Debt, Current, at Amortized Cost	—	449.9
Long-term Debt, Non-Current, at Amortized Cost	943.1	941.7
Liabilities of Consolidated Variable Interest Entity		
Insurance Reserves	26.3	9.4
Unearned Premiums	13.6	11.2
Accrued Expenses and Other Liabilities	1.6	0.5
Total Liabilities	9,721.8	9,846.1
Kemper Corporation Shareholders' Equity:		
Common Stock, \$0.10 Par Value, 100,000,000 Shares Authorized; 60,201,675 Shares Issued and Outstanding at September 30, 2025 and 63,840,442 Shares Issued and Outstanding at December 31, 2024 ...	6.0	6.4
Paid-in Capital	1,737.2	1,854.9
Retained Earnings	1,216.0	1,231.6
Accumulated Other Comprehensive Loss	(227.1)	(304.5)
Total Kemper Corporation Shareholders' Equity	2,732.1	2,788.4
Noncontrolling Interest	(10.5)	(4.1)
Total Shareholders' Equity	2,721.6	2,784.3
Total Liabilities and Shareholders' Equity	<u>\$ 12,443.4</u>	<u>\$ 12,630.4</u>

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

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

	Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024
Cash Flows from Operating Activities:		
Net Income	\$ 142.6	\$ 216.8
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Net Realized Investment Gains	(4.7)	(9.2)
Impairment Losses	6.4	3.8
Depreciation, Amortization, and Impairments of Property, Equipment, Software and Intangible Assets Acquired	61.2	40.8
Settlement Related to Defined Benefit Pension Plan	—	(2.6)
Change in Accumulated Undistributed Earnings of Equity Method Limited Liability Investments ...	6.0	24.7
Change in Fair Value of Equity and Convertible Securities	2.5	0.1
Changes in:		
Receivables from Policyholders	(47.5)	(28.4)
Reinsurance Recoverables	2.6	4.6
Deferred Policy Acquisition Costs	(30.3)	(30.3)
Insurance Reserves	251.1	(43.1)
Unearned Premiums	48.9	(2.9)
Income Taxes	9.5	42.5
Other	(38.8)	(9.0)
Net Cash Provided by Operating Activities	409.5	207.8
Cash Flows from Investing Activities:		
Proceeds from the Sales, Calls and Maturities of Fixed Maturities	902.3	929.2
Proceeds from the Sales or Paydowns of Investments:		
Equity Securities	19.3	15.8
Real Estate Investments	5.5	—
Mortgage Loans	83.4	96.5
Other Investments	18.1	10.9
Purchases of Investments:		
Fixed Maturities	(980.7)	(792.2)
Equity Securities	(104.3)	(12.1)
Real Estate Investments	(2.1)	(0.9)
Mortgage Loans	(156.2)	(87.8)
Other Investments	(42.6)	(40.7)
Net Sales (Purchases) of Short-term Investments	685.4	(184.1)
Acquisition of Software and Long-lived Assets	(21.8)	(43.5)
Settlement Proceeds from Company-Owned Life Insurance	2.9	6.2
Other	4.2	13.1
Net Cash Provided by (Used in) Investing Activities	413.4	(89.6)

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

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

	Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024
Net Cash Provided by (Used in) Investing Activities (Carryforward from page 8)	413.4	(89.6)
Cash Flows from Financing Activities:		
Repayment of Long-term Debt	(450.0)	—
Proceeds from Policyholder Contract Obligations	30.3	62.8
Repayment of Policyholder Contract Obligations	(51.0)	(100.6)
Proceeds from Shares Issued under Employee Stock Purchase Plan	2.7	2.9
Common Stock Repurchases	(251.3)	(25.0)
Dividends Paid	(60.7)	(60.1)
Other	(0.9)	(5.4)
Net Cash Used in Financing Activities	(780.9)	(125.4)
Net increase (decrease) in cash ¹	42.0	(7.2)
Cash, Beginning of Year ¹	65.4	64.1
Cash, End of Period ¹	<u>\$ 107.4</u>	<u>\$ 56.9</u>

¹Includes amounts attributable to Kemper Reciprocal reported as non-controlling interest.

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

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

	Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024
Cash (paid) received during the year for:		
Interest	\$ (41.9)	\$ (52.0)
Taxes	(22.2)	(10.5)
Operating Leases	(14.2)	(16.4)
Non-Cash Activities:		
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 24.8	\$ 8.5

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

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

Three Months Ended September 30, 2024							
	Number of Shares	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interest	Total Shareholders' Equity
Balance, June 30, 2024	64.4	\$ 6.4	\$1,860.9	\$1,121.2	\$ (317.3)	\$ (1.9)	\$ 2,669.3
Net Income	—	—	—	73.7	—	(1.5)	72.2
Other Comprehensive Income, Net of Taxes (Note 12)	—	—	—	—	64.8	—	64.8
Cash Dividends and Dividend Equivalents to Shareholders (\$0.31 per share)	—	—	—	(20.3)	—	—	(20.3)
Repurchases of Common Stock (Note 13)	(0.4)	—	(11.8)	(13.2)	—	—	(25.0)
Shares Issued Under Employee Stock Purchase Plan (Note 13)	—	—	0.9	—	—	—	0.9
Equity-based Compensation Cost	—	—	7.6	—	—	—	7.6
Equity-based Awards, Net of Shares Exchanged	—	—	0.4	—	—	—	0.4
Other Changes in Non- Controlling Interest	—	—	—	—	—	0.5	0.5
Balance, September 30, 2024 ..	<u>64.0</u>	<u>\$ 6.4</u>	<u>\$1,858.0</u>	<u>\$1,161.4</u>	<u>\$ (252.5)</u>	<u>\$ (2.9)</u>	<u>\$ 2,770.4</u>

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

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

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

Nine Months Ended September 30, 2024							
	Number of Shares	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interest	Total Shareholders' Equity
Balance, December 31, 2023 ..	64.1	\$ 6.4	\$1,845.3	\$1,014.3	\$ (360.8)	\$ (0.2)	\$ 2,505.0
Net Income	—	—	—	220.4	—	(3.6)	216.8
Other Comprehensive Income, Net of Taxes (Note 12)	—	—	—	—	108.3	—	108.3
Cash Dividends and Dividend Equivalents to Shareholders (\$0.93 per share)	—	—	—	(60.1)	—	—	(60.1)
Repurchases of Common Stock (Note 13)	(0.4)	—	(11.8)	(13.2)	—	—	(25.0)
Shares Issued Under Employee Stock Purchase Plan (Note 13)	—	—	2.9	—	—	—	2.9
Equity-based Compensation Cost	—	—	27.1	—	—	—	27.1
Equity-based Awards, Net of Shares Exchanged	0.3	—	(5.5)	—	—	—	(5.5)
Other Changes in Non- Controlling Interest	—	—	—	—	—	0.9	0.9
Balance, September 30, 2024 ..	<u>64.0</u>	<u>\$ 6.4</u>	<u>\$1,858.0</u>	<u>\$1,161.4</u>	<u>\$ (252.5)</u>	<u>\$ (2.9)</u>	<u>\$ 2,770.4</u>

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

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Basis of Presentation and Accounting Policies

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

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

Certain financial information that is included in the annual financial statements, including certain financial statement footnote disclosures prepared in accordance with GAAP, is not required by the rules and regulations of the SEC for interim financial reporting and has been condensed or omitted. In the opinion of the Company’s management, the Condensed Consolidated Financial Statements include all adjustments necessary to fairly present the financial position, results of operations and cash flows for the periods presented. The preparation of financial statements requires significant management estimates. Due to this factor and other factors, such as the seasonal nature of some portions of the insurance business, annualizing the results of operations for the nine months ended September 30, 2025 would not necessarily be indicative of the results expected for the full fiscal year. The accompanying Condensed Consolidated Financial Statements should be read in conjunction with the Company’s Consolidated Financial Statements and related notes included in Kemper’s Annual Report for the year ended December 31, 2024.

Adoption of New Accounting Guidance

The Company has adopted all recently issued accounting pronouncements with effective dates prior to October 1, 2025. There were no adoptions of such accounting pronouncements during the nine months ended September 30, 2025 that had a material impact on the Company’s interim Condensed Consolidated Financial Statements.

Guidance Not Yet Adopted

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

In December 2023, the FASB issued ASU 2023-09 *Improvements to Income Tax Disclosures*, which improves the transparency of income tax disclosures by requiring companies to use consistent categories and greater disaggregation of information in the tax rate reconciliation as well as requiring disaggregation of income taxes paid by jurisdiction. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

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

In September 2025, the FASB issued ASU 2025-06 *Targeted Improvements to the Accounting for Internal-Use Software*, which replaces the existing project stage model with a principles-based approach. Software costs are capitalized when management

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

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

commits funding, and it is probable the project will be completed and used as intended. ASU 2025-06 also aligns disclosure requirements with those for property, plant, and equipment, eliminates separate intangible asset disclosures, and supersedes guidance on website development costs. ASU 2025-06 is effective for annual periods beginning after December 15, 2027, and interim periods within those fiscal years. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

Note 2 - Net (Loss) Income Per Unrestricted Share

A reconciliation of the numerator and denominator used in the calculation of Basic Net (Loss) Income Per Unrestricted Share and Diluted Net (Loss) Income Per Unrestricted Share for the three and nine months ended September 30, 2025 and 2024 is presented below.

	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
(Dollars in Millions, except per share amounts)				
Net (Loss) Income attributable to Kemper Corporation	\$ (21.0)	\$ 73.7	\$ 151.3	\$ 220.4
Shares in Thousands				
Weighted-average Unrestricted Shares Outstanding	61,477.4	64,216.5	63,092.2	64,288.4
Equity-based Compensation Equivalent Shares	—	681.5	628.2	575.4
Weighted-average Unrestricted Shares and Equivalent Shares Outstanding Assuming Dilution	<u>61,477.4</u>	<u>64,898.0</u>	<u>63,720.4</u>	<u>64,863.8</u>
Net (Loss) Income attributable to Kemper Corporation per Unrestricted Share:				
(Per Unrestricted Share in Whole Dollars)				
Basic Net (Loss) Income Per Unrestricted Share	<u>\$ (0.34)</u>	<u>\$ 1.15</u>	<u>\$ 2.40</u>	<u>\$ 3.43</u>
Diluted Net (Loss) Income Per Unrestricted Share	<u>\$ (0.34)</u>	<u>\$ 1.14</u>	<u>\$ 2.37</u>	<u>\$ 3.40</u>

The number of shares of Kemper common stock that were excluded from the calculations of Equity-based Compensation Equivalent Shares and Weighted-average Unrestricted Shares and Equivalent Shares Outstanding Assuming Dilution because the effect of inclusion would be anti-dilutive was 2.0 million and 1.0 million for the three months ended September 30, 2025 and 2024, respectively.

The number of shares of Kemper common stock that were excluded from the calculations of Equity-based Compensation Equivalent Shares and Weighted-average Unrestricted Shares and Equivalent Shares Outstanding Assuming Dilution because the effect of inclusion would be anti-dilutive was 1.4 million and 1.5 million for the nine months ended September 30, 2025 and 2024, respectively.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 3 - Business Segments

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

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

Segment Adjusted Net Operating Income

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

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

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

Total Segment, Non-Core Operations, and Corporate and Other assets at September 30, 2025 and December 31, 2024 were:

(Dollars in Millions)	Sep 30, 2025	Dec 31, 2024
Segment Assets:		
Specialty Property & Casualty Insurance ¹	\$ 6,642.1	\$ 6,352.9
Life Insurance	4,879.0	4,731.7
Total Segment Assets	11,521.1	11,084.6
Corporate and Other	262.9	774.7
Non-Core Operations	659.4	771.1
Total Assets¹	\$12,443.4	\$12,630.4

¹Includes \$70.0 million and \$41.5 million attributable to Kemper Reciprocal as of September 30, 2025 and December 31, 2024, respectively, which is reported as a consolidated variable interest entity.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 3 - Business Segments (Continued)

Earned Premiums by product line, including a reconciliation to Total Earned Premiums, for the three and nine months ended September 30, 2025 and 2024 were:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Specialty Property & Casualty Insurance:				
Personal Automobile.....	\$ 785.1	\$ 731.3	\$ 2,328.1	\$ 2,098.1
Commercial Automobile.....	232.2	187.7	662.2	523.5
Total Specialty Property & Casualty Insurance.....	1,017.3	919.0	2,990.3	2,621.6
Life Insurance:				
Life.....	84.1	84.2	252.6	249.2
Accident and Health.....	5.5	5.6	16.4	16.8
Property.....	10.2	10.8	31.0	32.7
Total Life Insurance.....	99.8	100.6	300.0	298.7
Total Segment Earned Premiums.....	1,117.1	1,019.6	3,290.3	2,920.3
Non-Core Operations.....	16.2	48.9	61.7	213.8
Total Earned Premiums.....	<u>\$ 1,133.3</u>	<u>\$ 1,068.5</u>	<u>\$ 3,352.0</u>	<u>\$ 3,134.1</u>

Segment Revenues, including a reconciliation to Total Revenues, for the three and nine months ended September 30, 2025 and 2024 were:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Segment Revenues:				
Specialty Property & Casualty Insurance:				
Earned Premiums.....	\$ 1,017.3	\$ 919.0	\$ 2,990.3	\$ 2,621.6
Net Investment Income.....	53.8	52.0	153.9	139.7
Other Income.....	2.5	1.6	6.5	4.6
Total Specialty Property & Casualty Insurance.....	1,073.6	972.6	3,150.7	2,765.9
Life Insurance:				
Earned Premiums.....	99.8	100.6	300.0	298.7
Net Investment Income.....	48.0	50.3	141.1	125.1
Other Income.....	0.4	0.2	1.4	0.7
Total Life Insurance.....	148.2	151.1	442.5	424.5
Total Segment Revenues.....	1,221.8	1,123.7	3,593.2	3,190.4
Change in Fair Value of Equity and Convertible Securities.....	(2.1)	(2.3)	(2.5)	(0.1)
Net Realized Investment Gains.....	3.9	1.1	4.7	9.2
Impairment Losses.....	(3.1)	(2.2)	(6.4)	(3.8)
Non-Core Operations.....	18.2	54.8	67.4	244.8
Other.....	1.0	3.8	1.9	11.3
Total Revenues.....	<u>\$ 1,239.7</u>	<u>\$ 1,178.9</u>	<u>\$ 3,658.3</u>	<u>\$ 3,451.8</u>

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 3 - Business Segments (Continued)

Significant Segment Expenses that were regularly provided to the CODM for the three and nine months ended September 30, 2025 and 2024 were:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Segment Expenses:				
Specialty Property & Casualty Insurance:				
Current Year				
Non-catastrophe Losses and LAE	\$ 798.7	\$ 644.2	\$ 2,211.1	\$ 1,846.0
Catastrophe Losses and LAE	1.0	3.6	10.1	18.0
Prior Years				
Non-catastrophe Losses and LAE	51.4	(0.1)	65.5	4.4
Catastrophe Losses and LAE	—	0.2	0.6	0.8
Total Incurred Losses and LAE	851.1	647.9	2,287.3	1,869.2
Policy Acquisition Costs ¹	137.0	119.6	409.4	349.0
Business Unit Operating Costs ²	44.2	40.5	122.6	101.4
Corporate Overhead Costs ³	33.4	34.8	102.5	102.1
Total Insurance Expenses	214.6	194.9	634.5	552.5
Income Tax Expense	0.3	26.2	44.4	69.1
Total Specialty Property & Casualty Insurance	1,066.0	869.0	2,966.2	2,490.8
Life Insurance:				
Policyholders' Benefits and Incurred Losses and LAE	60.5	64.1	186.2	191.0
Policy Acquisition Costs ¹	32.8	34.9	97.7	100.3
Business Unit Operating Costs ²	24.6	24.1	76.1	71.6
Corporate Overhead Costs ³	8.2	10.0	25.9	31.0
Total Insurance Expenses	65.6	69.0	199.7	202.9
Income Tax Expense	3.5	3.0	8.2	3.9
Total Life Insurance	129.6	136.1	394.1	397.8
Total Segment Expenses	<u>\$ 1,195.6</u>	<u>\$ 1,005.1</u>	<u>\$ 3,360.3</u>	<u>\$ 2,888.6</u>

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

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

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

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 3 - Business Segments (Continued)

Total Segment Adjusted Net Operating Income, including a reconciliation to Net (Loss) Income attributable to Kemper Corporation, for the three and nine months ended September 30, 2025 and 2024 was:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Segment Adjusted Net Operating Income:				
Specialty Property & Casualty Insurance				
Revenues	\$ 1,073.6	\$ 972.6	\$ 3,150.7	\$ 2,765.9
Expenses	(1,066.0)	(869.0)	(2,966.2)	(2,490.8)
Specialty Property & Casualty Insurance Adjusted Net Operating Income	7.6	103.6	184.5	275.1
Life Insurance				
Revenues	148.2	151.1	442.5	424.5
Expenses	(129.6)	(136.1)	(394.1)	(397.8)
Life Insurance Adjusted Net Operating Income	18.6	15.0	48.4	26.7
Total Segment Adjusted Net Operating Income	26.2	118.6	232.9	301.8
Corporate and Other Adjusted Net Operating Loss	(9.0)	(15.1)	(30.7)	(39.0)
Less: Net Loss attributable to Noncontrolling Interest	(3.2)	(1.5)	(8.7)	(3.6)
Net Income (Loss) From:				
Change in Fair Value of Equity and Convertible Securities	(1.7)	(1.8)	(2.0)	(0.1)
Net Realized Investment Gains	3.1	0.9	3.7	7.3
Impairment Losses	(2.5)	(1.7)	(5.1)	(3.0)
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	(19.6)	(9.1)	(27.6)	(24.3)
Debt Extinguishment, Pension Settlement and Other Charges	—	(2.2)	0.4	(0.1)
Non-Core Operations	(20.7)	(17.4)	(29.0)	(25.8)
Net (Loss) Income attributable to Kemper Corporation	<u>\$ (21.0)</u>	<u>\$ 73.7</u>	<u>\$ 151.3</u>	<u>\$ 220.4</u>

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 4 - Property and Casualty Insurance Reserves

Property and Casualty Insurance Reserve activity for the nine months ended September 30, 2025 and 2024 was:

(Dollars in Millions)	Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024
Property and Casualty Insurance Reserves:		
Gross of Reinsurance at Beginning of Year	\$ 2,611.9	\$ 2,680.5
Less: Reinsurance Recoverables at Beginning of Year	24.3	27.8
Property and Casualty Insurance Reserves, Net of Reinsurance at Beginning of Year	2,587.6	2,652.7
Incurred Losses and LAE related to:		
Current Year	2,242.2	2,053.0
Prior Years	66.2	27.4
Total Incurred Losses and LAE	2,308.4	2,080.4
Paid Losses and LAE related to:		
Current Year	945.0	945.0
Prior Years	1,167.7	1,227.6
Total Paid Losses and LAE	2,112.7	2,172.6
Property and Casualty Insurance Reserves, Net of Reinsurance at End of Period	2,783.3	2,560.5
Plus: Reinsurance Recoverables at End of Period	22.7	26.4
Property and Casualty Insurance Reserves, Gross of Reinsurance at End of Period	<u>\$ 2,806.0</u>	<u>\$ 2,586.9</u>

Property and Casualty Insurance Reserves are estimated based on historical experience patterns and current economic trends. Actual loss experience and loss trends may differ from these historical experience patterns and economic conditions. Loss experience and loss trends emerge over several years from the dates of loss inception. The Company monitors such emerging loss trends on a quarterly basis. Changes in such estimates are included in the Condensed Consolidated Statements of (Loss) Income in the period of change. Additionally, the Company reviews if any premium revisions are appropriate as a result of any incurred losses and loss adjustment expenses (“LAE”) related to prior years recorded in the current period. For the nine months ended September 30, 2025 and 2024, no additional premiums or return premiums were recorded.

