

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-18298

Kemper Corporation

(Exact name of registrant as specified in its charter)

DE (State or other jurisdiction of incorporation or organization)	95-4255452 (I.R.S. Employer Identification No.)
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200 E. Randolph Street Suite 3300	
Chicago (Address of principal executive offices)	IL (Zip Code)
	60601

(312) 661-4600
(Registrant's telephone number, including area code)

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, \$0.10 par value per share	KMPR	NYSE
5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062	KMPB	NYSE

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/> Accelerated filer	<input type="checkbox"/> Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/> Emerging growth company		<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of June 30, 2025, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$4.1 billion based on the closing sale price as reported on the New York Stock Exchange. Solely for purposes of this calculation, all executive officers and directors of the registrant are considered affiliates.

Registrant had 58,714,589 shares of common stock outstanding as of February 9, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2026 Annual Meeting of Shareholders are incorporated by reference into Part III.

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Caution Regarding Forward-Looking Statements

This 2025 Annual Report on Form 10-K (the “2025 Annual Report”), including, but not limited to, the accompanying consolidated financial statements of Kemper Corporation (“Kemper” or the “Registrant”) 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 and the notes thereto appearing in Item 8 herein (the “Consolidated Financial Statements”), the Management’s Discussion and Analysis of Financial Condition and Results of Operations appearing in Item 7 herein (the “MD&A”) and the other Exhibits and Financial Statement Schedules filed as a part hereof or incorporated by reference herein, 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 2025 Annual Report. 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 below under Item 1A., “Risk Factors,” in this 2025 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 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 and initiatives required to address new legal and regulatory requirements; liabilities, costs and other impacts arising from 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 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 recently imposed by the US Government pursuant to the International Emergency Economic Power Act 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, the existence of competitors that receive substantial infusion of capital or access to third-party capital, or the entry of established and well-capitalized property and casualty insurance companies into the specialty property and casualty automobile insurance market;

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 financial market conditions, interest rates, inflation, unemployment rates, significant global catastrophes and/or pandemics, tariffs and international trade policies such as the recent implementation of tariffs, 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 2025 Annual Report. Kemper advises the reader, however, to consult any further disclosures Kemper makes on related subjects in its filings with the SEC.

PART I

Item 1. Business.

Kemper is an insurance holding company that offers complementary insurance products, through its subsidiaries, including personal and commercial automobile insurance to consumers in targeted markets and industries. Kemper also offers life and other insurance solutions to customers who desire basic protection for themselves and their families. Kemper's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments thereto are accessible free of charge through Kemper's website, kemper.com, and as soon as reasonably practicable after such materials are filed with, or furnished to, the SEC, which also maintains an Internet site at sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Registrant is a holding company incorporated under the laws of the State of Delaware in 1990, with equity securities traded on the New York Stock Exchange (the "NYSE"). On August 25, 2011, Registrant adopted its current name, Kemper Corporation, and changed its NYSE ticker symbol to KMPR. Prior to the name change, the Registrant was known as Unitrin, Inc. and traded under the NYSE ticker symbol UTR.

The Kemper family of companies is one of the nation's leading specialized insurers. With approximately \$12.5 billion in assets, Kemper is improving the world of insurance by providing affordable and easy-to-use personalized solutions to individuals, families and businesses through its Kemper Auto and Kemper Life brands. Kemper serves over 4.5 million policies, is represented by more than 24,100 agents and brokers, and has approximately 7,400 associates dedicated to meeting the ever-changing needs of its customers.

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

Kemper's subsidiaries employ approximately 7,400 associates supporting their operations, of which approximately 2,550 are employed in the Specialty Property & Casualty Insurance Segment, approximately 2,800 are employed in the Life Insurance segment and the remainder are employed in various corporate and other functions.

Property and Casualty Insurance Business

General

The Company's property & casualty insurance business operations are conducted primarily through the Specialty Property & Casualty Insurance segment. The Specialty Property & Casualty Insurance segment distributes these products primarily through independent agents and brokers who are paid commissions for their services, but also distributes a smaller portion of these products through direct to consumer and captive channels. In addition, the Life Insurance segment's career agents also sell contents coverage for personal property to its customers against loss resulting from fire, lightning and other causes as well as personal general liability coverage. Collectively, these segments provide specialty automobile, fire/contents, and other types of property and casualty insurance to individuals and commercial automobile insurance, and general liability as an endorsement to commercial automobile, to businesses.

Net Written Premiums for the Property and Casualty Business were as follows:

<u>DOLLARS IN MILLIONS</u>	2025	2024	2023
Business Segments:			
Specialty Property & Casualty Insurance Segment:			
Specialty Personal Automobile Insurance	\$ 2,934.1	\$ 2,887.7	\$ 2,677.5
Commercial Automobile Insurance	978.7	797.7	627.9
Life Insurance Segment:			
Fire/Contents Protection	41.0	43.3	45.3
Total Segment Net Written Premiums	3,953.8	3,728.7	3,350.7
Non-Core Operations	59.4	108.3	435.5
Total Property and Casualty Net Written Premiums	\$ 4,013.2	\$ 3,837.0	\$ 3,786.2

Property insurance indemnifies an insured with an interest in physical property for loss of, or damage to, such property. Casualty insurance primarily covers liability for damage to property of, or injury to, a person or entity other than the insured. In most cases, casualty insurance also obligates the insurance company to provide a defense for the insured in litigation arising out of events covered by the policy.

Specialty Property & Casualty Insurance

The Specialty Property & Casualty Insurance segment, based in Chicago, Illinois, conducts business in 22 states under the Kemper Auto brand. As shown in the following table, three states provided 90% of the segment's premium revenues in 2025.

State	Percentage of Total Premiums
California	63 %
Florida	16 %
Texas	11 %

The Specialty Property & Casualty Insurance segment provides personal automobile insurance to consumers who have had difficulty obtaining standard or preferred risk insurance, usually because of their driving records, claims experience or premium payment history. The segment also provides commercial automobile coverage to targeted markets and industries, with a focus on contractors, short-haul delivery, and sales/services that is closely aligned to personal automobile insurance from both a footprint and distribution perspective.

The segment also meets the insurance needs of other specialty automobile markets such as urban and Hispanic consumers. The segment's insurance products accounted for 89%, 85% and 80% of the Company's consolidated insurance premiums in 2025, 2024 and 2023, respectively. The segment's insurance products are marketed through approximately 17,800 independent agents and brokers as well as a smaller portion sold direct to consumer and through captive agents.

In the third quarter of 2023 the Company established Kemper Reciprocal (the "Reciprocal Exchange" or "Exchange"), an Illinois-domiciled reciprocal insurance exchange. The Exchange principally writes specialty automobile policies sold to subscribers of the Exchange. Net written premiums reported through the Exchange were \$50.3 million, \$27.6 million, and \$0.6 million for the years ended December 31, 2025, 2024 and 2023, respectively. Net earned premiums reported through the Exchange were \$49.5 million, \$17.0 million, and \$0.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

The Exchange is operated by a management company owned by Kemper that acts as the attorney-in-fact ("AIF"). 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.

Property and Casualty Loss and Loss Adjustment Expense Reserves

The Company's reserves for losses and LAE for property and casualty insurance ("Property and Casualty Insurance Reserves") are reported using the Company's estimate of its ultimate liability for losses and LAE for claims that occurred prior to the end of any given accounting period but have not yet been paid.

Property and Casualty Insurance Reserves at December 31, 2025 and 2024 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>
Business Segments:		
Specialty Property & Casualty Insurance:		
Personal Automobile Insurance ¹	\$ 1,826.8	\$ 1,626.0
Commercial Automobile Insurance	942.6	721.9
Life Insurance:		
Fire/Contents Protection	1.9	2.7
Total Segment Property and Casualty Insurance Reserves	<u>2,771.3</u>	<u>2,350.6</u>
Non-Core Operations	161.9	261.7
Unallocated Reserves	7.0	9.0
Total Property and Casualty Insurance Reserves ¹	<u>\$ 2,940.2</u>	<u>\$ 2,621.3</u>

¹Includes \$29.4 million and \$9.4 million attributable to Kemper Reciprocal as of December 31, 2025 and 2024, respectively, which is reported as a consolidated variable interest entity.

In estimating the Company's Property and Casualty Insurance Reserves, the Company's actuaries exercise professional judgment and must consider, and are influenced by, many variables that are difficult to quantify. Accordingly, the process of estimating and establishing the Company's Property and Casualty Insurance Reserves is inherently uncertain and the actual ultimate net cost of claims may vary materially from the estimated amounts reserved. See MD&A, "Critical Accounting Estimates," under the caption "Property and Casualty Insurance Reserves for Losses and Loss Adjustment Expenses" for a discussion of the Company's reserving process and the factors considered by the Company's actuaries in estimating the Company's Property and Casualty Insurance Reserves.

The Company's goal is to ensure that its total reserves for property and casualty insurance losses and LAE are adequate to cover all costs, while minimizing variation from the time reserves for losses and LAE are initially estimated until losses and LAE are fully paid. Changes in the Company's estimates of these losses and LAE, also referred to as "development," will occur over time and have been and in the future may be material. Favorable development is recognized and reported in the Consolidated Financial Statements when the Company decreases its previous estimate of ultimate losses and LAE and results in an increase in net income in the period recognized, whereas adverse development is recognized and reported in the Consolidated Financial Statements when the Company increases its previous estimate of ultimate losses and LAE and results in a decrease in net income.

See Note 5, "Property and Casualty Insurance Reserves," to the Consolidated Financial Statements for information about incurred and paid claims development for the 2021 to 2024 accident years as of December 31, 2025, net of reinsurance and indemnification, as well as cumulative claim frequency and the total of incurred but not reported ("IBNR") liabilities, including expected development on reported claims included within the net incurred losses and allocated LAE amounts as of December 31, 2025. See Note 5, "Property and Casualty Insurance Reserves," to the Consolidated Financial Statements for a tabular reconciliation of the three most recent annual periods setting forth the Company's Property and Casualty Insurance Reserves as of the beginning of each year, incurred losses and LAE for insured events of the current year, changes in incurred losses and LAE for insured events of prior years, payments of losses and LAE for insured events of the current year, payments of losses and LAE for insured events of prior years and the Company's Property and Casualty Insurance Reserves at the end of the year and additional information regarding the nature of adjustments to incurred losses and LAE for insured events of prior years.

Catastrophe Losses

Catastrophes and natural disasters are inherent risks of the property and casualty insurance business. These catastrophic events and natural disasters include, without limitation, hurricanes, tornadoes, earthquakes, hailstorms, wildfires, high winds and winter storms. Such events result in insured losses that are, and are expected to be, a material factor in the results of operations and financial position of Kemper's property and casualty insurance companies. Further, because the level of insured losses that could occur in any one year cannot be accurately predicted, these losses contribute to material year-to-year fluctuations in the

results of operations and financial position of these companies. Specific types of catastrophic events are more likely to occur at certain times within the year than others. This factor adds an element of seasonality to property and casualty insurance claims. The occurrence and severity of catastrophic events cannot be accurately predicted in any year. However, some geographic locations are more susceptible to these events than others. The Company has endeavored to manage its direct insurance exposures in certain regions that are prone to naturally occurring catastrophic events through a combination of geographic diversification, restrictions on the amount and location of new business production in such regions, modifications of, and/or limitations to coverages and deductibles for certain perils in such regions and reinsurance. The Company has adopted the industry-wide catastrophe classifications of storms and other events promulgated by Insurance Services Office, Inc. ("ISO") to track and report losses related to catastrophes. ISO classifies a disaster as a catastrophe when the event causes \$25 million or more in direct insured losses to property and affects a significant number of policyholders and insurers. ISO-classified catastrophes are assigned a unique serial number recognized throughout the insurance industry. The discussions throughout this 2025 Annual Report utilize ISO's definition of catastrophes.

The process of estimating and establishing reserves for catastrophe losses is inherently uncertain and the actual ultimate cost of a claim, net of reinsurance recoveries, may vary materially from the estimated amount reserved. See Item 1A., "Risk Factors," under the caption "***Catastrophe losses could materially and adversely affect the Company's results of operations, liquidity and/or financial condition***" for a discussion of catastrophe risk. See Note 25, "Catastrophe Reinsurance," to the Consolidated Financial Statements for a discussion of the factors that influence the process of estimating and establishing reserves for catastrophes.

Reinsurance

The Company manages its exposure to catastrophes and other natural disasters through a combination of geographical diversification, restrictions on the amount and location of new business production in such regions, modifications of, and/or limitations to coverages and deductibles for certain perils in such regions and reinsurance. To limit its exposure to catastrophic events, the Company maintains a catastrophe reinsurance program for its property and casualty insurance companies. Coverage for the catastrophe reinsurance program is provided in various layers within one excess of loss reinsurance contract.

The 2026 catastrophe reinsurance program covering the property and casualty insurance companies is provided by an annual excess of loss reinsurance contract.

Annual Excess of Loss Reinsurance Contract

The 2026 Annual Excess of Loss Contract provides coverage for the annual period of January 1, 2026 through December 31, 2026. The 2026 Annual Excess of Loss Contract provides coverage in two layers for losses on individual catastrophes of \$110 million in excess of \$50 million. The 2026 Annual Excess of Loss Contract provides 95% coverage on the first layer of losses on individual catastrophes of \$50 million in excess of \$50 million. The second layer provides 95% coverage on the losses on individual catastrophes of \$60 million in excess of \$100 million.

Reinstatement of Excess of Loss Reinsurance Contract

In the event that the Company's incurred catastrophe losses and LAE covered by its catastrophe reinsurance program exceed the retention for a particular layer, the program allows for reinstatement of such coverage. In such an instance, the Company must pay a reinstatement premium to the reinsurers to reinstate the full amount of the limit available under such layer. For each amount reinstated the Company shall pay additional premiums equal to the percentage of the reinsurer's loss limit for the excess layer exhausted for the loss occurrence multiplied by 100% of the reinsurance premium paid or payable for the excess layers for the term of the contract.

Other

In addition to the catastrophe loss exposures caused by natural events described above, Kemper's property and casualty insurance companies are exposed to losses from catastrophic events that are not the result of acts of nature, such as acts of terrorism, the nature, occurrence and severity of which in any period cannot be accurately predicted. The companies have reinsurance coverage to address these exposures, when material.

Under the various reinsurance arrangements, Kemper's property and casualty insurance companies are indemnified by reinsurers for certain losses incurred under insurance policies issued by the reinsurers. As indemnity reinsurance does not discharge an insurer from its direct obligations to policyholders on risks insured, Kemper's property and casualty insurance companies remain directly liable. However, provided that the reinsurers meet their obligations, the net liability for Kemper's property and casualty insurance companies is limited to the amount of risk that they retain. Kemper's property and casualty

insurance companies purchase their reinsurance only from reinsurers rated “A-” or better by A. M. Best Co., Inc. (“A.M. Best”), at the time of purchase. A.M. Best is an organization that specializes in rating insurance and reinsurance companies.

For further discussion of the reinsurance programs, see Note 25, “Catastrophe Reinsurance,” and Note 26, “Other Reinsurance,” to the Consolidated Financial Statements.

Pricing

Pricing levels for property and casualty insurance products are influenced by many factors, including the frequency and severity of claims, state regulation and legislation, competition, general business and economic conditions, including market rates of interest, inflation, expense levels, and judicial decisions. In addition, many state regulators require consideration of investment income when approving or setting rates, which could reduce underwriting margins. Further, some states have regulations that limit the after-tax return on underwriting profit allowed for an insurer and may impact the price charged for premiums or result in premium refunds. The Company derives a significant portion of its earned premiums in two such states, California and Florida. See MD&A under the caption “Specialty Property & Casualty Insurance”.

Competition

Based on the most recent annual data published by A.M. Best, as of the end of 2024, there were 1,108 property and casualty insurance groups in the United States. Kemper’s property and casualty group was among the top 6% of property and casualty insurance groups in the United States as measured by net admitted assets, net written premiums, and capital and surplus in 2024. Among all personal lines automobile insurance writers, Kemper’s property and casualty group was the 16th largest writer as measured by net written premiums in 2024.

Rankings by net admitted assets, net premiums written and capital and surplus were:

Measurement	Ordinal Rank	Percentile Rank
Net Admitted Assets	60	95 %
Net Written Premiums	37	97
Capital and Surplus	70	94

In 2024, the U.S. property and casualty insurance industry’s estimated net premiums written were \$937.8 billion, of which nearly 82% were accounted for by the top 50 groups of property and casualty insurance companies. Kemper’s property and casualty insurance companies wrote less than 1% of the industry’s 2024 premium volume.

The property and casualty insurance industry is highly competitive, particularly with respect to personal automobile insurance. Kemper’s property and casualty insurance companies compete on the basis of, among other measures, (i) using suitable pricing segmentation, (ii) maintaining underwriting discipline, (iii) settling claims timely and efficiently, (iv) offering products in selected markets or geographies, (v) utilizing technological innovations for the marketing and sale of insurance, (vi) controlling expenses, (vii) maintaining adequate ratings from A.M. Best and other ratings agencies and (viii) providing quality services to independent agents and policyholders. See Item 1A., “Risk Factors,” under the caption “*The insurance industry is highly competitive, making it difficult to grow profitability within the expectations of investors.*”

Life Insurance Business

General

The Company’s life & health insurance business operations are conducted primarily through the Life Insurance segment. The Life Insurance segment distributes its products through a network of employee, or “career” agents. These career agents are paid commissions for their services. Earned premiums from the Life Insurance segment accounted for 9%, 8%, and 7% of the Company’s insurance premiums earned in 2025, 2024 and 2023, respectively.

The Life Insurance segment, primarily based in St. Louis, Missouri, focuses on providing individual life and supplemental accident and health insurance products to customers who desire basic protection for themselves and their families. Their leading product is individual life insurance, including permanent insurance that can be offered on a limited or recurring pay basis, term insurance and guaranteed issue insurance. Individual life insurance is offered primarily on a non-participating, guaranteed-cost basis. Face amounts of these policies are lower than those of policies typically sold to higher income customers by other

companies in the life insurance industry. Premiums average approximately \$30 per policy per month with an average policy face value of \$6,513.

The Life Insurance segment employs nearly 2,200 career agents, operating in 26 states and the District of Columbia. These career agents are full-time employees who call on customers in their homes to sell insurance products, provide services related to policies in force and collect premiums, typically monthly. These career agents also distribute and/or service contents coverage for personal property providing coverage against loss resulting from fire, lightning, and other causes as well as personal general liability coverage.

As shown in the following table, five states provided 63% of the premium revenues in this segment in 2025.

State	Percentage of Total Premiums
Texas	25 %
Louisiana	16
Mississippi	8
Alabama	8
Florida	6

Life Insurance Reserves

The Company's Life Insurance Reserves are reported using the Company's estimate of its liability for future policyholder benefits. Insurance Reserves for the Company's life & health insurance business operations were \$3,287.5 million and \$3,199.7 million at December 31, 2025 and 2024, respectively.

Significant assumption inputs to the calculation of the liability for future policyholder benefits include mortality, lapses, and discount rates (both accretion and current). Kemper groups together policies with similar types of business for its cohorts, which typically vary by issue year. The Company's actuaries use a variety of generally accepted actuarial methodologies, in accordance with Actuarial Standards of Practice, in determining the mortality and lapse assumptions. These assumptions are based on judgments that consider the Company's historical experience, industry data, and other relevant factors. The Company reviews and updates its estimate of cash flows expected over the lifetime of a group of contracts using actual historical experience quarterly and current future cash flow assumptions at least annually to calculate its revised net premium ratio. The revised net premium ratios are then used to calculate an updated liability for future policyholder benefits for the current reporting period, discounted at the original contract issuance discount rate. The Company has elected to use expense assumptions that are locked in at contract inception and are not subsequently reviewed or updated. Resulting changes in the liability due to differences in actual versus expected experience, changes in current cash flow assumptions, and prefunding and payout of benefits compared to the carrying amount of the liability as of that same date are recorded as a separate component of benefit expense in the Consolidated Statements of Income (Loss). The current discount rate assumption is an equivalent spot rate curve of annually compounded rates at monthly increments that is derived based on A-credit rated fixed-income instruments reflecting the duration characteristics of the liability. The discount rate assumption is updated quarterly and used to remeasure the liability at the reporting date, with the resulting change reflected in Accumulated Other Comprehensive Loss on the Consolidated Balance Sheets.

In estimating the Company's Life Insurance Reserves, the Company's actuaries exercise professional judgment and must consider, and are influenced by, many variables that are difficult to quantify. Accordingly, the process of estimating and establishing the Company's Life Insurance Reserves is inherently uncertain. See MD&A, "Critical Accounting Estimates," under the caption "Life Insurance Reserves" for more details on the Company's reserving process and the factors considered by the Company's actuaries in estimating the Company's Life Insurance Reserves.

Reinsurance

Consistent with insurance industry practice, the Company's Life insurance segment utilizes reinsurance arrangements to limit its maximum loss, provide greater diversification of risk and minimize exposures on larger risks. As the face amounts of the Company's issued policies are relatively small, the ceded risks and corresponding premiums are also relatively small, particularly when compared to other companies in the industry. The segment is also exposed to losses from catastrophes arising from insurance policies for contents coverage for personal property. The Life Insurance segment is a party to the Florida Hurricane Catastrophe Fund ("FHCF") and the Property & Casualty catastrophe excess of loss reinsurance contract.

Lapse Ratio

The lapse ratio is a measure of a life insurer’s loss of in-force policies. For a given year, this ratio is commonly computed as the total face amount of individual life insurance policies lapsed, surrendered, expired and decreased during such year, less policies increased and revived during such year, divided by the total face amount of policies at the beginning of the year plus the face amount of policies issued and reinsurance assumed in the prior year. The Life Insurance segment’s lapse ratio for individual life insurance was 5% in 2025, 2024, and 2023.

The customer base served by the Life Insurance segment tends to have a higher incidence of lapse than other demographic segments of the population. Thus, to maintain or increase the level of its business, the Life Insurance segment must write a higher volume of new policies than competitors serving other demographic segments of the population.

Pricing

Premiums for life insurance products are based on assumptions with respect to mortality, morbidity, investment yields, expenses, and lapses and are also affected by state laws and regulations, as well as competition. Pricing assumptions are based on the experience of the Life Insurance segment, as well as the industry in general, depending on the factor being considered. The actual profit or loss produced by a product will vary from the anticipated profit if the actual experience differs from the assumptions used in pricing the product.

Premiums for policies sold by the Life Insurance segment are set at levels designed to cover the relatively high cost of “in-home” servicing of such policies. As a result, the Life Insurance segment premiums have a higher expense load than the life insurance industry average.

Competition

Based on the most recent data published by A.M. Best, as of the end of 2024, there were 378 life and health insurance company groups in the United States. The Company’s Life Insurance segment ranked in the top 31% of life and health insurance company groups, as measured by net admitted assets, net premiums written and capital and surplus. Rankings by net admitted assets, net premiums written and capital and surplus were:

Measurement	Ordinal Rank	Percentile Rank
Net Admitted Assets	101	73 %
Net Written Premiums	113	70
Capital and Surplus	118	69

Kemper’s life and health insurance subsidiaries generally compete by using appropriate pricing, offering products to selected markets or geographies, controlling expenses, maintaining adequate ratings from A.M. Best and providing competitive services to agents and policyholders.

Investments

The quality, nature and amount of the various types of investments that can be made by insurance companies are regulated by state laws. Depending on the state, these laws permit investments in qualified assets, including, but not limited to, municipal, state and federal government obligations, corporate bonds, structured bonds, real estate, preferred and common stocks, investment partnerships, limited liability investment companies and limited partnerships. In addition, the quality, nature, amount and concentration of the various types of investments held by Kemper and its subsidiaries affect the amount of asset risk calculated by regulators and rating agencies in determining required capital. See “Regulation” immediately following this subsection and Item 1A., “Risk Factors,” under the caption “*The Company’s investment portfolio is exposed to a variety of risks that may negatively impact net investment income, the change in fair value of equity and convertible securities and cause realized and unrealized losses.*”

The Company employs a total return investment strategy, with an emphasis on yield, while maintaining liquidity to meet both its short- and medium-term insurance obligations. See the discussions of the Company’s investments under the headings “Investment Results,” “Investment Quality and Concentrations,” “Investments in Limited Liability Companies and Limited Partnerships,” “Liquidity and Capital Resources” and “Critical Accounting Estimates,” in the MD&A, “Quantitative and Qualitative Disclosures about Market Risk,” in Item 7A and Note 10, “Investments,” Note 11, “Income from Investments,” Note 12, “Derivatives,” and Note 13, “Fair Value Measurements,” to the Consolidated Financial Statements.

Regulation

Overview of State Regulation

Kemper's insurance subsidiaries are subject to extensive regulation, primarily, but not exclusively, at the state level. Such regulation pertains to a variety of matters, including, but not limited to, policy forms, rate setting, licensing to transact business, market conduct, trade practices, underwriting standards, profitability regulations, claims handling practices, transactions with affiliates, payment of dividends, nature and amount of investments, solvency, reserve adequacy, statutory accounting methods, risk management and corporate governance. In addition, insurance regulatory authorities perform periodic examinations of an insurer's financial condition, market conduct activities and other affairs. Some of these matters are discussed in more detail below.

Approval of Policy Rates and Forms

The majority of Kemper's insurance operations are in states requiring prior approval by regulators before proposed policy or coverage forms and rates for insurance policies may be implemented and used. The Company's ability to take actions to address market developments or increased costs can be adversely impacted by lengthy delays in the approval process or the failure to receive the required approval of state regulators.

Restrictions on Withdrawal, Cancellation and Nonrenewal

Many states have laws restricting an insurer's ability to withdraw from particular markets. Laws that limit an insurer's ability to cancel or non-renew a block of policies by line of business, or that subject its withdrawal to prior approval requirements, may restrict the ability of our insurance subsidiaries to exit unprofitable markets.

Financial Reports and Standards

Insurance companies are required to report their financial condition and results of operations in accordance with statutory accounting practices prescribed or permitted by state insurance regulators in conjunction with the National Association of Insurance Commissioners ("NAIC"). State insurance regulators also prescribe the form and content of statutory financial statements, set minimum reserve and loss ratio requirements and establish standards for the types and amounts of investments. In addition, state laws and regulations require minimum capital and surplus levels and incorporate risk-based capital ("RBC") standards developed by the NAIC. Similar reporting obligations and requirements are imposed under Bermuda law on Kemper Bermuda Ltd., Kemper's offshore subsidiary. RBC standards are intended to enable regulators to assess the level of risk inherent in an insurance company's business based on asset risk, credit risk, underwriting risk and other business risks relevant to its operations. A company's requirements are calculated based on an RBC formula and compared to its total adjusted capital to determine whether regulatory intervention is warranted. At December 31, 2025, the total amount of capital held by each of Kemper's domestic insurance subsidiaries exceeded the minimum levels required under applicable RBC requirements, and the total amount of capital held by Kemper Bermuda Ltd. exceeded the minimum levels required by the Bermuda Monetary Authority's Enhanced Capital Requirement.