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

For the nine months ended September 30, 2024, the net adverse prior year development of \$27.4 million included \$22.1 million of adverse development within Non-Core Operations due primarily to higher than expected loss emergence related to homeowners, umbrella, and bodily injury coverages. In addition, the Company experienced adverse development of \$5.1 million within the Specialty Personal Automobile product line, primarily driven by higher than expected settlements for extra-contractual demands related to prior year claims.

The Company cannot predict whether loss and LAE reserves will develop favorably or unfavorably from the amounts reported in the Condensed Consolidated Financial Statements. The Company believes that any such development will not have a material effect on the Company’s Shareholders’ Equity, but could have a material effect on the Company’s consolidated financial results for a given period.

Note 5 - Liability for Future Policyholder Benefits

The Company’s Life Insurance Reserves are reported using the Company’s estimate of its liability for future policyholder benefits. The liability for future policyholder benefits is grouped by contract type and issue year into cohorts consistent with the grouping used in estimating the associated liability. Significant assumption inputs to the calculation of the liability for future

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 5 - Liability for Future Policyholder Benefits (Continued)

policyholder benefits include mortality, lapses, and discount rates (both accretion and current). The liability is adjusted for differences between actual and expected experience.

The following tables summarize balances and changes in the present value of expected net premiums, present value of expected future policyholder benefits and net liability for future policyholder benefits as of and for the three and nine months ended September 30, 2025 and 2024:

(Dollars in Millions)		Three Months Ended		Nine Months Ended	
		Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Present Value of Expected Net Premiums	Balance, Beginning of Period	\$ 683.1	\$ 692.6	\$ 646.1	\$ 675.4
	Beginning Balance at Original Discount Rate ...	\$ 705.6	\$ 733.2	\$ 681.0	\$ 694.7
	Effect of Changes in Cash Flow Assumptions	—	—	—	—
	Effect of Actual Variances from Expected Experience	1.1	(1.4)	17.8	4.3
	Adjusted Beginning of Period Balance	706.7	731.8	698.8	699.0
	Issuances	21.2	29.4	61.9	92.9
	Interest Accrual	7.6	8.0	22.4	23.5
	Net Premiums Collected	(24.2)	(24.0)	(71.8)	(70.2)
	Ending Balance at Original Discount Rate	711.3	745.2	711.3	745.2
	Effect of Changes in Discount Rate Assumptions	(14.4)	(12.0)	(14.4)	(12.0)
	Balance, End of Period	\$ 696.9	\$ 733.2	\$ 696.9	\$ 733.2
Present Value of Expected Future Policyholder Benefits	Balance, Beginning of Period	\$ 3,343.4	\$ 3,380.1	\$ 3,295.9	\$ 3,613.2
	Beginning Balance at Original Discount Rate ...	\$ 3,834.3	\$ 3,874.5	\$ 3,812.1	\$ 3,835.9
	Effect of Changes in Cash Flow Assumptions	—	—	—	—
	Effect of Actual Variances From Expected Experience	(0.7)	(2.6)	16.0	1.6
	Adjusted Beginning of Period Balance	3,833.6	3,871.9	3,828.1	3,837.5
	Issuances	21.3	29.5	62.4	92.9
	Interest Accrual	42.1	43.0	126.1	128.2
	Benefit Payments	(55.0)	(57.6)	(174.6)	(171.8)
	Ending Balance at Original Discount Rate	3,842.0	3,886.8	3,842.0	3,886.8
	Effect of Changes in Discount Rate Assumptions	(414.3)	(256.1)	(414.3)	(256.1)
	Balance, End of Period	\$ 3,427.7	\$ 3,630.7	\$ 3,427.7	\$ 3,630.7
	Net Liability for Future Policyholder Benefits, pre-flooring	\$ 2,730.8	\$ 2,897.5	\$ 2,730.8	\$ 2,897.5
	Cumulative impact of flooring the future Policyholder Benefits Reserve	—	—	—	—
	Net Liability for Future Policyholder Benefits, post-flooring	2,730.8	2,897.5	2,730.8	2,897.5
	Less: Reinsurance Recoverable	—	—	—	—
	Net Liability for Future Policyholder Benefits, After Reinsurance Recoverable	\$ 2,730.8	\$ 2,897.5	\$ 2,730.8	\$ 2,897.5

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 5 - Liability for Future Policyholder Benefits (Continued)

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

	Sep 30, 2025	Sep 30, 2024
Weighted-Average Liability Duration of the Liability for Future Policyholder Benefits (Years)	14.0	14.8

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

(Dollars in Millions)	Sep 30, 2025	Sep 30, 2024
Net Liability for Future Policyholder Benefits, post-flooring	\$ 2,730.8	\$ 2,897.5
Deferred Profit Liability	460.4	390.6
Other ¹	126.4	137.7
Total Life and Health Insurance Reserves	<u>\$ 3,317.6</u>	<u>\$ 3,425.8</u>

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

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

(Dollars in Millions)	Sep 30, 2025	Sep 30, 2024
Expected Future Benefit Payments, undiscounted	\$ 10,167.1	\$ 10,274.0
Expected Future Gross Premiums, undiscounted	\$ 4,010.9	\$ 4,159.0
Expected Future Gross Premiums, discounted	\$ 2,718.2	\$ 2,853.8

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

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Gross Premiums or Assessments	\$ 99.2	\$ 99.8	\$ 299.7	\$ 300.3
Interest Expense	\$ 34.6	\$ 35.0	\$ 103.7	\$ 104.7

The weighted-average interest rate is as follows:

	Sep 30, 2025	Sep 30, 2024
Interest Accretion Rate	4.53 %	4.54 %
Current Discount Rate	5.57 %	5.17 %

Significant assumption inputs to the calculation of the liability for future policyholder benefits include mortality, lapses, and discount rates (both accretion and current). The Company did not make any changes to mortality and lapse assumptions during the nine months ended September 30, 2025 and 2024. Market data that underlies current discount rates was updated as of September 30, 2025.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 5 - Liability for Future Policyholder Benefits (Continued)

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

(Dollars in Millions)	Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024
Balance, Beginning of Year	\$ 412.1	\$ 337.8
Profits Deferred	118.4	121.1
Interest Accrual	14.9	12.5
Amortization	(86.6)	(82.0)
Effect of Actual Variances from Expected Experience and Other Changes	1.6	1.2
Balance, End of Period	<u>\$ 460.4</u>	<u>\$ 390.6</u>

Note 6 - Investments

Fixed Maturities

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

(Dollars in Millions)	Amortized Cost	Gross Unrealized		Allowance for Expected Credit Losses	Fair Value
		Gains	Losses		
U.S. Government and Government Agencies and Authorities	\$ 673.4	\$ 3.2	\$ (84.7)	\$ —	\$ 591.9
States and Political Subdivisions	1,435.6	2.2	(194.5)	(0.1)	1,243.2
Foreign Governments	12.1	0.2	(0.3)	—	12.0
Corporate Securities:					
Bonds and Notes	3,982.7	22.1	(417.2)	(13.4)	3,574.2
Redeemable Preferred Stocks	9.8	0.5	—	—	10.3
Collateralized Loan Obligations	823.8	2.8	(6.5)	(2.2)	817.9
Other Mortgage- and Asset-backed	394.3	1.3	(24.8)	—	370.8
Investments in Fixed Maturities	<u>\$ 7,331.7</u>	<u>\$ 32.3</u>	<u>\$ (728.0)</u>	<u>\$ (15.7)</u>	<u>\$ 6,620.3</u>

The amortized cost and fair values of the Company's Investments in Fixed Maturities at December 31, 2024 were:

(Dollars in Millions)	Amortized Cost	Gross Unrealized		Allowance for Expected Credit Losses	Fair Value
		Gains	Losses		
U.S. Government and Government Agencies and Authorities	\$ 588.6	\$ 0.6	\$ (102.4)	\$ —	\$ 486.8
States and Political Subdivisions	1,457.3	1.6	(225.4)	(0.3)	1,233.2
Foreign Governments	6.5	0.3	(0.2)	—	6.6
Corporate Securities:					
Bonds and Notes	4,038.3	8.9	(518.8)	(8.8)	3,519.6
Redeemable Preferred Stocks	9.8	0.1	(1.0)	—	8.9
Collateralized Loan Obligations	747.8	2.5	(7.2)	(1.6)	741.5
Other Mortgage- and Asset-backed	446.7	0.8	(34.5)	—	413.0
Investments in Fixed Maturities	<u>\$ 7,295.0</u>	<u>\$ 14.8</u>	<u>\$ (889.5)</u>	<u>\$ (10.7)</u>	<u>\$ 6,409.6</u>

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 6 - Investments (Continued)

Other Receivables included \$4.2 million and \$1.8 million of unsettled sales of Investments in Fixed Maturities at September 30, 2025 and December 31, 2024, respectively. There were \$7.8 million and \$11.6 million of unsettled purchases of Investments in Fixed Maturities included in Accrued Expenses and Other Liabilities as of September 30, 2025 and December 31, 2024, respectively.

The amortized cost and estimated fair values of the Company's Investments in Fixed Maturities at September 30, 2025 by contractual maturity were:

(Dollars in Millions)	Amortized Cost	Fair Value
Due in One Year or Less	\$ 228.2	\$ 225.8
Due after One Year to Five Years	925.2	894.4
Due after Five Years to Ten Years	920.7	839.7
Due after Ten Years	3,497.9	3,001.5
Mortgage- and Asset-backed Securities Not Due at a Single Maturity Date	1,759.7	1,658.9
Investments in Fixed Maturities	<u>\$ 7,331.7</u>	<u>\$ 6,620.3</u>

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

Investments in Mortgage- and Asset-backed Securities Not Due at a Single Maturity Date at September 30, 2025 consisted of securities issued by the Government National Mortgage Association with a fair value of \$326.1 million, securities issued by the Federal National Mortgage Association with a fair value of \$85.4 million, securities issued by the Federal Home Loan Mortgage Corporation with a fair value of \$58.7 million and securities of other non-governmental issuers with a fair value of \$1,188.7 million.

An aging of unrealized losses on the Company's Investments in Fixed Maturities at September 30, 2025 is presented below.

(Dollars in Millions)	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed Maturities:						
U.S. Government and Government Agencies and Authorities	\$ 3.2	\$ —	\$ 382.4	\$ (84.7)	\$ 385.6	\$ (84.7)
States and Political Subdivisions	178.5	(6.6)	971.5	(187.9)	1,150.0	(194.5)
Foreign Governments	3.7	(0.1)	0.4	(0.2)	4.1	(0.3)
Corporate Securities:						
Bonds and Notes	538.0	(21.3)	2,472.6	(395.9)	3,010.6	(417.2)
Redeemable Preferred Stocks	—	—	2.0	—	2.0	—
Collateralized Loan Obligations	57.0	(0.5)	68.8	(6.0)	125.8	(6.5)
Other Mortgage- and Asset-backed	13.4	—	247.6	(24.8)	261.0	(24.8)
Total Fixed Maturities	<u>\$ 793.8</u>	<u>\$ (28.5)</u>	<u>\$ 4,145.3</u>	<u>\$ (699.5)</u>	<u>\$ 4,939.1</u>	<u>\$ (728.0)</u>

Investment-grade fixed maturity investments comprised \$708.0 million and below-investment-grade fixed maturity investments comprised \$20.0 million of the unrealized losses on investments in fixed maturities at September 30, 2025. For below-investment-grade fixed maturity investments in an unrealized loss position, the unrealized loss amount, on average, was approximately 4.4% of the amortized cost basis of the investment.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 6 - Investments (Continued)

An aging of unrealized losses on the Company's Investments in Fixed Maturities at December 31, 2024 is presented below.

(Dollars in Millions)	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed Maturities:						
U.S. Government and Government Agencies and Authorities	\$ 41.7	\$ (0.5)	\$ 383.6	\$ (101.9)	\$ 425.3	\$ (102.4)
States and Political Subdivisions	242.7	(10.3)	933.4	(215.1)	1,176.1	(225.4)
Foreign Governments	—	—	1.4	(0.2)	1.4	(0.2)
Corporate Securities:						
Bonds and Notes	674.3	(40.9)	2,605.7	(477.9)	3,280.0	(518.8)
Redeemable Preferred Stocks	2.0	—	6.6	(1.0)	8.6	(1.0)
Collateralized Loan Obligations	34.2	(0.1)	89.5	(7.1)	123.7	(7.2)
Other Mortgage- and Asset-backed	12.0	(0.1)	261.7	(34.4)	273.7	(34.5)
Total Fixed Maturities	<u>\$ 1,006.9</u>	<u>\$ (51.9)</u>	<u>\$ 4,281.9</u>	<u>\$ (837.6)</u>	<u>\$ 5,288.8</u>	<u>\$ (889.5)</u>

Investment-grade fixed maturity investments comprised \$875.3 million and below-investment-grade fixed maturity investments comprised \$14.2 million of the unrealized losses on investments in fixed maturities at December 31, 2024. For below-investment-grade fixed maturity investments in an unrealized loss position, the unrealized loss amount, on average, was approximately 4.9% of the amortized cost basis of the investment.

Fixed Maturities - Expected Credit Losses

The following table sets forth the change in allowance for credit losses on fixed maturities available-for-sale by major security type for nine months ended September 30, 2025. Accrued interest excluded from the amortized cost of fixed maturities total \$73.5 million and \$70.9 million as of September 30, 2025 and December 31, 2024, respectively, and is reported within the Other Receivables line of the Condensed Consolidated Balance Sheets. The Company monitors accrued interest and writes off amounts when they are not expected to be received.

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

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 6 - Investments (Continued)

The following table sets forth the change in allowance for credit losses on fixed maturities available-for-sale by major security type for the nine months ended September 30, 2024.

(Dollars in Millions)	States and Political Subdivisions	Corporate Bonds and Notes	Total
Balance, Beginning of Year	\$ 0.5	\$ 7.7	\$ 8.2
Additions for Securities for which No Previous Expected Credit Losses were Recognized	—	2.0	2.0
Reductions Due to Sales	—	(0.8)	(0.8)
Net (Decrease) Increase in Allowance on Securities for which Expected Credit Losses were Previously Recognized	(0.3)	0.4	0.1
Balance, End of Period	<u>\$ 0.2</u>	<u>\$ 9.3</u>	<u>\$ 9.5</u>

Equity Securities

Investments in Equity Securities at Fair Value were \$302.0 million and \$218.5 million at September 30, 2025 and December 31, 2024, respectively. Net unrealized losses arising during the nine months ended September 30, 2025 and 2024 and recognized in earnings, related to such investments still held as of September 30, 2025 and September 30, 2024, were \$2.3 million and \$2.3 million, respectively.

There were no unsettled purchases or sales of Investments in Equity Securities at Fair Value at September 30, 2025. As of December 31, 2024, there were no unsettled purchases and \$0.3 million in unsettled sales of Investments in Equity Securities at Fair Value.

Equity Method Limited Liability Investments

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

The Company's maximum exposure to loss at September 30, 2025 is limited to the total carrying value of \$174.9 million. In addition, the Company had outstanding commitments totaling approximately \$102.6 million to fund Equity Method Limited Liability Investments at September 30, 2025. At September 30, 2025, 3.0% of Equity Method Limited Liability Investments were reported without a reporting lag, 2.0% of the total carrying value were reported with a one-month lag, and the remainder were reported with a greater than one-month but less than or equal to three-month lag.

There were no unsettled purchases or sales of Equity Method Limited Liability Investments as of September 30, 2025 or December 31, 2024. Unsettled purchases and sales of Equity Method Limited Liability Investments are carried within Accrued Expenses and Other Liabilities and Other Receivables, respectively, on the Condensed Consolidated Balance Sheets.

Loans to Policyholders

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

The carrying values of the Company's Loans to Policyholders at Unpaid Principal investment at September 30, 2025 and December 31, 2024 were \$279.3 million and \$280.7 million, respectively.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 6 - Investments (Continued)

Other Investments

The carrying values of the Company's Other Investments at September 30, 2025 and December 31, 2024 were:

(Dollars in Millions)	Sep 30, 2025	Dec 31, 2024
Equity Securities at Modified Cost	\$ 22.2	\$ 22.5
Real Estate at Depreciated Cost	93.3	99.5
Mortgage Loans	148.2	75.3
Alternative Energy Partnership Investments	17.4	17.6
Other	5.9	2.2
Total Other Investments	<u>\$ 287.0</u>	<u>\$ 217.1</u>

Investments in Equity Securities at Modified Cost were \$22.2 million and \$22.5 million at September 30, 2025 and December 31, 2024, respectively. The Company performs a qualitative impairment analysis on a quarterly basis consisting of various factors such as earnings performance, current market conditions, changes in credit ratings, changes in the regulatory environment and other factors. If the qualitative analysis identifies the presence of impairment indicators, the Company estimates the fair value of the investment. If the estimated fair value is below the carrying value, the Company records an impairment in the Condensed Consolidated Statements of (Loss) Income to reduce the carrying value to the estimated fair value. When the Company identifies observable transactions of the same or similar securities to those held by the Company, the Company increases or decreases the carrying value to the observable transaction price. The Company did not recognize any changes in carrying value due to observable transactions for the nine months ended September 30, 2025 and 2024. The Company did not recognize any impairment on Equity Securities at Modified Cost for the nine months ended September 30, 2025 as a result of the Company's impairment analysis. The Company recognized an impairment of \$0.4 million on Equity Securities at Modified Cost for nine months ended September 30, 2024 as a result of the Company's impairment analysis. As of September 30, 2025 and December 31, 2024, the Company recognized no cumulative increases or decreases in the carrying value due to observable transactions and \$3.2 million of cumulative impairments on Equity Securities at Modified Cost.

Alternative Energy Partnership Investments include partnerships formed to invest in newly installed residential solar leases and power purchase agreements. As a result of this investment, the Company has the right to certain investment tax credits and tax depreciation benefits, and to a lesser extent, cash flows generated from the installed solar systems leased to individual consumers for a fixed period of time. The Hypothetical Liquidation Book Value ("HLBV") equity method of accounting is used for the Company's investments in Alternative Energy Partnership Investments. The Company's maximum exposure to loss at September 30, 2025 is limited to the total carrying value of \$17.4 million. The Company has no outstanding commitments to fund Alternative Energy Partnership Investments as of September 30, 2025. Alternative Energy Partnership Investments are reported on a three-month lag.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 6 - Investments (Continued)

Net Investment Income

Net Investment Income for the three and nine months ended September 30, 2025 and 2024 was:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Investment Income:				
Interest on Fixed Maturities ¹	\$ 79.1	\$ 79.0	\$ 232.4	\$ 239.0
Dividends on Equity Securities Excluding Alternative Investments	2.1	0.9	3.6	4.6
Alternative Investments:				
Equity Method Limited Liability Investments	—	0.9	(6.0)	(15.9)
Limited Liability Investments Included in Equity Securities	4.0	9.1	10.8	18.7
Total Alternative Investments	4.0	10.0	4.8	2.8
Short-term Investments	4.2	8.4	18.8	23.0
Loans to Policyholders	5.2	5.5	15.6	15.8
Real Estate	2.5	2.2	7.0	6.7
Company-Owned Life Insurance	10.8	9.7	31.5	25.7
Other	3.1	2.2	8.4	7.3
Total Investment Income	111.0	117.9	322.1	324.9
Investment Expenses:				
Real Estate	2.0	1.8	6.3	6.1
Other Investment Expenses	4.2	5.0	13.9	14.3
Total Investment Expenses	6.2	6.8	20.2	20.4
Net Investment Income	\$ 104.8	\$ 111.1	\$ 301.9	\$ 304.5

¹Reduced by interest expense incurred on FHLB borrowings used for spread lending purposes of \$4.7 million and \$4.8 million for the three months ended September 30, 2025 and 2024, respectively, and \$14.3 million and \$15.4 million for the nine months ended September 30, 2025 and 2024, respectively.

The components of Net Realized Investment Gains for the three and nine months ended September 30, 2025 and 2024 are presented below:

	Three Months Ended		Nine Months Ended	
(Dollars in Millions)	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Fixed Maturities:				
Gains on Sales	\$ 3.7	\$ 0.9	\$ 5.4	\$ 15.9
Losses on Sales	(0.5)	—	(1.5)	(2.6)
Losses on Hedging Activity ¹	—	—	—	(7.9)
Equity Securities:				
Gains on Sales	0.5	—	0.5	4.1
Losses on Sales	—	—	—	(0.1)
Other Investments:				
Gains on Sales	0.2	1.8	0.3	3.3
Losses on Sales	—	(1.6)	—	(3.5)
Net Realized Investment Gains	\$ 3.9	\$ 1.1	\$ 4.7	\$ 9.2

¹ Includes Ultra-Long Treasury Future derivative securities which do not qualify for hedge accounting treatment.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 7 - Derivatives

The Company's earnings, cash flows, and financial position are subject to fluctuations due to changes in prevailing interest rates.

The Company entered into derivative agreements with maturity dates throughout 2025. Derivative instruments are carried at fair value on the Condensed Consolidated Balance Sheets. Derivative instruments in a gain position are presented within Other Investments and those in a loss position are included in Accrued Expenses and Other Liabilities. Changes in the fair values of derivatives which do not qualify for hedge accounting treatment are recorded on the Condensed Consolidated Statements of (Loss) Income within Net Realized Investment Gains. Changes in the fair values of derivatives which qualify for hedge accounting treatment are recorded within Accumulated Other Comprehensive Loss along with the corresponding change in the designated hedge assets.

Interest Rate Risk

The Company's debt securities valuations utilize the Treasury designated benchmark rate, exposing the Company to variability due to changes in interest rates.

Ultra-Long Treasury Futures

The Company enters into exchange-traded ultra-long Treasury futures ("Treasury Futures") in order to manage exposure to upcoming changes in the benchmark (Treasury) interest rate of forecasted transactions. These derivatives expire quarterly. As of September 30, 2025, all Treasury Futures held by the Company qualified for hedge accounting as a cash flow hedge. The Company utilizes a rollover hedging strategy that involves continuously establishing short-term derivatives in consecutive contract months to hedge the underlying risk exposure. Under this strategy, the complete set of derivatives are not acquired at hedge inception; rather, short-term derivatives are acquired throughout the hedging period such that maturing derivatives are replaced with new short-term derivatives.

The following table presents the Company's Ultra-Long Treasury Futures derivatives, primary underlying risk exposure, gross notional amount, and estimated fair value of these derivatives:

(Dollars in Millions)		September 30, 2025			December 31, 2024		
		Gross Notional Amount	Estimated Fair Value		Gross Notional Amount	Estimated Fair Value	
Derivative Instrument	Primary Underlying Risk Exposure		Assets	Liabilities		Assets	Liabilities
Derivatives Designated as Hedging Instruments:							
Treasury Futures	Interest Rate Risk	\$ 75.0	\$ 2.7	\$ —	\$ 75.0	\$ —	\$ (3.7)

The below table reflects the amounts of Gains (Losses) deferred into AOCI before taxes, net changes in amounts in AOCI associated with current hedging transactions, and amounts subsequently reclassified into Net (Loss) Income through Net Investment Income for Ultra-Long Treasury Futures qualifying as cash flow hedges for the three and nine months ended September 30, 2025 and 2024.

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Beginning of Period	\$ (5.7)	\$ (3.6)	\$ (6.3)	\$ —
Gains (Losses) Deferred in AOCI	0.2	—	(1.7)	(4.0)
Net Change in AOCI with Current Period Hedging Transactions	0.6	3.9	2.9	4.3
Losses Reclassified into Income	—	0.5	0.2	0.5
Net Comprehensive (Losses) Gains from Cash Flow Hedges	\$ (4.9)	\$ 0.8	\$ (4.9)	\$ 0.8

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 7 - Derivatives (Continued)

Treasury Locks

During the fourth quarter of 2016 and the first quarter of 2022, in anticipation of debt issuances shortly thereafter and for risk management purposes, the Company entered into derivative transactions (the “2016 Treasury Lock” and “2022 Treasury Lock,” together the “Treasury Locks”) to hedge the risk of changes in the debt cash flows attributable to changes in the benchmark U.S. Treasury interest rate during the period leading up to the debt issuance.

The Treasury Locks have no remaining gross notional amount or fair value as the hedging relationships have been previously discontinued with the issuance of the associated debt (Senior Notes due February 15, 2025 for the 2016 Treasury Lock and Senior Notes due February 23, 2032 for the 2022 Treasury Lock). The effective portion of the gain or loss before taxes on the derivative instruments upon discontinuance was a \$4.5 million loss for the 2016 Treasury Lock and a \$5.9 million gain on the 2022 Treasury Lock. The gain or loss upon discontinuance is reported as a component of Accumulated Other Comprehensive Loss. Beginning with the issuance of the associated debt, such gain or loss is amortized into earnings and reported in Interest Expense in the same periods that the hedged items affect earnings.

During the first quarter of 2025, in conjunction with the redemption of the Senior Notes due February 15, 2025, the Company amortized the remaining \$0.1 million of pre-tax derivative loss on the 2016 Treasury Lock into earnings. Pre-tax amortization on the 2022 Treasury Lock was \$0.1 million and \$0.4 million for the three and nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, the remaining amount of pre-tax derivative gain on the 2022 Treasury Lock within AOCI to be amortized into earnings was \$3.8 million.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 8 - Fair Value Measurements

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

The valuation of assets and liabilities measured at fair value in Company’s Condensed Consolidated Balance Sheets at September 30, 2025 is summarized below. The Company had no material liabilities that are measured and reported at fair values.

(Dollars in Millions)	Fair Value Measurements				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Net Asset Value	Total Fair Value
Assets:					
Fixed Maturities:					
U.S. Government and Government Agencies and Authorities	\$ 103.9	\$ 488.0	\$ —	\$ —	\$ 591.9
States and Political Subdivisions	—	1,241.4	1.8	—	1,243.2
Foreign Governments	—	9.5	2.5	—	12.0
Corporate Securities:					
Bonds and Notes	—	3,293.5	280.7	—	3,574.2
Redeemable Preferred Stock	—	5.9	4.4	—	10.3
Collateralized Loan Obligations	—	812.2	5.7	—	817.9
Other Mortgage and Asset-backed	—	335.9	34.9	—	370.8
Total Investments in Fixed Maturities	103.9	6,186.4	330.0	—	6,620.3
Equity Securities at Fair Value:					
Preferred Stocks:					
Finance, Insurance and Real Estate	—	11.6	2.6	—	14.2
Other Industries	—	5.6	—	—	5.6
Common Stocks:					
Finance, Insurance and Real Estate	—	—	—	—	—
Other Industries	0.2	—	1.4	—	1.6
Other Equity Interests:					
Exchange Traded Funds	76.6	—	—	—	76.6
Limited Liability Companies and Limited Partnerships	—	—	—	204.0	204.0
Total Investments in Equity Securities at Fair Value	76.8	17.2	4.0	204.0	302.0
Other Investments:					
Derivative Instrument Classified as Cash Flow Hedge	—	2.7	—	—	2.7
Total Assets	\$ 180.7	\$ 6,206.3	\$ 334.0	\$ 204.0	\$ 6,925.0

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 8 - Fair Value Measurements (Continued)

The valuation of assets and liabilities measured at fair value in the Company's Consolidated Balance Sheets at December 31, 2024 is summarized below.

(Dollars in Millions)	Fair Value Measurements					Total Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Net Asset Value		
Assets:						
Fixed Maturities:						
U.S. Government and Government Agencies and Authorities	\$ 86.8	\$ 400.0	\$ —	\$ —	\$ 486.8	
States and Political Subdivisions ..	—	1,231.4	1.8	—	1,233.2	
Foreign Governments	—	6.6	—	—	6.6	
Corporate Securities:						
Bonds and Notes	—	3,325.4	194.2	—	3,519.6	
Redeemable Preferred Stocks	—	4.7	4.2	—	8.9	
Collateralized Loan Obligations ..	—	741.5	—	—	741.5	
Other Mortgage and Asset- backed	—	408.0	5.0	—	413.0	
Total Investments in Fixed Maturities	86.8	6,117.6	205.2	—	6,409.6	
Equity Securities at Fair Value:						
Preferred Stocks:						
Finance, Insurance and Real Estate	—	13.1	—	—	13.1	
Other Industries	—	6.7	2.8	—	9.5	
Common Stocks:						
Finance, Insurance and Real Estate	0.3	—	—	—	0.3	
Other Industries	0.1	—	1.0	—	1.1	
Other Equity Interests:						
Exchange Traded Funds	10.9	—	—	—	10.9	
Limited Liability Companies and Limited Partnerships	—	—	—	183.6	183.6	
Total Investments in Equity Securities at Fair Value	11.3	19.8	3.8	183.6	218.5	
Total Assets	\$ 98.1	\$ 6,137.4	\$ 209.0	\$ 183.6	\$ 6,628.1	
Liabilities:						
Accrued Expenses and Other Liabilities:						
Derivative Instruments Designated as Cash Flow Hedges	\$ —	\$ (3.7)	\$ —	\$ —	\$ (3.7)	
Total Liabilities	\$ —	\$ (3.7)	\$ —	\$ —	\$ (3.7)	

The Company's investments in Fixed Maturities that are classified as Level 1 primarily consist of U.S. Treasury Bonds and Notes. The Company's investments in Equity Securities at Fair Value that are classified as Level 1 consist of either investments in mutual funds or exchange traded funds. The Company's investments in Fixed Maturities that are classified as Level 2 primarily consist of investments in corporate bonds, obligations of states and political subdivisions, collateralized loan obligations, and mortgage-backed securities of U.S. government agencies. The Company's investments in Equity Securities at Fair Value that are classified as Level 2 primarily consist of investments in preferred stocks. The Company's

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 8 - Fair Value Measurements (Continued)

Derivative Instruments Designated as Cash Flow Hedges that are classified as Level 2 primarily consist of hedges to manage exposure to upcoming changes in the benchmark (Treasury) interest rate of forecasted transactions. The Company uses a leading, nationally recognized provider of market data and analytics to price the vast majority of the Company's Level 2 measurements. The provider utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information. Because many fixed maturity securities do not trade on a daily basis, the provider's evaluated pricing applications apply available information through processes such as benchmark curves, benchmarking of like securities, sector groupings and matrix pricing to prepare evaluations. In addition, the provider uses model processes to develop prepayment and interest rate scenarios. The pricing provider's models and processes also take into account market convention. For each asset class, teams of its evaluators gather information from market sources and integrate relevant credit information, perceived market movements and sector news into the evaluated pricing applications and models. The Company generally validates the measurements obtained from its primary pricing provider by comparing them with measurements obtained from one additional pricing provider that provides either prices from recent market transactions, quotes in inactive markets or evaluations based on its own proprietary models.

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

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

(Dollars in Millions)	Unobservable Input	Total Fair Value	Range of Unobservable Inputs			Weighted- average Yield
Investment-grade	Market Yield	\$ 91.6	1.6 %	-	10.5 %	7.3 %
Non-investment-grade:						
Senior Debt	Market Yield	116.7	6.6	-	26.1	10.1
Junior Debt	Market Yield	27.1	8.5	-	26.0	13.0
Other	Various	94.6				
Total Level 3 Fixed Maturity Investments		<u>\$ 330.0</u>				

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 8 - Fair Value Measurements (Continued)

The table below presents quantitative information about the significant unobservable inputs utilized by the Company in determining fair values for fixed maturity investments classified as Level 3 at December 31, 2024. Valuations for assets presented in the tables below are primarily based on broker/dealer quotes for which there is a lack of transparency as to inputs used to develop the valuations. The quantitative detail of these unobservable inputs is neither provided nor reasonably available to the Company. The weighted average yield is calculated based on fair value.

(Dollars in Millions)	Unobservable Input	Total Fair Value	Range of Unobservable Inputs		Weighted-average Yield
Investment-grade	Market Yield	\$ 59.9	3.4 %	- 11.6 %	7.9 %
Non-investment-grade:					
Senior Debt	Market Yield	42.7	7.0	- 24.1	10.0
Junior Debt	Market Yield	35.7	9.5	- 31.0	13.2
Other	Various	66.9			
Total Level 3 Fixed Maturity Investments		<u>\$ 205.2</u>			

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

Information by security type pertaining to the changes in the fair value of the Company's investments classified as Level 3 for the three months ended September 30, 2025 is presented below.

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

The transfers into and out of Level 3 were due to changes in the availability of market observable inputs.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 8 - Fair Value Measurements (Continued)

Information by security type pertaining to the changes in the fair value of the Company's investments classified as Level 3 for the three months ended September 30, 2024 is presented below.

(Dollars in Millions)	Fixed Maturities					Equity Securities	Total
	Corporate Bonds and Notes	States and Political Sub-divisions	Redeemable Preferred Stocks	Collateralized Loan Obligations	Other Mortgage- and Asset-backed	Preferred and Common Stocks	
Balance, Beginning of Period	\$ 227.3	\$ 0.1	\$ 4.1	\$ 6.8	\$ 5.0	\$ 3.4	\$ 246.7
Total Gains (Losses):							
Included in Condensed Consolidated Statements of (Loss) Income	0.3	—	—	—	—	(0.2)	0.1
Included in Other Comprehensive Income	1.7	(0.2)	0.2	—	0.3	—	2.0
Purchases	30.9	—	—	—	—	—	30.9
Sales	(31.8)	—	—	—	—	—	(31.8)
Transfers into Level 3	3.9	1.8	—	—	—	—	5.7
Transfers out of Level 3	(1.9)	—	—	(6.8)	—	—	(8.7)
Balance, End of Period	<u>\$ 230.4</u>	<u>\$ 1.7</u>	<u>\$ 4.3</u>	<u>\$ —</u>	<u>\$ 5.3</u>	<u>\$ 3.2</u>	<u>\$ 244.9</u>

The transfers into and out of Level 3 were due to changes in the availability of market observable inputs.

Information by security type pertaining to the changes in the fair value of the Company's investments classified as Level 3 for the nine months ended September 30, 2025 is presented below.

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

The transfers into and out of Level 3 were due primarily to changes in the availability of market observable inputs.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 8 - Fair Value Measurements (Continued)

Information by security type pertaining to the changes in the fair value of the Company's investments classified as Level 3 for the nine months ended September 30, 2024 is presented below.

(Dollars in Millions)	Fixed Maturities					Equity Securities	Total
	Corporate Bonds and Notes	States and Political Sub-divisions	Redeemable Preferred Stocks	Collateralized Loan Obligations	Other Mortgage- and Asset-backed	Preferred and Common Stocks	
Balance, Beginning of Year	\$ 177.1	\$ 0.1	\$ 7.1	\$ —	\$ 5.2	\$ 2.8	\$ 192.3
Total Gains (Losses):							
Included in Condensed Consolidated Statements of (Loss) Income	0.2	—	—	—	—	1.6	1.8
Included in Other Comprehensive Income	2.3	(0.6)	0.2	—	0.1	—	2.0
Purchases	103.5	—	1.9	6.8	—	0.5	112.7
Sales	(48.1)	—	—	—	—	(1.7)	(49.8)
Transfers into Level 3	7.0	3.5	—	—	—	—	10.5
Transfers out of Level 3	(11.6)	(1.3)	(4.9)	(6.8)	—	—	(24.6)
Balance, End of Period	<u>\$ 230.4</u>	<u>\$ 1.7</u>	<u>\$ 4.3</u>	<u>\$ —</u>	<u>\$ 5.3</u>	<u>\$ 3.2</u>	<u>\$ 244.9</u>

The transfers into and out of Level 3 were due primarily to changes in the availability of market observable inputs.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 8 - Fair Value Measurements (Continued)

The table below shows investments reported at fair value using NAV and their unfunded commitments by asset class as of September 30, 2025 and December 31, 2024.