Guaranty Funds and Risk Pools

Kemper's insurance subsidiaries are required to pay assessments up to prescribed levels to fund policyholder losses or liabilities of insolvent insurance companies under the guaranty fund laws of most states in which they transact business. Kemper's insurance subsidiaries are also required to participate in various involuntary pools or assigned risk pools, principally involving windstorms and high risk drivers. In most states, the involuntary pool participation of Kemper's insurance subsidiaries is determined in proportion to their voluntary writings of related lines of business in such states.

Privacy and Cybersecurity Regulation and Oversight

The Company is subject to numerous federal and state laws and state insurance regulations that impose significant requirements and standards for protecting personal and confidential information of insurance company policyholders, employees, and other individuals.

Federal Regulation

The federal Gramm-Leach-Bliley Act requires financial institutions, including insurers, to protect the privacy of non-public information, to restrict use of such information and disclosure to non-affiliated third parties, and to provide notices to customers regarding use of their non-public personal information and an opportunity to "opt out" of certain disclosures. State departments

of insurance and certain federal agencies adopted implementing regulations as required by federal law. In addition, SEC rules require disclosure regarding cybersecurity oversight and incidents.

State Laws and Regulations

In recent years, state insurance regulators have focused increasing attention on cybersecurity. For example, insurance companies are required to maintain a cybersecurity program, incident response plan and information technology system safeguards that protect personal and confidential information under extensive cybersecurity regulations implemented by the New York Department of Financial Services and statutes adopted by a number of states based on a model data security law adopted by the NAIC. In addition, state insurance regulators focus significant attention on data security during financial exams, and the NAIC has strengthened and enhanced the cybersecurity guidance included in its handbook for state insurance examiners. Additional state laws outside of the insurance industry impose notification requirements in the event of cybersecurity breaches affecting their residents. On the privacy front, the California Consumer Privacy Act, as amended, by the California Privacy Rights Act (“CPRA”), which went into effect in January 2023, among other things, requires companies to provide privacy notices and respond to any request made to the company by a California resident regarding his or her personal information used or maintained by the company outside the scope of the GLBA privacy laws. Kemper Bermuda Ltd. is subject to Bermuda’s Personal Information Protection Act, which went into effect on January 1, 2025. The Company anticipates a continuing focus on new regulatory and legislative proposals at the state and federal levels that further regulate practices regarding privacy and security of personal and confidential information. In addition, artificial intelligence technologies (AI) and the evolving AI regulatory framework are creating new privacy and security challenges and associated risks.

Holding Company Regulation, Including Enterprise Risk Management and Governance

The Company is regulated as an insurance holding company system and is subject to the insurance holding company acts of the states in which its insurance subsidiaries are domiciled and, in some cases, additional states in which the insurance subsidiary is deemed commercially domiciled. These laws and related regulations contain certain reporting requirements as well as restrictions on transactions between an insurer and its affiliates. They also generally require insurance companies within an insurance holding company system to register with the insurance department of each state where they are domiciled or commercially domiciled and to file certain reports with those insurance departments describing capital structure, ownership, financial condition, certain intercompany transactions, an enterprise risk report and general business operations. In addition, various notice and reporting requirements generally apply to transactions between insurance companies and their affiliates within the insurance holding company system, depending on the size and nature of the transactions. Some insurance holding company laws and regulations require prior regulatory approval or, in certain circumstances, prior notice of certain material intercompany transfers of assets as well as certain transactions between insurance companies, their parent holding companies and affiliates.

Dividends

As a holding company with no significant business operations of its own, Kemper relies on dividends from its insurance subsidiaries to meet its obligations. Certain dividends and distributions by an insurance subsidiary are subject to prior approval by the insurance regulator in the state in which it is domiciled or commercially domiciled. See Item 1A., “Risk Factors,” under the caption, “***The ability of Kemper to service its debt, to pay dividends to its shareholders and/or make repurchases of its stock may be materially impacted by lack of timely and/or sufficient dividends received from its subsidiaries.***”

Change in Control Requirements

State insurance laws also impose requirements that must be met prior to a change of control of an insurance company or insurance holding company based on the insurer’s state of domicile and, in some cases, additional states in which the insurance subsidiary is deemed commercially domiciled. These requirements may include the advance filing of specific information with the state insurance regulators, a public hearing on the matter, and the review and approval of the change of control by such regulators. The Company has insurance subsidiaries domiciled or deemed commercially domiciled in Alabama, California, Florida, Illinois, Indiana, Louisiana, Missouri, New York, Ohio, Oregon, Texas and Wisconsin. In these states, except Alabama, “control” generally is presumed to exist through the direct or indirect ownership of 10% or more of the voting securities of an insurance company. Control is presumed to exist in Alabama with a 5% or more ownership interest in such securities. Any purchase of Kemper’s shares that would result in the purchaser owning Kemper’s voting securities in the foregoing percentages for the states indicated would be presumed to result in the acquisition of control of the Company’s insurance subsidiaries in those states. Therefore, acquisitions subject to the 10% threshold generally would require the prior approval of insurance regulators in each state in which the Company’s insurance subsidiaries are domiciled or deemed commercially domiciled, including those in Alabama, while acquisitions subject to the 5% threshold generally would require the prior approval of only

Alabama regulators. Similarly, consistent with the Model Holding Company Act, several of the states in which the Company's insurance subsidiaries are domiciled have enacted legislation that requires either the divesting and/or acquiring company to notify regulators of, and in some cases to receive regulatory approval for, a change in control.

Many state statutes also require pre-acquisition notification to state insurance regulators of a change of control of an insurance company licensed in the state if specific market concentration thresholds would be triggered by the acquisition. Such statutes authorize the issuance of a cease and desist order with respect to the insurance company if certain conditions, such as undue market concentration, would result from the acquisition. These regulatory requirements may deter, delay or prevent transactions effecting control of Kemper or its insurance subsidiaries, or the ownership of Kemper's voting securities, including transactions that could be advantageous to Kemper's shareholders.

Many states have made, or are in the process of making, modifications to their holding company laws. These modifications impose new reporting requirements and substantially expand the oversight and examination powers of state insurance regulators to assess enterprise risks within the entire holding company system that may arise from both insurance and non-insurance subsidiaries. They also impose new reporting requirements on affiliated transactions and divestiture of a controlling interest in an insurance subsidiary.

Other Federal Government Regulation

Dodd-Frank Wall Street Reform and Consumer Protection Act and Other Financial Reform Efforts

As part of an effort to strengthen the regulation of the financial services market, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") was enacted in 2010. The Dodd-Frank Act also created the Federal Insurance Office ("FIO") within the U.S. Department of the Treasury ("Treasury"). The FIO monitors the insurance industry, provides advice to the Financial Stability Oversight Council ("FSOC"), represents the U.S. on international insurance matters, and studies the current regulatory system. The Dodd-Frank Act includes a number of financial reforms and regulations that may affect our business and financial reporting. However, there remains uncertainty regarding the future of the Dodd-Frank Act and how it may impact our business.

Additional regulations or new requirements may emerge from activities of various regulatory entities, including the Federal Reserve Board, FIO, FSOC, NAIC and the International Association of Insurance Supervisors ("IAIS"), that are evaluating solvency and capital standards for insurance company groups. The outcome of these actions is uncertain; however, these actions may result in an increase in the level of capital and liquidity required by insurance holding companies.

Human Capital Management

Commitment to a Strong, Inclusive, and Performance-Driven Culture

Kemper proudly serves niche and underserved markets with appropriate and affordable insurance and financial solutions. Our culture reflects the belief that our people are essential to fulfilling our purpose, and we strive to create an environment where collaboration, shared accountability, and diverse perspectives drive success.

Kemper empowers employees at every level to collaborate, contribute their expertise, and drive performance in a dynamic and inclusive workplace. Our workforce is strengthened by diverse backgrounds, experiences, and ideas, and we are committed to ensuring all employees feel valued, supported, and positioned for growth. This focus on inclusivity and collaboration enables us to attract and retain a high-performing workforce and continually enhance the way we serve our customers and communities.

As of December 31, 2025, we had approximately 7,400 employees, consisting of 7,300 full-time and 100 part-time employees, located across the country. We consider our relationships with our employees to be positive.

Compliance and Ethics

A culture grounded in compliance and ethical behavior is essential to protecting the Company, supporting sound business operations, and fostering a positive work environment. Kemper provides tools and resources to promote an inclusive and respectful workplace and maintains multiple channels for reporting fraud, theft, violence, and misconduct. Our compliance reporting protocol supports integrity and ethical conduct by enabling timely corrective action when issues arise. Employees are encouraged to raise concerns through their manager, any member of management, the Kemper Corporate Responsibility Hotline, the Corporate Compliance and Ethics Officer, or Human Resources.

Employee Development

Kemper's long-term success is closely tied to the development and engagement of our employees. We offer opportunities for personal and professional growth at every career stage, from internships and rotational development programs to manager and leadership training. Role-based learning supports employees in building the skills needed to excel in their current positions and prepare for future opportunities,

Individual growth is further supported through initiatives such as the Own Your Career program, which provides employees with skill-building tools, development resources, and structured guidance to help them advance in their careers.

Kemper maintains a structured succession planning process to support leadership continuity and long-term organizational stability. Each year, the Company conducts a comprehensive review of succession plans for the executive leadership team and their direct reports. This process assesses leadership capabilities, identifies key talent, and evaluates readiness for expanded responsibilities or future leadership roles. The Board of Directors, through its relevant committees, oversees this process and receives regular updates on succession planning and leadership development initiatives.

Engagement and Employee Voice

Employee engagement is essential to sustaining Kemper's culture and driving our success. We support strong engagement through a range of programs and initiatives that recognize employees who consistently contribute to the Company's culture and performance.

Kemper periodically measures employee engagement through surveys that provide team members the opportunity to share feedback on key aspects of the work experience, including career development, leadership, compensation and benefits, recognition, collaboration, communication, resources, culture, and ethics. Business, functional and Human Resources leaders review the results to assess employee sentiment, support cultural priorities, and take action on identified opportunities to enhance the workplace.

Our leadership team further supports connection and transparency by hosting regular in-person and virtual town halls. These meetings provide updates on priorities and initiatives, celebrate achievements, and offer a forum for questions and open dialogue.

Kemper employees contributed 3,223 volunteer hours during the year through various community initiatives. These efforts support our commitment to engaging with and serving the diverse communities in which our customers live and work.

In 2025, Kemper was recognized by *U.S. News & World Report* as one of the Best Companies to Work For in Finance/Insurance and in the Midwest.

Total Rewards

Kemper's total rewards reflect our investment in recognizing and rewarding employee contributions through competitive compensation and benefits, including base salary and short- and long-term incentives. Our market-competitive programs help attract and retain talent, support employee well-being, and reinforce a positive employee experience. We offer a broad range of benefits that promote the physical, emotional, financial, and social health of our workforce. These include, but are not limited to:

- Health insurance including medical, dental, vision and prescription drug coverage
- Life and disability insurance
- Tax-advantaged Flexible Spending Accounts for health care and dependent care
- Health Savings Accounts for the High-Deductible Health Plan, including a company match
- 401(k) retirement savings program, including a company match and 100% vesting upon hire
- Employee Stock Purchase Program (ESPP)
- Employee Assistance & Work/Life Program (EAP)
- Tuition reimbursement
- Adoption assistance
- Employee discount programs
- Voluntary benefit programs
- Paid parental leave
- Short- and long-term disability leave, military leave, and leave pursuant to the Family and Medical Leave Act of 1993 (FMLA)

- Flexible work arrangements based on function and role
- Wellness resources, including diabetes, hypertension, weight management and pregnancy support
- Commuter benefits

How We Work

At Kemper, we embrace a hybrid work model that enhances flexibility and strengthens connection across our workforce.

The model emphasizes purposeful time in the office, where in-person collaboration, team meetings, and training foster engagement, innovation, and relationship-building. These intentional interactions foster a strong sense of community, and our blend of remote and in-office work provides employees the flexibility to balance work and life while staying connected to one another.

Item 1A. Risk Factors.

Kemper is exposed to numerous risk factors that could cause actual results to differ materially from recent results or anticipated future results. The following discussion details the significant risk factors that are specific to the Company. In addition to those described below, the Company's business, financial condition and results of operations could be materially affected by other factors not presently known or considered material by the Company. Readers are advised to consider all of these factors along with the other information included in this 2025 Annual Report, including the factors set forth under the caption "Caution Regarding Forward-Looking Statements", and to consult any further disclosures Kemper makes on related subjects in its filings with the SEC.

Risks Relating to Estimating Property and Casualty Insurance Losses and Loss Adjustment Expenses and Catastrophes

Estimating losses and LAE for determining property and casualty insurance reserves is inherently uncertain, and the Company's results of operations may be materially impacted if the Company's insurance reserves are insufficient.

The Company establishes loss and LAE reserves to cover estimated liabilities, which remain unpaid as of the end of each accounting period, and to investigate and settle all claims incurred under the property and casualty insurance policies that it has issued. Loss and LAE reserves are established for claims that have been reported to the Company as of the end of the accounting period, as well as for estimated claims that have occurred but have not yet been reported to the Company. The estimates of loss and LAE reserves are based on the Company's assessment of the facts and circumstances known to it at the time, as well as estimates of the impact of future trends in the severity of claims, the frequency of claims and other factors.

These estimates can be inaccurate or may change over time due to many variables, including changes driven by the evolving legal and regulatory landscape and economic, technological, and other environmental conditions in which the Company operates. For example, changes in international trade practices, such as the increase or imposition of tariffs and the resulting inflationary pressure, could lead to our estimates being inaccurate. In addition, these estimates could be impacted by the rising costs of insurance claims from increased litigation (in part as a result of proliferation of class-action suits and growth in third party litigation funding), the increase in so-called "nuclear verdicts" leading to higher jury awards, broader definitions of liability, and other effects of legal and societal trends referred to as legal system abuse or social inflation.

The process of estimating property and casualty insurance reserves is complex and imprecise. The reserves established by the Company are inherently uncertain estimates and could prove to be inadequate to cover its ultimate losses and expenses. The estimate of the ultimate cost of claims for insured events that have occurred must take into consideration many factors that are dependent on the outcome of future events associated with the reporting, investigation and settlement of claims. The impacts on the Company's estimates of property and casualty insurance reserves from these factors are difficult to assess accurately. A change in any one or more of the factors will likely result in a projected ultimate loss that is different than the previous projected ultimate loss and may have a material impact on the Company's estimates. For example, increases in the estimates of ultimate losses and LAE will decrease earnings, while decreases in these estimates will increase earnings, as reported by the Company in the results of its operations for the periods in which the changes to the estimates are made. See MD&A, "Critical Accounting Estimates," under the caption "Property and Casualty Insurance Reserves for Losses and Loss Adjustment Expenses" for a discussion of the Company's reserving process and the factors considered by the Company's actuaries in estimating the Company's Property and Casualty Insurance Reserves.

If the Company is unable to charge competitive yet profitable rates to its customers, the Company's business, results of operations and financial condition could be materially and adversely affected.

The Company considers trends in the severity and frequency of claims and other factors when determining the premium rates to charge for its property and casualty insurance products. An unanticipated change in any one or more of these factors or trends, as well as a change in competitive conditions, may result in inadequate premium rates charged for insurance policies issued by Kemper's property and casualty insurance subsidiaries in the future. Typically there is a time lag between when changes in frequency and severity are identified and when rate changes are approved, implemented and earned in. Material changes in frequency and severity and the time lag between when rates are approved, implemented and earned into the Company's results of operations may have a material adverse impact on the Company's operations. Because of restrictions placed on the Company's ability to increase premium rates in certain states, including California, a pricing inadequacy may continue for a prolonged period. These pricing inadequacies have had a material impact on the Company's operating results in recent periods and may impact operating results in future periods. If the Company overestimates the severity or frequency of claims and other factors in determining the rates to charge for insurance products, the rates for the Company's products could be noncompetitive and result in loss of revenue and market share.

Catastrophe losses could materially and adversely affect the Company's results of operations, liquidity and/or financial condition.

Kemper's property and casualty insurance subsidiaries are subject to claims arising out of catastrophes that may have a significant effect on their results of operations, liquidity and financial condition. Catastrophes can be caused by various events, including, but not limited to, hurricanes, tornadoes, windstorms, earthquakes, hailstorms, explosions, severe winter weather, wildfires and pandemics, and may also include man-made events, such as cyber events, terrorist attacks, and hazardous material spills. The incidence, frequency and severity of catastrophes are inherently unpredictable and may be impacted by the uncertain effects of climate change, which could cause increases in hurricanes, floods, wildfires, and other risks that could produce losses affecting our business. The extent of the Company's losses from a catastrophe is a function of both the total amount of its insured exposure in the geographic area affected by the event and the severity of the event. In recent periods, the Company has experienced catastrophe losses primarily relating to tropical storm activity as well as rain and hail events. The effects of inflation could increase the severity of claims resulting from a catastrophe. For example, in recent periods, the effects of inflation, including as a result of post-event damage surge, have increased catastrophe losses, and this could continue in the future. Furthermore, the Company could experience more than one severe catastrophic event in any given period.

The property and casualty insurance subsidiaries use catastrophe modeling tools developed by third parties to project their potential exposure to property damage resulting from certain types of catastrophic events under various scenarios. These models are based on various assumptions and judgments which may turn out to be wrong or materially different than our actual results. The actual impact of one or more catastrophic events could adversely and materially differ from these projections.

Kemper's life insurance subsidiaries are particularly exposed to risks of catastrophic mortality, such as pandemics or other events that result in large numbers of deaths. In addition, the occurrence of a pandemic or other catastrophes in a concentrated geographic area could have a severe disruptive effect on the Company's workforce and business operations. The likelihood and severity of such events cannot be predicted and are difficult to estimate.

Changes in the availability and cost of catastrophe reinsurance and in the ability of reinsurers to meet their obligations could result in Kemper's insurance subsidiaries retaining more risk and could adversely and materially affect the Company's results of operations, financial condition and/or liquidity.

Kemper's property and casualty insurance subsidiaries seek to reduce their exposure to catastrophe losses through the purchase of catastrophe reinsurance. Catastrophe reinsurance does not relieve these subsidiaries of their direct liability to their policyholders. As long as the reinsurers meet their obligations, the net liability for each subsidiary is limited to the amount of risk it retains. While Kemper's subsidiaries' principal reinsurers are each rated "A-" or better by A.M. Best at the time reinsurance is purchased, the Company cannot be certain that reinsurers will pay the amounts due from them either now, in the future, or on a timely basis. A reinsurer's insolvency or inability to make payments under the terms of its reinsurance agreement could materially and adversely affect the Company's financial position, results of operations and liquidity.

In addition, market conditions beyond the Company's control determine the availability and cost of the reinsurance protection that Kemper's property and casualty insurance subsidiaries may purchase. A decrease in the amount of reinsurance coverage that these subsidiaries purchase generally should increase their risk of a more severe loss, and this risk could increase if climate change or other factors results in higher than anticipated losses for reinsurers. As a result, if the amount of available reinsurance is reduced, the cost to obtain reinsurance may increase or Kemper's subsidiaries may be unable to obtain sufficient reinsurance on acceptable terms, which could adversely affect their ability to write future insurance policies or result in their retaining more risk with respect to those policies.

The extent to which Kemper's insurance subsidiaries can manage their catastrophe exposure through underwriting strategies may be limited by law or regulatory action and could adversely and materially affect the Company's results of operations, financial condition and/or liquidity.

Kemper's property and casualty insurance subsidiaries also manage their exposure to catastrophe losses through underwriting strategies such as reducing exposures in, or withdrawing from, catastrophe-prone areas, establishing underwriting guidelines, and setting appropriate rates, deductibles, exclusions and policy limits. The extent to which Kemper's subsidiaries can manage their exposure through these strategies may be limited by law or regulatory action. For example, laws and regulations may limit the rate or timing at which insurers may not renew insurance policies in catastrophe-prone areas. In addition, laws and regulations requiring prior approval of policy forms and premium rates may limit the ability of Kemper's property and casualty insurance subsidiaries to increase rates or deductibles on a timely basis, which may result in additional losses or lower returns than otherwise would have occurred in an unregulated market.

Risks Relating to Estimating Life Insurance Reserves

Estimating future policyholder benefits for determining life insurance reserves is inherently uncertain, and the Company's results of operations may be materially impacted if the Company's Life Insurance Reserves are insufficient.

The estimates of future policyholder benefits are based on the Company's assessment of the facts and circumstances known to it at the time and are estimating losses many years into the future. Significant assumption inputs to the calculation of the liability for future policyholder benefits include mortality, lapses, and discount rates (both accretion and current).

These estimates can be inaccurate or may change over time due to many variables, including changes driven by the evolving legal and regulatory landscape and economic, technological, and other environmental conditions in which the Company operates. The process of estimating life insurance reserves is complex and imprecise. The reserves established by the Company are inherently uncertain estimates and could prove to be inadequate. The estimates underlying future policyholder benefits must take into consideration many factors that are dependent on the outcome of future events including, but not limited to, the reporting and settlement of claims and policyholder behavior. Certain events may not occur until many years in the future so the impacts on the Company's estimates of life insurance reserves from these factors are difficult to assess accurately. A change in any one or more of the factors is likely to result in projected future policyholder benefits that are different than the previous projections and may have a material impact on the Company's estimates. Increases in the estimates of future policyholder benefits will decrease earnings, while decreases in these estimates will increase earnings, as reported by the Company in the results of its operations for the periods in which the changes to the estimates are made. See MD&A, "Critical Accounting Estimates," under the caption "Life Insurance Reserves" for a discussion of the Company's reserving process and the factors considered by the Company's actuaries in estimating the Company's Life Insurance Reserves.

Risks Relating to Competition

A downgrade in the ratings of Kemper or its insurance subsidiaries below A- could materially and adversely affect the Company.

Third-party rating agencies assess the financial strength and rate the claims-paying ability of insurance companies based on criteria established by the rating agencies. Third-party ratings are important competitive factors in the insurance industry. Financial strength ratings are used to assess the financial strength and quality of insurers. Ratings agencies may downgrade the ratings of Kemper and/or its insurance subsidiaries or require Kemper to retain more capital in its insurance businesses to maintain existing ratings following developments that they deem negative. This can include factors directly related to the Company, such as an increase in the catastrophic risk retained by Kemper's insurance subsidiaries, or developments in industry or general economic conditions. A downgrade in Kemper's credit rating by Standard & Poor's ("S&P"), Moody's Investors Services ("Moody's") or Fitch Ratings ("Fitch") may reduce Kemper's ability to cost-effectively access the capital markets or may increase the cost to refinance existing debt.

The insurance industry is highly competitive, making it difficult to grow profitability within the expectations of investors.

The Company's insurance businesses face significant competition, and their ability to compete is affected by a variety of issues relative to others in the industry, such as management effectiveness, product pricing, service quality, ease of doing business, innovation, financial strength and name recognition. Additionally, in recent years, various types of investors have increasingly sought to participate in the insurance industry. Well-capitalized new entrants to the property and casualty insurance industry, existing competitors in the specialty property and casualty insurance industry that receive substantial infusions of capital or access to third-party capital, or established property and casualty insurance companies that expand their product offerings to compete in the specialty automobile insurance market provide increasing competition, which may adversely impact our business and profitability. Competitive success is based on many factors, including, but not limited to, the following:

- Competitiveness of prices charged for insurance policies;
- Sophistication of pricing segmentation;
- Design and introduction of insurance products to meet emerging consumer trends;
- Ability to manage potential additional costs or losses that may be associated with writing new business;
- Ability to attract and retain experienced industry talent, including for senior executive leadership positions;
- Selection and retention of agents and other business partners;
- Compensation paid to agents;
- Underwriting discipline;
- Selectiveness of sales markets;
- Effectiveness of marketing materials and name recognition;
- Product and technological innovation;

- Effectiveness of online servicing platforms;
- Ability to settle claims timely, efficiently, and without incurring extra-contractual liability;
- Ability to detect and prevent fraudulent insurance claims;
- Effectiveness of deployment and use of information technology across all aspects of operations;
- Ability to control operating expenses;
- Financial strength ratings; and
- Quality of services provided to, and ease of doing business with, career agents, independent agents, brokers, or policyholders.

The inability to compete effectively in any of the Company's insurance businesses could materially reduce the Company's customer base and revenues and could materially and adversely affect the future results and financial condition of the Company.

See "Competition" in Item 1 of Part I for more information on the competitive rankings in the property and casualty insurance markets and the life insurance markets, respectively, in the United States.

Risks Relating to Legal and Regulatory Environment

Kemper's insurance subsidiaries are subject to significant regulation, and the evolving legal and regulatory landscape in which they operate could result in increased operating costs, reduced profitability and limited growth.

Kemper's insurance subsidiaries operate under an extensive insurance regulatory system. Current laws and regulations affect a wide variety of matters, including policy forms, premium rates, licensing, market conduct, trade practices, claims handling practices, reserve and loss ratio requirements, investment standards, statutory capital and surplus requirements, restrictions on the payment of dividends, approvals of transactions involving a change in control of one or more insurance companies, restrictions on transactions among affiliates, climate change, artificial intelligence, cybersecurity, accounting and consumer privacy and data security. Pre-approval requirements often restrict or delay actions to implement premium rate changes for insurance policies, or to introduce new, or make changes to existing, policy forms and many other actions. These delays can adversely impact Kemper's business, especially where external factors, such as inflation, may result in a pricing imbalance for the Company's insurance products.

Insurance regulators conduct periodic examinations of Kemper's insurance subsidiaries and can suspend or delay operations or licenses, require corrective actions, and impose penalties or other remedies available for compliance failures. For a more detailed discussion of the regulations applicable to Kemper's subsidiaries and related emerging developments, see "Regulation" in Item 1.

These laws and regulations, and their application by regulators and courts, are subject to continuous interpretation and revision. The legal and regulatory landscape within which Kemper's insurance subsidiaries conduct their businesses is often unpredictable. As industry practices and regulatory, judicial, political, social and other conditions change, new issues may emerge. These changes and emerging issues could adversely affect Kemper's business in a variety of ways, including, for example, by expanding coverages beyond the underwriting intent, increasing the number or size of claims, increasing the likelihood of class-action suits and other legislative and judicial actions, accelerating the payment of claims, repealing or weakening tort reforms or otherwise adding to operational and compliance costs or adversely affecting the Company's competitive advantages. Practices in the industry or within the Company that were once considered approved, compliant and reasonable may suddenly be deemed unacceptable by virtue of a court or regulatory ruling or changes in regulatory enforcement policies and practices. It is not possible for the Company to predict such shifts in legal or regulatory enforcement or to accurately estimate the impact they may have on the Company and its operations.

In addition, there is increased legislative and regulatory focus on cybersecurity and on amendments to state holding company laws that expand the oversight and examination powers of insurance regulators beyond licensed insurance companies to include non-insurance affiliates and their organizations as a whole, particularly with respect to enterprise risk. See the discussion of these matters under "Regulation" in Item 1.