(Dollars in Millions)	September 30, 2025		December 31, 2024	
	Fair Value Using NAV	Unfunded Commitments	Fair Value Using NAV	Unfunded Commitments
Reported as Equity Method Limited Liability Investments:				
Mezzanine Debt	\$ 115.2	\$ 36.2	\$ 116.7	\$ 40.8
Real Estate	24.3	0.1	27.3	—
Senior Debt	19.5	64.1	19.1	48.2
Leveraged Buyout	6.5	0.6	7.5	0.6
Secondary Transactions	2.7	1.6	5.5	1.6
Distressed Debt	1.4	—	4.4	—
Other	5.3	—	5.8	0.1
Total Equity Method Limited Liability Investments	174.9	102.6	186.3	91.3
Reported as Other Equity Interests at Fair Value:				
Mezzanine Debt	115.9	69.8	116.9	67.0
Leveraged Buyout	34.5	42.7	19.2	30.4
Senior Debt	26.5	6.7	26.3	8.4
Distressed Debt	11.1	15.7	11.7	15.0
Growth Equity	10.4	5.8	7.0	8.0
Secondary Transactions	1.6	1.6	2.4	1.6
Real Estate	0.1	0.2	—	—
Other	3.9	0.2	0.1	0.2
Total Reported as Other Equity Interests at Fair Value	204.0	142.7	183.6	130.6
Reported as Equity Securities at Modified Cost:				
Other	1.8	0.1	1.8	—
Total Reported as Equity Securities at Modified Cost	1.8	0.1	1.8	—
Total Investments Reported at Fair Value Using NAV	\$ 380.7	\$ 245.4	\$ 371.7	\$ 221.9

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

The hedge fund investments included above, which are carried at fair value, are generally redeemable subject to the redemption notices period. The majority of the hedge fund investments are redeemable monthly or quarterly.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 8 - Fair Value Measurements (Continued)

The following table includes information related to the Company's investments in certain private equity funds or hedge funds that calculate a net asset value per share:

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

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

(Dollars in Millions)	Level	September 30, 2025		December 31, 2024		
		Carrying Value	Fair Value	Carrying Value	Fair Value	
Financial Assets:						
Loans to Policyholders	Level 3	\$ 279.3	\$ 279.3	\$ 280.7	\$ 280.7	
Short-term Investments	Level 1 or 2	371.2	371.2	1,037.1	1,037.1	
Mortgage Loans	Level 3	148.2	148.2	75.3	75.3	
Company-Owned Life Insurance	Level 2	567.9	567.9	539.2	539.2	
Equity Securities at Modified Cost	Level 3	22.2	22.2	22.5	22.5	
Financial Liabilities:						
Long-term Debt	Level 2	\$ 943.1	\$ 864.6	\$ 1,391.6	\$ 1,278.4	
Policyholder Obligations	Level 2	525.2	525.2	541.3	541.3	

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

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 9 - Variable Interest Entities

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

Reciprocal Exchange

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

The Company consolidates the Exchange since (1) the AIF manages the business operations of the Exchange and therefore has the power to direct the activities that most significantly impact the economic performance of the Exchange and (2) the Company has provided capital to the Exchange and would absorb any expected losses that could potentially be significant to the Exchange. The Exchange's anticipated economic performance is the product of its underwriting and investment results. The AIF receives a management fee for the services provided to the Reciprocal Exchange. The management fee revenues are based upon all premiums written or assumed by the Exchange. The AIF determines the management fee rate to be paid by the Exchange. The AIF can charge a management fee of up to 30% of the Exchange's gross written and assumed premiums.

The assets of the Reciprocal Exchange can be used only to settle the obligations of the Reciprocal Exchange for which creditors and other beneficial owners have no recourse to the Company. The Company has no obligation related to any underwriting and/or investment losses experienced by the Exchange. As of December 31, 2024, the Company had contributed \$22.0 million of surplus to the Reciprocal Exchange. During the first nine months of 2025, the Company contributed an additional \$7.0 million of surplus to the Reciprocal Exchange, resulting in a total contributed surplus of \$29.0 million as of September 30, 2025. The effects of the transactions between the Company and the Reciprocal Exchange are eliminated in consolidation to derive consolidated Net (Loss) Income. However, the management fee income earned by the AIF is reported in Net (Loss) Income attributable to Kemper Corporation and is included in basic and diluted earnings per share.

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

Alternative Energy Partnership

The Company invests in an Alternative Energy Partnership formed to provide sustainable energy projects that are designed to generate a return primarily through the realization of federal tax credits. This entity was formed to invest in newly installed residential solar leases and power purchase agreements. As a result of this investment, the Company has the right to certain investment tax credits and tax depreciation benefits, and to a lesser extent, cash flows generated from the installed solar systems leased to individual consumers.

The Company's interest in the Alternative Energy Partnership Investment is considered an investment in a VIE. The Company has determined that it is not the primary beneficiary as it does not have the power to direct the activities that most significantly impact the economic performance of the entity and therefore is not required to consolidate the VIE. The project sponsor governs the entity, and the Company only has consent rights that have been deemed protective in nature and does not participate in key economic decisions of the entity.

The investment is accounted for using the equity method of accounting and included in Other Investments in the Condensed Consolidated Balance Sheets. The Company uses the HLBV equity method to account for earnings and losses. This method provides an earnings allocation that appropriately reflects the substantive economics of the investment. Earnings and losses on the investment are reported in Other Income and investment tax credits are recognized in Income Tax (Benefit) Expense on the Condensed Consolidated Statements of (Loss) Income.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 9 - Variable Interest Entities (Continued)

The Company's maximum loss exposure in the event that all of the assets in the Alternative Energy Partnership are deemed worthless is \$17.4 million and \$17.6 million, which is the carrying value of the investment at September 30, 2025 and December 31, 2024, respectively.

Note 10 - Deferred Policy Acquisition Costs

The following tables present the balances and changes in Deferred Policy Acquisition Costs for the Specialty Property and Casualty Insurance segment, Life Insurance segment, and Non-Core Operations business for the nine months ended September 30, 2025 and 2024:

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

¹ Includes \$1.4 million and \$1.1 million attributable to Kemper Reciprocal as of September 30, 2025 and December 31, 2024, respectively, which is reported as a consolidated variable interest entity.

² Includes \$2.0 million of impairment within Non-Core Operations related to a premium deficiency recognized during the period.

(Dollars in Millions)	Specialty	Life	Segment Total	Non-Core Operations	Total
Balance, December 31, 2023 ¹	\$ 142.7	\$ 427.0	\$ 569.7	\$ 22.0	\$ 591.7
Capitalizations	365.4	52.6	418.0	11.4	429.4
Amortization Expense	(346.7)	(24.0)	(370.7)	(28.4)	(399.1)
Balance, September 30, 2024 ¹	<u>\$ 161.4</u>	<u>\$ 455.6</u>	<u>\$ 617.0</u>	<u>\$ 5.0</u>	<u>\$ 622.0</u>

¹ Includes \$0.7 million and \$0.1 million attributable to Kemper Reciprocal as of September 30, 2024 and December 31, 2023, respectively, which is reported as a consolidated variable interest entity.

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

The Company did not make any changes to future assumptions for the nine months ended September 30, 2025 and 2024.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 11 - Receivables from Policyholders - Allowance for Expected Credit Losses

The following tables present the balances of Receivables from Policyholders, net of the allowance for expected credit losses, as of September 30, 2025 and 2024, and a roll forward of changes in the allowance for expected credit losses for the three and nine months ended September 30, 2025 and 2024.

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

¹Specialty, Total Segments, and Total Includes \$10.7 million attributable to Kemper Reciprocal, which is reported as a consolidated variable interest entity.

Three Months Ended September 30, 2024					
(Dollars in Millions)	Specialty	Life	Total Segments	Non-Core Operations	Total Allowance for Expected Credit Losses
Balance, Beginning of Period	\$ 4.3	\$ —	\$ 4.3	\$ 0.5	\$ 4.8
Provision for Expected Credit Losses	12.7	0.1	12.8	0.1	12.9
Write-offs of Uncollectible Receivables from Policyholders	(13.8)	(0.1)	(13.9)	(0.2)	(14.1)
Balance, End of Period	<u>\$ 3.2</u>	<u>\$ —</u>	<u>\$ 3.2</u>	<u>\$ 0.4</u>	<u>\$ 3.6</u>
Receivable Balance, End of Period ¹	<u>\$ 960.7</u>	<u>\$ 11.4</u>	<u>\$ 972.1</u>	<u>\$ 17.3</u>	<u>\$ 989.4</u>

¹Specialty, Total Segments, and Total Includes \$6.6 million attributable to Kemper Reciprocal, which is reported as a consolidated variable interest entity.

KEMPER CORPORATION AND SUBSIDIARIES
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Note 11 - Receivables from Policyholders - Allowance for Expected Credit Losses (Continued)

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

¹Specialty, Total Segments, and Total Includes \$10.7 million attributable to Kemper Reciprocal, which is reported as a consolidated variable interest entity.

Nine Months Ended September 30, 2024					
(Dollars in Millions)	Specialty	Life	Total Segments	Non-Core Operations	Total Allowance for Expected Credit Losses
Balance, Beginning of Year	\$ 12.9	\$ —	\$ 12.9	\$ 1.0	\$ 13.9
Provision for Expected Credit Losses	26.4	0.2	26.6	0.6	27.2
Write-offs of Uncollectible Receivables from Policyholders	(36.1)	(0.2)	(36.3)	(1.2)	(37.5)
Balance, End of Period	<u>\$ 3.2</u>	<u>\$ —</u>	<u>\$ 3.2</u>	<u>\$ 0.4</u>	<u>\$ 3.6</u>
Receivable Balance, End of Period ¹	<u>\$ 960.7</u>	<u>\$ 11.4</u>	<u>\$ 972.1</u>	<u>\$ 17.3</u>	<u>\$ 989.4</u>

¹Specialty, Total Segments, and Total Includes \$6.6 million attributable to Kemper Reciprocal, which is reported as a consolidated variable interest entity.

KEMPER CORPORATION AND SUBSIDIARIES
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Note 12 - Other Comprehensive Income and Accumulated Other Comprehensive Loss

The tables below display the changes in Accumulated Other Comprehensive Loss by component for the three months ended September 30, 2025 and 2024.

(Dollars in Millions)	Net Unrealized Losses on Fixed Maturities	Net Unrealized Losses on Investments with an Allowance for Credit Losses	Net Unrecognized Postretirement Benefit Income	Net Loss on Cash Flow Hedges	Change in Discount Rate on Future Life Policyholder Benefits	Total
Balance as of June 30, 2025	\$ (631.7)	\$ (2.2)	\$ 7.6	\$ (1.4)	\$ 370.0	\$ (257.7)
Other Comprehensive Income (Loss) Before Reclassifications	84.7	(5.1)	—	0.6	(54.0)	26.2
Amounts Reclassified from Accumulated Other Comprehensive Loss Net of Tax Expense of \$0.2, \$1.2, \$0.0, \$0.0, \$0.0 and \$1.4	0.7	4.3	(0.5)	(0.1)	—	4.4
Other Comprehensive Income (Loss) Net of Tax Expense (Benefit) of \$22.4, \$(0.2), \$0.0, \$0.2, \$(14.4), and \$8.0	85.4	(0.8)	(0.5)	0.5	(54.0)	30.6
Balance as of September 30, 2025	<u>\$ (546.3)</u>	<u>\$ (3.0)</u>	<u>\$ 7.1</u>	<u>\$ (0.9)</u>	<u>\$ 316.0</u>	<u>\$ (227.1)</u>

(Dollars in Millions)	Net Unrealized Losses on Fixed Maturities	Net Unrealized Losses on Investments with an Allowance for Credit Losses	Net Unrecognized Postretirement Benefit Costs	Net (Loss) Gain on Cash Flow Hedges	Change in Discount Rate on Future Life Policyholder Benefits	Total
Balance as of June 30, 2024	\$ (679.6)	\$ (3.7)	\$ 8.3	\$ (0.3)	\$ 358.0	\$ (317.3)
Other Comprehensive Income (Loss) Before Reclassifications	226.4	0.2	—	3.5	(165.2)	64.9
Amounts Reclassified from Accumulated Other Comprehensive Loss Net of Tax (Benefit) Expense of \$0.0, \$0.0, \$(0.1), \$0.1, \$0.0, and \$0.0	0.1	—	(0.6)	0.4	—	(0.1)
Other Comprehensive Income (Loss) Net of Tax Expense (Benefit) of \$60.1, \$(0.2), \$(0.1), \$1.0 \$(43.9) and \$16.9	226.5	0.2	(0.6)	3.9	(165.2)	64.8
Balance as of September 30, 2024	<u>\$ (453.1)</u>	<u>\$ (3.5)</u>	<u>\$ 7.7</u>	<u>\$ 3.6</u>	<u>\$ 192.8</u>	<u>\$ (252.5)</u>

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 12 - Other Comprehensive Income and Accumulated Other Comprehensive Loss (Continued)

The tables below display the changes in Accumulated Other Comprehensive Loss by component for the nine months ended September 30, 2025 and 2024.

(Dollars in Millions)	Net Unrealized Losses on Fixed Maturities	Net Unrealized Losses on Investments with an Allowance for Credit Losses	Net Unrecognized Postretirement Benefit Income	Net Loss on Cash Flow Hedges	Change in Discount Rate on Future Life Policyholder Benefits	Total
Balance as of January 1, 2025	\$ (687.8)	\$ (3.2)	\$ 8.4	\$ (2.2)	\$ 380.3	(304.5)
Other Comprehensive Income (Loss) Before Reclassifications	140.7	(0.3)	—	1.4	(64.3)	77.5
Amounts Reclassified from Accumulated Other Comprehensive Loss Net of Tax Expense (Benefit) of \$0.2, \$0.2, \$(0.3), \$0.0, \$0.0 and \$0.1	0.8	0.5	(1.3)	(0.1)	—	(0.1)
Other Comprehensive Income (Loss) Net of Tax Expense (Benefit) of \$37.3, \$0.1, \$(0.3), \$(0.2), \$(17.1), and \$19.8	141.5	0.2	(1.3)	1.3	(64.3)	77.4
Balance as of September 30, 2025	<u>\$ (546.3)</u>	<u>\$ (3.0)</u>	<u>\$ 7.1</u>	<u>\$ (0.9)</u>	<u>\$ 316.0</u>	<u>\$ (227.1)</u>

(Dollars in Millions)	Net Unrealized Losses on Fixed Maturities	Net Unrealized Losses on Investments with an Allowance for Credit Losses	Net Unrecognized Postretirement Benefit Costs	Net Gain on Cash Flow Hedges	Change in Discount Rate on Future Life Policyholder Benefits	Total
Balance as of January 1, 2024	\$ (530.9)	\$ (2.5)	\$ 9.5	\$ 2.5	\$ 160.6	(360.8)
Other Comprehensive Income (Loss) Before Reclassifications	68.9	(0.5)	—	0.7	32.2	101.3
Amounts Reclassified from Accumulated Other Comprehensive Loss Net of Tax Expense (Benefit) of \$2.3, \$(0.2), \$(0.6), \$0.1, \$0.0 and \$1.6	8.9	(0.5)	(1.8)	0.4	—	7.0
Other Comprehensive Income (Loss) Net of Tax Expense (Benefit) of \$20.6, \$(0.7), \$(0.6), \$0.2, \$8.6, and \$28.1	77.8	(1.0)	(1.8)	1.1	32.2	108.3
Balance as of September 30, 2024	<u>\$ (453.1)</u>	<u>\$ (3.5)</u>	<u>\$ 7.7</u>	<u>\$ 3.6</u>	<u>\$ 192.8</u>	<u>\$ (252.5)</u>

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

Components of AOCI	Condensed Consolidated Statements of (Loss) Income Line Item Affected by Reclassifications
Net Unrealized Losses on Fixed Maturities	Net Realized Investment Gains
Net Unrealized Losses on Investments with an Allowance for Credit Losses	Impairment Losses and Net Realized Investment Gains
Net Unrecognized Postretirement Benefit Costs	Policyholders' Benefits and Incurred Losses and Loss Adjustment Expenses, Insurance and Other Expenses, and Interest Expense
Net (Loss) Gain on Cash Flow Hedges	Net Investment Income and Interest Expense

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 13 - Shareholders' Equity

Common Stock Repurchases

On May 6, 2020, Kemper's Board of Directors authorized the repurchase of up to an additional \$200.0 million of Kemper's common stock, in addition to \$133.3 million remaining under a prior authorization in 2014, bringing the remaining share repurchase authorization to approximately \$333.3 million (the "2014 Repurchase Program"). On August 5, 2025, Kemper's Board of Directors approved a new share repurchase authorization, under which the Company can repurchase up to \$500.0 million of its common stock (the "2025 Repurchase Program").

As of September 30, 2025, the 2014 Repurchase Program has been completed, and the remaining share repurchase authorization under the 2025 Repurchase Program was \$383.8 million.

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

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

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

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

During the three and nine months ended September 30, 2024, Kemper repurchased and retired approximately 400,000 shares of its common stock in open market transactions under its share repurchase authorizations for an aggregate cost of \$25.0 million and an average cost per share of \$61.21.

Employee Stock Purchase Plan

During the three months ended September 30, 2025 and 2024, the Company issued 17,000 and 14,000 shares under the Kemper Employee Stock Purchase Plan ("ESPP") at a discounted price of \$43.82 and \$52.06 per share, respectively. Compensation costs charged against income were \$0.1 million and \$0.1 million during the three months ended September 30, 2025 and 2024, respectively.

During the nine months ended September 30, 2025 and 2024, the Company issued 45,000 and 47,000 shares under the Kemper ESPP, respectively, at an average discounted price of \$51.17 and \$51.61 per share. Compensation costs charged against income were \$0.4 million and \$0.4 million for the nine months ended September 30, 2025 and 2024.

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 14 - Amortization of Intangible Assets

The following table presents the amortization expense on definite life intangible assets incurred by the Company for the three and nine months ended September 30, 2025 and 2024:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Specialty Property & Casualty Insurance	\$ 5.5	\$ 4.0	\$ 14.3	\$ 12.6
Life Insurance	1.8	1.6	5.1	4.2
Total Segment Amortization Expense	7.3	5.6	19.4	16.8
Corporate and Other	4.2	5.3	14.0	16.8
Non-Core Operations ¹	22.3	0.5	23.6	1.2
Total Amortization Expense	\$ 33.8	\$ 11.4	\$ 57.0	\$ 34.8

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

Note 15 - Policyholder Obligations

Policyholder Obligations at September 30, 2025 and December 31, 2024 were as follows:

(Dollars in Millions)	Sep 30, 2025	Dec 31, 2024
FHLB Funding Agreements	\$ 525.2	\$ 541.3
Universal Life-type Policyholder Account Balances	94.8	96.4
Total	\$ 620.0	\$ 637.7

FHLB Funding Agreements

Kemper's subsidiary, United Insurance Company of America ("United Insurance") has entered into funding agreements with the FHLB of Chicago in exchange for cash, which it uses for spread lending purposes. During the nine months ended September 30, 2025, United Insurance received advances of \$30.0 million from the FHLB of Chicago and made repayments of \$46.1 million under the spread lending program.

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

United Insurance's liability under the funding agreements with the FHLB of Chicago, the amount of collateral pledged under such agreements and FHLB of Chicago common stock owned by United Insurance at September 30, 2025 and December 31, 2024 is presented below.

(Dollars in Millions)	Sep 30, 2025	Dec 31, 2024
Liability under Funding Agreements	\$ 525.2	\$ 541.3
Fair Value of Collateral Pledged	658.6	619.3
FHLB of Chicago Common Stock Owned at Cost	17.7	16.9

Universal Life-type Policyholder Account Balances

The Company's weighted-average crediting rate for Universal Life-type Policyholder Account Balances was 5.1% and 5.1% as of September 30, 2025 and 2024. Guaranteed minimum benefit amounts in excess of the current account balances for these

KEMPER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 15 - Policyholder Obligations (Continued)

contracts were \$264.1 million and \$276.6 million as of September 30, 2025 and December 31, 2024, respectively. The cash surrender value of the Company's policyholder obligations for these contracts was \$94.8 million and \$96.4 million as of September 30, 2025 and December 31, 2024, respectively.

Note 16 - Debt

Amended and Extended Credit Agreement

On March 15, 2022, the Company entered into an amended and extended credit agreement. The amended and extended credit agreement increased the borrowing capacity of the existing unsecured credit agreement to \$600.0 million and extended the maturity date to March 15, 2027. Furthermore, the amended and extended credit agreement provides for an accordion feature whereby the Company can increase the revolving credit borrowing capacity by an additional \$200.0 million for a total maximum capacity of \$800.0 million. There were no outstanding borrowings under the credit agreement at either September 30, 2025 or December 31, 2024.

Long-term Debt

The Company designates debt obligations as either short-term or long-term based on maturity date at issuance. Total amortized cost of Long-term Debt, Current and Non-Current, outstanding at September 30, 2025 and December 31, 2024 was:

(Dollars in Millions)	Sep 30, 2025	Dec 31, 2024
Senior Notes:		
Current:		
4.350% Senior Notes due February 15, 2025	\$ —	\$ 449.9
Non-Current:		
2.400% Senior Notes due September 30, 2030	397.8	397.5
3.800% Senior Notes due February 23, 2032	396.8	396.5
5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062	148.5	147.7
Total Long-term Debt Outstanding	<u>\$ 943.1</u>	<u>\$ 1,391.6</u>

Redemption of 4.350% Senior Notes Due 2025

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

2.400% Senior Notes Due 2030

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

3.800% Senior Notes Due 2032

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

5.875% Fixed-Rate Reset Junior Subordinated Debentures Due 2062

On March 10, 2022, Kemper issued \$150.0 million aggregate principal amount of 5.875% Fixed-Rate Reset Junior Subordinated Debentures due March 15, 2062 (the "2062 Junior Debentures"). The net proceeds from issuance were

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Note 16 - Debt (Continued)

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

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

Short-term Debt

Kemper’s subsidiaries, United Insurance, Trinity Universal Insurance Company (“Trinity”) and American Access Casualty Company (“AAC”), are members of the FHLBs of Chicago, Dallas and Chicago, respectively. The Company periodically uses short-term FHLB borrowings for cash management and risk management purposes, in addition to long-term FHLB borrowings for the spread lending program. The Company did not receive advances or make repayments of short-term debt during the three and nine months ended September 30, 2025 and 2024 for cash and risk management purposes. There were no short-term debt advances from the FHLBs of Chicago or Dallas outstanding at September 30, 2025 or December 31, 2024. For information on United Insurance’s funding agreement with the FHLB of Chicago in connection with the spread lending program, see Note 15, “Policyholder Obligations,” to the Condensed Consolidated Financial Statements.

Interest Expense and Interest Paid

Interest Expense, including facility fees, accretion of discount, amortization of premium and amortization of issuance costs, was \$9.1 million and \$29.5 million for the three and nine months ended September 30, 2025, respectively. Interest paid, including facility fees, was \$14.8 million and \$41.9 million for the three and nine months ended September 30, 2025, respectively. Interest Expense, including facility fees, accretion of discount, amortization of premium and amortization of issuance costs, was \$14.4 million and \$42.3 million for the three and nine months ended September 30, 2024, respectively. Interest paid, including facility fees, was \$24.7 million and \$52.0 million for the three and nine months ended September 30, 2024, respectively.

KEMPER CORPORATION AND SUBSIDIARIES
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Note 17 - Leases

The Company leases certain office space under non-cancelable operating leases, with initial terms typically ranging from one to fifteen years, along with options that permit renewals for additional periods. The Company also leases certain vehicles and equipment under non-cancelable operating leases, with initial terms typically ranging from one to five years. Minimum rent is expensed on a straight-line basis over the term of the lease.

The following table presents operating lease right-of-use assets and lease liabilities.

(Dollars in Millions)	Sep 30, 2025	Dec 31, 2024
Operating Lease Right-of-Use Assets	\$ 48.0	\$ 33.9
Operating Lease Liabilities	63.9	51.6

Lease expenses are included in Insurance and Other Expenses in the Condensed Consolidated Statements of (Loss) Income. Additional information regarding the Company's operating leases is presented below.

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Lease Cost:				
Operating Lease Cost	\$ 4.4	\$ 3.9	\$ 12.4	\$ 11.6
Variable Lease Cost	0.9	1.2	3.1	3.5
Short-Term Lease Cost ¹	0.2	0.1	0.4	0.3
Total Lease Cost	<u>\$ 5.5</u>	<u>\$ 5.2</u>	<u>\$ 15.9</u>	<u>\$ 15.4</u>

¹ Leases with an initial term of twelve months or less are not recorded on the Condensed Consolidated Balance Sheets.

Other Information on Operating Leases

Significant judgments and assumptions for determining lease asset and liability at September 30, 2025 and 2024 are presented below.

	Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024
Weighted-average Remaining Lease Term - Operating Leases	5.2 years	5.4 years
Weighted-average Discount Rate - Operating Leases	4.8 %	4.5 %

Most of the Company's leases do not provide an implicit rate. Accordingly, the Company uses its incremental borrowing rate based on the information available at the commencement date to determine its lease payments' present value.

Future minimum lease payments under operating leases at September 30, 2025 are presented below.

(Dollars in Millions)	September 30, 2025
Remainder of 2025	\$ 4.8
2026	16.7
2027	13.5
2028	11.3
2029	9.1
2030 and Thereafter	16.9
Total Future Payments	\$ 72.3
Less: Discount	8.4
Present Value of Minimum Lease Payments	<u>\$ 63.9</u>

As of September 30, 2025 and December 31, 2024, the Company did not have any finance leases.

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Note 18 - Income Taxes

The statute of limitations related to Kemper and its eligible subsidiaries' consolidated Federal income tax returns is closed for all tax years up to and including 2011 as well as 2018 and 2019. As a result of the Company filing amended federal income tax returns, tax years 2012 and 2013 are under limited examination with respect to carryback adjustments associated with the amended returns. Tax years 2020 and 2022 are currently under examination and will remain open until the examination is complete. The statute of limitations related to tax years 2014, 2015, 2016, and 2017 has been extended to December 31, 2026. Tax years 2021, 2022, and 2023 are subject to a statute of three years from the extended due dates of October 15, 2022, 2023, and 2024, respectively.

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

In July 2025, the One Big Beautiful Bill Act ("OBBBA") was signed, enacting significant changes to federal tax law. The OBBBA includes, among other provisions, extension and modification of various provisions from the 2017 Tax Cuts and Jobs Act, immediate expensing of domestic research and experimental costs, accelerated depreciation, compensation-related items, and the repeal of certain clean energy tax credits. The Company has evaluated the impacts of the OBBBA, which were not material to the consolidated financial statements, and will continue to monitor developments as further information becomes available.

The interim period tax expense or benefit is the difference between the year-to-date income tax provision and the amounts reported for the previous interim periods of the fiscal year. For the three months ended September 30, 2025, the income tax benefit attributable to Kemper Corporation was \$7.9 million, or 27.3% of income before income taxes, compared to an income tax expense of \$18.9 million, or 20.4% of income before income taxes for the three months ended September 30, 2024. For the nine months ended September 30, 2025, the income tax expense attributable to Kemper Corporation was \$34.0 million, or 18.3% of income before income taxes, compared to an income tax expense of \$53.4 million, or 19.5% of income before income taxes for the nine months ended September 30, 2024.

There were no Unrecognized Tax Benefits at September 30, 2025, or December 31, 2024. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in Income Tax (Benefit) Expense. There were no liabilities for accrued interest and penalties for the nine months ended September 30, 2025 and 2024.

For the nine months ended September 30, 2025, federal income taxes paid, net of income tax refunds received, were \$20.5 million. For the nine months ended September 30, 2024, federal income taxes paid, net of income tax refunds received, were \$9.9 million.

For the nine months ended September 30, 2025 and 2024, state income taxes paid, net of refunds received, were \$1.7 million and \$0.6 million, respectively. No foreign income taxes were paid or refunded for the nine months ended September 30, 2025 and 2024.

Note 19 - Commitments and Contingencies

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

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

Non-GAAP Financial Measures

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

Adjusted Consolidated Net Operating Income

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

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

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

Significant non-recurring items are excluded when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, and (b) there has been no similar charge or gain within the prior two years. There were no applicable significant non-recurring items that the Company excluded from the calculation of Adjusted Consolidated Net Operating Income for the three and nine months ended September 30, 2025 or 2024.

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

Non-GAAP Financial Measures (Continued)

Underlying Losses and Loss Adjustment Expenses (“LAE”) and Underlying Combined Ratio

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

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

The Company believes Underlying Losses and LAE and the Underlying Combined Ratio are useful to investors and uses these financial measures to reveal the trends in the Company’s Property & Casualty Insurance segment that may be obscured by catastrophe losses and prior-year reserve development. These catastrophe losses may cause the Company’s loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude and can have a significant impact on incurred losses and LAE and the Combined Ratio. Prior-year reserve developments are caused by unexpected loss development on historical reserves. Because reserve development relates to the re-estimation of losses from earlier periods, it has no bearing on the performance of the Company’s insurance products in the current period. The Company believes it is useful for investors to evaluate these components separately and in the aggregate when reviewing the Company’s underwriting performance.

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

Summary of Results

Net Loss Attributable to Kemper Corporation was \$21.0 million (\$0.34 per unrestricted common share) for the three months ended September 30, 2025, compared to Net Income Attributable to Kemper Corporation of \$73.7 million (\$1.15 per unrestricted common share) for the same period in 2024.

Net Income attributable to Kemper Corporation was \$151.3 million (\$2.40 per unrestricted common share) for the nine months ended September 30, 2025, compared to Net Income attributable to Kemper Corporation of \$220.4 million (\$3.43 per unrestricted common share) for the same period in 2024.

Summary of Results (Continued)

A reconciliation of Net (Loss) Income attributable to Kemper Corporation to Adjusted Consolidated Net Operating Income (a non-GAAP financial measure) for the three and nine months ended September 30, 2025 and 2024 is presented below.

(Dollars in Millions)	Three Months Ended			Nine Months Ended		
	Sep 30, 2025	Sep 30, 2024	Change	Sep 30, 2025	Sep 30, 2024	Change
Net (Loss) Income attributable to Kemper Corporation	\$ (21.0)	\$ 73.7	\$ (94.7)	\$ 151.3	\$ 220.4	\$ (69.1)
Less:						
Change in Fair Value of Equity and Convertible Securities	(1.7)	(1.8)	0.1	(2.0)	(0.1)	(1.9)
Net Realized Investment Gains	3.1	0.9	2.2	3.7	7.3	(3.6)
Impairment Losses	(2.5)	(1.7)	(0.8)	(5.1)	(3.0)	(2.1)
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	(19.6)	(9.1)	(10.5)	(27.6)	(24.3)	(3.3)
Debt Extinguishment, Pension Settlement, and Other Charges	—	(2.2)	2.2	0.4	(0.1)	0.5
Non-Core Operations	(20.7)	(17.4)	(3.3)	(29.0)	(25.8)	(3.2)
Adjusted Consolidated Net Operating Income	<u>\$ 20.4</u>	<u>\$ 105.0</u>	<u>\$ (84.6)</u>	<u>\$ 210.9</u>	<u>\$ 266.4</u>	<u>\$ (55.5)</u>
Components of Adjusted Consolidated Net Operating Income:						
Segment Adjusted Net Operating Income:						
Specialty Property & Casualty Insurance	\$ 7.6	\$ 103.6	\$ (96.0)	\$ 184.5	\$ 275.1	\$ (90.6)
Life Insurance	18.6	15.0	3.6	48.4	26.7	21.7
Total Segment Adjusted Net Operating Income	26.2	118.6	(92.4)	232.9	301.8	(68.9)
Corporate and Other Adjusted Net Operating Loss	(9.0)	(15.1)	6.1	(30.7)	(39.0)	8.3
Less: Net Loss attributable to Noncontrolling Interest	(3.2)	(1.5)	(1.7)	(8.7)	(3.6)	(5.1)
Adjusted Consolidated Net Operating Income	<u>\$ 20.4</u>	<u>\$ 105.0</u>	<u>\$ (84.6)</u>	<u>\$ 210.9</u>	<u>\$ 266.4</u>	<u>\$ (55.5)</u>

Net (Loss) Income attributable to Kemper Corporation

Net Income (Loss) attributable to Kemper Corporation decreased by \$94.7 million for the three months ended September 30, 2025, compared to the same period in 2024, due primarily to lower Adjusted Consolidated Net Operating Income.

Adjusted Consolidated Net Operating Income decreased by \$84.6 million for the three months ended September 30, 2025, compared to the same period in 2024, mostly driven by our Specialty Property & Casualty Insurance segment due primarily to a higher Underlying Combined Ratio and higher adverse prior year development on bodily injury coverages within commercial automobile insurance, partially offset by higher average earned premiums per exposure resulting from rate increases.

The loss from Non-Core Operations increased by \$3.3 million for the three months ended September 30, 2025 compared to the same period in 2024 primarily due to \$21.7 million of impairment losses recognized on Internal-Use Software assets reported as Other Assets on the Condensed Consolidated Balance Sheets as the business continues run-off, partially offset by lower catastrophe losses and lower adverse prior year development. Additionally, on August 1, 2025, certain Company subsidiaries entered into a renewal rights agreement with a third party and certain of its affiliates (collectively, the “Third Party”) whereby the Third Party will offer replacement policies for certain policies written by the Company’s subsidiaries in New York after the expiration of their current term. Execution of the terms of the agreement is contingent upon the granting of regulatory approvals by the New York Department of Financial Services.

Corporate and Other Adjusted Net Operating Loss decreased by \$6.1 million for the three months ended September 30, 2025 compared to the same period in 2024, primarily driven by lower interest expense due to the redemption of \$450 million of 4.350% senior notes.

Net Income (Loss) attributable to Kemper Corporation decreased by \$69.1 million for the nine months ended September 30, 2025, compared to the same period in 2024, due primarily to lower Adjusted Consolidated Net Operating Income.

Adjusted Consolidated Net Operating Income decreased by \$55.5 million for the nine months ended September 30, 2025, compared to the same period in 2024, due primarily to a deterioration in the Specialty Property & Casualty Insurance segment’s

Summary of Results (Continued)

Underlying Combined Ratio and higher adverse prior year development on bodily injury coverages within commercial automobile insurance, partially offset by higher average earned premiums per exposure resulting from rate increases. This was partially offset by increased Life Insurance segment earnings driven by higher net investment income and a reduction in policyholders' benefits and insurance expenses. Life Insurance segment results for the nine months ended September 30, 2024 included an \$11.9 million after-tax loss from an investment valuation adjustment on one real estate investment from our alternative investment portfolio.

The loss from Non-Core Operations increased by \$3.2 million for the nine months ended September 30, 2025 compared to the same period in 2024 primarily due to \$21.7 million of impairment losses on Internal-Use Software assets reported as Other Assets on the Condensed Consolidated Balance Sheets, partially offset by lower adverse prior year development as the business continues to run-off.

Corporate and Other Adjusted Net Operating Loss decreased by \$8.3 million for the nine months ended September 30, 2025 compared to the same period in 2024, primarily driven by lower interest expense due to the redemption of \$450 million of 4.350% senior notes.

Revenues

Total Revenues increased by \$60.8 million to \$1,239.7 million for the three months ended September 30, 2025, compared to \$1,178.9 million for the same period in 2024. The increase was primarily driven by higher earned premiums.

Earned Premiums increased by \$64.8 million to \$1,133.3 million for the three months ended September 30, 2025 compared to \$1,068.5 for the same period in 2024, primarily driven by a \$98.3 million increase from the Specialty Property & Casualty Insurance segment due to higher average earned premiums per exposure resulting from rate increases. This was partially offset by a \$32.7 million reduction in premiums from our Preferred Insurance business, reported as Non-Core Operations, due primarily to lower volumes resulting from the exit and run-off of the business.

Net Investment Income decreased by \$6.3 million for the three months ended September 30, 2025, compared to the same period in 2024, mostly driven by decreased earnings on alternative investments and lower levels and yields from Short-term investments, partially offset by higher earnings on Company Owned Life Insurance.

Net Realized Investment Gains increased by \$2.8 million for the three months ended September 30, 2025, compared to the same period in 2024, primarily due to increased gains on sales of fixed maturity investments.

Impairment losses increased by \$0.9 million for the three months ended September 30, 2025, compared to the same period in 2024.

Total Revenues increased by \$206.5 million to \$3,658.3 million for the nine months ended September 30, 2025, compared to \$3,451.8 million for the same period in 2024. The increase was primarily driven by higher earned premiums.

Earned Premiums increased by \$217.9 million to \$3,352.0 million for the nine months ended September 30, 2025 compared to \$3,134.1 for the same period in 2024, primarily driven by a \$368.7 million increase from the Specialty Property & Casualty Insurance segment due to higher average earned premiums per exposure resulting from rate increases, partially offset by a \$152.1 million reduction in premiums from our Preferred Insurance business, reported as Non-Core Operations, due primarily to lower volumes resulting from the exit and run-off of the business.

Net Investment Income decreased by \$2.6 million for the nine months ended September 30, 2025, compared to the same period in 2024, mostly driven by lower levels and yields from fixed maturity securities and lower yields from Short-term investments, partially offset by higher earnings on Company-Owned Life Insurance and increased earnings on alternative investments.

Net Realized Investment Gains decreased by \$4.5 million for the nine months ended September 30, 2025, compared to the same period in 2024, due primarily to decreased gains on sales of fixed maturity and equity securities, partially offset by the absence of net realized losses on ultra-long treasury future derivatives transactions that did not qualify for hedge accounting.