These developments and significant changes in, or new interpretations of, existing laws and regulations could make it more expensive for Kemper's insurance subsidiaries to conduct and grow their businesses which could materially impact the Company's operating results.

Kemper has a significant concentration of personal automobile insurance business in California and Florida, and the regulatory, legal, competitive, or economic conditions in these states (as well as negative developments in any of these conditions) may adversely affect the Company's profitability.

California and Florida represented 82% of the Company's total personal automobile insurance gross written premiums in 2025. Consequently, the dynamic nature of regulatory, legal, competitive and economic conditions in these states affects Kemper's revenues and profitability. Significant legislative changes relating to Florida PIP coverage that became effective in 2023 have contributed to lower loss costs on certain personal auto accident claims and increased underwriting profitability in Kemper's Florida personal auto business. Both California and Florida have regulations that limit the after-tax return on underwriting profit allowed for an insurer. Changes in any of these conditions could negatively impact the Company's results of operations.

Legal and regulatory proceedings are unpredictable and could produce one or more unexpected outcomes that could materially and adversely affect the Company's financial results for any given period.

Kemper and its subsidiaries are from time to time involved in lawsuits, regulatory inquiries and other legal proceedings arising out of the ordinary course of their businesses. Some of these proceedings may involve matters particular to Kemper or one or more of its subsidiaries, while others may pertain to industry business practices. Some lawsuits may seek class action status that, if granted, could expose the Company to potentially significant liability by virtue of the size of the putative classes. In addition, the Company's insurance subsidiaries are subject to litigation relating to claims handling practices in connection with otherwise routine claims, including actions that make allegations of bad faith and seek extra-contractual damages. These matters often raise difficult factual and legal issues and are subject to uncertainties and complexities. The outcomes of these matters are difficult to predict, and the amounts or ranges of potential loss at particular stages in the proceedings are in most cases difficult or impossible to ascertain. Even where the possibility of an adverse outcome is remote under traditional legal analysis, juries sometimes substitute their subjective views in place of facts and established legal principles. Given the unpredictability of the legal and regulatory landscape in which the Company operates, there can be no assurance that one or more of these matters will not produce a result that could materially and adversely affect the Company's financial results for any given period.

For information about the Company's pending legal proceedings, see Note 28, "Commitments and Contingencies," to the Consolidated Financial Statements.

Changes in the availability of insurance coverage or in the ability of insurers to meet their obligations could result in the Company being exposed to significant losses.

Kemper maintains insurance coverage to limit its risk exposure to certain perils, including cybersecurity, errors and omissions, directors and officers liability insurance, fiduciary, insurance company professional liability and other financial indemnity coverages. There is no guarantee that if coverage is available it will be in an amount sufficient to cover the losses of one or more covered incidents or on terms that Kemper finds acceptable. An insurer's insolvency or inability to make payments under the insurance coverage it provides to Kemper could also result in Kemper being exposed to significant losses.

The Company could be adversely affected by future changes in U.S. Federal or Bermuda income tax laws.

Changes to tax laws or interpretation of such laws could increase Kemper's corporate tax and reduce earnings. Such events could also reduce the value of Kemper's tax assets. It is possible that tax law could be changed or be interpreted by regulatory authorities in a manner different than the Company's interpretation. It is difficult to predict whether there will be any tax law changes, guidance issued by tax authorities or other interpretations which would have a material adverse effect on our business or financial condition, as the impact of proposals on our business can vary substantially depending upon the specific changes or further guidance made and how the changes or guidance are implemented by the taxing authorities.

If our controls designed to ensure compliance with guidelines, policies and legal and regulatory standards are not effective, the Company could be adversely affected.

Kemper's business is highly dependent on its ability to engage on a real-time basis in a large number of insurance underwriting, claim processing and investment activities, and these are highly sophisticated, complicated and constantly evolving. These activities are frequently subject to internal guidelines and policies, as well as legal and regulatory standards. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system's objectives will be met. If the Company's controls are not effective (including with respect to the prevention or identification of misconduct by employees or others with whom we do business), it could lead to financial loss, unanticipated risk exposure (including underwriting, credit and investment risk), errors in financial reporting, litigation (including actions seeking extra-contractual damages), regulatory proceedings or damage to our reputation.

Risks Relating to Security of Personal Data, Availability of Critical Systems, and Technology Initiatives

Failure to protect against cyber attacks or other exposures that compromise data, including personal data, held by the Company could result in business interruption, legal and consulting fees, regulatory penalties, litigation, lost business, reputational harm, and other liabilities and expenses.

Kemper's insurance subsidiaries obtain, process and store large amounts of data, including personal data, for various business purposes, including marketing, policy origination, claims and payment processing, and competitive differentiation. The data has significant value and Kemper is regularly targeted by cyber attacks seeking to misappropriate the information. Cyber attacks feature increasing sophistication and frequency and include the use of viruses, ransomware, spyware and other malware and infiltration methods. In addition, the Company has exposure through equipment and system failure and as a result of the conduct of our employees and contractors (through inadvertent error, negligence or intentional misconduct). These exposures can create or increase the Company's vulnerability to the loss or misuse of data. The Company uses an array of security measures, with policies and procedures designed to secure this information and the Company's data systems. Notwithstanding these efforts, the Company's data systems have been breached or otherwise exposed in the past and remain vulnerable to future security breaches or other exposures. Successful breaches or other exposures could result in data loss, business interruption, reputational damage, ransom demands, investigations and litigation. The Company has been and may continue to be exposed to damages, regulatory penalties and other liabilities, reputational risk and significant increases in compliance and litigation costs as a result of these occurrences, which could have a material adverse impact on our financial condition and results of operations.

Kemper's business operations rely on third parties, which are inherently prone to technology and cybersecurity risks outside of our direct control.

Kemper relies on third parties to provide services that are essential to business operations, such as policy origination, claims processing, procurement, payments, back-office functions, and IT hosting. The software, systems and services provided by our third-party providers (including offshore service providers) may not meet our expectations, contain errors or weaknesses, become compromised or experience breaches or outages. The Company's ability to prevent or remediate such an occurrence is limited. A failure of such third-party providers or their software or systems to perform effectively, maintain information security, or provide uninterrupted service and access to those systems, could materially and adversely affect Kemper's business. For example, the Company could be prevented from conducting business functions, including the timely payment and/or processing of claims, or the information of the Company or its customers could be compromised. Any such failures could adversely impact the ability to serve existing customers and attract new business, and could create regulatory and litigation exposure.

We are subject to extensive cybersecurity and privacy regulation through policies and requirements imposed by state and federal authorities. These policies and regulations are complex, difficult to implement and sometimes contradictory. A finding that the Company has breached these regulations could result in litigation, fines, and expenses that materially and adversely impact financial condition or results of operations.

Kemper operates under multiple cybersecurity and privacy regulations, imposed at both the state and federal level. While Kemper seeks to comply with each of those mandates, frequent and recent changes in the legal and regulatory environment create a difficulty in implementation, a lack of clarity and some requirements that may be overlapping or inconsistent. These difficulties increase the risk that the Company will be subject to regulatory proceedings, litigation, fines, and other adverse consequences that may have a material impact on the Company's financial condition and results of operations.

Cybersecurity events, business interruptions or other exposures may cause potential deterioration in Kemper's reputation with an adverse impact on the Company's financial condition or results of operations.

Kemper's business depends on its reputation with agents and customers. The Company or its third party services providers may experience cybersecurity or business disruption events beyond our control that could affect our reputation or our corporate or brand image. It may be difficult to control or effectively manage negative publicity or regulatory consequences. Negative events and publicity or regulatory action could quickly and materially damage perceptions of Kemper and its business, which, in turn, could negatively impact the Company through loss of customers or agents, loss of business opportunities, employee retention or other difficulties.

Failure to maintain the availability of critical systems could result in business interruption, lost business, reputational harm, penalties and other costs.

The Company's business operations rely on the continuous availability of its own computer systems, systems and software hosted by vendors, and computer systems used by third party administrators and contractors working on behalf of the Company. Certain technology-based service providers provide a sizable portion of our IT infrastructure, platforms software and related IT services. From time to time these systems have been, and may again be, adversely affected or disrupted by cyber attacks, other data breaches, natural and man-made catastrophes, human action or error or other significant events. The failure of the Company, or its third party administrators or other business partners, to maintain business continuity in the wake of such events may prevent the timely performance of critical processes across its operations, including, for example, insurance policy administration, claims processing, billing, payment processing, treasury and investment operations and payroll and other employer-related functions. These failures could result in significant loss of business, increased costs, fines and other adverse consequences.

If Kemper is unable to send or accept electronic payments, our business and financial results could be adversely affected.

The Company relies increasingly on electronic payments from policyholders, including, but not limited to, payment by credit and debit cards. Kemper's ability to use electronic payments depends on its ability to comply with applicable laws and regulations and with the rules of the various payment networks. Failure to maintain compliance with laws and industry rules and regulations governing such transactions could result in additional costs and damages. For example, in the event of non-compliance with the Payment Card Industry Data Security Standard, an information security framework for organizations that handle cardholder information for the major debit, credit, prepaid, and other payment card methods, Kemper's insurance subsidiaries could be prohibited from collecting premium payments from customers by way of such methods and be subject to significant fines.

Technology initiatives could present significant economic and competitive challenges to the Company. Failure to complete and implement such initiatives in a timely manner could result in the loss of business and incurrence of internal use software development costs that may not be recoverable.

Data and analytics play an increasingly important role in the insurance industry. The Company may periodically initiate multi-year technology projects to enhance operations or replace systems. While technology developments can facilitate the use and enhance the value of data and analytics, streamline business processes and ultimately reduce the cost of operations, technology initiatives can present significant economic and organizational challenges to the Company and potential short-term cost and implementation risks. In addition, projections of expenses and implementation schedules could change materially and costs could escalate over time, while the ultimate utility of a technology initiative could deteriorate over time or system development projects may not deliver the benefits or perform as expected. If the Company does not effectively and efficiently manage and upgrade our technology portfolio, or if the costs of doing so are higher than expected, the Company's ability to provide competitive services to, and conduct business with, new and existing customers in a cost effective manner and the Company's ability to implement our strategic initiatives could be adversely impacted.

Due to the highly-regulated nature of the financial services industry, the Company also faces rising costs and competing time constraints in adapting technology to meet compliance requirements of new and proposed regulations. The costs to develop and implement systems to replace the Company's existing systems and to comply with new regulatory requirements as needed are expected to be material. Due to the complexities involved, there can be no assurances that new system development and implementation projects will be successful, that the costs for such projects will not exceed estimates and that the incurred costs will be recoverable. Furthermore, failure to implement replacement systems in a timely manner could result in loss of business from the Company's delay or inability to design and introduce new insurance products that meet emerging consumer needs and competitive trends.

Risks Relating to Investments

The Company's investment portfolio is exposed to a variety of risks that may negatively impact net investment income, the change in fair value of equity and convertible securities and cause realized and unrealized losses.

The Company maintains a diversified investment portfolio that is exposed to significant financial and capital market risks, including interest rate (risk-free and spread), equity price, and liquidity, as well as risks from changes in tax laws and regulations and other risks from changes in general economic conditions.

The interest rate environment has a significant impact on the Company's financial results and position. An increase in interest rates or credit spreads generally reduces the carrying value of the Company's investment portfolio, particularly fixed maturities,

and limited liability investment companies and limited partnerships accounted for under the equity method of accounting (“Equity Method Limited Liability Investments”) that invest in distressed and mezzanine debt of other companies that exhibit debt-like characteristics. A decline in interest rates would adversely affect the Company’s investment income due to a decline in yield on its fixed maturities that pay floating rate interest or as it invests cash in new investments that may yield less than the portfolio’s average rate. In a declining interest rate environment, borrowers may seek to refinance their borrowings at lower rates and, accordingly, prepay or redeem securities the Company holds as investments more quickly than the Company initially expected. Such prepayment or redemption action may cause the Company to reinvest the redeemed proceeds in lower yielding investments.

Kemper’s Life business writes long duration insurance contracts which are priced in consideration of the interest rate environment. If the Company is not able to purchase investments that match that duration of the liabilities and there is a decline in interest rates, the Company could experience a significant deterioration in results.

The Company invests a portion of its investment portfolio in equity securities, which generally have more volatile returns than fixed maturities and may experience sustained periods of depressed values. There are multiple factors that could negatively impact the performance of the Company’s equity portfolio, including general economic conditions, industry or sector deterioration and issuer-specific concerns. A decline in equity values will result in losses being recognized by the Company in the period such change in fair value occurs, which may be significant. In addition to a decline in equity values, issuer-specific concerns may result in a decrease in dividend income, resulting in a decline in net investment income.

The nature and cash flow needs of the Company present certain liquidity risks that may impact the return of the investment portfolio. For example, if the Company were to experience several significant catastrophic events over a relatively short period of time, investments may have to be sold in advance of their maturity dates to fund payments to claimants, which could result in realized losses. Additionally, increases in illiquidity in the financial markets may increase uncertainty in the valuations of the Company’s investments. This increases the risk that the fair values reported in the Company’s consolidated financial statements may differ from the actual price that may be obtained in an orderly sales transaction.

The Company has also benefited from certain tax laws related to its investment portfolio, including dividends received deductions and tax-exempt investment income. Changes in tax laws may have a detrimental effect on the after-tax return of the Company’s investment portfolio. A reduction in income tax rates could also reduce the demand for tax-preferenced securities and result in a decline in the value of the Company’s investment portfolio of such securities.

The Company’s entire investment portfolio is subject to broad risks inherent in the financial markets, including, but not limited to, inflation, regulatory changes, inactive capital markets, governmental and social stability, economic outlooks, unemployment, and recession. Changes to these risks and how the market perceives them may impact the financial performance of the Company’s investments, and in such cases, more securities may require additional subjectivity and management judgment.

Kemper and its insurance subsidiaries are subject to various capital adequacy measurements that are significantly impacted by various characteristics of their invested assets, including, but not limited to, asset type, class, duration and credit rating. The Company’s insurance subsidiaries are also subject to various limitations on the amounts at which they can invest in individual assets or certain asset classes in the aggregate. Asset risk is one factor used by insurance regulators and rating agencies to determine required capital for Kemper’s insurance subsidiaries. Accordingly, a deterioration in the quality of the investments held by Kemper’s insurance subsidiaries or an increase in the investment risk inherent in their investment portfolios could increase capital requirements. See the risk factor below titled “*The ability of Kemper to service its debt, pay dividends to its shareholders and/or fund targeted transactions may be materially impacted by lack of timely and/or sufficient dividends received from its subsidiaries.*” These factors may inhibit the Company from shifting its investment mix to produce higher returns. The Company is also subject to concentration of investment risk to the extent that the portfolio is heavily invested, at any particular time, in specific asset types, classes, industries, sectors or collateral types, among other defining features. Developments in and the market’s perception of any of these concentrations may exacerbate the negative effects on the Company’s investment portfolio compared to other companies.

The determination of the fair values of the Company’s investments and whether a decline in the fair value of an investment is other-than-temporary are based on management’s judgment and may prove to be materially different than the actual economic outcome.

The Company holds a significant amount of assets without readily available, active, quoted market prices or for which fair value cannot be measured from actively quoted prices. These assets are generally deemed to require a higher degree of

judgment in measuring fair value. The assumptions used by management to measure fair values could turn out to be different than the actual amounts that may be realized in an orderly transaction with a willing market participant.

The Company reviews its investment portfolio for factors that may indicate that a decline in the fair value of an investment is other-than-temporary. This evaluation is based on subjective factors, assumptions and estimates and may be materially different than the actual economic outcome, which may result in the Company recognizing additional losses in the future as new information emerges or recognizing losses currently that may never materialize in the future in an orderly transaction with a willing market participant.

Risks Relating to Servicing Debt, Paying Dividends and/or Funding Targeted Transactions

The ability of Kemper to service its debt, pay dividends to its shareholders and/or fund targeted transactions may be materially impacted by lack of timely and/or sufficient dividends received from its subsidiaries.

As a holding company, Kemper depends on the dividend income that it receives from its subsidiaries as a primary source of funds to meet its payment obligations. Kemper's insurance subsidiaries are subject to regulatory restrictions under insurance laws and regulations that limit their ability to declare and pay dividends. These laws and regulations impose minimum solvency and liquidity requirements on dividends between affiliated companies and require prior notice to, and may require approval from, state insurance regulators before dividends can be paid. In addition, third-party rating agencies monitor statutory capital and surplus levels for capital adequacy. Even though a dividend may be payable without regulatory approval, an insurance subsidiary may forgo paying a dividend to Kemper and retain the capital to maintain or improve ratings or to offset increases in required capital from increases in premium volume or investment risk. The inability of one or more of Kemper's insurance subsidiaries to pay sufficient dividends to Kemper may materially affect Kemper's ability to pay its debt obligations on time, pay dividends to its shareholders or undertake funding for targeted transactions.

General Risks Relating to Mergers, Acquisitions, Divestitures, and/or other Strategic Initiatives

The expected benefits and synergies from mergers, acquisitions, divestitures, and/or other strategic initiatives may not be realized to the extent anticipated or within the anticipated time frames.

The Company routinely evaluates opportunities for transactions such as mergers, acquisitions, divestitures, and/or other strategic initiatives that would enhance its business and align with the Company's strategic plans. Kemper's ability to achieve the anticipated financial benefits from transactions may not be realized due to any number of factors, including, but not limited to, integration or execution difficulties or failures that may result in substantial disruptions, costs, or delays and adversely affect the Company's ability to compete, the loss of key agents/brokers, customers or employees, unexpected or underestimated liabilities, increased costs, fees, expenses and charges related to transactions, or may be delayed by factors outside of the Company's control. These adverse events could result in a decrease in the estimated fair value of goodwill or other intangible assets established as a result of such transactions, triggering an impairment. In addition, the Company's strategic initiatives, such as the operation of Kemper Reciprocal, may not perform as expected or deliver the expected benefits to the Company. Failure to successfully and timely realize the anticipated benefits of these transactions or initiatives could have a negative impact on Kemper's financial condition, profitability, and results from operations.

Risks Relating to General Economic and Market Factors

Changes in the global economy and capital markets could adversely impact the Company's results of operations and financial condition.

Significant changes in the economic and capital market environment could adversely affect consumer demands for the Company's products, results of operations, investment returns and financial condition. The following are examples of economic market conditions that could adversely affect the Company's financial condition, liquidity, and results of operations:

- Volatility in debt and equity markets
- Changes in interest rates
- Increases in inflation
- Reduced availability of credit
- Economic downturns
- Increased unemployment and reduced consumer spending
- Changes in government policies
- International trade practices, including tariffs or other excise taxes

Stressed conditions, volatility and disruptions in global capital markets or financial asset classes could adversely affect our investment portfolio and the Company's ability to access the capital markets.

The Company's recognized value of goodwill could become impaired which would adversely impact the Company's results of operations and financial condition.

Goodwill represents the excess of amounts paid for acquiring businesses over the fair value of the net assets acquired. Goodwill is evaluated for impairment annually, or more frequently if conditions warrant, by comparing the carrying value, attributed equity, of a reporting unit to its estimated fair value. Market declines or other events impacting the fair value of a reporting unit could result in a goodwill impairment, resulting in a charge to income. Such a charge could have an adverse effect on our results of operations or financial condition.

The Company's deferred tax assets could become impaired which would adversely impact the Company's results of operations and financial condition.

The realization of deferred tax assets depends on the recognition of sufficient taxable income and character. If future events differ from our current forecasts, it is possible we could determine that some or all of our gross deferred tax assets cannot be realized and a deferred tax valuation allowance would be recorded as an adverse charge.

Item 1B. Unresolved Staff Comments.

The Company has no unresolved staff comments issued more than 180 days before December 31, 2025, the date of this Annual Report on Form 10-K.

Item 1C. Cybersecurity.

The Company has developed an information security program to assess, identify, and monitor cybersecurity risks. Each year, the Company assesses cybersecurity risks arising from the operating environment. In developing the assessment process, the Company reviews guidance from national standards organizations such as the NIST and the Center for Internet Security. In evaluating the risks identified as a part of this assessment, the Company's information security team considers the likelihood and severity of the risk and the possible impact of the risk on the Company, its customers, and its employees. These risks are then monitored by the Company's information security team.

The Company conducts periodic testing of software, hardware, defensive capabilities, and other information security systems. Tests are conducted by both internal security teams and third-party consultants. In developing the testing procedures, the Company considers its individual risks and industry standards. Testing procedures are supplemented by executive cyber threat exercises and employee training. Executive exercises such as "tabletops" are used to develop and refine the Company's incident response plans. Employees undergo security awareness training annually and upon hire.

As a part of its information security program, the Company addresses cyber risks posed by its relationships with third-party service and application providers. The Company assesses third parties as a part of the procurement process, including through pre-acquisition diligence. Contractual provisions based on regulatory requirements and industry standards are used in the contracting process, and the Company conducts on-going performance monitoring of key vendors. Security audits are also performed on certain vendors to review compliance with contractual requirements and industry standards.

The Company maintains an incident response plan that includes procedures for evaluating and addressing a cybersecurity event. The initial impact of each cybersecurity event is evaluated by a designated team using pre-established risk criteria. If an event meets certain parameters, it is escalated to a cross-functional core team of executives, including the Company's Chief Information Security Officer ("CISO") and designated internal legal counsel. The Company has a cyber incident disclosure committee that evaluates and considers whether public disclosure of an event is required. The incident response plan identifies certain third-party advisors, consultants and legal counsel who have been designated to assist if necessary. The plan contains procedures for escalating cybersecurity incidents to the Board of Directors.

The Company's CISO is primarily responsible for management of the Company's information security program. The Company's current CISO has significant experience in information security, as do members of the information security team. The Company participates in certain industry cybersecurity intelligence, risk sharing and law enforcement organizations.

Kemper's information security program is an element of the Company's broader Enterprise Risk Management (ERM) framework. This framework employs a management committee structure to review technology, compliance, and operational risks. The Company's Enterprise Risk Committee ("ERC"), composed of the Chief Executive Officer, the Chief Risk Officer,

all executive vice presidents and the head of internal audit, meets at least quarterly to oversee the Company's ERM framework. This committee monitors the implementation of the ERM framework and makes modifications to the program from time to time as it believes appropriate. The ERC has several subcommittees that oversee particular risks, including cyber and information security.

Through its role in providing oversight for the Company's ERM framework, the Risk Committee of the Kemper Board of Directors (the "Risk Committee") provides oversight of the Company's information security program. On a quarterly basis, management discusses Kemper's information security program, cybersecurity risks, and related developments with the Risk Committee. The Risk Committee periodically reviews and evaluates information security and cybersecurity risks and provides oversight of events that have been escalated as a part of the incident response plan.

Item 2. Properties.

Owned Properties

Kemper's subsidiaries together own and occupy ten buildings located in seven states consisting of approximately 227,000 square feet in the aggregate. Kemper's subsidiaries hold, solely for investment purposes, additional properties that are not occupied by Kemper or its subsidiaries.

Leased Facilities

The Company leases four floors, or approximately 92,000 square feet, in an 83-story office building in Chicago, Illinois, for its corporate headquarters. The lease expires on December 31, 2033. Kemper's property and casualty insurance subsidiaries lease facilities with an aggregate square footage of approximately 432,000 at 87 locations in 12 states. The latest expiration date of the existing leases is in September 2031. Kemper's life insurance subsidiaries lease facilities with aggregate square footage of approximately 297,000 at 95 locations in 23 states. The latest expiration date of the existing leases is in January 2031.

The properties described above are in good condition. The properties utilized in the Company's operations consist of facilities suitable for general office space, call centers and data processing operations. Leased properties with aggregate square footage of 27,000 are not currently utilized in the Company's operations and are not expected to be utilized by the Company throughout the remainder of their respective lease terms.

Item 3. Legal Proceedings.

Proceedings

Information concerning pending legal proceedings is incorporated herein by reference to Note 28, "Commitments and Contingencies," to the Consolidated Financial Statements.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

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

Market Information

Kemper's common stock is traded on the NYSE under the symbol of "KMPR."

Holders

As of January 31, 2026, the number of record holders of Kemper's common stock was 2,269.

Dividends

Quarterly information pertaining to payment of dividends on Kemper’s common stock is presented below.

<u>DOLLARS PER SHARE</u>	Three Months Ended				Year Ended
	Mar 31, 2025	Jun 30, 2025	Sep 30, 2025	Dec 31, 2025	Dec 31, 2025
Cash Dividends Paid to Shareholders (per share)	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 1.28

<u>DOLLARS PER SHARE</u>	Three Months Ended				Year Ended
	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Dec 31, 2024
Cash Dividends Paid to Shareholders (per share)	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.31	\$ 1.24

Kemper’s insurance subsidiaries are subject to various state insurance laws that may restrict the ability of these insurance subsidiaries to pay dividends without prior regulatory approval. See MD&A, “Liquidity and Capital Resources” and Note 17 “Shareholders’ Equity,” to the Consolidated Financial Statements for information on Kemper’s ability and intent to pay dividends.

Issuer Purchases 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”).

In August 2025, the Company entered into an accelerated share repurchase agreement (the “ASR Agreement”) with Goldman Sachs & Co. LLC to repurchase an aggregate of \$150.0 million of shares of the Company’s common stock. The transactions under the ASR Agreement were settled and immediately retired during the third and fourth quarters of 2025.

As of December 31, 2025, the 2014 Repurchase Program has been completed, and the remaining share repurchase authorization under the 2025 Repurchase Program was \$304.2 million.

Shares repurchased and retired during the three months ended December 31, 2025 were as follows:

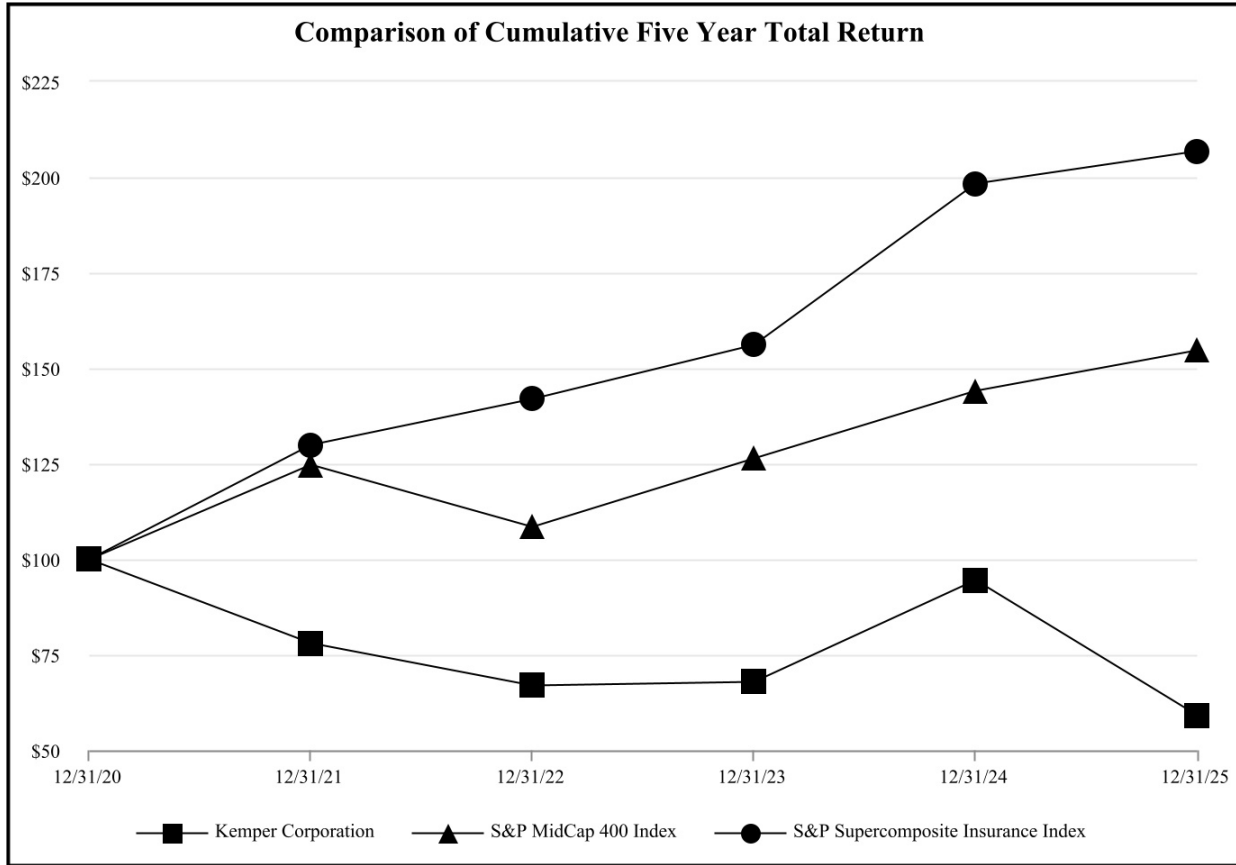
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (Dollars in Millions)
October 2025	1,655,662	\$ 48.07	1,655,662	\$ 304.2
November 2025	—	\$ —	—	\$ 304.2
December 2025	—	\$ —	—	\$ 304.2

These purchases were made in the open market in accordance with applicable federal securities laws, including Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934.

Kemper Common Stock Performance Graph

The following graph assumes \$100 invested on December 31, 2020 in (i) Kemper common stock, (ii) the S&P MidCap 400 Index and (iii) the S&P Supercomposite Insurance Index, in each case with dividends reinvested. Kemper is a constituent of each of these two indices.

The comparisons in the graph below are based on historical data and are not intended to forecast the possible future performance of Kemper common stock.



Company / Index	2020	2021	2022	2023	2024	2025
Kemper Corporation	\$ 100.00	\$ 77.89	\$ 66.84	\$ 67.87	\$ 94.49	\$ 59.06
S&P MidCap 400 Index	100.00	124.76	108.47	126.29	143.89	154.68
S&P Supercomposite Insurance Index	100.00	129.87	141.98	156.10	198.27	206.61

Item 6. Selected Financial Data.

[Reserved]

MDA Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

**Index to
Management’s Discussion and Analysis of
Financial Condition and Results of Operations**

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NON-GAAP FINANCIAL MEASURES

Pursuant to the rules and regulations of the SEC, the Company is required to file consolidated financial statements prepared in accordance with the accounting principles generally accepted in the United States (“GAAP”). The Company is permitted to include non-GAAP financial measures in its filings provided that they are defined along with an explanation of their usefulness to investors, are no more prominent than the comparable GAAP financial measures and are reconciled to such 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.

These 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.

Adjusted Consolidated Net Operating Income (Loss)

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

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

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

Significant non-recurring items are excluded when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, and (b) there has been no similar charge or gain within the prior two years. There were no applicable significant non-recurring items that the Company excluded from the calculation of Adjusted Consolidated Net Operating Income (Loss) for the years ended December 31, 2025, 2024 or 2023.

Change in Fair Value of Equity and Convertible Securities, Net Realized Investment Gains (Losses) and Impairment Losses related to investments included in the Company’s results may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions that impact the values of the Company’s investments, the timing of which is unrelated to the insurance underwriting process. Acquisition and Disposition Related Transaction 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.

NON-GAAP FINANCIAL MEASURES (Continued)

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.

Underlying Losses and Loss Adjustment Expense ("LAE") and Underlying Combined Ratio

The following discussion of segment results 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 minimal 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 Income attributable to Kemper Corporation was \$143.3 million (\$2.31 per unrestricted common share) for the year ended December 31, 2025, compared to Net Income attributable to Kemper Corporation of \$317.8 million (\$4.95 per unrestricted common share) for the year ended December 31, 2024.

Kemper Corporation and Subsidiaries
Management’s Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

SUMMARY OF RESULTS (Continued)

A reconciliation of Net Income (Loss) attributable to Kemper Corporation to Adjusted Consolidated Net Operating Income (Loss) (a non-GAAP financial measure) for the years ended December 31, 2025, 2024 and 2023 is presented below.

<i><u>DOLLARS IN MILLIONS</u></i>	2025	2024	Change from 2024 to 2025	2023	Change from 2023 to 2024
Net Income (Loss) attributable to Kemper Corporation	\$ 143.3	\$ 317.8	\$ (174.5)	\$ (272.1)	\$ 589.9
Less:					
Change in Fair Value of Equity and Convertible Securities	\$ (3.4)	\$ (2.1)	\$ (1.3)	\$ 3.7	\$ (5.8)
Net Realized Investment Gains (Losses)	4.3	10.4	(6.1)	(14.7)	25.1
Impairment Losses	(8.5)	(4.6)	(3.9)	(0.9)	(3.7)
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	(43.1)	(31.8)	(11.3)	(95.0)	63.2
Debt Extinguishment, Pension Settlement and Other Charges	0.4	(7.4)	7.8	(55.5)	48.1
Goodwill Impairment Charge	—	—	—	(45.5)	45.5
Non-Core Operations	(31.9)	(28.2)	(3.7)	(17.0)	(11.2)
Adjusted Consolidated Net Operating Income (Loss)	\$ 225.5	\$ 381.5	\$ (156.0)	\$ (47.2)	\$ 428.7

Components of Adjusted Consolidated Net Operating Income:

Segment Adjusted Net Operating Income:					
Specialty Property & Casualty Insurance	\$ 187.1	\$ 376.3	\$ (189.2)	\$ (57.1)	\$ 433.4
Life Insurance	68.5	50.2	18.3	51.8	(1.6)
Total Segment Adjusted Net Operating Income	255.6	426.5	(170.9)	(5.3)	431.8
Corporate and Other Adjusted Net Operating Loss	(40.8)	(50.3)	9.5	(42.1)	(8.2)
Less: Net Loss attributable to Noncontrolling Interest	(10.7)	(5.3)	(5.4)	(0.2)	(5.1)
Adjusted Consolidated Net Operating Income	\$ 225.5	\$ 381.5	\$ (156.0)	\$ (47.2)	\$ 428.7

Net Income (Loss) attributable to Kemper Corporation

2025 Compared with 2024

Net Income (Loss) attributable to Kemper Corporation decreased by \$174.5 million in 2025, compared to 2024, due primarily to lower Adjusted Consolidated Net Operating Income.

Adjusted Consolidated Net Operating Income (Loss) decreased by \$156.0 million in 2025, compared to 2024, due primarily to a deterioration in the Specialty Property & Casualty Insurance segment’s 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 insurance expenses. Life Insurance segment results for the year December 31, 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 \$3.7 million in 2025, compared to 2024, primarily due to reduced net investment income and earned premiums outpacing reduced expenses as the business continues to run off. Additionally, the Company recognized \$21.7 million of impairment losses in 2025 on Internal-Use Software assets reported as Other Assets on the Consolidated Balance Sheets. These were partially offset by a reduction in catastrophe losses and lower adverse prior year development. Separately, on August 1, 2025, certain Non-Core Operations 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 these 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.

Kemper Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

SUMMARY OF RESULTS (Continued)

Corporate and Other Adjusted Net Operating Loss decreased \$9.5 million in 2025, compared to 2024, primarily driven by lower interest expense due to the redemption of \$450 million of 4.350% senior notes.

Revenues

2025 Compared with 2024

Total Revenues increased by \$151.1 million to \$4,789.7 million in 2025, compared to \$4,638.6 million in 2024. The increase was primarily driven by higher earned premiums.

Earned Premiums increased by \$180.4 million to \$4,396.3 million in 2025, compared to \$4,215.9 million in 2024, primarily driven by a \$349.3 million increase from the Specialty Property & Casualty Insurance segment due to higher average earned premiums per exposure resulting from rate increases and higher commercial automobile volumes, partially offset by a \$168.4 million reduction 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. Additionally, since Florida insurance reform was enacted in 2023, Kemper has experienced lower loss costs within its personal auto business, and this has led to ongoing favorable loss reserve development and expected profits on the current accident year. During the fourth quarter, the Company concluded that it is probable Florida personal auto underwriting profit for the three most recent years ended December 31, 2025, will exceed the profit limit imposed by a Florida insurance statute. During the fourth quarter of 2025 Kemper recorded a \$35.0 million reduction to earned premiums, which represents a current estimate of the Florida personal auto profit that will be earned during the three-year period in excess of the permitted profit limit. This estimate will be updated through the first quarter of 2026 for development related to the three most recent years ended December 31, 2025. The statute requires that excess profits be returned to policyholders active as of December 31, 2025. The Company expects to fund credits to eligible policyholders in 2026.

Net Investment Income decreased by \$2.5 million in 2025, compared to 2024, primarily driven by lower average Short-term invested assets, partially offset by higher earnings on common stock, Company-Owned Life Insurance, and mortgage loan assets.

Other (Loss) Income decreased by \$12.5 million in 2025, compared to 2024, primarily driven by a \$13.3 million loss from the fair market value adjustment of a tax credit equity investment.

Net Realized Investment Gains (Losses) decreased by \$7.7 million in 2025, compared to 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 \$5.0 million in 2025, compared to 2024, primarily driven by an increase in the allowance for credit losses on fixed maturity securities.

CATASTROPHES

Catastrophes and natural disasters are inherent risks of the property and casualty insurance business. These catastrophic events and natural disasters include, without limitation, hurricanes, tornadoes, earthquakes, hailstorms, wildfires, high winds and winter storms. Such events result in insured losses that are and may be a material factor in the results of operations and financial position of the Company's property and casualty insurance companies. Further, because the level of these insured losses occurring in any one year cannot be accurately predicted, these losses may contribute to material year-to-year fluctuations in the results of operations and financial position of these companies. Specific types of catastrophic events are more likely to occur at certain times within the year than others. This factor adds an element of seasonality to property and casualty insurance claims. The Company has adopted the industry-wide catastrophe classifications of storms and other events promulgated by ISO to track and report losses related to catastrophes. ISO classifies a disaster as a catastrophe when the event causes \$25.0 million or more in direct insured losses to property and affects a significant number of policyholders and insurers. ISO-classified catastrophes are assigned a unique serial number recognized throughout the insurance industry.

Kemper Corporation and Subsidiaries
Management’s Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

CATASTROPHES (Continued)

The number of ISO-classified catastrophic events and catastrophe losses and LAE, net of reinsurance recoveries, (excluding loss and LAE reserve development) by range of loss and business segment for the years ended December 31, 2025, 2024 and 2023 are presented below.

<i>DOLLARS IN MILLIONS</i>	Year Ended					
	Dec 31, 2025		Dec 31, 2024		Dec 31, 2023	
	Number of Events	Losses and LAE	Number of Events	Losses and LAE	Number of Events	Losses and LAE
Range of Losses and LAE Per Event:						
Below \$5	55	\$ 17.5	69	\$ 47.7	68	\$ 77.7
\$5 - \$10	—	—	3	17.6	3	19.0
\$10 - \$15	—	—	—	—	—	—
\$15 - \$20	—	—	—	—	—	—
\$20 - \$25	—	—	—	—	—	—
Greater Than \$25	—	—	—	—	—	—
Total	<u>55</u>	<u>\$ 17.5</u>	<u>72</u>	<u>\$ 65.3</u>	<u>71</u>	<u>\$ 96.7</u>
Specialty Property & Casualty Insurance		\$ 11.5		\$ 19.9		\$ 34.5
Life Insurance		1.2		2.2		2.2
Non-Core Operations		4.8		43.2		60.0
Total Catastrophe Losses and LAE		<u>\$ 17.5</u>		<u>\$ 65.3</u>		<u>\$ 96.7</u>

Catastrophe Reinsurance

The Company primarily manages its exposure to catastrophes and other natural disasters through a combination of geographical diversification, restrictions on the amount and location of new business production in such regions, modifications of, and/or limitations to coverages and deductibles for certain perils in such regions and a catastrophe reinsurance program for the Company’s Property & Casualty Insurance business. Coverage under the catastrophe reinsurance program is provided in various contracts and layers. The Company’s Property & Casualty Insurance business also purchases reinsurance from the FHCF for hurricane losses in Florida at retentions lower than its catastrophe reinsurance program.

The Company had no material recoveries under its catastrophe reinsurance treaties for the years ended December 31, 2025, 2024 and 2023. See the “Reinsurance” subsection of the “Property and Casualty Insurance Business” and “Life Insurance Business” sections of Item 1(c), “Description of Business,” and Note 25, “Catastrophe Reinsurance,” to the Consolidated Financial Statements for additional information on the Company’s reinsurance programs.

LOSS AND LAE RESERVE DEVELOPMENT

Increases (decreases) in the Company’s property and casualty loss and LAE reserves for the years ended December 31, 2025, 2024 and 2023 to recognize adverse (favorable) loss and LAE reserve development from prior accident years in continuing operations, hereinafter also referred to as “reserve development” in the discussion of segment results, are presented below.

<i>DOLLARS IN MILLIONS</i>	2025	2024	2023
Increase in Total Loss and LAE Reserves Related to Prior Years:			
Non-catastrophe	\$ 76.3	\$ 23.8	\$ 168.9
Catastrophe	0.7	6.0	(9.1)
Increase in Total Loss and LAE Reserves Related to Prior Years	<u>\$ 77.0</u>	<u>\$ 29.8</u>	<u>\$ 159.8</u>

LOSS AND LAE RESERVE DEVELOPMENT (Continued)

See MD&A, "Specialty Property & Casualty Insurance," MD&A, "Life Insurance," and Note 5, "Property and Casualty Insurance Reserves," to the Consolidated Financial Statements for additional information on the Company's reserve development. See MD&A, "Critical Accounting Estimates," of this 2025 Annual Report for additional information pertaining to the Company's process of estimating property and casualty insurance reserves for losses and LAE, and the estimated variability thereof, development of property and casualty insurance losses and LAE, and a discussion of some of the variables that may impact them.

Kemper Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

SPECIALTY PROPERTY & CASUALTY INSURANCE

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

<u>(Dollars in Millions)</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net Premiums Written	\$ 3,912.8	\$ 3,685.4	\$ 3,305.4
Earned Premiums	\$ 3,925.7	\$ 3,576.4	\$ 3,632.5
Net Investment Income	211.2	189.6	168.3
Other Income	8.9	6.1	6.1
Total Revenues	<u>4,145.8</u>	<u>3,772.1</u>	<u>3,806.9</u>
Incurred Losses and LAE related to:			
Current Year:			
Non-catastrophe Losses and LAE	2,991.1	2,514.8	2,974.5
Catastrophe Losses and LAE	11.5	19.9	34.5
Prior Years:			
Non-catastrophe Losses and LAE	74.8	6.3	135.2
Catastrophe Losses and LAE	(0.2)	0.7	(2.3)
Total Incurred Losses and LAE	<u>3,077.2</u>	<u>2,541.7</u>	<u>3,141.9</u>
Insurance Expenses	<u>836.6</u>	<u>759.5</u>	<u>741.3</u>
Segment Adjusted Operating Income (Loss)	232.0	470.9	(76.3)
Income Tax Expense (Benefit)	44.9	94.6	(19.2)
Total Segment Adjusted Net Operating Income (Loss)	<u>\$ 187.1</u>	<u>\$ 376.3</u>	<u>\$ (57.1)</u>
<u>Ratios Based On Earned Premiums</u>			
Current Year Non-catastrophe Losses and LAE Ratio	76.2 %	70.3 %	82.0 %
Current Year Catastrophe Losses and LAE Ratio	0.3	0.6	0.9
Prior Years Non-catastrophe Losses and LAE Ratio	1.9	0.2	3.7
Prior Years Catastrophe Losses and LAE Ratio	—	—	(0.1)
Total Incurred Loss and LAE Ratio	<u>78.4</u>	<u>71.1</u>	<u>86.5</u>
Insurance Expense Ratio	<u>21.3</u>	<u>21.2</u>	<u>20.4</u>
Combined Ratio	<u>99.7 %</u>	<u>92.3 %</u>	<u>106.9 %</u>
<u>Underlying Combined Ratio</u>			
Current Year Non-catastrophe Losses and LAE Ratio	76.2 %	70.3 %	82.0 %
Insurance Expense Ratio	21.3	21.2	20.4
Underlying Combined Ratio	<u>97.5 %</u>	<u>91.5 %</u>	<u>102.4 %</u>
<u>Non-GAAP Measure Reconciliation</u>			
Combined Ratio	99.7 %	92.3 %	106.9 %
Less:			
Current Year Catastrophe Losses and LAE Ratio	0.3	0.6	0.9
Prior Years Non-catastrophe Losses and LAE Ratio	1.9	0.2	3.7
Prior Years Catastrophe Losses and LAE Ratio	—	—	(0.1)
Underlying Combined Ratio	<u>97.5 %</u>	<u>91.5 %</u>	<u>102.4 %</u>

SPECIALTY PROPERTY & CASUALTY INSURANCE (Continued)

INSURANCE RESERVES

(Dollars in Millions)	Dec 31, 2025	Dec 31, 2024
Insurance Reserves:		
Personal Automobile	\$ 1,826.8	\$ 1,626.0
Commercial Automobile	942.6	721.9
Total Insurance Reserves	\$ 2,769.4	\$ 2,347.9
Insurance Reserves:		
Loss and Allocated LAE Reserves:		
Case and Allocated LAE	\$ 960.4	\$ 921.8
Incurred But Not Reported	1,610.9	1,250.6
Total Loss and LAE Reserves	2,571.3	2,172.4
Unallocated LAE Reserves	198.1	175.5
Total Insurance Reserves¹	\$ 2,769.4	\$ 2,347.9

¹Includes \$29.4 million and \$9.4 million attributable to Kemper Reciprocal as of December 31, 2025 and 2024, which is reported as a consolidated variable interest entity.

See MD&A, “Critical Accounting Estimates,” under the caption “Property and Casualty Insurance Reserves for Losses and Loss Adjustment Expenses” 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

2025 Compared with 2024

The Specialty Property & Casualty Insurance segment reported Total Segment Adjusted Net Operating Income of \$187.1 million for the year ended December 31, 2025, compared to Total Segment Adjusted Net Operating Income of \$376.3 million in 2024. Segment adjusted net operating results decreased by \$189.2 million which included a \$166.2 million decrease from personal automobile insurance and a \$23.0 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 \$349.3 million in 2025, compared to 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 \$21.6 million in 2025, compared to 2024, due primarily to higher levels of invested assets resulting from growth.

Incurred Loss and LAE were \$3,077.2 million or 78.4% of earned premiums for the year ended December 31, 2025, compared to \$2,541.7 million or 71.1% of earned premiums, 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 in commercial automobile. Underlying losses and LAE as a percentage of earned premiums were 76.2% in 2025, a deterioration of 5.9 percentage points, compared to 2024, due to higher claim severity primarily related to bodily injury and property damage coverages, partially offset by higher average earned premiums per exposure (10.8% 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 \$74.6 million for 2025 compared to adverse development of \$7.0 million for 2024 an increase of \$67.6 million due primarily to evolving loss patterns on bodily injury coverages in commercial automobile and higher than expected development

Kemper Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

SPECIALTY PROPERTY & CASUALTY INSURANCE (Continued)

on litigated matters. Catastrophe losses and LAE (excluding reserve development) were \$11.5 million for 2025 compared to \$19.9 million for 2024, a decrease of \$8.4 million due to fewer catastrophe events and lower severity per event in 2025.

Insurance Expenses were \$836.6 million, or 21.3% of earned premiums, for the year ended December 31, 2025, compared to \$759.5 million, or 21.2% of earned premiums in 2024. Insurance Expenses increased \$77.1 million due to higher expenses associated with increased business volumes.

The Specialty Property & Casualty Insurance segment's 2025 effective tax rate was 19.4%, compared to 20.1% in 2024. The effective income tax rate for 2025 and 2024 differs from the federal statutory income tax rate primarily due to investments in Company-Owned Life Insurance, tax-exempt investment income and an increase in nondeductible executive compensation.

Specialty Personal Automobile Insurance

Selected financial information for the specialty personal automobile insurance product line for the years ended December 31, 2025, 2024, and 2023 is presented below.

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Net Premiums Written	\$ 2,934.1	\$ 2,887.7	\$ 2,677.5
Earned Premiums	\$ 3,024.9	\$ 2,851.4	\$ 2,977.8
Incurred Losses and LAE related to:			
Current Year:			
Non-catastrophe Losses and LAE	\$ 2,336.9	\$ 1,984.7	\$ 2,464.0
Catastrophe Losses and LAE	8.7	14.5	29.6
Prior Years:			
Non-catastrophe Losses and LAE	(1.4)	(0.9)	111.0
Catastrophe Losses and LAE	(0.5)	0.7	(2.3)
Total Incurred Losses and LAE	\$ 2,343.7	\$ 1,999.0	\$ 2,602.3
<u>Ratios Based On Earned Premiums</u>			
Current Year Non-catastrophe Losses and LAE Ratio	77.2 %	69.6 %	82.8 %
Current Year Catastrophe Losses and LAE Ratio	0.3	0.5	1.0
Prior Years Non-catastrophe Losses and LAE Ratio	—	—	3.7
Prior Years Catastrophe Losses and LAE Ratio	—	—	(0.1)
Total Incurred Loss and LAE Ratio	77.5 %	70.1 %	87.4 %
Insurance Expense Ratio	22.2 %	21.8 %	21.0 %
Combined Ratio	99.7 %	91.9 %	108.4 %
<u>Underlying Combined Ratio</u>			
Current Year Non-catastrophe Losses and LAE Ratio	77.2 %	69.6 %	82.8 %
Insurance Expense Ratio	22.2 %	21.8 %	21.0 %
Underlying Combined Ratio	99.4 %	91.4 %	103.8 %
<u>Non-GAAP Measure Reconciliation</u>			
Combined Ratio as Reported	99.7 %	91.9 %	108.4 %
Less:			
Current Year Catastrophe Losses and LAE Ratio	0.3 %	0.5 %	1.0 %
Prior Years Non-catastrophe Losses and LAE Ratio	— %	— %	3.7 %
Prior Years Catastrophe Losses and LAE Ratio	— %	— %	(0.1)%
Underlying Combined Ratio	99.4 %	91.4 %	103.8 %

SPECIALTY PROPERTY & CASUALTY INSURANCE (Continued)

2025 Compared with 2024

Earned Premiums in personal automobile insurance increased by \$173.5 million in 2025, compared to 2024, primarily due to higher average earned premiums per exposure resulting from rate increases. Incurred losses and LAE were \$2,343.7 million, or 77.5% of earned premiums, in 2025, compared to \$1,999.0 million, or 70.1% of earned premiums, in 2024. Incurred losses and LAE as a percentage of earned premiums increased due to deterioration in the underlying loss and LAE ratio. Underlying losses and LAE as a percentage of related earned premiums were 77.2% in 2025, compared to 69.6% in 2024, a deterioration of 7.6 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 (10.1% increase year over year). Favorable loss and LAE reserve development was \$1.9 million in 2025, compared to favorable loss and LAE reserve development of \$0.2 million in 2024, an improvement of \$1.7 million due primarily to stabilization of loss patterns in bodily injury coverages, partially offset by less favorable development on personal injury protection and collision coverages and higher losses associated with litigated matters. Catastrophe losses and LAE (excluding reserve development) were \$8.7 million in 2025 compared to \$14.5 million in 2024, an improvement of \$5.8 million due to fewer catastrophe events and lower severity in 2025.

Kemper Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

SPECIALTY PROPERTY & CASUALTY INSURANCE (Continued)

Commercial Automobile Insurance

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

<u>DOLLARS IN MILLIONS</u>	2025	2024	2023
Net Premiums Written	\$ 978.7	\$ 797.7	\$ 627.9
Earned Premiums	\$ 900.8	\$ 725.0	\$ 654.7
Incurred Losses and LAE related to:			
Current Year:			
Non-catastrophe Losses and LAE	\$ 654.2	\$ 530.1	\$ 510.5
Catastrophe Losses and LAE	2.8	5.4	4.9
Prior Years:			
Non-catastrophe Losses and LAE	76.2	7.2	24.2
Catastrophe Losses and LAE	0.3	—	—
Total Incurred Losses and LAE	\$ 733.5	\$ 542.7	\$ 539.6
<u>Ratios Based On Earned Premiums</u>			
Current Year Non-catastrophe Losses and LAE Ratio	72.6 %	73.2 %	78.0 %
Current Year Catastrophe Losses and LAE Ratio	0.3	0.7	0.7
Prior Years Non-catastrophe Losses and LAE Ratio	8.5	1.0	3.7
Prior Years Catastrophe Losses and LAE Ratio	—	—	—
Total Incurred Loss and LAE Ratio	81.4 %	74.9 %	82.4 %
Insurance Expense Ratio	18.3 %	19.1 %	17.6 %
Combined Ratio	99.7 %	94.0 %	100.0 %
<u>Underlying Combined Ratio</u>			
Current Year Non-catastrophe Losses and LAE Ratio	72.6 %	73.2 %	78.0 %
Insurance Expense Ratio	18.3 %	19.1 %	17.6 %
Underlying Combined Ratio	90.9 %	92.3 %	95.6 %
<u>Non-GAAP Measure Reconciliation</u>			
Combined Ratio as Reported	99.7 %	94.0 %	100.0 %
Less:			
Current Year Catastrophe Losses and LAE Ratio	0.3 %	0.7 %	0.7 %
Prior Years Non-catastrophe Losses and LAE Ratio	8.5 %	1.0 %	3.7 %
Prior Years Catastrophe Losses and LAE Ratio	— %	— %	— %
Underlying Combined Ratio	90.9 %	92.3 %	95.6 %

2025 Compared with 2024

Earned premiums from commercial automobile insurance increased by \$175.8 million in 2025, compared to 2024, due primarily to higher average earned premiums per exposure resulting from rate increases and targeted mix shifts, and higher business volumes. Incurred losses and LAE were \$733.5 million, or 81.4% of earned premiums, in 2025, compared to \$542.7 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 72.6% in 2025, compared to 73.2% in 2024, an improvement of 0.6 percentage points driven by lower claim frequency and higher average earned premium (8.2% increase year over year), partially offset by increased claim severity, primarily related to bodily injury coverages. Adverse loss and LAE reserve development was \$76.5 million in 2025, compared to adverse development of

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SPECIALTY PROPERTY & CASUALTY INSURANCE (Continued)

\$7.2 million in 2024, an increase of \$69.3 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 \$2.8 million for the year ended December 31, 2025, compared to \$5.4 million for the same period in 2024 a decrease of \$2.6 million due to few catastrophe events and lower severity per event in 2025.