Impairment losses increased by \$2.6 million for the nine months ended September 30, 2025, compared to the same period in 2024, primarily driven by an increase in the allowance for credit losses on fixed maturity securities.

Specialty Property & Casualty Insurance

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

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Net Premiums Written	\$ 982.2	\$ 938.0	\$3,052.5	\$2,736.5
Earned Premiums	\$1,017.3	\$ 919.0	\$2,990.3	\$2,621.6
Net Investment Income	53.8	52.0	153.9	139.7
Other Income	2.5	1.6	6.5	4.6
Total Revenues	1,073.6	972.6	3,150.7	2,765.9
Incurred Losses and LAE related to:				
Current Year:				
Non-catastrophe Losses and LAE	798.7	644.2	2,211.1	1,846.0
Catastrophe Losses and LAE	1.0	3.6	10.1	18.0
Prior Years:				
Non-catastrophe Losses and LAE	51.4	(0.1)	65.5	4.4
Catastrophe Losses and LAE	—	0.2	0.6	0.8
Total Incurred Losses and LAE	851.1	647.9	2,287.3	1,869.2
Insurance Expenses	214.6	194.9	634.5	552.5
Segment Adjusted Operating Income	7.9	129.8	228.9	344.2
Income Tax Expense	0.3	26.2	44.4	69.1
Total Segment Adjusted Net Operating Income	\$ 7.6	\$ 103.6	\$ 184.5	\$ 275.1
<u>Ratios Based On Earned Premiums</u>				
Current Year Non-catastrophe Losses and LAE Ratio	78.5 %	70.1 %	74.0 %	70.4 %
Current Year Catastrophe Losses and LAE Ratio	0.1	0.4	0.3	0.7
Prior Years Non-catastrophe Losses and LAE Ratio	5.1	—	2.2	0.2
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Total Incurred Loss and LAE Ratio	83.7	70.5	76.5	71.3
Insurance Expense Ratio	21.1	21.2	21.2	21.1
Combined Ratio	104.8 %	91.7 %	97.7 %	92.4 %
<u>Underlying Combined Ratio</u>				
Current Year Non-catastrophe Losses and LAE Ratio	78.5 %	70.1 %	74.0 %	70.4 %
Insurance Expense Ratio	21.1	21.2	21.2	21.1
Underlying Combined Ratio	99.6 %	91.3 %	95.2 %	91.5 %
<u>Non-GAAP Measure Reconciliation</u>				
Combined Ratio	104.8 %	91.7 %	97.7 %	92.4 %
Less:				
Current Year Catastrophe Losses and LAE Ratio	0.1	0.4	0.3	0.7
Prior Years Non-catastrophe Losses and LAE Ratio	5.1	—	2.2	0.2
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Underlying Combined Ratio	99.6 %	91.3 %	95.2 %	91.5 %

Specialty Property & Casualty Insurance (Continued)

Insurance Reserves

(Dollars in Millions)	Sep 30, 2025	Dec 31, 2024
Insurance Reserves:		
Personal Automobile	\$ 1,752.1	\$ 1,626.0
Commercial Automobile	894.2	721.9
Total Insurance Reserves	<u>\$ 2,646.3</u>	<u>\$ 2,347.9</u>
Insurance Reserves:		
Loss and Allocated LAE Reserves:		
Case and Allocated LAE	\$ 932.7	\$ 921.8
Incurred But Not Reported	1,518.7	1,250.6
Total Loss and LAE Reserves	2,451.4	2,172.4
Unallocated LAE Reserves	194.9	175.5
Total Insurance Reserves	<u>\$ 2,646.3</u>	<u>\$ 2,347.9</u>

See MD&A, “Critical Accounting Estimates,” of the 2024 Annual Report for additional information pertaining to the Company’s process of estimating property and casualty insurance reserves for losses and LAE, development of property and casualty insurance losses and LAE from prior accident years, also referred to as “reserve development” in the discussion of segment results, estimated variability of property and casualty insurance reserves for losses and LAE, and a discussion of some of the variables that may impact development of property and casualty insurance losses and LAE and the estimated variability of property and casualty insurance reserves for losses and LAE.

Overall

Three Months Ended September 30, 2025 Compared to the Same Period in 2024

The Specialty Property & Casualty Insurance segment reported Total Segment Adjusted Net Operating Income of \$7.6 million for the three months ended September 30, 2025, compared to Total Segment Adjusted Net Operating Income of \$103.6 million for the same period in 2024. Segment adjusted net operating results decreased by \$96.0 million that included a \$69.9 million and \$26.1 million decrease from personal automobile and commercial automobile insurance, respectively, due primarily to an increase in the Underlying Combined Ratio for personal automobile insurance and higher adverse prior year development in commercial automobile insurance, partially offset by growth from rate increases.

Earned Premiums in the Specialty Property & Casualty Insurance segment increased by \$98.3 million for the three months ended September 30, 2025, compared to the same period in 2024, due to higher average earned premiums per exposure resulting from rate increases and higher commercial automobile volumes.

Net Investment Income in the Specialty Property & Casualty Insurance segment increased by \$1.8 million for the three months ended September 30, 2025, compared to the same period in 2024, due primarily to higher levels of invested assets resulting from growth.

Incurred Loss and LAE were \$851.1 million or 83.7% of earned premiums for the three months ended September 30, 2025 compared to \$647.9 million or 70.5% of earned premiums, for the same period in 2024. Incurred losses and LAE as a percentage of earned premiums increased primarily due to deterioration in the underlying loss and LAE ratio and increased adverse prior year development. Underlying losses and LAE as a percentage of earned premiums were 78.5% for the three months ended September 30, 2025, a deterioration of 8.4 percentage points, compared to the same period in 2024 driven by higher loss costs primarily resulting from higher claim severity and frequency in bodily injury and property damage coverages within personal automobile insurance, that were partially offset by higher average earned premiums per exposure (10.3% increase year over year). Underlying losses and LAE exclude the impact of catastrophes and prior year loss and LAE reserve development. Adverse prior year loss and LAE reserve development (including catastrophe reserve development) was \$51.4 million for the three months ended September 30, 2025, compared to adverse development of \$0.1 million for the same period in 2024, a deterioration of \$51.3 million due primarily to evolving loss patterns within bodily injury coverages within our Commercial Automobile product line. Catastrophe losses and LAE (excluding reserve development) were \$1.0 million for the three months ended September 30, 2025 compared to \$3.6 million for the same period in 2024, an improvement of \$2.6 million due to fewer catastrophe events and lower severity per event in the current period.

Specialty Property & Casualty Insurance (Continued)

Insurance Expenses were \$214.6 million, or 21.1% of earned premiums, for the three months ended September 30, 2025, compared to \$194.9 million, or 21.2% of earned premiums for the same period in 2024. Insurance Expenses increased \$19.7 million primarily due to higher expenses associated with increased business volumes.

The Specialty Property & Casualty Insurance segment's three months ended September 30, 2025 effective tax rate was 3.1% compared to 20.3% for the same period in 2024. The effective income tax rate for the third quarters of 2025 and 2024 differs from the federal statutory income tax rate due to investments in Company-Owned Life Insurance, tax-exempt investment income and nondeductible expenses. The change in the effective tax rate from the third quarter of 2024 is due to a decrease in pre-tax income while the net favorable tax adjustments have remained consistent.

Nine Months Ended September 30, 2025 Compared to the Same Period in 2024

The Specialty Property & Casualty Insurance segment reported Total Segment Adjusted Net Operating Income of \$184.5 million for the nine months ended September 30, 2025, compared to Total Segment Adjusted Net Operating Income of \$275.1 million for the same period in 2024. Segment adjusted net operating results decreased by \$90.6 million which included a \$58.3 million decrease from personal automobile insurance and a \$32.3 million decrease from commercial automobile insurance. The decrease in personal automobile Adjusted Net Operating Income was primarily driven by higher underlying losses. The decrease in commercial automobile insurance Adjusted Net Operating Income was primarily driven by higher adverse prior year development.

Earned Premiums in the Specialty Property & Casualty Insurance segment increased by \$368.7 million for the nine months ended September 30, 2025, compared to the same period in 2024, due to higher average earned premiums per exposure resulting from rate increases and higher commercial automobile volumes.

Net Investment Income in the Specialty Property & Casualty Insurance segment increased by \$14.2 million for the nine months ended September 30, 2025, compared to the same period in 2024, due primarily to higher levels of invested assets resulting from growth.

Incurred Loss and LAE were \$2,287.3 million or 76.5% of earned premiums for the nine months ended September 30, 2025 compared to \$1,869.2 million or 71.3% of earned premiums, for the same period in 2024. Incurred losses and LAE as a percentage of earned premiums increased primarily due to a deterioration in the underlying loss and LAE ratio and adverse prior year development. Underlying losses and LAE as a percentage of earned premiums were 74.0% for the nine months ended September 30, 2025, a deterioration of 3.6 percentage point, compared to the same period in 2024 due to increased claim severity and frequency in personal automobile primarily related to bodily injury and property damage coverages, partially offset by higher average earned premiums per exposure (11.8% increase year over year). Underlying losses and LAE exclude the impact of catastrophes and loss and LAE reserve development. Adverse loss and LAE reserve development (including catastrophe reserve development) was \$66.1 million for the nine months ended September 30, 2025, compared to adverse development of \$5.2 million for the same period in 2024, an increase of \$60.9 million due primarily to evolving loss patterns on bodily injury coverages in commercial automobile and higher than expected development on litigated matters. Catastrophe losses and LAE (excluding reserve development) were \$10.1 million for the nine months ended September 30, 2025 compared to \$18.0 million for the same period in 2024, a decrease of \$7.9 million due to fewer catastrophe events and lower severity per event in the current period.

Insurance Expenses were \$634.5 million, or 21.2% of earned premiums, for the nine months ended September 30, 2025, compared to \$552.5 million, or 21.1% of earned premiums for the same period in 2024. Insurance Expenses increased \$82.0 million due to higher expenses associated with increased business volumes.

The Specialty Property & Casualty Insurance segment's nine months ended September 30, 2025 effective tax rate was 19.5% compared to 20.1% for the same period in 2024. The effective income tax rate for the nine months ended September 30, 2025 and 2024 differs from the federal statutory income tax rate due to investments in Company-Owned Life Insurance, tax-exempt investment income and nondeductible expenses.

Specialty Property & Casualty Insurance (Continued)

Specialty Personal Automobile Insurance

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

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Net Premiums Written	\$ 727.6	\$ 735.1	\$2,318.5	\$2,147.1
Earned Premiums	\$ 785.1	\$ 731.3	\$2,328.1	\$2,098.1
Incurred Losses and LAE related to:				
Current Year:				
Non-catastrophe Losses and LAE	\$ 629.2	\$ 507.8	\$1,729.3	\$1,465.1
Catastrophe Losses and LAE	0.6	2.1	7.6	13.5
Prior Years:				
Non-catastrophe Losses and LAE	8.0	(2.7)	(1.7)	4.4
Catastrophe Losses and LAE	(0.1)	0.1	0.3	0.7
Total Incurred Losses and LAE	\$ 637.7	\$ 507.3	\$1,735.5	\$1,483.7
<u>Ratios Based On Earned Premiums</u>				
Current Year Non-catastrophe Losses and LAE Ratio	80.1 %	69.5 %	74.3 %	69.9 %
Current Year Catastrophe Losses and LAE Ratio	0.1	0.3	0.3	0.6
Prior Years Non-catastrophe Losses and LAE Ratio	1.0	(0.4)	(0.1)	0.2
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Total Incurred Loss and LAE Ratio	81.2	69.4	74.5	70.7
Insurance Expense Ratio	22.0	21.7	22.0	21.6
Combined Ratio	103.2 %	91.1 %	96.5 %	92.3 %
<u>Underlying Combined Ratio</u>				
Current Year Non-catastrophe Losses and LAE Ratio	80.1 %	69.5 %	74.3 %	69.9 %
Insurance Expense Ratio	22.0	21.7	22.0	21.6
Underlying Combined Ratio	102.1 %	91.2 %	96.3 %	91.5 %
<u>Non-GAAP Measure Reconciliation</u>				
Combined Ratio	103.2 %	91.1 %	96.5 %	92.3 %
Less:				
Current Year Catastrophe Losses and LAE Ratio	0.1	0.3	0.3	0.6
Prior Years Non-catastrophe Losses and LAE Ratio	1.0	(0.4)	(0.1)	0.2
Prior Years Catastrophe Losses and LAE Ratio	—	—	—	—
Underlying Combined Ratio	102.1 %	91.2 %	96.3 %	91.5 %

Three Months Ended September 30, 2025 Compared to the Same Period in 2024

Earned Premiums in personal automobile insurance increased by \$53.8 million for the three months ended September 30, 2025, compared to the same period in 2024, due to higher average earned premiums per exposure resulting from rate increases. Incurred losses and LAE were \$637.7 million, or 81.2% of earned premiums for the three months ended September 30, 2025, compared to \$507.3 million, or 69.4% of earned premiums, for the same period in 2024. Incurred losses and LAE as a percentage of earned premiums increased primarily due to a deterioration in the underlying loss and LAE ratio. Underlying losses and LAE as a percentage of related earned premiums were 80.1% for the three months ended September 30, 2025, compared to 69.5% for the same period in 2024, a deterioration of 10.6 percentage points driven by higher claim severity and frequency primarily related to bodily injury and property damage coverages that were partially offset by higher average earned premiums per exposure (9.9% increase year over year). Prior year adverse loss and LAE reserve development was \$7.9 million for the three months ended September 30, 2025, compared to favorable development of \$2.6 million for the same period in 2024, a deterioration of \$10.5 million due primarily to less favorable

Specialty Property & Casualty Insurance (Continued)

development on property damage and personal injury protection coverages, partially offset by favorable development on bodily injury coverages. Catastrophe losses and LAE (excluding reserve development) were \$0.6 million for the three months ended September 30, 2025, compared to \$2.1 million for the same period in 2024, an improvement of \$1.5 million due to fewer catastrophe events and lower severity per event in the current period.

Nine Months Ended September 30, 2025 Compared to the Same Period in 2024

Earned Premiums on personal automobile insurance increased by \$230.0 million for the nine months ended September 30, 2025, compared to the same period in 2024, due to higher average earned premiums per exposure resulting from rate increases. Incurred losses and LAE were \$1,735.5 million, or 74.5% of earned premiums for the nine months ended September 30, 2025, compared to \$1,483.7 million, or 70.7% of earned premiums, for the same period in 2024. Incurred losses and LAE as a percentage of earned premiums increased primarily due to deterioration in the underlying loss and LAE ratio. Underlying losses and LAE as a percentage of related earned premiums were 74.3% for the nine months ended September 30, 2025, compared to 69.9% for the same period in 2024, a deterioration of 4.4 percentage points driven by higher claim severity and frequency primarily related to bodily injury and property damage coverages that were offset by higher average earned premiums per exposure (11.2% increase year over year). Favorable loss and LAE reserve development was \$1.4 million for the nine months ended September 30, 2025, compared to adverse development of \$5.1 million for the same period in 2024, an improvement of \$6.5 million due primarily to the stabilization of loss patterns in bodily injury coverages and improving settlement patterns on policies with personal injury protection coverage, partially offset by higher losses associated with litigated matters. Catastrophe losses and LAE (excluding reserve development) were \$7.6 million for the nine months ended September 30, 2025, compared to \$13.5 million for the same period in 2024, an improvement of \$5.9 million due to fewer catastrophe events and lower severity per event in the current period.

Specialty Property & Casualty Insurance (Continued)

Commercial Automobile Insurance

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

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Net Premiums Written	\$ 254.6	\$ 202.9	\$ 734.0	\$ 589.4
Earned Premiums	\$ 232.2	\$ 187.7	\$ 662.2	\$ 523.5
Incurred Losses and LAE related to:				
Current Year:				
Non-catastrophe Losses and LAE	\$ 169.5	\$ 136.4	\$ 481.8	\$ 380.9
Catastrophe Losses and LAE	0.4	1.5	2.5	4.5
Prior Years:				
Non-catastrophe Losses and LAE	43.4	2.6	67.2	—
Catastrophe Losses and LAE	0.1	0.1	0.3	0.1
Total Incurred Losses and LAE	\$ 213.4	\$ 140.6	\$ 551.8	\$ 385.5
<u>Ratios Based On Earned Premiums</u>				
Current Year Non-catastrophe Losses and LAE Ratio	73.0 %	72.6 %	72.8 %	72.7 %
Current Year Catastrophe Losses and LAE Ratio	0.2	0.8	0.4	0.9
Prior Years Non-catastrophe Losses and LAE Ratio	18.7	1.4	10.1	—
Prior Years Catastrophe Losses and LAE Ratio	—	0.1	—	—
Total Incurred Loss and LAE Ratio	91.9	74.9	83.3	73.6
Insurance Expense Ratio	18.1	19.2	18.3	19.1
Combined Ratio	110.0 %	94.1 %	101.6 %	92.7 %
<u>Underlying Combined Ratio</u>				
Current Year Non-catastrophe Losses and LAE Ratio	73.0 %	72.6 %	72.8 %	72.7 %
Insurance Expense Ratio	18.1	19.2	18.3	19.1
Underlying Combined Ratio	91.1 %	91.8 %	91.1 %	91.8 %
<u>Non-GAAP Measure Reconciliation</u>				
Combined Ratio	110.0 %	94.1 %	101.6 %	92.7 %
Less:				
Current Year Catastrophe Losses and LAE Ratio	0.2	0.8	0.4	0.9
Prior Years Non-catastrophe Losses and LAE Ratio	18.7	1.4	10.1	—
Prior Years Catastrophe Losses and LAE Ratio	—	0.1	—	—
Underlying Combined Ratio	91.1 %	91.8 %	91.1 %	91.8 %

Three Months Ended September 30, 2025 Compared to the Same Period in 2024

Earned Premiums in commercial automobile insurance increased by \$44.5 million for the three months ended September 30, 2025, compared to the same period in 2024, due primarily to higher average earned premiums per exposure resulting from rate increases, targeted mix shifts, and higher business volumes. Incurred losses and LAE were \$213.4 million, or 91.9% of earned premiums in 2025, compared to \$140.6 million, or 74.9% of earned premiums in 2024. Incurred losses and LAE as a percentage of earned premiums increased primarily due to adverse prior year development. Underlying losses and LAE as a percentage of earned premiums were 73.0% in the three months ended September 30, 2025, compared to 72.6% during the same period in 2024, a deterioration of 0.4 percentage points driven by increased claim severity that was partially offset by higher average earned premiums per exposure (7.0% increase year over year). Adverse loss and LAE reserve development was \$43.5 million for the three months ended September 30, 2025, compared to adverse development of \$2.7 million for the same period in 2024, an increase of \$40.8 million due to evolving loss patterns and higher defense costs associated with attorney-represented bodily injury coverages. Catastrophe losses and LAE (excluding reserve development) were \$0.4 million for the

Specialty Property & Casualty Insurance (Continued)

three months ended September 30, 2025, compared to \$1.5 million for the same period in 2024, an improvement of \$1.1 million due to fewer catastrophe events and lower severity per event in the current period.