LIFE INSURANCE

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

(Dollars in Millions)	2025	2024	2023
Earned Premiums	\$ 393.4	\$ 393.9	\$ 387.6
Net Investment Income	188.2	170.6	193.4
Other Income	1.6	1.1	0.5
Total Revenues	<u>583.2</u>	<u>565.6</u>	<u>581.5</u>
Policyholders’ Benefits and Incurred Losses and LAE	238.7	234.5	243.4
Insurance Expenses	264.4	272.1	275.8
Segment Adjusted Operating Income	<u>80.1</u>	<u>59.0</u>	<u>62.3</u>
Income Tax Expense	11.6	8.8	10.5
Total Segment Adjusted Net Operating Income	<u>\$ 68.5</u>	<u>\$ 50.2</u>	<u>\$ 51.8</u>

INSURANCE RESERVES

(Dollars in Millions)	Dec 31, 2025	Dec 31, 2024
Insurance Reserves:		
Future Policyholder Benefits	\$ 3,248.1	\$ 3,154.3
Incurred Losses and LAE Reserves:		
Life	35.0	40.8
Accident and Health	4.4	4.6
Property	1.9	2.7
Total Incurred Losses and LAE Reserves	<u>41.3</u>	<u>48.1</u>
Total Insurance Reserves	<u>\$ 3,289.4</u>	<u>\$ 3,202.4</u>

See Note 2 “Summary of Accounting Policies and Accounting Changes,” to the Consolidated Financial Statements under the sub-caption “Insurance Reserves” for additional discussion.

2025 Compared with 2024

The Life Insurance Segment reported Total Segment Adjusted Net Operating Income of \$68.5 million in 2025, compared to \$50.2 million in 2024. The increase in segment net operating results was primarily due to an increase in net investment income, lower Insurance Expenses, and lower incurred losses and LAE on property insurance products.

Earned Premiums decreased by \$0.5 million for the year ended December 31, 2025, compared to 2024, due primarily to changes in assumptions as part of the annual assumption update for Deferred Profit Liability in 2025 (\$6.3 million reduction in Earned Premiums) as compared to 2024 (\$4.8 million reduction in Earned Premiums). Excluding this impact, Earned Premiums increased by \$1.0 million due primarily to higher average premiums per policy on life insurance products.

Net Investment Income increased by \$17.6 million in 2025, compared to 2024, due primarily to lower losses on alternative investments and higher earnings on Company-Owned Life Insurance. The year ended December 31, 2024 included a \$15.1 million pre-tax loss on an investment valuation adjustment of a real estate investment in our alternative investment portfolio.

Policyholders’ Benefits and Incurred Losses and LAE increased by \$4.2 million in 2025, compared to 2024. Changes in assumptions from the annual assumption update reduced Policyholders’ Benefits and Incurred Losses and LAE by \$9.3 million

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LIFE INSURANCE (Continued)

and \$11.9 million in 2025 and 2024, respectively. Excluding this impact, Policyholders' Benefits and Incurred Losses and LAE increased \$1.6 million.

Insurance Expenses decreased by \$7.7 million in 2025, compared to 2024, due primarily to lower commission expense.

The Life Insurance segment's 2025 effective income tax rate was 14.6% compared to 14.9% in 2024. The effective income tax rate for 2025 and 2024 differs from the federal statutory income tax rate primarily due to investments in Company-Owned Life Insurance and Tax-Exempt Investment Income. The decrease in the effective tax rate from 2024 was driven by an increase in income from Company-Owned Life Insurance, partially offset by an increase in pre-tax income.

INVESTMENT RESULTS

Net Investment Income

Net Investment Income for the years ended December 31, 2025, 2024 and 2023 is presented below.

(Dollars in Millions)	2025	2024	2023
Investment Income:			
Interest on Fixed Income Securities ¹	\$ 309.4	\$ 315.3	\$ 323.3
Dividends on Equity Securities Excluding Alternative Investments	8.0	5.4	4.4
Alternative Investments:			
Equity Method Limited Liability Investments	(7.0)	(18.2)	10.5
Limited Liability Investments Included in Equity Securities	13.7	24.5	19.0
Total Alternative Investments	6.7	6.3	29.5
Short-term Investments	22.8	33.5	18.0
Loans to Policyholders	20.8	21.0	20.9
Real Estate	9.4	8.8	8.9
Company-Owned Life Insurance	42.9	35.7	29.2
Other	11.5	8.2	12.9
Total Investment Income	<u>431.5</u>	<u>434.2</u>	<u>447.1</u>
Investment Expenses:			
Real Estate	9.0	8.7	8.8
Other Investment Expenses ¹	17.5	18.0	18.6
Total Investment Expenses	<u>26.5</u>	<u>26.7</u>	<u>27.4</u>
Net Investment Income	<u>\$ 405.0</u>	<u>\$ 407.5</u>	<u>\$ 419.7</u>

¹Reduced by interest expense incurred on FHLB borrowings used for spread lending purposes of \$18.7 million, \$20.3 million and \$22.7 million for the year ended December 31, 2025, 2024, and 2023, respectively.

2025 Compared with 2024

Net Investment Income was \$405.0 million and \$407.5 million for the years ended December 31, 2025 and 2024, respectively. Net Investment Income decreased by \$2.5 million in 2025, mostly driven by lower levels and yields from Short-term investments and fixed maturity securities, partially offset by higher earnings on Company-Owned Life Insurance and dividends on equity securities.

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Management's Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

INVESTMENT RESULTS (Continued)

Change in Unrealized Gains and Losses on Investments

Unrealized losses on investments decreased \$163.0 million for the year ended December 31, 2025, primarily due 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 years ended December 31, 2025 and 2024 are presented below.

(Dollars in Millions)	2025	2024
Preferred Stocks	\$ (0.1)	\$ 1.0
Common Stocks	(1.0)	2.2
Other Equity Interests:		
Exchange Traded Funds	—	(0.6)
Limited Liability Companies and Limited Partnerships	(3.2)	(5.3)
Total Other Equity Interests	(3.2)	(5.9)
Change in Fair Value of Equity Securities	(4.3)	(2.7)
Change in Fair Value of Convertible Securities	—	—
Change in Fair Value of Equity and Convertible Securities	<u>\$ (4.3)</u>	<u>\$ (2.7)</u>

Net Realized Gains (Losses) on Sales of Investments

The components of Net Realized Investment Gains (Losses) for the year ended December 31, 2025, 2024 and 2023 are presented below.

(Dollars in Millions)	2025	2024	2023
Fixed Maturities:			
Gains on Sales	\$ 6.3	\$ 20.2	\$ 5.9
Losses on Sales	(2.1)	(3.2)	(10.9)
Losses on Hedging Activity ¹	—	(7.9)	(11.9)
Equity Securities:			
Gains on Sales	0.9	4.2	0.6
Losses on Sales	—	(0.1)	(2.5)
Other Investments:			
Gains on Sales	0.4	4.2	0.2
Losses on Sales	—	(4.2)	—
Net Realized Investment Gains (Losses)	<u>\$ 5.5</u>	<u>\$ 13.2</u>	<u>\$ (18.6)</u>
Gross Gains on Sales	\$ 7.6	\$ 28.6	\$ 6.7
Gross Losses on Sales	(2.1)	(7.5)	(13.4)
Gains (Losses) on Hedging Activity	—	(7.9)	(11.9)
Net Realized Investment Gains (Losses)	<u>\$ 5.5</u>	<u>\$ 13.2</u>	<u>\$ (18.6)</u>

¹Includes 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 Consolidated Statements of Income (Loss) in the period that the declines are evaluated. Conversely, an increase in the fair value

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Management’s Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

INVESTMENT RESULTS (Continued)

or disposal of an investment with a previously established credit allowance will result in the reversal of impairment losses reported in the Consolidated Statements of Income (Loss) in the period.

The components of Impairment Losses in the Consolidated Statements of Income (Loss) for the year ended December 31, 2025, 2024, 2023 were:

(Dollars in Millions)	2025		2024		2023	
	Amount	Number of Issuers	Amount	Number of Issuers	Amount	Number of Issuers
Fixed Maturities	\$ (10.8)	18	\$ (4.8)	20	\$ (0.1)	21
Equity Securities at Modified Cost	—	—	(0.4)	3	(0.5)	1
Real Estate	0.1	3	(0.4)	7	—	—
Other	(0.1)	7	(0.2)	1	(0.5)	6
Impairment Losses ¹	<u>\$ (10.8)</u>		<u>\$ (5.8)</u>		<u>\$ (1.1)</u>	

¹ Includes losses from intent-to-sell securities and direct write-down securities of \$1.1 million, \$3.3 million and \$2.0 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Fixed Maturities

Impairment Losses recognized in the Consolidated Statements of Income (Loss) for the year ended December 31, 2025 related primarily to investments in securities with direct write-downs and in Fixed Maturities where the Company established an allowance for expected credit losses.

Impairment Losses recognized in the Consolidated Statements of Income (Loss) for the year ended December 31, 2024 related primarily to investments in securities with direct write-downs and in Fixed Maturities where the Company established an allowance for expected credit losses.

INVESTMENT QUALITY AND CONCENTRATIONS

The Company’s fixed maturity investment portfolio is comprised primarily of high-grade corporate, municipal and agency bonds. At December 31, 2025, approximately 93.8% 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 December 31, 2025 and 2024.

<i>DOLLARS IN MILLIONS</i>		Dec 31, 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	\$ 5,319.9	\$ 4,750.5	70.5 %	\$ 5,253.1	\$ 4,576.4	71.4 %
2	BBB	1,710.2	1,574.4	23.3	1,749.3	1,557.6	24.3
3-4	BB, B	390.6	375.1	5.6	233.0	221.7	3.5
5-6	CCC or Lower	55.0	43.3	0.6	59.6	53.9	0.8
Total Investments in Fixed Maturities		<u>\$ 7,475.7</u>	<u>\$ 6,743.3</u>	<u>100.0 %</u>	<u>\$ 7,295.0</u>	<u>\$ 6,409.6</u>	<u>100.0 %</u>

Gross unrealized losses, net of CECL allowance, on the Company’s investments in below-investment-grade fixed maturities were \$13.6 million and \$14.2 million at December 31, 2025 and 2024, respectively.

Kemper Corporation and Subsidiaries
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INVESTMENT QUALITY AND CONCENTRATIONS (Continued)

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

<u>DOLLARS IN MILLIONS</u>	Dec 31, 2025		Dec 31, 2024	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
U.S. Government and Government Agencies and Authorities	\$ 622.4	7.2 %	\$ 486.8	5.5 %
States and Political Subdivisions:				
Revenue Bonds	1,128.5	13.0	1,105.7	12.4
States	68.7	0.8	72.4	0.8
Political Subdivisions	56.1	0.6	55.1	0.6
Foreign Governments	11.0	0.1	6.6	0.1
Total Investments in Governmental Fixed Maturities	\$ 1,886.7	21.7 %	\$ 1,726.6	19.4 %

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

<u>DOLLARS IN MILLIONS</u>	Dec 31, 2025		Dec 31, 2024	
	Fair Value	Percentage of Total Investments	Fair Value	Percentage of Total Investments
Finance, Insurance and Real Estate	\$ 2,048.2	23.6 %	\$ 1,969.1	22.2 %
Manufacturing	961.1	11.1	1,014.3	11.4
Transportation, Communication and Utilities	884.6	10.2	793.0	8.9
Services	648.0	7.5	582.9	6.6
Mining	177.7	2.0	153.3	1.7
Retail Trade	110.1	1.3	125.7	1.4
Construction	10.5	0.1	11.7	0.1
Other	34.4	0.4	33.0	0.4
Total Investments in Non-governmental Fixed Maturities	\$ 4,874.6	56.2 %	\$ 4,683.0	52.7 %

The following table summarizes the fair value of the Company's investments in non-governmental fixed maturities by range of amount invested at December 31, 2025.

<u>DOLLARS IN MILLIONS</u>	Number of Issuers	Aggregate Fair Value
Below \$5	899	\$ 1,390.6
\$5 - \$10	190	1,385.8
\$10 - \$20	110	1,469.0
\$20 - \$30	18	418.8
Greater Than \$30	6	210.4
Total	1,223	\$ 4,874.6

The Company's short-term investments primarily consist of U.S. Treasury bills, short-term bonds, and money market funds. At December 31, 2025, the Company had \$94.4 million invested in U.S. Treasury bills and short-term bonds and \$233.4 million invested in money market funds, which primarily invest in U.S. Treasury securities.

Kemper Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

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, Government Agencies and Authorities, and Short-term Investments, at December 31, 2025.

<u>DOLLARS IN MILLIONS</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>
Fixed Maturities:		
States including their Political Subdivisions:		
California	\$ 134.8	1.6 %
Texas	105.4	1.2
Michigan	84.8	1.0
Georgia	69.4	0.8
New York	61.2	0.7
Florida	54.2	0.6
Pennsylvania	47.3	0.5
Virginia	35.6	0.4
Louisiana	35.6	0.4
Colorado	34.9	0.4
Total	<u>\$ 663.2</u>	<u>7.6 %</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 senior debt and mezzanine debt. The Company's investments in these 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 Equity Securities at Modified Cost, depending on the accounting method used to report the investment. Additional information pertaining to these investments at December 31, 2025 and 2024 is presented below.

Asset Class	Unfunded Commitment in Millions	Reported Value in Millions	
	Dec 31, 2025	Dec 31, 2025	Dec 31, 2024
Reported as Equity Method Limited Liability Investments:			
Senior Debt	\$ 56.9	\$ 21.1	\$ 19.1
Mezzanine Debt	38.8	115.5	116.7
Secondary Transactions	1.6	1.9	5.5
Leveraged Buyout	0.1	6.5	7.5
Real Estate	—	24.1	27.3
Distressed Debt	—	1.4	4.4
Other	0.1	5.5	5.8
Total Equity Method Limited Liability Investments	97.5	176.0	186.3
Reported as Other Equity Interests at Fair Value:			
Mezzanine Debt	82.3	115.8	116.9
Leveraged Buyout	41.0	40.5	19.2
Distressed Debt	16.1	10.8	11.7
Senior Debt	6.1	25.5	26.3
Growth Equity	5.7	10.7	7.0
Secondary Transactions	1.0	1.3	2.4
Real Estate	—	0.1	—
Other	0.3	5.6	0.1
Total Reported as Other Equity Interests at Fair Value	152.5	210.3	183.6
Reported as Other Investments:			
Other Equity Investments ¹	0.1	5.9	19.4
Total Investments in Limited Liability Companies and Limited Partnerships	\$ 250.1	\$ 392.2	\$ 389.3

¹In 2025, the Company elected to change the presentation of Alternative Energy Partnership Investments and Equity Securities at Modified Costs by including them within Other Equity Investments. Prior-period amounts have been recast to conform to the current-period presentation.

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.

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INSURANCE, INTEREST AND OTHER EXPENSES

Expenses for the year ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Insurance and Other Expenses:			
Insurance Expenses:			
Policy Acquisition Costs	\$ 678.2	\$ 641.6	\$ 707.6
Business Unit Operating Costs	310.7	277.4	256.1
Corporate Overhead Costs	178.5	194.9	200.0
Insurance Expenses	<u>1,167.4</u>	<u>1,113.9</u>	<u>1,163.7</u>
Other Expenses:			
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	38.0	40.3	120.3
Pension Settlement	—	(2.6)	70.2
Other Corporate Costs	9.6	28.5	11.4
Other Expenses	<u>47.6</u>	<u>66.2</u>	<u>201.9</u>
Insurance and Other Expenses	<u>1,215.0</u>	<u>1,180.1</u>	<u>1,365.6</u>
Interest Expense	38.5	56.9	56.1
Goodwill Impairment	—	—	49.6
Total Insurance, Interest, and Other Expenses	<u>\$ 1,253.5</u>	<u>\$ 1,237.0</u>	<u>\$ 1,471.3</u>

Insurance and Other Expenses

Insurance Expenses were \$1,167.4 million for the year ended December 31, 2025 compared to \$1,113.9 million for the year ended December 31, 2024. Policy acquisition costs increased \$36.6 million compared to the same period 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 \$33.3 million compared to the same period in 2024, primarily due to impairment losses recognized on Internal-Use Software assets related to the run-off of the Preferred Insurance business as well as increased bad debt expense resulting from business volumes in the Specialty Property & Casualty Insurance segment. Corporate Overhead Costs decreased \$16.4 million in 2025 compared to 2024 primarily due to lower employee-related costs.

Other Expenses decreased by \$18.6 million in 2025, compared to 2024, primarily due to lower Other Corporate Costs driven by reduced legal and pension-related expenses, as well as lower Acquisition and Disposition Related Transactions, Integration, Restructuring, and Other Costs following the completion of certain strategic initiatives. These decreases were slightly offset by a reduction in pension settlement gains.

Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs for the year ended December 31, 2025 included \$17.4 million of integration expenses related to continued investments in information technology and \$20.6 million of restructuring charges to achieve operational and organizational efficiencies. The Company will continue to evaluate additional efficiency opportunities through 2027.

Other Corporate Costs for the year ended December 31, 2025 decreased \$18.8 million compared to 2024, primarily due to lower legal expenses and absence of pension plan related expenses, following the termination and wind down of the Company's pension trust.

Interest Expense

Interest expense decreased by \$18.4 million in 2025 compared to 2024 primarily due to redemption of \$450 million of 4.350% senior notes.

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Management's Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

INCOME TAXES

The federal corporate statutory income tax rate was 21% for the year ended December 31, 2025, 2024 and 2023. The Company's effective income tax rate, which was 17.5%, 19.6% and 21.6% for 2025, 2024, and 2023 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) an impairment of non-tax deductible goodwill, (7) impact of deferred taxes in foreign jurisdictions, and (8) a change in valuation allowance related to foreign deferred assets.

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 modifications 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.

On December 27, 2023, legislation implementing a corporate income tax ("CIT") in Bermuda was enacted into law. The CIT imposes a 15% income tax that applies to Bermuda businesses which are part of multinational enterprise groups with annual revenue of €750 million or more and will be effective for fiscal years beginning on or after January 1, 2025, with a five-year deferred effective date for certain groups with a limited international footprint. Kemper has recorded, as part of its total income tax provision, the estimated impact of the Bermuda CIT on its Bermuda based reinsurance company at the effective date.

Tax-exempt investment income and dividends received deductions were \$15.0 million in 2025, compared to \$16.0 million in 2024.

The nontaxable increase in cash surrender value on Company-Owned Life Insurance was \$42.9 million in 2025, compared to \$35.6 million in 2024.

The Company realized investment tax credits and other federal income tax credits of \$3.3 million in 2025, compared to realized investment tax credits and other federal tax credits of \$12.0 million in 2024.

The amount of expense recognized for long-term equity-based compensation expense under GAAP was \$3.0 million lower than the amount that would be deductible under the IRC in 2025, compared to \$0.5 million lower in 2024.

The amount of nondeductible executive compensation was \$32.0 million in 2025, compared to \$16.8 million in 2024.

Tax expense of \$0.7 million was recorded in 2025, compared to a tax benefit of \$11.3 million 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 \$0.7 million in 2025, compared to an increase of \$11.3 million in 2024 for those foreign deferred tax assets it determined were not more-likely-than-not to be realized.

LIQUIDITY AND CAPITAL RESOURCES

Shelf Registration Statement

The Company filed a universal shelf registration statement with the Securities and Exchange Commission in the first quarter of 2023. Under this shelf registration, the Company may issue an undetermined amount of securities including common stock, preferred stock, depository shares, debt securities, warrants, subscription rights, purchase contracts, and purchase units. Specific terms of any securities issued under this registration will be included in each applicable prospectus supplement.

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.

Kemper Corporation and Subsidiaries
Management’s Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Financial covenants within the agreement may limit the Company from accessing the maximum capacity. The amount available as of December 31, 2025 was \$600.0 million, the maximum capacity. There were no outstanding borrowings under the credit agreement as of either December 31, 2025 or December 31, 2024.

The Company incurred \$2.2 million of debt issuance costs in relation to the amended agreement. As of December 31, 2025 there were \$0.6 million of remaining unamortized costs under the credit agreement, which will be amortized under the remaining term of the credit agreement.

Common Stock Offering

Kemper is authorized to issue 20 million shares of \$0.10 par value preferred stock and 100 million shares of \$0.10 par value common stock. No preferred shares were issued or outstanding at December 31, 2025 and 2024. There were 58,666,644 shares and 63,840,442 shares of common stock outstanding at December 31, 2025 and 2024, respectively.

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 December 31, 2025 and December 31, 2024 was:

<u>(Dollars in Millions)</u>	Dec 31, 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	397.9	397.5
3.800% Senior Notes due February 23, 2032	396.9	396.5
5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062	148.7	147.7
Total Long-term Debt Outstanding	<u>\$ 943.5</u>	<u>\$ 1,391.6</u>

See Note 23, “Debt,” to the Consolidated Financial Statements for more information regarding the Company’s long-term debt.

Federal Home Loan Bank Agreements

Kemper’s subsidiaries, United Insurance Company of America (“United Insurance”), Trinity Universal Insurance Company (“Trinity”), and American Access Casualty Company (“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 December 31, 2025 and December 31, 2024, respectively. The carrying value of FHLB of Dallas common stock was \$2.1 million and \$8.8 million at December 31, 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 2025, United Insurance received advances of \$30.0 million from the FHLB of Chicago and made repayments of \$57.4 million. United Insurance had outstanding advances from the FHLB of Chicago totaling \$513.8 million at December 31, 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 \$661.3 million at December 31, 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 22, “Policyholder Obligations,” to the Consolidated Financial Statements for additional information about the United Insurance advances and related funding agreements.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

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, under which the Company can repurchase up to \$500.0 million of its common stock (the "2025 Repurchase Program"). For the year ended December 31, 2025, the Company repurchased \$301.9 million of shares of its common stock. As of December 31, 2025, the 2014 Repurchase Program has been completed and the remaining share repurchase authorization under the 2025 Repurchase Program was \$304.2 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.

In August 2025, the Company entered into an accelerated share repurchase agreement (the "ASR agreement") with Goldman Sachs & Co. LLC to repurchase an aggregate amount of \$150.0 million of shares of the Company's common stock. The transactions under the ASR agreement were settled and immediately retired during the third and fourth quarters of 2025.

Dividends to Shareholders

Kemper paid a quarterly dividend of \$0.32 per common share for each quarter of 2025 and \$0.31 per common share for each quarter of 2024, respectively. Dividends and dividend equivalents paid were \$79.6 million, \$80.1 million and \$80.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Subsidiary Dividends and Capital Contributions

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 US based insurance subsidiaries collectively paid \$448.9 million, \$213.3 million and \$640.9 million in dividends to Kemper in 2025, 2024 and 2023, respectively. As of the filing date, Kemper's US based insurance subsidiaries capacity to pay dividends to Kemper without prior regulatory approval is estimated to be \$8.6 million.

Kemper made capital contributions to consolidated insurance subsidiaries and variable interest entity of \$91.4 million, \$18.0 million and \$489.1 million during 2025, 2024 and 2023, respectively.

Sources and Uses of Funds

The Company directly held cash and investments totaling \$145.4 million at December 31, 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 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.

Kemper Corporation and Subsidiaries
Management’s Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Information about the Company’s cash flows for the years ended December 31, 2025, 2024 and 2023 is presented below.

(Dollars in Millions)	2025	2024	2023
Net Cash Provided by (Used in) Operating Activities	\$ 584.5	\$ 382.9	\$ (134.2)
Net Cash Provided by (Used in) Investing Activities	336.2	(244.4)	107.9
Net Cash Used in Financing Activities	(860.1)	(137.2)	(122.0)

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 (Used in) Operating Activities

Net cash provided by Operating Activities was \$584.5 million in 2025, compared to \$382.9 million provided in 2024, an increase of \$201.6 million. 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 was \$336.2 million in 2025, compared to \$244.4 million used in in 2024, a year over year increase of \$580.6 million. 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 was \$860.1 million in 2025, compared to \$137.2 million used in 2024, an increase of \$722.9 million. 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 2025.

CONTRACTUAL OBLIGATIONS

Estimated cash disbursements pertaining to the Company’s contractual obligations at December 31, 2025 are presented below.

DOLLARS IN MILLIONS	Jan 1, 2026 to Dec 31, 2026	Jan 1, 2027 to Dec 31, 2028	Jan 1, 2029 to Dec 31, 2030	After Dec 31, 2030	Total
Long Term Debt Obligations	\$ —	\$ —	\$ —	\$ 943.5	\$ 943.5
Life and Health Insurance Policy Benefits	253.5	489.7	472.6	8,189.3	9,405.1
Property and Casualty Insurance Reserves	1,631.5	982.0	270.4	56.4	2,940.3
Total Contractual Obligations	<u>\$ 1,885.0</u>	<u>\$ 1,471.7</u>	<u>\$ 743.0</u>	<u>\$ 9,189.2</u>	<u>\$ 13,288.9</u>

Amounts included in Life and Health Insurance Policy Benefits within the contractual obligations table above represent the estimated cash payments to be made to policyholders and beneficiaries. Such cash outflows are based on the Company’s current assumptions for mortality, morbidity and policy lapse, but are undiscounted with respect to interest. Policies must remain in force for the policyholder or beneficiary to receive the benefit under the policy. Depending on the terms of a particular policy, future premiums from the policyholder may be required for the policy to remain in force. The Company estimates that future cash inflows would total \$4.1 billion using the same assumptions used to estimate the cash outflows. The Company’s Life Insurance Reserves in the Company’s Consolidated Balance Sheets are generally based on the historical assumptions for mortality and policy lapse rates and are on a discounted basis. Accordingly, the sum of the amounts presented above for Life and Health Insurance Policy Benefits significantly exceeds the amount of Life and Health Insurance Reserves reported on the Company’s Consolidated Balance Sheets at December 31, 2025.

CONTRACTUAL OBLIGATIONS (Continued)

In addition to the contractual obligations included above, the Company had certain investment commitments totaling \$250.1 million at December 31, 2025. The funding of such investment commitments is dependent on a number of factors, the timing of which is indeterminate. The Company cannot make a reasonably reliable estimate of the amount and period of related future payments, if any, for such liability.

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.

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.

Valuation of Investments

The reported value of the Company’s investments was \$8,669.6 million at December 31, 2025, of which \$7,050.2 million, or 82%, was reported at fair value, \$176.0 million, or 2%, was reported under the equity method of accounting, \$429.7 million, or 5%, was reported at unpaid principal balance and \$1,013.7 million, or 11%, was reported at cost, modified cost or depreciated cost. Investments, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility risk. Accordingly, it is reasonably possible that changes in the fair values of the Company’s investments reported at fair value will occur in the near term and such changes could materially affect the amounts reported in the financial statements. Also, it is reasonably possible that changes in the carrying values of the Company’s Equity Method Limited Liability Investments will occur in the near term and such changes could materially affect the amounts reported in the financial statements because these issuers follow specialized industry accounting principles which require that they report all of their investments at fair value (See Item 1A., “Risk Factors” under the title “The Company’s investment portfolio is exposed to a variety of risks that may negatively impact net investment income and cause realized and unrealized losses”).

As more fully described under the heading, “Fair Value Measurements,” in Note 2, “Summary of Accounting Policies and Accounting Changes,” to the Consolidated Financial Statements, the Company uses a hierarchical framework which prioritizes and ranks the market observability used in fair value measurements.

The fair value of the Company’s investments measured and reported at fair value was \$7,050.2 million at December 31, 2025, of which \$6,496.3 million, or 92%, were investments that were based on quoted market prices or significant fair value inputs that are observable, \$343.6 million, or 5%, were investments where at least one significant fair value inputs was unobservable and \$210.3 million or 3% were investments for which fair value is measured using the net asset value (“NAV”) per share practical expedient. Fair value measurements based on readily available, active, quoted market prices or for which fair value can be measured from actively quoted prices generally are deemed to have a higher degree of market price observability and a lesser degree of judgment, compared to fair value measurements based on significant unobservable inputs used in measuring fair value. The prices that the Company might realize from actual sales of investments are likely to vary from their respective estimated fair values at December 31, 2025 due to changing market conditions and limitations inherent in the estimation process.

The classification of a company’s investment in a financial instrument may affect its reported results. Under GAAP, a company may elect to use the fair value option method of accounting for some or all of its investments in financial instruments. Under the fair value option method of accounting, a company is required to recognize changes in fair values into income for the period reported. The Company has elected the fair value option for investments in fixed maturities with equity conversion features. As of December 31, 2025, the Company no longer holds any investments with equity conversion features. For investments in fixed maturities classified as held to maturity, a company is required to carry the investment at amortized cost, with only amortization occurring during the period recognized into income. None of the Company’s investments in fixed maturities were classified as held to maturity at December 31, 2025. Changes in the fair value of investments in fixed maturities classified as available for sale are not recognized in income during the period, but rather are recognized as a separate component of Accumulated Other Comprehensive Loss (“AOCI”) until realized. Both the reported and fair values of the Company’s investments in fixed maturities classified as available for sale were \$6,743.3 million at December 31, 2025.

Equity securities with readily determinable fair values are recorded as Equity Securities at Fair Value with changes in fair values recognized into income for the period reported. Accordingly, both the reported and fair values of the Company’s investments in Equity Securities at Fair Value were \$306.4 million at December 31, 2025. The Company holds certain equity investments without readily determinable fair values at cost, less impairment, if any, plus or minus changes resulting from

CRITICAL ACCOUNTING ESTIMATES (Continued)

observable price changes in orderly transactions for identical or similar investments from the same issuer. Changes in the carrying value of Equity Securities at Modified Cost due to observable price changes are recorded into income for the period reported.

Had the Company elected the fair value option for all of its investments in financial instruments, the Company's reported net income for the year ended December 31, 2025, would have increased by \$130.3 million.

The Company regularly reviews its fixed maturity investment portfolio and holdings in Equity Securities at Modified Cost for factors that may indicate a decline in the fair value of an investment below its amortized cost or modified cost basis. Such reviews are inherently uncertain in that the value of the investment may not fully recover or may decline further in future periods. Some factors considered in evaluating whether or not a decline in fair value of an investment exist include, but are not limited to, the following:

Fixed Maturity Securities

- The financial condition, credit rating and prospects of the issuer;
- The magnitude of the unrealized loss;
- The ability of the issuer to make scheduled principal and interest payments;
- The volatility of the investment;

Equity Securities at Modified Cost

- Opinions of the Company's external investment managers;
- The financial condition and prospects of the issuer;
- Current market conditions;
- Changes in credit ratings; and
- Changes in the regulatory environment.

Changes in these factors from their December 31, 2025 evaluation date could result in the Company determining that a decline in the fair value exists for an investment held and evaluated at December 31, 2025. Such determination would result in an impairment loss in the period such determination is made.

CRITICAL ACCOUNTING ESTIMATES (Continued)

Life Insurance Reserves

Company's Life Insurance Reserves are reported using the Company's estimate of its liability for future policyholder benefits.

Insurance Reserves for the Company's life & health insurance business operations were \$3,287.5 million and \$3,199.7 million at December 31, 2025 and 2024, respectively.

These assumption inputs to the calculation of the liability for future policyholder benefits include mortality, lapses, and discount rates (both accretion and current). Kemper groups together policies with similar types of business for its cohorts, which typically vary by issue year. The Company's actuaries use a variety of generally accepted actuarial methodologies, in accordance with Actuarial Standards of Practice, in determining the mortality and lapse assumptions. These assumptions are based on judgments that consider the Company's historical experience, industry data, and other relevant factors. The Company reviews and updates its estimate of cash flows expected over the lifetime of a group of contracts using actual historical experience quarterly and current future cash flow assumptions at least annually to calculate its revised net premium ratio. The revised net premium ratios are then used to calculate an updated liability for future policyholder benefits for the current reporting period, discounted at the original contract issuance discount rate. The Company has elected to use expense assumptions that are locked in at contract inception and are not subsequently reviewed or updated. Resulting changes in the liability due to differences in actual versus expected experience, changes in current cash flow assumptions, and prefunding and payout of benefits compared to the carrying amount of the liability as of that same date are recorded as a separate component of benefit expense in the Consolidated Statements of Loss. The current discount rate assumption is an equivalent spot rate curve of annually compounded rates at monthly increments that is derived based on A-credit rated fixed-income instruments reflecting the duration characteristics of the liability. The discount rate assumption is updated quarterly and used to remeasure the liability at the reporting date, with the resulting change reflected in Accumulated Other Comprehensive Loss on the Consolidated Balance Sheets.

In estimating the Company's Life Insurance Reserves, the Company's actuaries exercise professional judgment and must consider, and are influenced by, many variables that are difficult to quantify and are estimating losses many years into the future. Accordingly, the process of estimating and establishing the Company's Life Insurance Reserves is inherently uncertain. Certain variables, such as policyholder behavior, are difficult to estimate and can have a significant impact on reserves. Experience may develop adversely such that additional reserves must be established. Adverse experience could arise out of a number of factors, including, but not limited to, severe short-term events, such as a pandemic or changes to policyholder behavior during stressed economic periods, or due to misestimation of long-term assumptions such as mortality, interest rates and lapse assumptions. To illustrate the sensitivities of the Company's Life Insurance Reserves to changes in interest rates, the Company assessed hypothetical changes due to parallel shifts in interest rates to reported amounts related to the Company's Life Insurance Reserve. If interest rates decreased by 100 basis points, the Company's liability for future policyholder benefits as of December 31, 2025 would increase by \$404.4 million, and if interest rates increased by 100 basis points, the Company's liability for future policyholder benefits as of December 31, 2025 would decrease by \$316.0 million.

Property and Casualty Insurance Reserves for Losses and Loss Adjustment Expenses

The Company's Property and Casualty Insurance Reserves are reported using the Company's estimate of its ultimate liability for losses and LAE for claims that occurred prior to the end of any given accounting period but have not yet been paid. The Company had \$2,910.8 million and \$2,611.9 million of gross loss and LAE reserves at December 31, 2025 and 2024, respectively.

Kemper Corporation and Subsidiaries
Management’s Discussion and Analysis of Financial Condition and Results of Operations—(Continued)

CRITICAL ACCOUNTING ESTIMATES (Continued)

Property and Casualty Insurance Reserves for the Company’s business segments at December 31, 2025 and 2024 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>
Business Segments:		
Specialty Property & Casualty Insurance ¹	\$ 2,769.4	\$ 2,347.9
Life Insurance	1.9	2.7
Total Business Segments	2,771.3	2,350.6
Non-Core Operations	161.9	261.7
Unallocated Reserves	7.0	9.0
Total Property and Casualty Insurance Reserves ¹	<u>\$ 2,940.2</u>	<u>\$ 2,621.3</u>

¹Includes \$29.4 million and \$9.4 million attributable to Kemper Reciprocal as of December 31, 2025 and 2024, respectively, which is reported as a consolidated variable interest entity.

In estimating the Company’s Property and Casualty Insurance Reserves, the Company’s actuaries exercise professional judgment and must consider, many variables that are difficult to quantify. Accordingly, the process of estimating and establishing the Company’s Property and Casualty Insurance Reserves is inherently uncertain, and the actual ultimate cost of known and unknown claims may vary materially from the estimated amounts reserved.

The Company’s actuaries conduct a comprehensive quarterly loss reserve review for each product line of business based on a variety of methodologies in accordance with Actuarial Standards of Practice. A reasonable range of unpaid loss estimates is derived from, but not limited to, the following methodologies:

- Incurred Loss Development Methodology;
- Paid Loss Development Methodology;
- Bornhuetter-Ferguson Incurred Loss Methodology;
- Bornhuetter-Ferguson Paid Loss Methodology; and
- Frequency and Severity Methodology.

The actuarial best estimate for each product line of business for ultimate losses and LAE represents an expected value considering a range of reasonable outcomes. The actuarial best estimate includes an offset for expected salvage and subrogation recoveries.

The key assumption in these estimation methodologies is that patterns observed in prior periods are indicative of how losses and LAE are expected to develop in the future and that such historical data can be used to predict and estimate ultimate losses and LAE. However, changes in the Company’s business processes, by their very nature, are likely to affect the development patterns, which means the Company’s actuaries must routinely make assumptions about how changes in business practices would affect historical patterns.

The ultimate impact of a single change in a business process is difficult to quantify and detect, and even more difficult if several changes to business processes occur over several years. Initially after a change is implemented, there are fewer data points, as compared to the historical data, for the Company’s actuaries to analyze. With fewer data points to analyze, the Company’s actuaries cannot be certain that observed differences from the historical data trends are a result of the change in business process or merely a random fluctuation in the data. As the Company’s actuaries observe more data points following the change in business process, the Company’s actuaries can gain more confidence in whether the change in business process is affecting the development pattern. The challenge for the Company’s actuaries is how much weight to place on the development patterns based on the older historical data and how much weight to place on the development patterns based on more recent data.

For each accident quarter or year, the point estimate selected by the Company’s actuaries is not necessarily one of the points produced by any particular one of the methodologies utilized, but often is another point selected by the Company’s actuaries, using their professional judgment, that takes into consideration each of the points produced by the several loss reserving estimation methodologies used. In some cases, for a particular product, the current accident quarter or year may not have enough paid claims data to rely upon, leading the Company’s actuaries to conclude that the incurred loss development methodology provides a better estimate than the paid loss development methodology. Therefore, the Company’s actuaries may give more weight to the incurred loss development methodology for that particular accident quarter or year. As an accident quarter or year ages for that same product, the actuary may gain more confidence in the paid loss development methodology and begin to give more weight to the paid loss development methodology. The Company’s actuaries’ quarterly selections are

CRITICAL ACCOUNTING ESTIMATES (Continued)

summed by product and/or coverage levels to create the actuarial indication of the ultimate losses. More often than not, the actuarial indication for a particular product line and accident quarter or year is most heavily weighted toward the incurred loss development methodology, particularly for short-tail lines such as personal automobile insurance. Historically, the incurred loss development methodology has been more reliable in predicting ultimate losses for short-tail lines, especially in the more recent accident quarters or years, compared with the paid loss development methodology. However, in some circumstances changes can occur which impact numerous variables, including, but not limited to, those variables identified below that are difficult to quantify and/or impact the predictive value of prior development patterns relied upon in the incurred loss development methodology and paid loss development methodology. In those circumstances, the Company's actuaries must make adjustments to these loss reserving estimation methodologies or use additional generally accepted actuarial estimation methodologies. In those circumstances, the Company's actuaries, using their professional judgment, may place more weight on the adjusted loss reserving estimation methodologies or other generally accepted actuarial estimation methodologies until the newer development patterns fully emerge and the Company's actuaries can fully rely on the unadjusted loss reserving estimation methodologies. In the event of a wide variation among results generated by the different projection methodologies, the Company's actuaries further analyze the data using additional techniques.

Subrogation & salvage recoveries, which predominately impact the material damage coverages, are independently evaluated each quarter using generally accepted actuarial methodologies. Since claim adjusters do not establish case reserves for potential recoveries the methodologies use paid/recovered amounts. Once this is completed, it is combined with the ultimate gross loss and LAE analyses.

In estimating reserves, the Company's actuaries exercise professional judgment and must consider, and are influenced by, many variables that are difficult to quantify, such as:

- Changes in the level of minimum case reserves, and the automatic aging of those minimum case reserves;
- Changes to claims practices, including, but not limited to, changes in the reporting and impact of large losses, timing of reported claims, changes in claims closing and re-opening patterns, adequacy of case reserves.
- Implementation of new systems for handling claims, turnover of claims department staffs, timing and depth of the audit review of claims handling procedures;
- Changes in the mix of business by state, class and policy limit within product line;
- Growth in new lines of business;
- Changes in the attachment points of the Company's reinsurance programs;
- Medical costs, including, but not limited to, the ability to assess the extent of injuries and the impact of inflation;
- Repair costs, including, but not limited to, the impact of inflation and the availability of labor and materials;
- Changes in the judicial environment, including, but not limited to, the interpretation of policy provisions, the impact of jury awards and changes in case law; and
- Changes in state regulatory requirements.

A change in any one or more of the foregoing factors is likely to result in a projected ultimate net loss and LAE that is different from the previously estimated reserve and/or previous frequency and severity trends. Such changes in estimates may be material. For example, the Company's actuaries review frequency (number of claims per policy or exposure), severity (dollars of loss per claim) and average premium (dollars of premium per exposure). Actual frequency and severity experienced will vary depending on changes in mix by class of insured risk. Similarly, the actual frequency and rate of recovery from reinsurance will vary depending on changes in the attachment point for reinsurance. In particular, in periods of high growth or expansion into new markets, there may be additional uncertainty in estimating the ultimate losses and LAE. The contributing factors of this potential risk are changes in the Company's mix by policy limit and mix of business by state or jurisdiction.

Actuaries use historical experience and trends as predictors of how losses and LAE will emerge over time. However, historical experience may not necessarily be indicative of how actual losses and LAE will emerge. Changes in case reserve adequacy, changes in minimum case reserves and changes in internal claims handling procedures could impact the timing and recognition of incurred claims and produce an estimate that is either too high or too low if not adjusted for by the actuary. For example, if, due to changes in claims handling procedures, actual claims are settled more rapidly than they were settled historically, the estimate produced by the paid loss development methodology would tend to be overstated if the actuary did not identify and adjust for the impact of the changes in claims handling procedures. Similarly, if, due to changes in claims handling procedures, actual claim reserves are set at levels higher than past experience, the estimate produced by the incurred loss development methodology would tend to be overstated if the actuary did not identify and adjust for the impact of the changes in claims handling procedures.

CRITICAL ACCOUNTING ESTIMATES (Continued)

The final step in the quarterly loss and LAE reserving process involves a comprehensive review of the actuarial indications by the Company's chief reserving actuary and corporate management who apply their collective judgment and determine the appropriate estimated level of reserves to record. Numerous factors are considered in this determination process, including, but not limited to, the assessed reliability of key loss trends and assumptions that may be significantly influencing the current actuarial indications, changes in claim handling practices or other changes that affect the timing of payment or development patterns, changes in the mix of business, the maturity of the accident quarter or year, pertinent trends observed over the recent past, the level of volatility within a particular line of business, the improvement or deterioration of actuarial indications in the current period as compared to prior periods, and the amount of reserves related to third party pools for which the Company does not have access to the underlying data and, accordingly, relies on calculations provided by such pools.

The Company's goal is to ensure that its total reserves for property and casualty insurance losses and LAE are adequate to cover all costs, while sustaining minimal variation from the time reserves for losses and LAE are initially estimated until losses and LAE are fully paid. Changes in the Company's estimates of these losses and LAE over time, also referred to as "development," will occur and may be material. Favorable development is recognized and reported in the Consolidated Financial Statements when the Company decreases its previous estimate of ultimate losses and LAE and results in an increase in net income in the period recognized, whereas adverse development is recognized and reported in the Consolidated Financial Statements when the Company increases its previous estimate of ultimate losses and LAE and results in a decrease in net income.

Although development will emerge in all of the Company's product lines, development in the Company's specialty personal automobile insurance product line could have the most significant impact due to the relative size of its loss and LAE reserves. To further illustrate the sensitivity of the Company's reserves for specialty personal automobile insurance losses and LAE, the Company measures the standard deviation of the mean reserve estimate using a bootstrapping methodology. The Company believes that one standard deviation of variability is a reasonably likely scenario to measure variability for its loss and LAE reserves for specialty personal automobile insurance. The Company estimates that its specialty personal automobile insurance loss and LAE reserves could have varied by \$50.4 million in either direction at December 31, 2025 for all accident years combined under this scenario. In addition to the factors described above, other factors may also impact loss reserve development in future periods. These factors include governmental actions, including court decisions interpreting existing laws, regulations or policy provisions, developments related to insurance policy claims and coverage issues, adverse or favorable outcomes in pending claims litigation, the number and severity of insurance claims, the impact of inflation on insurance claims and the impact of required participation in wind pools and joint underwriting associations and residual market assessments.

Although the Company's actuaries do not make specific numerical assumptions about these factors, changes in these factors from past patterns will impact historical loss development factors and, in turn, future loss reserve development. Significant favorable changes in one or more factors will lead to favorable future loss reserve development, which could result in the actual loss developing closer to, or even below, the lower end of the Company's estimated reserve variability. Significant unfavorable changes in one or more factors will lead to unfavorable loss reserve development, which could result in the actual loss developing closer to, or even above, the higher end of the Company's estimated reserve variability. Accordingly, due to these factors and the other factors enumerated throughout the MD&A and the inherent limitations of the loss reserving estimation methodologies, the estimated and illustrated reserve variability may not necessarily be indicative of the Company's future reserve variability, which could ultimately be greater than the estimated and illustrated variability. In addition, as previously noted, development will emerge in all of the Company's product lines over time. Accordingly, the Company's future reserve variability could ultimately be greater than the illustrated variability. Additional information pertaining to the estimation of, and development of, the Company's Property and Casualty Insurance Reserves is contained in Item 1 of Part I of this 2025 Annual Report under the heading "Property and Casualty Loss and Loss Adjustment Expense Reserves."

Goodwill Recoverability

The Company tests goodwill for recoverability at the reporting unit level on an annual basis, or whenever events or circumstances indicate the fair value of a reporting unit may have declined below its carrying value.

During the second quarter of 2023, the Company identified impairment indicators impacting the fair value of the Preferred Property & Casualty Insurance business in connection with ongoing evaluation of strategic alternatives for the Preferred Insurance business. As a result, the business's fair value was determined using a combination of available market information, market comparisons and a discounted cash flow valuation method based on the present value of future earnings. The fair value calculated in the second quarter of 2023 was lower than the carrying value of the business, resulting in a pre-tax impairment

CRITICAL ACCOUNTING ESTIMATES (Continued)

charge of \$49.6 million and an after-tax impairment charge of \$45.5 million. See Note 14, “Goodwill and Intangibles,” for more information.

The Company tests goodwill for recoverability at the reporting unit level on an annual basis, or whenever events or circumstances indicate the fair value of a reporting unit may have declined below its carrying value. The Company performed a quantitative goodwill impairment assessment for all reporting units with goodwill as of October 1, 2025. The quantitative assessment compares the estimated fair value of a reporting unit to its carrying value to determine if there is an impairment of goodwill. Estimating the fair value of a reporting unit is judgmental in nature and involves the use of significant estimates and assumptions by the Company. The estimates and assumptions included, but were not limited to, projections of future cash flows, operating results, discount rates, investment yields and market conditions. Such projections are inherently uncertain and, accordingly, actual future results may differ materially from the Company’s projections. For each reporting unit tested, the estimated fair value exceeded the carrying value of the reporting unit, and the Company concluded that the associated goodwill was recoverable. See Note 14, “Goodwill and Intangibles,” for more information.

Recoverability of Deferred Tax Assets

The evaluation of the recoverability of deferred tax assets and the need for a valuation allowance requires the Company to weigh all positive and negative evidence to reach a conclusion whether it is more likely than not that all or some portion of the deferred tax asset will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. The more negative evidence that exists, the more positive evidence is necessary and the more difficult it is to support a conclusion that a valuation allowance is not needed.

When making such determination, the Company considers various factors, including:

- the nature, frequency, and amount of cumulative financial reporting income and losses in recent years;
- the jurisdiction in which the deferred tax asset was generated;
- the length of time that carryforward can be utilized in the relevant taxing jurisdictions;
- future taxable income exclusive of reversing temporary differences and carryforwards;
- future reversals of existing taxable temporary differences;
- taxable income in prior carryback years; and
- availability of tax planning strategies.

As a result of the analysis, the Company determined that a valuation allowance was required as of December 31, 2025 against certain foreign deferred tax assets which had been recorded during 2025.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Except for rules and interpretive releases of the SEC under authority of federal securities laws and a limited number of grandfathered standards, the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) is the sole source of authoritative GAAP recognized by the FASB that is applicable to the Company. The FASB issues Accounting Standards Updates (“ASUs”) to amend the authoritative literature in the FASB ASC.

The Company has adopted all recently issued accounting pronouncements with effective dates prior to January 1, 2026. See Note 2, “Summary of Accounting Policies and Accounting Changes” to the Consolidated Financial Statements for discussion on adoption of these ASUs and impacts to the Company’s financial statements. For all recently issued accounting pronouncements with effective dates after December 31, 2025, the Company is currently evaluating the impact of this guidance on its financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Quantitative Information About Market Risk

The Company's consolidated balance sheets include three types of financial instruments subject to the material market risk disclosures required by the SEC:

1. Investments in Fixed Maturities;
2. Investments in Equity Securities at Fair Value; and
3. Debt.

Investments in Fixed Maturities and Debt are subject to material interest rate risk. The Company's Investments in Equity Securities include common and preferred stocks and hedge funds and, accordingly, are subject to material equity price risk and interest rate risk.

For purposes of this disclosure, market risk sensitive financial instruments are divided into two categories: financial instruments acquired for trading purposes and financial instruments acquired for purposes other than trading. The Company's market risk sensitive financial instruments are generally classified as held for purposes other than trading. The Company has no significant holdings of financial instruments acquired for trading purposes. As of December 31, 2025, the Company had \$0.0 million notional amount of derivatives holdings.

The Company measures its sensitivity to market risk by evaluating the change in its financial assets and liabilities relative to fluctuations in interest rates and equity prices. The evaluation is made using instantaneous changes in interest rates and equity prices on a static balance sheet to determine the effect such changes would have on the Company's market value at risk and the resulting pre-tax effect on Shareholders' Equity. The changes chosen represent the Company's view of adverse changes which are reasonably possible over a one-year period. The selection of the changes chosen should not be construed as the Company's prediction of future market events, but rather an illustration of the impact of such possible events.

For the interest rate sensitivity analysis presented below, the Company assumed an adverse and instantaneous increase of 100 basis points in the yield curve at both December 31, 2025 and 2024 for Investments in Fixed Maturities. Such 100 basis point increase in the yield curve may not necessarily result in a corresponding 100 basis point increase in the interest rate for all investments in fixed maturities. For example, a 100 basis point increase in the yield curve for risk-free, taxable investments in fixed maturities may not result in a 100 basis point increase for tax-exempt investments in fixed maturities. For Investments in Fixed Maturities, the Company also anticipated changes in cash flows due to changes in the likelihood that investments would be called or prepaid prior to their contractual maturity. All other variables were held constant. For preferred stock equity securities, the Company assumed an adverse and instantaneous increase of 100 basis points in market interest rates from their levels at both December 31, 2025 and 2024. All other variables were held constant. For Debt, the Company assumed an adverse and instantaneous decrease of 100 basis points in market interest rates from their levels at December 31, 2025 and 2024. All other variables were held constant. The Company measured equity price sensitivity assuming an adverse and instantaneous 30% decrease in the Standard and Poor's Stock Index (the "S&P 500") from its level at December 31, 2025 and 2024, with all other variables held constant. The Company's investments in common stock equity securities were correlated with the S&P 500 using the portfolio's weighted-average beta of 0.27 and 0.34 at December 31, 2025 and 2024, respectively. Beta measures a stock's relative volatility in relation to the rest of the stock market, with the S&P 500 having a beta coefficient of 1.00. The Equity Securities at Fair Value portfolio's weighted-average beta was calculated using each security's assumed forward looking betas based on underlying investment characteristics weighted by the fair value of such securities as of December 31, 2025 and 2024. For equity securities without observable market inputs, the Company assumed a beta of 1.00 at December 31, 2025 and 2024.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk. (Continued)

The estimated adverse effects on the fair value of the Company's financial instruments at December 31, 2025 using these assumptions were:

<u>DOLLARS IN MILLIONS</u>	Fair Value	Pro Forma Increase (Decrease)		
		Interest Rate Risk	Equity Price Risk	Total Market Risk
ASSETS				
Investments in Fixed Maturities	\$ 6,785.4	\$ (510.1)	\$ —	\$ (510.1)
Investments in Equity Securities	306.4	(0.3)	(22.3)	(22.6)
LIABILITIES				
Debt	\$ 868.0	\$ 37.6	\$ —	\$ 37.6

The estimated adverse effects on the fair value of the Company's financial instruments at December 31, 2024 using these assumptions were:

<u>DOLLARS IN MILLIONS</u>	Fair Value	Pro Forma Increase (Decrease)		
		Interest Rate Risk	Equity Price Risk	Total Market Risk
ASSETS				
Investments in Fixed Maturities	\$ 6,411.3	\$ (456.2)	\$ —	(456.2)
Investments in Equity Securities	218.5	(0.5)	(19.3)	(19.8)
LIABILITIES				
Debt	\$ 1,278.4	\$ 43.3	\$ —	\$ 43.3

The market risk sensitivity analysis assumes that the composition of the Company's interest rate sensitive assets and liabilities, including, but not limited to, credit quality, and the equity price sensitive assets existing at the beginning of the period remains constant over the period being measured. It also assumes that a particular change in interest rates is uniform across the yield curve regardless of the time to maturity. Interest rates on certain types of assets and liabilities may fluctuate in advance of changes in market interest rates, while interest rates on other types may lag behind changes in market interest rates. Also, any future correlation, either in the near term or the long term, between the Company's common stock equity securities and fair value option portfolios and the S&P 500 may differ from the historical correlation as represented by the weighted-average historical beta of the common stock equity securities and fair value option portfolios. Accordingly, the market risk sensitivity analysis may not be indicative of, is not intended to provide, and does not provide, a precise forecast of the effect of changes of market rates on the Company's income or shareholders' equity. Further, the computations do not contemplate any actions the Company may undertake in response to changes in interest rates or equity prices.