Nine Months Ended September 30, 2025 Compared to the Same Period in 2024

Earned Premiums in commercial automobile insurance increased by \$138.7 million for the nine months ended September 30, 2025, compared to the same period in 2024, due primarily to higher average earned premiums per exposure resulting from rate increases, targeted mix shifts, and higher business volumes. Incurred losses and LAE were \$551.8 million, or 83.3% of earned premiums in 2025, compared to \$385.5 million, or 73.6% of earned premiums in 2024. Incurred losses and LAE as a percentage of earned premiums increased primarily due to adverse prior year development. Underlying losses and LAE as a percentage of earned premiums were 72.8% for the nine months ended September 30, 2025, compared to 72.7% during the same period in 2024, a deterioration of 0.1 percentage points driven by increased claim severity that was partially offset by higher average earned premiums per exposure (9.7% increase year over year). Adverse loss and LAE reserve development was \$67.5 million for the nine months ended September 30, 2025, compared to adverse development of \$0.1 million for the same period in 2024, an increase of \$67.4 million due primarily to evolving loss patterns and higher defense costs associated with attorney-represented bodily injury coverages. Catastrophe losses and LAE (excluding reserve development) were \$2.5 million for the nine months ended September 30, 2025, compared to \$4.5 million for the same period in 2024, an improvement of \$2.0 million due to fewer catastrophe events and lower severity per event in the current period.

Life Insurance

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

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Earned Premiums	\$ 99.8	\$ 100.6	\$ 300.0	\$ 298.7
Net Investment Income	48.0	50.3	141.1	125.1
Other Income	0.4	0.2	1.4	0.7
Total Revenues	148.2	151.1	442.5	424.5
Policyholders' Benefits and Incurred Losses and LAE	60.5	64.1	186.2	191.0
Insurance Expenses	65.6	69.0	199.7	202.9
Segment Adjusted Operating Income	22.1	18.0	56.6	30.6
Income Tax Expense	3.5	3.0	8.2	3.9
Total Segment Adjusted Net Operating Income	<u>\$ 18.6</u>	<u>\$ 15.0</u>	<u>\$ 48.4</u>	<u>\$ 26.7</u>

INSURANCE RESERVES

(Dollars in Millions)	Sep 30, 2025	Dec 31, 2024
Insurance Reserves:		
Future Policyholder Benefits	\$ 3,282.2	\$ 3,154.3
Incurred Losses and LAE Reserves:		
Life	31.1	40.8
Accident and Health	4.3	4.6
Property	2.0	2.7
Total Incurred Losses and LAE Reserves	<u>37.4</u>	<u>48.1</u>
Total Insurance Reserves	<u>\$ 3,319.6</u>	<u>\$ 3,202.4</u>

Overall

Three Months Ended September 30, 2025 Compared to the Same Period in 2024

The Life Insurance segment reported Total Segment Adjusted Net Operating Income of \$18.6 million for the three months ended September 30, 2025, compared to Net Operating Income of \$15.0 million for the same period in 2024. The increase in segment net operating results was primarily due to favorable changes in mortality experience from life insurance products, lower incurred losses and LAE on property insurance products, and lower insurance expenses, partially offset by a decrease in net investment income.

Earned Premiums decreased by \$0.8 million for the three months ended September 30, 2025, compared to the same period in 2024.

Net investment income decreased by \$2.3 million for the three months ended September 30, 2025, compared to the same period in 2024, due primarily to decreased earnings on alternative investments, partially offset by higher earnings on Company Owned Life Insurance.

The Life Insurance segment's three months ended September 30, 2025 effective income tax rate was 15.3% compared to 16.5% for the same period in 2024. The effective income tax rate for the third quarter of 2025 and 2024 differs from the federal statutory income tax rate due to investments in Company-Owned Life Insurance and Tax-Exempt Investment Income. The change in the effective tax rate from the three months ended September 30, 2024 is due to increased investments in Company-Owned Life Insurance and Tax-Exempt Investment Income.

Life Insurance (Continued)

Nine Months Ended September 30, 2025 Compared to the Same Period in 2024

The Life Insurance segment reported Total Segment Adjusted Net Operating Income of \$48.4 million for the nine months ended September 30, 2025, compared to \$26.7 million for the same period in 2024. The increase in segment net operating results was primarily due to an increase in net investment income, favorable changes in mortality experience from life insurance products, and lower incurred losses and LAE on property insurance products.

Earned Premiums increased by \$1.3 million for the nine months ended September 30, 2025, compared to the same period in 2024, due primarily to higher average premiums per policy on life insurance products.

Net investment income increased by \$16.0 million for the nine months ended September 30, 2025, compared to the same period in 2024, due primarily to lower losses on alternative investments and higher earnings on Company-Owned Life Insurance. The nine months ended September 30, 2024 included a \$15.1 million pre-tax loss from an investment valuation adjustment of a real estate investment in our alternative investment portfolio.

The Life Insurance segment's nine months ended September 30, 2025 effective income tax rate was 14.5% compared to 12.8% for the same period in 2024. The effective income tax rate for the nine months ended September 30, 2025 and 2024 differs from the federal statutory income tax rate due to investments in Company-Owned Life Insurance and Tax-Exempt Investment Income. The increase in the effective tax rate from the nine months ended September 30, 2024 is driven by an increase in pre-tax income, partially offset by an increase in investments in Company-Owned Life Insurance and Tax-Exempt Investment Income.

Investment Results

Net Investment Income

Net Investment Income for the three and nine months ended September 30, 2025 and 2024 is presented below:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Investment Income:				
Interest on Fixed Maturities ¹	\$ 79.1	\$ 79.0	\$ 232.4	\$ 239.0
Dividends on Equity Securities Excluding Alternative Investments	2.1	0.9	3.6	4.6
Alternative Investments:				
Equity Method Limited Liability Investments	—	0.9	(6.0)	(15.9)
Limited Liability Investments Included in Equity Securities	4.0	9.1	10.8	18.7
Total Alternative Investments	4.0	10.0	4.8	2.8
Short-term Investments	4.2	8.4	18.8	23.0
Loans to Policyholders	5.2	5.5	15.6	15.8
Real Estate	2.5	2.2	7.0	6.7
Company-Owned Life Insurance	10.8	9.7	31.5	25.7
Other	3.1	2.2	8.4	7.3
Total Investment Income	111.0	117.9	322.1	324.9
Investment Expenses:				
Real Estate	2.0	1.8	6.3	6.1
Other Investment Expenses	4.2	5.0	13.9	14.3
Total Investment Expenses	6.2	6.8	20.2	20.4
Net Investment Income	\$ 104.8	\$ 111.1	\$ 301.9	\$ 304.5

¹Reduced by interest expense incurred on FHLB borrowings used for spread lending purposes of \$4.7 million and \$4.8 million for the three months ended September 30, 2025 and 2024, respectively, and \$14.3 million and \$15.4 million for the nine months ended September 30, 2025 and 2024, respectively.

Investment Results (Continued)

Net Investment Income was \$104.8 million and \$111.1 million for the three months ended September 30, 2025 and 2024, respectively. Net Investment Income decreased by \$6.3 million in 2025, mostly driven by decreased earnings on alternative investments and lower levels and yields from Short-term investments, partially offset by higher earnings on Company Owned Life Insurance.

Net Investment Income was \$301.9 million and \$304.5 million for the nine months ended September 30, 2025 and 2024, respectively. Net Investment Income decreased by \$2.6 million in 2025, mostly driven by lower levels and yields from fixed maturity securities and lower yields from Short-term investments, partially offset by higher earnings on Company-Owned Life Insurance and increased earnings on alternative investments.

Change in Unrealized Gains and Losses on Investments

Unrealized losses on investments decreased \$106.9 million and \$179.5 million for the three and nine months ended September 30, 2025, respectively, primarily attributable to decreases in interest rates.

Change in Fair Value of Equity and Convertible Securities

The components of Change in Fair Value of Equity and Convertible Securities for the three and nine months ended September 30, 2025 and 2024 are presented below:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Preferred Stocks	\$ (0.5)	\$ 0.7	\$ —	\$ 1.1
Common Stocks	(0.1)	(0.4)	0.6	1.2
Other Equity Interests:				
Limited Liability Companies and Limited Partnerships	(1.5)	(2.6)	(3.1)	(2.4)
Total Other Equity Interests	(1.5)	(2.6)	(3.1)	(2.4)
Change in Fair Value of Equity Securities	(2.1)	(2.3)	(2.5)	(0.1)
Change in Fair Value of Convertible Securities	—	—	—	—
Change in Fair Value of Equity and Convertible Securities	<u>\$ (2.1)</u>	<u>\$ (2.3)</u>	<u>\$ (2.5)</u>	<u>\$ (0.1)</u>

Investment Results (Continued)

Net Realized Gains on Sales of Investments

The components of Net Realized Investment Gains for the three and nine months ended September 30, 2025 and 2024 are presented below:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Fixed Maturities:				
Gains on Sales	\$ 3.7	\$ 0.9	\$ 5.4	\$ 15.9
Losses on Sales	(0.5)	—	(1.5)	(2.6)
Losses on Hedging Activity ¹	—	—	—	(7.9)
Equity Securities:				
Gains on Sales	0.5	—	0.5	4.1
Losses on Sales	—	—	—	(0.1)
Other Investments:				
Gains on Sales	0.2	1.8	0.3	3.3
Losses on Sales	—	(1.6)	—	(3.5)
Net Realized Investment Gains	<u>\$ 3.9</u>	<u>\$ 1.1</u>	<u>\$ 4.7</u>	<u>\$ 9.2</u>
 Gross Gains on Sales	 \$ 4.4	 \$ 2.7	 \$ 6.2	 \$ 23.3
Gross Losses on Sales	(0.5)	(1.6)	(1.5)	(6.2)
Gains (Losses) on Hedging Activity	—	—	—	(7.9)
Net Realized Investment Gains	<u>\$ 3.9</u>	<u>\$ 1.1</u>	<u>\$ 4.7</u>	<u>\$ 9.2</u>

¹ Includes Ultra-Long Treasury Future derivative securities which do not qualify for hedge accounting treatment.

Impairment Losses

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

The components of Impairment Losses in the Condensed Consolidated Statements of (Loss) Income for the three and nine months ended September 30, 2025 and 2024 were:

(Dollars in Millions)	Three Months Ended				Nine Months Ended			
	Sep 30, 2025		Sep 30, 2024		Sep 30, 2025		Sep 30, 2024	
	Amount	Number of Issuers	Amount	Number of Issuers	Amount	Number of Issuers	Amount	Number of Issuers
Fixed Maturities	\$ (2.9)	22	\$ (2.0)	16	\$ (6.2)	23	\$ (2.8)	19
Equity Securities at Modified Cost	—	—	—	—	—	—	(0.4)	3
Real Estate	(0.1)	4	(0.2)	4	(0.1)	4	(0.3)	5
Other	(0.1)	5	—	—	(0.1)	5	(0.3)	1
Impairment Losses¹	<u>\$ (3.1)</u>		<u>\$ (2.2)</u>		<u>\$ (6.4)</u>		<u>\$ (3.8)</u>	

¹ Includes losses from intent-to-sell securities and direct write-down securities of \$0.1 million and \$1.4 million for the three and nine months ended September 30, 2025, respectively, and \$0.3 million and \$2.0 million for the three and nine months ended September 30, 2024, respectively.

Investment Quality and Concentrations

The Company's fixed maturity investment portfolio is comprised primarily of high-grade corporate, municipal and agency bonds. At September 30, 2025, approximately 94.1% of the Company's fixed maturity investment portfolio was rated investment-grade, which the Company defines as a security issued by a high quality obligor with at least a relatively stable credit profile and where it is highly likely that all contractual payments of principal and interest will timely occur and carry a rating from the National Association of Insurance Commissioners ("NAIC") of 1 or 2. Securities with a rating of 1 or 2 from the NAIC typically are rated by one or more Nationally Recognized Statistical Rating Organizations and either have a rating of AAA, AA, A or BBB from Standard & Poor's ("S&P"); a rating of Aaa, Aa, A or Baa from Moody's Investors Service ("Moody's"); or a rating of AAA, AA, A or BBB from Fitch Ratings.

The following table summarizes the credit quality of the Company's fixed maturity investment portfolio at September 30, 2025 and December 31, 2024:

(Dollars in Millions)		Sep 30, 2025			Dec 31, 2024		
NAIC Rating	Rating	Amortized Cost	Fair Value	Percentage of Total	Amortized Cost	Fair Value	Percentage of Total
1	AAA, AA, A	\$ 5,244.5	\$ 4,685.2	70.8 %	\$ 5,253.1	\$ 4,576.4	71.4 %
2	BBB	1,674.4	1,542.6	23.3	1,749.3	1,557.6	24.3
3-4	BB, B	361.4	349.7	5.3	233.0	221.7	3.5
5-6	CCC or Lower	51.4	42.8	0.6	59.6	53.9	0.8
Total Investments in Fixed Maturities		<u>\$ 7,331.7</u>	<u>\$ 6,620.3</u>	<u>100.0 %</u>	<u>\$ 7,295.0</u>	<u>\$ 6,409.6</u>	<u>100.0 %</u>

Gross unrealized losses on the Company's investments in below-investment-grade fixed maturities were \$20.0 million and \$14.2 million at September 30, 2025 and December 31, 2024, respectively.

The following table summarizes the fair value of the Company's investments in governmental fixed maturities at September 30, 2025 and December 31, 2024:

(Dollars in Millions)	Sep 30, 2025		Dec 31, 2024	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
U.S. Government and Government Agencies and Authorities	\$ 592.1	6.9 %	\$ 486.8	5.5 %
States and Political Subdivisions:				
Revenue Bonds	1,092.6	12.7	1,105.7	12.4
States	94.9	1.1	72.4	0.8
Political Subdivisions	55.7	0.6	55.1	0.6
Foreign Governments	12.0	0.1	6.6	0.1
Total Investments in Governmental Fixed Maturities	<u>\$ 1,847.3</u>	<u>21.4 %</u>	<u>\$ 1,726.6</u>	<u>19.4 %</u>

Investment Quality and Concentrations (Continued)

The following table summarizes the fair value of the Company's investments in non-governmental fixed maturities by industry at September 30, 2025 and December 31, 2024.

(Dollars in Millions)	Sep 30, 2025		Dec 31, 2024	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
Finance, Insurance and Real Estate	\$ 2,040.4	23.7 %	\$ 1,969.1	22.2 %
Manufacturing	974.7	11.3	1,014.3	11.4
Transportation, Communication and Utilities	838.2	9.7	793.0	8.9
Services	610.5	7.1	582.9	6.6
Mining	164.7	1.9	153.3	1.7
Retail Trade	115.8	1.3	125.7	1.4
Construction	9.8	0.1	11.7	0.1
Other	36.9	0.4	33.0	0.4
Total Investments in Non-governmental Fixed Maturities	<u>\$ 4,791.0</u>	<u>55.5 %</u>	<u>\$ 4,683.0</u>	<u>52.7 %</u>

The following table summarizes the fair value of the Company's investments in non-governmental fixed maturities by range of amounts invested at September 30, 2025.

(Dollars in Millions)	Number of Issuers	Aggregate Fair Value
Below \$5	664	\$ 1,364.0
\$5 - \$10	196	1,414.6
\$10 - \$20	106	1,405.1
\$20 - \$30	17	394.1
Greater Than \$30	6	213.2
Total	<u>989</u>	<u>\$ 4,791.0</u>

The Company's short-term investments primarily consist of U.S. Treasury bills, short-term bonds and money market funds. At September 30, 2025, the Company had \$98.8 million invested in U.S. Treasury bills and short-term bonds and \$272.5 million invested in money market funds, which primarily invest in U.S. Treasury securities.

Investment Quality and Concentrations (Continued)

The following table summarizes the fair value of the Company's ten largest investment exposures in a single issuer, excluding investments in U.S. Government and Government Agencies and Authorities and Short-term Investment, at September 30, 2025:

(Dollars in Millions)	Fair Value	Percentage of Total Investments
Fixed Maturities:		
States including their Political Subdivisions:		
California	\$ 134.8	1.6 %
Texas	103.9	1.2
Michigan	87.6	1.0
Georgia	68.5	0.8
New York	61.0	0.7
Florida	54.4	0.6
Pennsylvania	47.5	0.6
Virginia	36.2	0.4
Louisiana	35.6	0.4
Colorado	35.2	0.4
Total	<u>\$ 664.7</u>	<u>7.7 %</u>

Investments in Limited Liability Companies and Limited Partnerships

The Company owns investments in various limited liability investment companies and limited partnerships that primarily invest in mezzanine debt, senior debt, and leveraged buyouts. Investments in limited liability investment companies and limited partnerships are reported either as Equity Method Limited Liability Investments, Other Equity Interests included in Equity Securities at Fair Value, or Other Investments, depending on the accounting method used to report the investment. Additional information pertaining to these investments at September 30, 2025 and December 31, 2024 is presented below.