To the extent that any adverse 100 basis point change occurs in increments over a period of time instead of instantaneously, the adverse impact on fair values would be partially mitigated because some of the underlying financial instruments would have matured. For example, proceeds from any maturing assets could be reinvested and any new liabilities would be incurred at the then current interest rates.

Qualitative Information About Market Risk

Market risk is a broad term related to economic losses due to adverse changes in the fair value of a financial instrument and is inherent to all financial instruments. SEC disclosure rules focus on only one element of market risk—price risk. Price risk relates to changes in the level of prices due to changes in interest rates, equity prices, foreign exchange rates or other factors that relate to market volatility of the rate, index, or price underlying the financial instrument. The Company's primary market risk exposures are to changes in interest rates and equity prices.

The Company manages its interest rate exposures with respect to Investments in Fixed Maturities by investing primarily in investment-grade securities of moderate effective duration.

Item 8. Financial Statements and Supplementary Data.

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Kemper Corporation and Subsidiaries**

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

<i><u>DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS</u></i>	For the Year Ended December 31,		
	2025	2024	2023
Revenues:			
Earned Premiums ¹	\$ 4,396.3	\$ 4,215.9	\$ 4,529.4
Net Investment Income	405.0	407.5	419.7
Other (Loss) Income	(2.0)	10.5	10.1
Change in Fair Value of Equity and Convertible Securities	(4.3)	(2.7)	4.7
Net Realized Investment Gains (Losses)	5.5	13.2	(18.6)
Impairment Losses	(10.8)	(5.8)	(1.1)
Total Revenues	4,789.7	4,638.6	4,944.2
Expenses:			
Policyholders' Benefits and Incurred Losses and Loss Adjustment Expenses ²	3,375.5	3,013.1	3,820.0
Insurance and Other Expenses	1,215.0	1,180.1	1,365.6
Interest Expense	38.5	56.9	56.1
Goodwill Impairment	—	—	49.6
Total Expenses	4,629.0	4,250.1	5,291.3
Income (Loss) before Income Taxes	160.7	388.5	(347.1)
Income Tax Expense (Benefit)	28.1	76.0	(74.8)
Net Income (Loss)	132.6	312.5	(272.3)
Less: Net Loss attributable to Noncontrolling Interest	(10.7)	(5.3)	(0.2)
Net Income (Loss) attributable to Kemper Corporation	\$ 143.3	\$ 317.8	\$ (272.1)
Net Income (Loss) attributable to Kemper Corporation Per Unrestricted Share:			
Basic	\$ 2.31	\$ 4.95	\$ (4.25)
Diluted	\$ 2.29	\$ 4.91	\$ (4.25)

¹ Includes a remeasurement loss related to the deferred profit liability within the Life Insurance business of \$8.7 million for the year ended December 31, 2025, a remeasurement loss of \$7.2 million for the year ended December 31, 2024, and a remeasurement loss of \$19.1 million for the year ended December 31, 2023.

² Includes a remeasurement gain related to the liability for future policyholder benefits within the Life Insurance business of \$14.3 million for the year ended December 31, 2025, a remeasurement gain of \$19.2 million for the year ended December 31, 2024, and a remeasurement gain of \$30.3 million for the year ended December 31, 2023.

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

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

<u>DOLLARS IN MILLIONS</u>	For The Years Ended December 31,		
	2025	2024	2023
Net Income (Loss)	\$ 132.6	\$ 312.5	\$ (272.3)
Other Comprehensive Income Before Income Taxes			
Changes in Unrealized Gains (Losses) on Investment Securities with:			
No Credit Losses Recognized in Consolidated Statements of Income (Loss)	162.7	(198.7)	238.8
Credit Losses Recognized in Consolidated Statements of Income (Loss)	0.3	(1.3)	(0.5)
Change in Unrecognized Postretirement Benefit Costs	(3.0)	(1.3)	59.2
Gain (Loss) on Cash Flow Hedges	1.3	(5.4)	(0.2)
Change in Discount Rate on Future Life Policyholder Benefits	(37.3)	278.0	(101.7)
Other Comprehensive Income Before Income Taxes	124.0	71.3	195.6
Other Comprehensive Income Tax Expense	25.4	15.0	41.5
Other Comprehensive Income, Net of Taxes	98.6	56.3	154.1
Total Comprehensive Income (Loss)	231.2	368.8	(118.2)
Less: Net Loss attributable to Noncontrolling Interest	(10.7)	(5.3)	(0.2)
Less: Other Comprehensive Income attributable to Noncontrolling Interest	0.3	—	—
Less: Total Comprehensive Loss attributable to Noncontrolling Interest	(10.4)	(5.3)	(0.2)
Comprehensive Income (Loss) attributable to Kemper Corporation	<u>\$ 241.6</u>	<u>\$ 374.1</u>	<u>\$ (118.0)</u>

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

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

<i><u>DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS</u></i>	December 31,	
	2025	2024
Assets:		
Investments:		
Fixed Maturities at Fair Value (Amortized Cost: 2025 - \$7,475.7; 2024 - \$7,295.0 Allowance for Credit Losses: 2025 - \$20.1; 2024 - \$10.7)	\$ 6,743.3	\$ 6,409.6
Equity Securities at Fair Value (Cost: 2025 - \$287.9; 2024 - \$197.1)	306.4	218.5
Equity Method Limited Liability Investments	176.0	186.3
Short-term Investments at Cost which Approximates Fair Value	313.5	1,037.1
Company-Owned Life Insurance	579.2	539.2
Loans to Policyholders	279.9	280.7
Other Investments	271.3	217.1
Total Investments	8,669.6	8,888.5
Cash	124.3	64.4
Receivables from Policyholders (Allowance for Credit Losses: 2025 - \$2.0; 2024 - \$2.9)	965.2	977.9
Other Receivables	184.7	185.7
Deferred Policy Acquisition Costs	655.4	628.9
Goodwill	1,250.7	1,250.7
Current Income Tax Assets	40.7	63.4
Deferred Income Tax Assets	96.9	93.3
Other Assets	410.7	436.1
Assets of Consolidated Variable Interest Entity:		
Fixed Maturities at Fair Value (Amortized Cost 2025 - \$41.7; 2024 - \$1.7)	42.1	1.7
Short-term Investments at Cost which Approximates Fair Value	14.4	28.0
Cash	1.7	1.0
Receivables from Policyholders	10.4	8.2
Other Receivables	0.4	—
Deferred Policy Acquisition Costs	1.3	1.1
Deferred Income Tax Assets	4.2	1.5
Total Assets	\$ 12,472.7	\$ 12,630.4

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

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

<i><u>DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS</u></i>	December 31,	
	2025	2024
Liabilities and Shareholders' Equity:		
Insurance Reserves:		
Life and Health	\$ 3,287.5	\$ 3,199.7
Property and Casualty	2,910.8	2,611.9
Total Insurance Reserves	6,198.3	5,811.6
Unearned Premiums	1,233.1	1,264.1
Policyholder Obligations	608.0	637.7
Deferred Income Tax Liabilities	14.8	14.8
Accrued Expenses and Other Liabilities	762.6	705.2
Long-term Debt, Current, at Amortized Cost	—	449.9
Long-term Debt, Non-current, at Amortized Cost	943.5	941.7
Liabilities of Consolidated Variable Interest Entity:		
Insurance Reserves	29.4	9.4
Unearned Premiums	12.1	11.2
Accrued Expenses and Other Liabilities	1.5	0.5
Total Liabilities	9,803.3	9,846.1
Kemper Corporation Shareholders' Equity:		
Common Stock, \$0.10 Par Value, 100,000,000 Shares Authorized; 58,666,644 Shares Issued and Outstanding at December 31, 2025 and 63,840,442 Shares Issued and Outstanding at December 31, 2024	5.9	6.4
Paid-in Capital	1,723.9	1,854.9
Retained Earnings	1,157.8	1,231.6
Accumulated Other Comprehensive Loss	(206.2)	(304.5)
Total Kemper Corporation Shareholders' Equity	2,681.4	2,788.4
Noncontrolling Interest	(12.0)	(4.1)
Total Shareholders' Equity	2,669.4	2,784.3
Total Liabilities and Shareholders' Equity	\$ 12,472.7	\$ 12,630.4

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

KEMPER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Millions)

<i>DOLLARS IN MILLIONS</i>	For The Years Ended December 31,		
	2025	2024	2023
Cash Flows from Operating Activities:			
Net Income (Loss)	\$ 132.6	\$ 312.5	\$ (272.3)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Net Realized Investment (Gains) Losses	(5.5)	(13.2)	18.6
Impairment Losses	10.8	5.8	1.1
Depreciation, Amortization, and Impairments of Property, Equipment, Software and Intangible Assets Acquired	74.3	53.7	58.6
Settlement Related to Defined Benefit Pension Plan	—	(2.6)	70.2
Change in Accumulated Undistributed Earnings of Equity Method Limited Liability Investments	7.0	31.1	(1.1)
Change in Fair Value of Equity and Convertible Securities	4.3	2.7	(4.7)
Goodwill Impairment	—	—	49.6
Pension Plan assets reverted to the Company	—	13.1	—
Changes in:			
Receivables from Policyholders	10.5	(25.9)	326.4
Reinsurance Recoverables	(0.5)	7.0	12.1
Deferred Policy Acquisition Costs	(26.7)	(38.3)	43.9
Insurance Reserves	375.4	(2.3)	(30.8)
Unearned Premiums	(30.1)	(26.0)	(403.1)
Income Taxes	(7.0)	65.3	33.2
Other	39.4	—	(35.9)
Net Cash Provided by (Used in) Operating Activities	584.5	382.9	(134.2)
Cash Flows from Investing Activities:			
Proceeds from the Sales, Calls and Maturities of Fixed Maturities	1,166.3	1,316.5	673.0
Proceeds from the Sales or Paydowns of Investments:			
Equity Securities	24.7	37.8	149.0
Real Estate Investments	5.5	3.7	—
Mortgage Loans	124.2	121.6	95.2
Other Investments	42.5	21.8	18.3
Purchases of Investments:			
Fixed Maturities	(1,354.0)	(1,012.5)	(447.4)
Equity Securities	(115.1)	(19.4)	(44.4)
Real Estate Investments	(2.5)	(1.6)	(1.0)
Corporate-Owned Life Insurance	(1.5)	(3.5)	—
Mortgage Loans	(198.6)	(109.7)	(104.1)
Other Investments	(80.0)	(51.2)	(19.8)
Net Sales (Purchases) of Short-term Investments	746.9	(521.0)	(238.4)
Acquisition of Software and Long-lived Assets	(30.6)	(53.2)	(53.8)
Settlement Proceeds from Company-Owned Life Insurance	4.3	13.5	102.2
Other	4.1	12.8	(20.9)
Net Cash Provided by (Used in) Investing Activities	336.2	(244.4)	107.9

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

KEMPER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Dollars in Millions)

<u>DOLLARS IN MILLIONS</u>	For The Years Ended December 31,		
	2025	2024	2023
Net Cash Provided by (Used in) Investing Activities (Carryforward from page 69)	336.2	(244.4)	107.9
Cash Flows from Financing Activities:			
Repayment of Long-term Debt	(450.0)	—	—
Proceeds from Policyholder Contract Obligations	30.9	102.2	123.3
Repayment of Policyholder Contract Obligations	(65.5)	(120.6)	(169.0)
Proceeds from Shares Issued under Employee Stock Purchase Plan	3.7	3.8	4.3
Common Stock Repurchases	(301.9)	(38.9)	—
Dividends Paid	(79.6)	(80.1)	(80.1)
Other	2.3	(3.6)	(0.5)
Net Cash Used in Financing Activities	(860.1)	(137.2)	(122.0)
Net increase (decrease) in cash ¹	60.6	1.3	(148.3)
Cash, Beginning of Year ¹	65.4	64.1	212.4
Cash, End of Year ¹	<u>\$ 126.0</u>	<u>\$ 65.4</u>	<u>\$ 64.1</u>

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

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

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION
(Dollars in Millions)

	For The Years Ended December 31,		
	2025	2024	2023
Cash (paid) received during the year for:			
Interest	\$ (44.4)	\$ (54.5)	\$ (54.5)
Taxes	(35.3)	(11.2)	106.7
Operating Leases	(18.4)	(21.6)	(25.4)
Non-Cash Activities:			
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 25.8	\$ 9.5	\$ 13.8
Real estate acquired via mortgage loan foreclosure	—	10.9	—

KEMPER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

For the Year Ended December 31, 2025, 2024 and 2023

<i>DOLLARS AND SHARES IN MILLIONS, EXCEPT PER SHARE AMOUNTS</i>	Number of Shares	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Equity
BALANCE, JANUARY 1, 2023	63.9	\$ 6.4	\$ 1,812.7	\$ 1,366.4	\$ (514.9)	\$ —	\$ 2,670.6
Net Loss	—	—	—	(272.1)	—	(0.2)	(272.3)
Other Comprehensive Income, Net of Taxes (Note 16)	—	—	—	—	154.1	—	154.1
Cash Dividends and Dividend Equivalents to Shareholders (\$1.24 per share)	—	—	—	(80.1)	—	—	(80.1)
Shares Issued Under Employee Stock Purchase Plan (Note 17)	0.1	—	4.3	—	—	—	4.3
Equity-based Compensation Cost (Note 21)	—	—	29.0	—	—	—	29.0
Equity-based Awards, Net of Shares Exchanged (Note 21)	0.1	—	(0.7)	0.1	—	—	(0.6)
BALANCE, DECEMBER 31, 2023	64.1	\$ 6.4	\$ 1,845.3	\$ 1,014.3	\$ (360.8)	\$ (0.2)	\$ 2,505.0
Net Income	—	—	—	317.8	—	(5.3)	312.5
Other Comprehensive Income, Net of Taxes (Note 16)	—	—	—	—	56.3	—	56.3
Cash Dividends and Dividend Equivalents to Shareholders (\$1.24 per share)	—	—	—	(80.1)	—	—	(80.1)
Repurchases of Common Stock (Note 17)	(0.6)	—	(18.5)	(20.4)	—	—	(38.9)
Shares Issued Under Employee Stock Purchase Plan (Note 17)	—	—	3.8	—	—	—	3.8
Equity-based Compensation Cost (Note 21)	—	—	29.2	—	—	—	29.2
Equity-based Awards, Net of Shares Exchanged (Note 21)	0.4	—	(4.9)	—	—	—	(4.9)
Other Changes in Non-Controlling Interest	—	—	—	—	—	1.4	1.4
BALANCE, DECEMBER 31, 2024	63.9	\$ 6.4	\$ 1,854.9	\$ 1,231.6	\$ (304.5)	\$ (4.1)	\$ 2,784.3
Net Income	—	—	—	143.3	—	(10.7)	132.6
Other Comprehensive Income, Net of Taxes (Note 16)	—	—	—	—	98.3	0.3	98.6
Cash Dividends and Dividend Equivalents to Shareholders (\$1.28 per share)	—	—	—	(79.6)	—	—	(79.6)
Repurchases of Common Stock (Note 17)	(5.6)	(0.5)	(163.9)	(137.5)	—	—	(301.9)
Shares Issued Under Employee Stock Purchase Plan (Note 17)	—	—	3.7	—	—	—	3.7
Equity-based Compensation Cost (Note 21)	—	—	29.4	—	—	—	29.4
Equity-based Awards, Net of Shares Exchanged (Note 21)	0.4	—	(0.2)	—	—	—	(0.2)
Other Changes in Non-Controlling Interest	—	—	—	—	—	2.5	2.5
BALANCE, DECEMBER 31, 2025	58.7	\$ 5.9	\$ 1,723.9	\$ 1,157.8	\$ (206.2)	\$ (12.0)	\$ 2,669.4

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

NOTE 1. BASIS OF PRESENTATION AND SIGNIFICANT ESTIMATES

The Consolidated Financial Statements include the accounts of Kemper Corporation (“Kemper”) and its subsidiaries which include property and casualty insurance subsidiaries and 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 accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). All intercompany accounts and transactions have been eliminated.

Periodically, Kemper may acquire an additional company which then becomes one of the various subsidiaries of Kemper. When an acquisition occurs, Kemper will include the results of the acquired company in the consolidated financial results from the date of its acquisition and forward. When a disposition occurs, Kemper will include the results of the disposed subsidiary in the consolidated financial results up to the date of sale..

In 2025, the Company elected to present the change in value of Alternative Energy Partnership Investments within Other Income in the Consolidated Statements of Income (Loss). In addition, Alternative Energy Partnership Investments, previously presented as a separate line item on the Consolidated Balance Sheets, is now included within Other Investments. Prior period amounts in the financial statements have been recast to reflect the Company’s updated presentation.

Use of Estimates

The preparation of financial statements in conformity 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. Many of these estimates and assumptions are common in the insurance and financial services industries; others are specific to the Company’s business and operations. Actual results could differ materially from those estimates and assumptions.

The fair values of the Company’s Investments in Fixed Maturities, Investments in Convertible Securities at Fair Value, Investments in Equity Securities at Fair Value and Debt are estimated using a hierarchical framework which prioritizes and ranks market price observability of inputs used in fair value measurements. The carrying amounts reported in the Consolidated Balance Sheets approximate fair value for Cash, Short-term Investments and certain other assets and other liabilities because of their short-term nature. The actual value at which financial instruments could be sold or settled with a willing buyer or seller may differ from estimated fair values depending on a number of factors, including, but not limited to, current and future economic conditions, the quantity sold or settled, the presence of an active market and the availability of a willing buyer or seller.

The process of estimating and establishing reserves for losses and loss adjustment expenses (“LAE”) for property and casualty insurance is inherently uncertain, and the actual ultimate net cost of known and unknown claims may vary materially from the estimated amounts reserved. The reserving process is particularly imprecise for claims involving long-tailed exposures, which may not be discovered or reported until years after the insurance policy period has ended. Management considers a variety of factors, including, but not limited to, past claims experience, current claim trends and relevant legal, economic and social conditions, in estimating reserves. A change in any one or more factors is likely to result in the ultimate net claim costs differing from the estimated reserve. Changes in such estimates may be material and are recognized in the Consolidated Financial Statements when such estimates change.

The process of determining whether an asset is impaired or recoverable relies on projections of future cash flows, operating results and market conditions. Projections are inherently uncertain, and, accordingly, actual future cash flows and operating results may differ materially from those projected. As a result, the Company’s assessment of the impairment of long-lived assets and recoverability of deferred tax assets is susceptible to the risk inherent in making such projections.

NOTE 2. SUMMARY OF ACCOUNTING POLICIES AND ACCOUNTING CHANGES

Investments

Investments in Fixed Maturities include bonds, notes and redeemable preferred stocks. Investments in Fixed Maturities are classified as available for sale and reported at fair value. Net Investment Income, including amortization of purchased premiums and accretion of market discounts, on Investments in Fixed Maturities is recognized as interest over the period that it is earned using the effective yield method. Unrealized appreciation or depreciation, net of applicable deferred income taxes, on fixed maturities classified as available for sale is reported in Accumulated Other Comprehensive Loss (“AOCI”) included in Shareholders’ Equity.

Equity investments include common stocks, non-redeemable preferred stocks, exchange traded funds, mutual funds and limited liability companies, and investment partnerships in which the Company’s interests are deemed minor. Equity investments with readily determinable fair values are recorded as Equity Securities at Fair Value on the Consolidated Balance Sheets. Equity investments without readily determinable fair values are recorded as Equity Securities at Fair Value on the Consolidated Balance Sheets using the net asset value (“NAV”) per share practical expedient for estimating fair value. The changes in the fair value of such equity securities are reported as Change in Fair Value of Equity and Convertible Securities in the Consolidated Statements of Income (Loss). Dividend income on investments in common and non-redeemable preferred stocks is recognized on the ex-dividend date.

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 whereby changes in net asset values are recorded in Net Investment Income in the Consolidated Statements of Income (Loss). Partnerships for which results are not available on a timely basis are reported on a lag.

Short-term Investments include certificates of deposit and other fixed maturities that mature within one year from the date of purchase, U.S. Treasury bills, money market mutual funds and overnight interest-bearing accounts. Short-term Investments are reported at cost, which approximates fair value.

Company-Owned Life Insurance (“COLI”) is reported at cash surrender value with changes due to cost of insurance and investment experience reported in Net Investment Income in the Consolidated Statements of Income (Loss).

Loans to Policyholders are carried at unpaid principal balance.

Other Investments primarily include Equity Securities at Modified Cost, Convertible Securities at Fair Value, Real Estate, Mortgage Loans, and Alternative Energy Partnerships. Equity Securities at Modified Cost do not have readily determinable fair values and are held at cost, less impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. Investments in Convertible Securities include fixed maturities with equity conversion features. The Company has elected the fair value option method of accounting for investments in Convertible Securities and records Convertible Securities at fair value on the Consolidated Balance Sheets. Real Estate is carried at cost, net of accumulated depreciation. Real Estate is depreciated over the estimated useful life of the asset using the straight-line method of depreciation. Real Estate is evaluated for impairment when events or circumstances indicate the carrying value may not be recoverable. An impairment loss on real estate is recognized when the carrying value exceeds the sum of undiscounted projected future cash flows as well as the fair value, or, in the case of a property classified as held for sale, when the carrying value exceeds the fair value, net of costs to sell. Mortgage Loans are carried at amortized cost, net of a reserve for expected credit losses as applicable. Investments in Alternative Energy Partnerships are measured using the HLBV method of equity method accounting whereby changes in the estimated amount the Company would receive upon the liquidation and distribution of the equity investment’s net assets are recorded in Net Investment Income. Tax credits allocated from investments in Alternative Energy Partnerships are recognized using the flow-through method, where credits are recorded as a reduction to tax expense in the period earned. Differences in the basis calculated under tax law and GAAP are recognized using the income statement approach, where basis differences are recorded to Income Tax Expense (Benefit) immediately, rather than deferred as adjustments to the carrying value of the asset. Partnerships for which results are not available on a timely basis are reported on a lag.

Investments in Fixed Maturities - Impairment Losses

For fixed maturity investments that the Company intends to sell or for which it is more likely than not that the Company will be required to sell before an anticipated recovery of value, the full amount of the impairment is reported in Impairment

NOTE 2. SUMMARY OF ACCOUNTING POLICIES AND ACCOUNTING CHANGES (Continued)

Losses. The Company writes down the investment's amortized cost to its fair value, and will not adjust for any subsequent recoveries.

For fixed maturity investments that the Company does not intend to sell or for which it is more likely than not that the Company will not be required to sell before an anticipated recovery of value, the Company will evaluate whether a decline in fair value below the amortized cost basis has occurred from a credit loss or other factors (non-credit related). Considerations in the credit loss assessment include (1) extent to which the fair value has been less than amortized cost, (2) conditions related to the security, an industry, or a geographic area, (3) payment structure of the investment and the likelihood of the issuer's ability to make contractual cash flows, (4) defaults or other collectability concerns related to the issuer, (5) changes in the ratings assigned by a rating agency and (6) other credit enhancements that affect the investment's expected performance.

Any increase or decrease in the expected allowance for credit losses related to investments is recognized in Impairment Losses. The expected allowance for credit losses is limited by the amount that the fair value is less than the amortized cost basis and is adjusted for any additional expected credit losses or subsequent recoveries. The amortized cost basis of the investment is not adjusted for the expected allowance for credit loss. The impairment related to other factors (non-credit related) is reported in Other Comprehensive Income, net of income taxes.

The Company reports accrued investment income separately for available-for-sale fixed maturity securities and has elected not to measure an allowance for credit losses on accrued investment income. Accrued investment income is written off through Impairment Losses at the time the issuer of the bond defaults or is expected to default on interest payments.

Fair Value Measurements

The Company uses a hierarchical framework which prioritizes and ranks the market observability of inputs used in fair value measurements. Market price observability is affected by a number of factors, including the type of asset or liability and the characteristics specific to the asset or liability being measured. Assets and liabilities with readily available, active, quoted market prices or for which fair value can be measured from actively quoted prices generally are deemed to have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. The Company classifies the inputs used to measure fair value into one of three levels as follows:

- Level 1 — Quoted prices in an active market for identical assets or liabilities;
- Level 2 — Observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model-derived prices whose inputs are observable or whose significant value drivers are observable; and
- Level 3 — Significant unobservable inputs for the asset or liability being measured.

Observable inputs are based on market data obtained from independent sources, while unobservable inputs are based on the Company's market assumptions. Unobservable inputs require significant management judgment or estimation. In some cases, the inputs used to measure an asset or liability may fall into different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement. Such determination requires significant management judgment.

Deferred Policy Acquisition Costs

Costs directly associated with the successful acquisition of business, principally commissions and certain premium taxes and policy issuance costs, are deferred. Commissions for servicing policies are expensed as incurred, rather than deferred and amortized. Costs deferred on property and casualty insurance contracts and short-duration health insurance contracts are amortized over the period in which premiums are earned. Deferred costs on traditional life insurance products and other long duration insurance contracts are grouped by contract type and issue year into cohorts consistent with the grouping used in estimating the associated liability. These deferred costs are amortized on a constant level basis for grouped contracts over the expected term of the related contracts to approximate straight-line amortization. The expected term of the contract used for amortization is determined using mortality and termination assumptions that are based on the Company's experience, industry data, and other factors and are consistent with those used for the liability for future policyholder benefits. If those projected assumptions change in future periods, they will be reflected in the straight-line amortization horizon at that time. Unexpected terminations, due to higher mortality and termination experience than expected, are recognized in the current period as a reduction of the capitalized balances. Amortization of deferred policy acquisition costs is included in Insurance and Other Expenses in the Consolidated Statements of Income (Loss).

NOTE 2. SUMMARY OF ACCOUNTING POLICIES AND ACCOUNTING CHANGES (Continued)

Deferred Profit Liability

For limited-payment life products, gross premiums received in excess of net premiums are deferred at initial recognition as a deferred profit liability (“DPL”). Gross premiums are measured using assumptions consistent with those used in the measurement of the liability for future policyholder benefits, including discount rate, mortality, lapses, and expenses.

The DPL is amortized and recognized as premium revenue in proportion to insurance in force for nonparticipating limited-payment contracts. Interest is accreted on the balance of the DPL using the discount rate determined at contract issuance. The Company reviews and updates its estimates of cash flows for the DPL at the same time as the estimates of cash flows for the liability for future policyholder benefits. When cash flows are updated, the updated estimates are used to recalculate the DPL at contract issuance. The recalculated DPL as of the beginning of the current reporting period is compared to the carrying amount of the DPL as of the beginning of the current reporting period, and any difference is recognized as either an increase or decrease to Earned Premiums.

Goodwill

The cost of an acquired entity over the fair value of net assets acquired is reported as Goodwill. Goodwill is not amortized, but rather is tested for recoverability annually or when certain triggering events require testing.

Insurance Reserves

Reserves for losses and LAE on property and casualty insurance coverage and health insurance coverage represent the estimated claim cost and loss adjustment expense necessary to cover the ultimate net cost of investigating and settling all losses incurred and unpaid at the end of any given accounting period. Such estimates are based on individual case estimates for reported claims and estimates for incurred but not reported (“IBNR”) losses, including expected development on reported claims. These estimates are adjusted in the aggregate for ultimate loss expectations based on historical experience patterns and current economic trends, with any change in the estimated ultimate liabilities being reported in the Consolidated Statements of Income (Loss) in the period of change. Changes in such estimates may be material.