(Dollars in Millions)	Unfunded Commitment	Reported Value	
Asset Class	Sep 30, 2025	Sep 30, 2025	Dec 31, 2024
Reported as Equity Method Limited Liability Investments:			
Senior Debt.....	\$ 64.1	\$ 19.5	\$ 19.1
Mezzanine Debt.....	36.2	115.2	116.7
Secondary Transactions.....	1.6	2.7	5.5
Leveraged Buyout.....	0.6	6.5	7.5
Real Estate.....	0.1	24.3	27.3
Distressed Debt.....	—	1.4	4.4
Other.....	—	5.3	5.8
Total Equity Method Limited Liability Investments.....	102.6	174.9	186.3
Reported as Other Equity Interests at Fair Value:			
Mezzanine Debt.....	69.8	115.9	116.9
Leveraged Buyout.....	42.7	34.5	19.2
Distressed Debt.....	15.7	11.1	11.7
Senior Debt.....	6.7	26.5	26.3
Growth Equity.....	5.8	10.4	7.0
Secondary Transactions.....	1.6	1.6	2.4
Real Estate.....	0.2	0.1	—
Other.....	0.2	3.9	0.1
Total Reported as Other Equity Interests at Fair Value.....	142.7	204.0	183.6
Reported as Other Investments:			
Alternative Energy Partnership Investments.....	—	17.4	17.6
Equity Securities at Modified Cost.....	0.1	1.8	1.8
Total Reported as Other Investments.....	0.1	19.2	19.4
Total Investments in Limited Liability Companies and Limited Partnerships....	\$ 245.4	\$ 398.1	\$ 389.3

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

Insurance, Interest, and Other Expenses

Expenses for the three and nine months ended September 30, 2025 and 2024 were:

(Dollars in Millions)	Three Months Ended		Nine Months Ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
Insurance and Other Expenses:				
Insurance Expenses:				
Policy Acquisition Costs	\$ 173.8	\$ 161.4	\$ 515.2	\$ 475.4
Business Unit Operating Costs	94.2	72.8	240.7	201.1
Corporate Overhead Costs	43.7	49.2	135.0	147.4
Insurance Expenses	311.7	283.4	890.9	823.9
Other Expenses:				
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	22.9	11.5	33.0	30.8
Pension Settlement	—	0.1	—	(2.6)
Other Corporate Costs	4.5	9.4	9.7	18.4
Other Expenses	27.4	21.0	42.7	46.6
Insurance and Other Expenses	339.1	304.4	933.6	870.5
Interest Expense	9.1	14.4	29.5	42.3
Total Insurance, Interest, and Other Expenses	<u>\$ 348.2</u>	<u>\$ 318.8</u>	<u>\$ 963.1</u>	<u>\$ 912.8</u>

Insurance and Other Expenses

Insurance Expenses were \$311.7 million and \$890.9 million for the three and nine months ended September 30, 2025, compared to \$283.4 million and \$823.9 million for the same periods in 2024. Policy acquisition costs increased \$12.4 million and \$39.8 million compared to the same periods in 2024, primarily due to growth in the Specialty Property & Casualty Insurance segment from higher business volumes, partially offset by reductions due to lower volumes resulting from the exit and run-off of the Preferred Insurance business. Business unit operating costs increased \$21.4 million and \$39.6 million compared to the same periods in 2024, primarily due to impairment losses recognized on Internal-Use Software assets related to the run-off of Preferred Insurance business.

Other Expenses increased by \$6.4 million for the three months ended September 30, 2025 compared to the same period in 2024, due primarily to higher Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs, partially offset by lower Other Corporate Costs from a reduction in legal expenses. Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs for the three months ended September 30, 2025 included \$18.5 million of restructuring charges to achieve operational and organizational efficiencies. The Company will continue to evaluate additional efficiency opportunities through 2027. These expenses for three months ended September 30, 2024 included \$7.8 million of integration expenses due to continued investments in information technology and \$3.8 million of accrued severance.

Other Expenses decreased by \$3.9 million for the nine months ended September 30, 2025 compared to the same period in 2024, due to lower Other Corporate Costs from a reduction in legal expenses partially offset by higher Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs. These expenses for the nine months ended September 30, 2025 included \$18.5 million of restructuring charges to achieve operational and organizational efficiencies and \$14.5 million of integration expenses due to continued investments in information technology. These expenses for the nine months ended September 30, 2024 included \$29.1 million of integration expenses due to continued investments in information technology.

Interest Expense

Interest expense decreased by \$5.3 million and \$12.8 million for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024 primarily due to redemption of \$450 million of 4.350% senior notes.

Income Taxes

The federal corporate statutory income tax rate was 21% for the nine months ended September 30, 2025 and September 30, 2024. The Company's effective income tax rate, which was 27.3% and 20.4% for the three months ended September 30, 2025 and 2024, respectively, and 18.3% and 19.5% for the nine months ended September 30, 2025 and 2024, respectively, differs from the federal corporate income tax rate due primarily to (1) the effects of tax-exempt investment income, (2) nontaxable income associated with the change in cash surrender value on Company-Owned Life Insurance, (3) general business tax credits, (4) a permanent difference between the amount of long-term equity-based compensation expense recognized under GAAP and the amount deductible for Federal tax purposes, (5) a permanent difference associated with nondeductible executive compensation, (6) impact of deferred taxes in foreign jurisdictions, and (7) a change in valuation allowance related to foreign deferred tax assets.

Tax-exempt investment income and dividends received deductions were \$3.6 million for the three months ended September 30, 2025, compared to \$3.9 million for the same period in 2024. Tax-exempt investment income and dividends received deductions were \$11.3 million for the nine months ended September 30, 2025, compared to \$12.1 million for the same period in 2024.

The nontaxable increase in cash surrender value on Company-Owned Life Insurance was \$10.8 million for the three months ended September 30, 2025, compared to \$9.5 million for the same period in 2024. The nontaxable increase in cash surrender value on Company-Owned Life Insurance was \$31.5 million for the nine months ended September 30, 2025, compared to \$25.6 million for the same period in 2024.

The Company realized investment tax credits and other federal income tax credits of \$0.3 million for the three months ended September 30, 2025, compared to realized investment tax credits and other federal income tax credits of \$0.3 million for the same period in 2024. The Company realized investment tax credits and other federal income tax credits of \$0.9 million for the nine months ended September 30, 2025, compared to realized investment tax credits and other federal income tax credits of \$0.9 million for the same period in 2024.

The amount of expense recognized for long-term equity-based compensation expense was \$0.1 million lower than the amount that would be deductible under the IRC for the three months ended September 30, 2025, compared to \$0.9 million higher for the same period in 2024. The amount of expense recognized for long-term equity-based compensation expense was \$2.3 million lower than the amount that would be deductible under the IRC for the nine months ended September 30, 2025, compared to \$0.6 million lower for the same period in 2024.

The amount of nondeductible executive compensation was \$12.7 million for the three months ended September 30, 2025, compared to \$4.2 million for the same period in 2024. The amount of nondeductible executive compensation was \$23.2 million for the nine months ended September 30, 2025, compared to \$12.6 million for the same period in 2024.

Tax benefits of \$9.9 million were recorded for the three months ended September 30, 2025, compared to a tax benefit of \$6.6 million for the same period in 2024 related to income taxes imposed in the foreign jurisdiction in which the Company operates. Tax benefits of \$5.5 million were recorded for the nine months ended September 30, 2025, compared to a tax benefit of \$17.1 million for the same period in 2024 related to income taxes imposed in the foreign jurisdiction in which the Company operates..

The Company recorded a decrease in valuation allowance of \$10.0 million for the three months ended September 30, 2025, compared to \$6.6 million for the same period in 2024 for those foreign deferred tax assets it determined were not more-likely-than-not to be realized. The Company recorded a decrease in valuation allowance of \$5.6 million for the nine months ended September 30, 2025, compared to \$17.1 million for the same period in 2024 for those foreign deferred tax assets it determined were not more-likely-than-not to be realized.

Recently Issued Accounting Pronouncements

The Company has adopted all recently issued accounting pronouncements with effective dates prior to October 1, 2025.

There were no adoptions of such accounting pronouncements during the nine months ended September 30, 2025 that had a material impact on the Company's Condensed Consolidated Financial Statements.

Liquidity and Capital Resources

Amended and Extended Credit Agreement

On March 15, 2022, the Company entered into an amended and extended credit agreement. The amended and extended credit agreement increased the borrowing capacity of the existing unsecured credit agreement to \$600.0 million and extended the maturity date to March 15, 2027. Furthermore, the amended and extended credit agreement provides for an accordion feature whereby the Company can increase the revolving credit borrowing capacity by an additional \$200.0 million for a total of maximum capacity of \$800.0 million. There were no outstanding borrowings under the credit agreement on either September 30, 2025 or December 31, 2024.

Long-term Debt

The Company designates debt obligations as either short-term or long-term based on maturity date at issuance. Total amortized cost of Long-term Debt, Current and Non-Current, outstanding on September 30, 2025 and December 31, 2024 was:

(Dollars in Millions)	Sep 30, 2025	Dec 31, 2024
Senior Notes:		
Current:		
4.350% Senior Notes due February 15, 2025	\$ —	\$ 449.9
Non-Current:		
2.400% Senior Notes due September 30, 2030	397.8	397.5
3.800% Senior Notes due February 23, 2032	396.8	396.5
5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062	148.5	147.7
Total Long-term Debt Outstanding	<u>\$ 943.1</u>	<u>\$ 1,391.6</u>

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

Federal Home Loan Bank Agreements

Kemper’s subsidiaries, United Insurance, Trinity, and AAC are members of the Federal Home Loan Banks (“FHLBs”) of Chicago, Dallas and Chicago, respectively. AAC became a member of the FHLB of Chicago in May 2022. United Insurance and Trinity became members of the FHLBs of Chicago and Dallas, respectively, in 2013. Under their memberships, United Insurance, Trinity and AAC may borrow through the advance program of their respective FHLB. The Company’s investments in FHLB common stock are reported at cost and included in Other Investments. The carrying value of FHLB of Chicago common stock was \$17.7 million and \$16.9 million at September 30, 2025 and December 31, 2024, respectively. The carrying value of FHLB of Dallas common stock was \$2.6 million and \$8.8 million at September 30, 2025 and December 31, 2024, respectively. The Company periodically uses short-term FHLB borrowings for a combination of cash management and risk management purposes, in addition to long-term FHLB borrowings for spread lending purposes.

During the first nine months of 2025, United Insurance received advances of \$30.0 million from the FHLB of Chicago and made repayments of \$46.1 million. United Insurance had outstanding advances from the FHLB of Chicago totaling \$525.2 million at September 30, 2025. These advances were made in connection with the Company’s spread lending program. The proceeds related to these advances were used to purchase fixed maturity securities to earn incremental net investment income.

For these advances, United Insurance held pledged securities in a custodial account with the FHLB of Chicago with a fair value of \$658.6 million at September 30, 2025. The fair value of the collateral pledged must be maintained at certain specified levels above the borrowed amount, which can vary depending on the assets pledged. If the fair value of the collateral declines below these specified levels of the amount borrowed, United Insurance would be required to pledge additional collateral or repay outstanding borrowings. See Note 15, “Policyholder Obligations,” to the Condensed Consolidated Financial Statements for additional information about the United Insurance advances and related funding agreements.

Common Stock Repurchases

On May 6, 2020, Kemper’s Board of Directors authorized the repurchase of up to an additional \$200.0 million of Kemper common stock, in addition to the \$133.3 million remaining under a previous authorization in 2014 (the “2014 Repurchase Program”). Additionally, on August 5, 2025, Kemper’s Board of Directors approved a new share repurchase authorization,

Liquidity and Capital Resources (Continued)

under which the Company can repurchase up to \$500.0 million of its common stock (the “2025 Repurchase Program”). In the nine months ended September 30, 2025, the Company repurchased approximately \$219.0 million of shares of its common stock. As of September 30, 2025, the 2014 Repurchase Program has been completed and the remaining share repurchase authorization under the 2025 Repurchase Program was \$383.8 million. The amount and timing of any future share repurchases under the 2025 Repurchase Program will depend on various factors, including market conditions, the Company’s financial condition, results of operations, available liquidity, particular circumstances and other considerations.

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

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

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

During the three and nine months ended September 30, 2024, Kemper repurchased and retired approximately 400,000 shares of its common stock under its share repurchase authorization for an aggregate cost of \$25.0 million and an average cost per share of \$61.21.

Dividends to Shareholders

Kemper paid a quarterly dividend of \$0.32 and \$0.31 per common share in the third quarter of 2025 and 2024, respectively. Dividends and dividend equivalents paid were \$60.7 million and \$60.1 million for the nine months ended September 30, 2025 and 2024, respectively.

Subsidiary Dividends

Various insurance laws restrict the ability of Kemper’s insurance subsidiaries to pay dividends without regulatory approval. Such insurance laws applicable to the Company’s US based insurance subsidiaries generally restrict the amount of dividends paid in an annual period to the greater of statutory net income from the previous year or 10% of statutory capital and surplus. Kemper’s insurance subsidiaries paid \$433.9 million of dividends to Kemper during the first nine months of 2025. As of the filing date, Kemper’s US based insurance subsidiaries do not have remaining capacity to pay dividends without prior regulatory approval.

Sources and Uses of Funds

The Company directly held cash and investments totaling \$156.8 million at September 30, 2025, compared to \$547.6 million at December 31, 2024.

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

The primary sources of funds for Kemper’s insurance subsidiaries are premiums, investment income, proceeds from the sales and maturity of investments, advances from the FHLBs of Chicago and Dallas, and capital contributions from Kemper. The primary uses of funds are the payment of policyholder benefits under life insurance contracts, claims under property and

Liquidity and Capital Resources (Continued)

casualty insurance contracts and accident and health insurance contracts, the payment of commissions and general expenses, the purchase of investments and repayments of advances from the FHLBs of Chicago and Dallas.

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

Information about the Company's cash flows for nine months ended September 30, 2025 and 2024 is presented below.

(Dollars in Millions)	Sep 30, 2025	Sep 30, 2024
Net Cash Provided by Operating Activities	\$ 409.5	\$ 207.8
Net Cash Provided by (Used in) Investing Activities	413.4	(89.6)
Net Cash Used in Financing Activities	(780.9)	(125.4)

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

Net Cash Provided by Operating Activities

Net cash provided by Operating Activities was \$409.5 million for the nine months ended September 30, 2025, compared to net cash provided of \$207.8 million for the same period in 2024. The increase in cash provided by Operating Activities was primarily driven by growth from our Specialty Property & Casualty business due to higher average earned premiums per exposure resulting from rate increases and timing of claim payments. This was partially offset by lower business volumes and timing of claim payments within Non-Core Operations resulting from the exit and run-off of the Preferred Insurance business.

Net Cash Provided by (Used in) Investing Activities

Net cash provided by Investing Activities for the nine months ended September 30, 2025 was \$413.4 million, compared to net cash used of \$89.6 million for the same period in 2024. The increase in cash provided by Investing Activities was primarily due to proceeds from sales of short term investments that were primarily used to fund the redemption of the \$450.0 million 4.350% Senior Notes due February 15, 2025 (the "2025 Senior Notes"). This was partially offset by an increase in net purchases of Fixed Maturity investments as a result of normal portfolio management.

Net Cash Used in Financing Activities

Net cash used in Financing Activities for the nine months ended September 30, 2025 was \$780.9 million, compared to net cash used of \$125.4 million for the same period in 2024. This increase in net cash used by Financing Activities was primarily due to the redemption of the 2025 Senior Notes in the first quarter of 2025 and common stock repurchases made during the second and third quarter of 2025.

Critical Accounting Estimates

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

Critical Accounting Estimates (Continued)

The Company's critical accounting policies most sensitive to estimates include the valuation of investments, the valuation of life insurance reserves, the valuation of reserves for property and casualty insurance incurred losses and LAE, the assessment of recoverability of goodwill, and the recoverability of deferred tax assets. The Company's critical accounting policies are described in the MD&A included in the 2024 Annual Report. There have been no material changes to the information disclosed in the 2024 Annual Report with respect to these critical accounting estimates and the Company's significant accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company's disclosures about market risk in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" of Part II of the 2024 Annual Report. Accordingly, no disclosures about market risk have been made in Item 3 of this Form 10-Q.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

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

(b) Changes in internal control over financial reporting.

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

PART II - OTHER INFORMATION

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

Item 1. Legal Proceedings

Information concerning pending legal proceedings is incorporated herein by reference to Note 19, "Commitments and Contingencies," to the Condensed Consolidated Financial Statements in Part I of this Form 10-Q.

Item 1A. Risk Factors

For a discussion of the Company's significant risk factors, see Item 1A. of Part I of the 2024 Annual Report. Readers are also advised to consider other factors not presently known by, or considered material to, the Company that could materially affect the Company's business, financial condition and results of operations, along with other information disclosed in the 2024 Annual Report and this Quarterly Report on Form 10-Q, including the factors set forth under the caption "Caution Regarding Forward-Looking Statements" beginning on page 1 of the 2024 Annual Report and on page 1 of this Quarterly Report on Form 10-Q, and to consult any further disclosures Kemper makes on related subjects in its filings with the SEC.

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

On May 6, 2020, Kemper's Board of Directors authorized the repurchase of up to an additional \$200.0 million of Kemper common stock, in addition to the \$133.3 million remaining under a prior authorization in 2014, bringing the remaining share repurchase authorization to approximately \$333.3 million (the "2014 Repurchase Program"). On August 5, 2025, Kemper's Board of Directors approved a new share repurchase authorization, under which the Company can repurchase up to \$500.0 million of its common stock (the "2025 Repurchase Program").

On August 13, 2025, the Company entered into an accelerated share repurchase agreement (the "ASR Agreement") with Goldman Sachs & Co. LLC ("Goldman Sachs") to repurchase an aggregate of \$150.0 million of shares of the Company's

common stock. Under the terms of the ASR Agreement, the Company made a payment of \$150.0 million to Goldman Sachs and, on August 14, 2025, received initial deliveries of an aggregate of 2,279,000 shares of the Company's common stock, or approximately 80% of the total shares that are expected to be repurchased under the ASR Agreement, based on the closing price on August 13, 2025 of \$52.65 per share.

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

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

As of September 30, 2025, the 2014 Repurchase Program has been completed, and the remaining share repurchase authorization under the 2025 Repurchase Program was \$383.8 million.

Shares purchased during the three months ended September 30, 2025 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (Dollars in Millions)
July 2025	833,642	\$ 62.00	833,642	\$ 48.6
August 2025	2,572,008	\$ 52.40	2,572,008	\$ 383.8
September 2025	—	\$ —	—	\$ 383.8

Apart from the ASR Agreement repurchases, all purchases were made by the Company in the open market in reliance on the safe harbors provided by Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934.

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

Securities Trading Plans of Executive Officers and Directors

The Company's Insider Trading Policy permits executive officers and directors to enter into trading plans designed to comply with Rule 10b5-1 under the Exchange Act. During the three months ended September 30, 2025, none of the Company's executive officers or directors adopted, modified or terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

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

Exhibit Index

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

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
10.1	Master Confirmation and Supplemental Confirmation, dated as of August 13, 2025, between the Company and Goldman Sachs & Co. LLC.					X
31.1	Certification of Chief Executive Officer Pursuant to SEC Rule 13a-14(a)					X
31.2	Certification of Chief Financial Officer Pursuant to SEC Rule 13a-14(a)					X
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.1	XBRL Instance Document					X
101.2	XBRL Taxonomy Extension Schema Document					X
101.3	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.4	XBRL Taxonomy Extension Label Linkbase Document					X
101.5	XBRL Taxonomy Extension Presentation Linkbase Document					X
101.6	XBRL Taxonomy Extension Definition Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

Signatures

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

Kemper Corporation

Date: November 5, 2025

/s/ C. THOMAS EVANS, JR.

C. Thomas Evans, Jr.

**Interim Chief Executive Officer, Secretary and General Counsel
(Principal Executive Officer)**

Date: November 5, 2025

/s/ BRADLEY T. CAMDEN

Bradley T. Camden

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

Date: November 5, 2025

/s/ JAMES A. ALEXANDER

James A. Alexander

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