For life insurance products, the liability for future policyholder benefits is the present value of estimated future policyholder benefits to be paid to or on behalf of policyholders and certain related expenses, less the present value of estimated future net premiums to be collected from policyholders. The liability is estimated using current assumptions that include discount rate, mortality, lapses and expenses. These current assumptions are based on judgments that consider the Company’s historical experience, industry data, and other factors. The liability is adjusted for differences between actual and expected experience. The Company reviews and updates its estimate of cash flows expected over the lifetime of a group of contracts using actual historical experience quarterly and current future cash flow assumptions at least annually to calculate its revised net premium ratio. The revised net premium ratios are then used to calculate an updated liability for future policyholder benefits for the current reporting period, discounted at the original contract issuance discount rate. The Company has elected to use expense assumptions that are locked in at contract inception and are not subsequently reviewed or updated. Resulting changes in the liability due to differences in actual versus expected experience, changes in current cash flow assumptions, and prefunding and payout of benefits compared to the carrying amount of the liability as of that same date are recorded as a separate component of benefit expense in the Consolidated Statements of Income (Loss).

When a cohort’s present value of future net premiums exceeds the present value of future benefits, a “flooring” adjustment is required. The flooring adjustment ensures that the liability for future policy benefits for each cohort is not less than zero, and is reported in Net Income (Loss) or Other Comprehensive Income, depending on whether the flooring relates to the future policy benefits discounted at the locked-in discount rate versus the current upper-medium grade discount rate, respectively.

The current discount rate assumption is an equivalent spot rate curve of annually compounded rates at monthly increments that is derived based on A-credit rated fixed-income instruments reflecting the duration characteristics of the liability. The Company utilizes published corporate yield curves from Bloomberg’s BVAL Investment Grade Corporate Sector curve. The discount rate assumption is updated quarterly and used to remeasure the liability at the reporting date, with the resulting change reflected in Other Comprehensive Income (Loss). For liability cash flows that are projected beyond the maximum observable point on the yield curve, the yield grades to an ultimate forward rate.

Insurance Reserves for life insurance products are comprised of reserves for future policy benefits plus an estimate of the Company’s liability for unpaid life insurance claims and claims adjustment expenses, which includes an estimate for IBNR life insurance claims. The Company utilizes the database of reported deaths maintained by the Social Security Administration or

NOTE 2. SUMMARY OF ACCOUNTING POLICIES AND ACCOUNTING CHANGES (Continued)

other comparable database (a “Death master File” or “DMF”) to identify potential situations where the Company has yet to be notified of an insured’s death and, as appropriate, initiating an outreach process to identify and contact beneficiaries and settle claims.

Policyholder Obligations

Policyholder Obligations include Federal Home Loan Bank (“FHLB”) funding agreements used for spread lending purposes and universal life-type policyholder contracts and are stated at account balances.

Receivables from Policyholders - Allowance for Expected Credit Losses

The allowance for credit losses is a valuation account that is deducted from the receivables from policyholders based on the net amount expected to be collected on the insurance contract. Receivables from policyholders are charged off against the allowance when management believes the receivable is uncollectible. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Management estimates the allowance using relevant available information, from internal and external sources, related to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience on the receivables from policyholders provide the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current environmental conditions, primarily unemployment rates that could impact an insured’s ability to pay premiums.

Other Receivables

Other Receivables primarily include reinsurance recoverables, accrued investment income, and receivables from limited liability investments and investments in partnerships. Reinsurance Recoverables were \$25.6 million and \$24.3 million at December 31, 2025 and 2024, respectively. Accrued Investment Income was \$87.5 million and \$81.9 million at December 31, 2025 and 2024, respectively. Receivables from limited liability investments and investments in partnerships were \$0.2 million and \$0.3 million at December 31, 2025 and 2024, respectively.

Other Assets

Other Assets primarily include property and equipment, internal use software, right-of-use assets, insurance licenses acquired in business combinations, other intangible assets acquired in a business combination and prepaid expenses. Property and equipment is depreciated over the useful lives of the assets, generally using the straight-line or double declining balance methods of depreciation depending on the asset involved. Internal use software is amortized over the useful life of the asset using the straight-line method of amortization and is evaluated for recoverability upon identification of impairment indications. Insurance licenses acquired in business combinations and other indefinite life intangibles are not amortized, but rather tested periodically for recoverability.

The Company accounts for the value of business acquired (“VOBA”) based on actuarial estimates of the present value of future cash flows embedded in insurance in force as of an acquisition date. VOBA was \$10.5 million and \$12.1 million at December 31, 2025 and 2024, respectively. VOBA is amortized over the expected profit emergence period of the policies in force as of the acquisition date. The Company evaluates VOBA assets for recoverability annually.

The Company accounts for the future profits embedded in customer relationships (“Customer Relationships”) acquired based on the present value of estimated future cash flows from such relationships. Customer Relationships were \$1.1 million and \$1.5 million at December 31, 2025 and 2024, respectively, and are amortized on a straight-line basis over the estimated useful life of the relationship. Customer Relationships are tested for recoverability using undiscounted projections of future cash flows and are written down to estimated fair value if the carrying value exceeds the sum of such projections of undiscounted cash flows.

The Company accounts for the present value of the future profits embedded in broker or agent relationships acquired (“Agent Relationships”) based on the present value of estimated future cash flows from such acquired relationships or, using the cost recovery method, which estimates the ultimate cost to build a comparable distribution network. Agent Relationships were \$32.9 million and \$37.7 million at December 31, 2025 and 2024, respectively, and are amortized on a straight-line basis over the estimated useful life of the relationship. Agent Relationships are tested for recoverability using undiscounted projections of

NOTE 2. SUMMARY OF ACCOUNTING POLICIES AND ACCOUNTING CHANGES (Continued)

future cash flows and are written down to estimated fair value if the carrying value exceeds the sum of such projections of undiscounted cash flows.

Accrued Expenses and Other Liabilities

Accrued Expenses and Other Liabilities primarily include drafts payable, accrued salaries and commissions, postretirement medical benefits, lease liability and accrued taxes, licenses and fees.

Recognition of Earned Premiums and Related Expenses

Property and casualty insurance and short-duration health insurance premiums are deferred when written and recognized and earned ratably over the periods to which the premiums relate. Unearned Premiums represent the portion of the premiums written related to the unexpired portion of policies in force which has been deferred and is reported as a liability. The Company performs a premium deficiency analysis typically at a business level, namely Specialty Property & Casualty Insurance and Non-Core Operations, which is consistent with the manner in which the Company acquires and services policies and measures profitability. Anticipated investment income is included in this analysis. A premium deficiency is recognized when the sum of expected claim costs, claim adjustment expenses, unamortized deferred policy acquisition costs and maintenance costs exceeds the related unearned premiums and anticipated investment income by first reducing related deferred policy acquisition costs to an amount, but not below zero, at which the premium deficiency would not exist. If a premium deficiency remains after first reducing deferred policy acquisition costs, a premium deficiency reserve is established and reported as a liability in the Consolidated Financial Statements.

Traditional life insurance premiums are recognized as revenue when due. Policyholders' benefits are associated with related premiums to result in recognition of profits over the periods for which the benefits are provided using the net level premium method.

Policyholders' Benefits and Incurred Losses and Loss Adjustment Expenses include provisions for future policy benefits under life and certain accident and health insurance contracts and provisions for reported claims, estimates for IBNR claims and loss adjustment expenses. Benefit payments in excess of policy account balances are expensed.

Reinsurance

In the normal course of business, Kemper's insurance subsidiaries reinsure certain risks above certain retention levels with other insurance enterprises. These reinsurance agreements do not relieve Kemper's insurance subsidiaries of their legal obligations to the policyholder. Amounts recoverable from reinsurers are included in Other Receivables.

Gains related to long-duration reinsurance contracts are deferred and amortized over the life of the underlying reinsured policies. Losses related to long-duration reinsurance contracts are recognized immediately. Any gain or loss associated with reinsurance agreements for which Kemper's insurance subsidiaries have been legally relieved of their obligations to the policyholder is recognized in the period of relief.

Income Taxes

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance, if any, is maintained for the portion of deferred income tax assets that the Company does not expect to recover. Increases, if any, in the valuation allowance for deferred income tax assets are recognized as Income Tax Expense (Benefit). Decreases, if any, in the valuation allowance for deferred income tax assets are generally recognized as income tax benefit. The effect on deferred income tax assets and liabilities of a change in tax law including a change in tax rates is recognized in income from operations in the period in which the change is enacted.

The Company reports a liability for unrecognized tax benefits, if any, resulting from uncertain tax positions taken, or expected to be taken, in an income tax return, if any. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in Income Tax Expense (Benefit).

NOTE 2. SUMMARY OF ACCOUNTING POLICIES AND ACCOUNTING CHANGES (Continued)

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.

Noncontrolling Interests

Noncontrolling interest is the portion of equity (net assets) not attributable, directly or indirectly, to a parent. The Company has no ownership interest in Kemper Reciprocal, but consolidates it as the Company is considered the primary beneficiary.

Adoption of New Accounting Guidance

The Company has adopted all recently issued accounting pronouncements with effective dates prior to January 1, 2026.

Guidance Adopted in 2025

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 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, with early adoption permitted for annual financial statements that have not yet been issued or made available for issuance. The Company adopted this ASU and has included all required information in the Notes to the 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 Consolidated Financial Statements. The Company will continue to evaluate 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 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.

In December 2025, the FASB issued ASU 2025-11 *Narrow-Scope Improvements*, which clarifies the scope and application of interim reporting requirements. The amendments enhance guidance on the form and content of interim financial statements, and consolidate required interim disclosures across the Codification, including a new disclosure principle requiring entities to describe events or changes since the last annual reporting period that have a material impact on interim results. ASU 2025-11 is

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 2. SUMMARY OF ACCOUNTING POLICIES AND ACCOUNTING CHANGES (Continued)

effective for interim periods within annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of this guidance on its interim consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12 *Codification Improvements*, which includes technical corrections, clarifications, and other minor amendments intended to improve the consistency and usability of the FASB Accounting Standards Codification. The amendments address a variety of topics and are not intended to change existing accounting conclusions. ASU 2025-12 is effective for annual periods beginning after December 15, 2026, and interim periods within those fiscal years. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

NOTE 3. NET INCOME (LOSS) PER UNRESTRICTED SHARE

A reconciliation of the numerator and denominator used in the calculation of Basic Net Income (Loss) Per Unrestricted Share and Diluted Net Income (Loss) Per Unrestricted Share for the years ended December 31, 2025, 2024 and 2023 is presented below.

	2025	2024	2023
<u>DOLLARS IN MILLIONS</u>			
Net Income (Loss) attributable to Kemper Corporation	\$ 143.3	\$ 317.8	\$ (272.1)
<u>SHARES IN THOUSANDS</u>			
Weighted-average Unrestricted Shares Outstanding	62,010.7	64,179.5	64,025.6
Equity-based Compensation Equivalent Shares	595.5	596.5	—
Weighted-average Unrestricted Shares and Equivalent Shares Outstanding Assuming Dilution	<u>62,606.2</u>	<u>64,776.0</u>	<u>64,025.6</u>
Net Income (Loss) attributable to Kemper Corporation per Unrestricted Share:			
<u>PER UNRESTRICTED SHARE IN WHOLE DOLLARS</u>			
Basic Net Income (Loss) Per Unrestricted Share	<u>\$ 2.31</u>	<u>\$ 4.95</u>	<u>\$ (4.25)</u>
Diluted Net Income (Loss) Per Unrestricted Share	<u>\$ 2.29</u>	<u>\$ 4.91</u>	<u>\$ (4.25)</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 1.7 million, 1.4 million, and 3.6 million for the years ended December 31, 2025, 2024, and 2023, respectively.

NOTE 4. 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 and eliminations of certain inter-segment amounts. Non-Core Operations includes the results of the Preferred Insurance business which the Company expects to fully exit.

Segment Adjusted Net Operating Income (Loss)

The Company analyzes the operating performance of each segment using segment adjusted net operating income (loss). Segment adjusted net operating income (loss) does not equate to "net income (loss)" 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"), our Interim President and CEO, 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 (loss) is calculated by adjusting each segment's income (loss) after income taxes for the following items:

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 4. BUSINESS SEGMENTS (Continued)

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

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

The Company's earned premiums are derived in the United States. The accounting policies of the segments are the same as those described in Note 2, "Summary of Accounting Policies and Accounting Changes," to the Consolidated Financial Statements. Capital expenditures for long-lived assets by operating segment are immaterial.

It is the Company's management practice to allocate certain corporate expenses, primarily compensation costs for corporate employees and related facility costs, included in Insurance and Other Expenses in the Consolidated Statements of Income (Loss) to its insurance operations. Expenses are allocated based upon specific metrics associated with each business, including but not limited to claim counts, headcount, and budgeted premium. The Company does not allocate (Loss) Income from Change in Fair Value of Equity Securities, Net Realized Investment Gains (Losses), Impairment Losses, Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs, Debt Extinguishment, Pension Settlement and Other Charges, Goodwill Impairment Charges, Non-Core Operations, and Significant non-recurring or infrequent items that may not be indicative of ongoing operations to its operating segments.

Total Segment, Non-Core Operations, and Corporate and Other assets at December 31, 2025, 2024, and 2023 were:

<u>DOLLARS IN MILLIONS</u>	2025	2024	2023
Segment Assets:			
Specialty Property & Casualty Insurance ¹	\$ 6,932.8	\$ 6,352.9	\$ 6,145.9
Life Insurance	4,839.5	4,731.7	4,898.1
Total Segment Assets	11,772.3	11,084.6	11,044.0
Corporate and Other	332.3	774.7	623.7
Non-Core Operations	368.1	771.1	1,075.0
Total Assets ¹	<u>\$ 12,472.7</u>	<u>\$ 12,630.4</u>	<u>\$ 12,742.7</u>

¹Includes \$74.5 million, \$41.5 million, and \$4.6 million attributable to Kemper Reciprocal as of December 31, 2025, 2024, and 2023, respectively, which is reported as a consolidated variable interest entity.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 4. BUSINESS SEGMENTS (Continued)

Earned Premiums by product line for the years ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Specialty Property & Casualty Insurance:			
Personal Automobile	\$ 3,024.9	\$ 2,851.4	\$ 2,977.8
Commercial Automobile	900.8	725.0	654.7
Total Specialty Property & Casualty Insurance	3,925.7	3,576.4	3,632.5
Life Insurance:			
Life	330.6	328.1	319.2
Accident and Health	21.8	22.3	23.1
Property	41.0	43.5	45.3
Total Life Insurance	393.4	393.9	387.6
Total Segment Earned Premiums	4,319.1	3,970.3	4,020.1
Non-Core Operations	77.2	245.6	509.3
Total Earned Premiums	<u>\$ 4,396.3</u>	<u>\$ 4,215.9</u>	<u>\$ 4,529.4</u>

Segment Revenues, including a reconciliation to Total Revenues, for the years ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Segment Revenues:			
Specialty Property & Casualty Insurance:			
Earned Premiums	\$ 3,925.7	\$ 3,576.4	\$ 3,632.5
Net Investment Income	211.2	189.6	168.3
Other Income	8.9	6.1	6.1
Total Specialty Property & Casualty Insurance	4,145.8	3,772.1	3,806.9
Life Insurance:			
Earned Premiums	393.4	393.9	387.6
Net Investment Income	188.2	170.6	193.4
Other Income	1.6	1.1	0.5
Total Life Insurance	583.2	565.6	581.5
Total Segment Revenues	4,729.0	4,337.7	4,388.4
Change in Fair Value of Equity and Convertible Securities	(4.3)	(2.7)	4.7
Non-Core Operations	84.9	282.4	558.4
Net Realized Investment Gains (Losses), Impairment Losses, and Other ¹	(19.9)	21.2	(7.3)
Total Revenues	<u>\$ 4,789.7</u>	<u>\$ 4,638.6</u>	<u>\$ 4,944.2</u>

¹During 2025, the Company elected to change the presentation of Net Realized Investment Gains (Losses), Impairment Losses, and Other by combining them into a single line item. Prior-period amounts have been recast to conform to the current-period presentation.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 4. BUSINESS SEGMENTS (Continued)

Significant Segment Expenses that were regularly provided to the CODM for the years ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Segment Expenses:			
Specialty Property & Casualty Insurance:			
Current Year			
Non-catastrophe Losses and LAE	\$ 2,991.1	\$ 2,514.8	\$ 2,974.5
Catastrophe Losses and LAE	11.5	19.9	34.5
Prior Years			
Non-catastrophe Losses and LAE	74.8	6.3	135.2
Catastrophe Losses and LAE	(0.2)	0.7	(2.3)
Total Incurred Losses and LAE	<u>3,077.2</u>	<u>2,541.7</u>	<u>3,141.9</u>
Policy Acquisition Costs ¹	539.4	478.7	496.4
Business Unit Operating Costs ²	160.9	145.0	107.8
Corporate Overhead Costs ³	136.3	135.8	137.1
Total Insurance Expenses	<u>836.6</u>	<u>759.5</u>	<u>741.3</u>
Income Tax Expense (Benefit)	44.9	94.6	(19.2)
Total Specialty Property & Casualty Insurance	<u>3,958.7</u>	<u>3,395.8</u>	<u>3,864.0</u>
Life Insurance:			
Policyholders' Benefits and Incurred Losses and LAE	238.7	234.5	243.4
Policy Acquisition Costs ¹	129.1	133.9	140.0
Business Unit Operating Costs ²	101.6	96.9	96.7
Corporate Overhead Costs ³	33.7	41.3	39.1
Total Insurance Expenses	<u>264.4</u>	<u>272.1</u>	<u>275.8</u>
Income Tax Expense	11.6	8.8	10.5
Total Life Insurance	<u>514.7</u>	<u>515.4</u>	<u>529.7</u>
Total Segment Expenses	<u>\$ 4,473.4</u>	<u>\$ 3,911.2</u>	<u>\$ 4,393.7</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. Refer to Footnote 2, "Summary of Accounting Policies and Accounting Changes" for discussion of the Company's accounting policy related to Deferred Policy Acquisition Costs.

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 Consolidated Financial Statements

NOTE 4. BUSINESS SEGMENTS (Continued)

Total Segment Adjusted Consolidated Net Operating Income (Loss), including a reconciliation to Net Income (Loss) attributable to Kemper Corporation, for the years ended December 31, 2025, 2024 and 2023 was:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Segment Adjusted Net Operating Income:			
Specialty Property & Casualty Insurance			
Revenues	\$ 4,145.8	\$ 3,772.1	\$ 3,806.9
Expenses	(3,958.7)	(3,395.8)	(3,864.0)
Specialty Property & Casualty Insurance Adjusted Net Operating Income (Loss)	187.1	376.3	(57.1)
Life Insurance			
Revenues	583.2	565.6	581.5
Expenses	(514.7)	(515.4)	(529.7)
Life Insurance Adjusted Net Operating Income	68.5	50.2	51.8
Total Segment Adjusted Net Operating Income	255.6	426.5	(5.3)
Corporate and Other Adjusted Net Operating Loss	(40.8)	(50.3)	(42.1)
Less: Net Loss attributable to Noncontrolling Interest	(10.7)	(5.3)	(0.2)
Net (Loss) Income From:			
Change in Fair Value of Equity and Convertible Securities	(3.4)	(2.1)	3.7
Net Realized Investment Gains (Losses)	4.3	10.4	(14.7)
Impairment Losses	(8.5)	(4.6)	(0.9)
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	(43.1)	(31.8)	(95.0)
Debt Extinguishment, Pension Settlement, and Other Charges	0.4	(7.4)	(55.5)
Goodwill Impairment Charges	—	—	(45.5)
Non-Core Operations	(31.9)	(28.2)	(17.0)
Net Income Attributable to Kemper Corporation	<u>\$ 143.3</u>	<u>\$ 317.8</u>	<u>\$ (272.1)</u>

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES

The Company's Property and Casualty Insurance Reserves are reported using the Company's estimate of its ultimate liability for losses and LAE for claims that occurred prior to the end of any given accounting period but have not yet been paid. Such estimates are based on individual case estimates for reported claims and estimates for IBNR losses, including expected development on reported claims. Property and Casualty Insurance Reserves are recorded net of any expected salvage and subrogation recoveries.

The determination of individual case reserves differs by line of business. For personal automobile insurance and commercial automobile insurance, case reserves are set primarily using statistical reserves that are based on studies of historical average paid amounts by state, coverage and product. However, when such reserves exceed certain thresholds they are set manually by adjusters. For preferred homeowners insurance and other personal insurance, case reserves are set by adjusters and are based on the adjusters' estimates of the amount for which the claims will ultimately be paid.

The Company's actuaries estimate ultimate losses and LAE and, therefore, reserves at least quarterly for most product lines and/or coverage levels using accident quarters or years spanning 10 or more years, depending on the size of the product line and/or coverage level or emerging issues relating to them. The Company's actuaries use a variety of generally accepted actuarial loss reserving estimation methodologies to estimate the ultimate losses and LAE for the current accident quarter or year and re-estimate the ultimate losses and LAE for previous accident quarters or years to determine if changes in the previous estimates of the ultimate losses and LAE are indicated by the most recent data.

The key assumption in these estimation methodologies is that patterns observed in prior periods are indicative of how losses and LAE are expected to develop in the future and that such historical data can be used to predict and estimate ultimate losses and LAE. However, changes in the Company's business processes, by their very nature, are likely to affect the development patterns, which generally results in the historical development factors becoming less reliable over time in predicting how losses

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

and LAE will ultimately develop. The Company's actuaries use professional judgment in determining how much weight to place on the development patterns based on the older historical data and how much weight to place on the development patterns based on more recent data. In some cases, the Company's actuaries make adjustments to the loss reserving estimation methodologies to estimate ultimate losses and LAE. The Company's actuaries' quarterly or yearly selections are summed by product and/or coverage levels to create the actuarial indication of the ultimate losses and LAE. Paid amounts are then subtracted from the ultimates to compute the reserves for property and casualty insurance losses and LAE. These results are reviewed by the Company's actuaries and corporate management who apply their collective judgment and determine the appropriate estimated level of reserves to record. Numerous factors are considered in this determination process, including, but not limited to, the assessed reliability of key loss trends and assumptions that may be significantly influencing the current actuarial indications, changes in claim handling practices or other changes that affect the timing of payment or development patterns, changes in the mix of business, the maturity of the accident year, pertinent trends observed over the recent past, the level of volatility within a particular line of business, the improvement or deterioration of actuarial indications in the current period as compared to prior periods, and the amount of reserves related to third party pools for which the Company has limited access to the underlying data and, accordingly, relies on calculations provided by such pools. The Company's goal is to ensure that its total reserves for property and casualty insurance losses and LAE are adequate to cover all costs, while sustaining minimal variation from the time reserves for losses and LAE are initially estimated until losses and LAE are fully developed. Changes in the Company's estimates of these losses and LAE over time, also referred to as "development," will occur and may be material.

The following tables contain information about incurred and paid claims development as of and for the year ended December 31, 2025, net of reinsurance and indemnification, as well as cumulative claim frequency and the total of IBNR liabilities, including expected development on reported claims included within the net incurred losses and allocated LAE amounts. The tables are grouped by major product line and, if relevant, coverage. The information about incurred and paid claims development for the years ended December 31, 2021 through 2024 is presented as supplementary information and is unaudited.

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

Specialty Personal Automobile Insurance—Liability¹

DOLLARS IN MILLIONS, EXCEPT CUMULATIVE INCURRED CLAIMS

						As of December 31, 2025	
Incurred Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,						Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
Accident Year	2021	2022	2023	2024	2025		
2021	\$ 1,856.9	\$ 1,824.7	\$ 1,844.2	\$ 1,861.0	\$ 1,876.3	\$ 40.8	586,733
2022		1,765.9	1,848.7	1,880.7	1,908.3	69.5	475,955
2023			1,448.7	1,391.7	1,398.9	89.2	307,191
2024				1,224.4	1,142.7	148.5	238,155
2025					1,536.0	630.3	219,453
Total					7,862.2		

Cumulative Paid Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,					
Accident Year	2021	2022	2023	2024	2025
2021	\$ 657.1	\$ 1,429.4	\$ 1,680.8	\$ 1,767.5	\$ 1,815.9
2022		738.2	1,463.3	1,700.4	1,800.3
2023			580.4	1,092.8	1,259.3
2024				422.6	879.8
2025					518.8
Total					6,274.1
Outstanding Loss and Allocated LAE Reserves on Accident Years before 2021, Net of Reinsurance					49.5
Loss and Allocated LAE Reserves, Net of Reinsurance					\$ 1,637.6

¹ Tables retrospectively include American Access Casualty Company's ("AAC"), acquired in 2021, historical incurred and paid accident year claim information for all periods presented.

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

Specialty Personal Automobile Insurance—Physical Damage¹

DOLLARS IN MILLIONS, EXCEPT CUMULATIVE INCURRED CLAIMS

Accident Year	Incurred Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,					As of December 31, 2025	
	2021	2022	2023	2024	2025	Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2021	\$ 958.0	\$ 967.5	\$ 967.2	\$ 967.4	\$ 969.5	\$ 1.1	362,023
2022		993.5	989.5	990.0	992.6	1.5	309,194
2023			722.6	715.8	720.4	2.6	206,702
2024				500.8	491.4	1.6	143,660
2025					502.3	(10.6)	138,631
Total					3,676.2		

Accident Year	Cumulative Paid Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,				
	2021	2022	2023	2024	2025
2021	\$ 890.1	\$ 977.5	\$ 968.3	\$ 967.2	\$ 968.0
2022		921.9	997.8	990.5	990.5
2023			699.2	720.7	717.5
2024				466.7	489.4
2025					485.1
Total					3,650.5
	Outstanding Loss and Allocated LAE Reserves on Accident Years before 2021, Net of Reinsurance				(2.2)
	Loss and Allocated LAE Reserves, Net of Reinsurance				\$ 23.5

¹ Tables retrospectively include AAC's, acquired in 2021, historical incurred and paid accident year claim information for all periods presented.

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

Commercial Automobile Insurance—Liability

DOLLARS IN MILLIONS, EXCEPT CUMULATIVE INCURRED CLAIMS

Accident Year	Incurred Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,					As of December 31, 2025	
	2021	2022	2023	2024	2025	Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2021	\$ 225.6	\$ 228.6	\$ 240.4	\$ 250.4	\$ 263.6	\$ 10.5	27,517
2022		305.1	309.1	317.9	343.8	33.2	32,562
2023			379.9	361.7	408.7	68.6	35,702
2024				406.6	398.8	139.8	33,611
2025					519.4	334.6	32,794
Total					1,934.3		

Accident Year	Cumulative Paid Losses and Allocated LAE, Net of Reinsurance and Indemnification For the Years Ended December 31,				
	2021	2022	2023	2024	2025
2021	\$ 50.8	\$ 128.0	\$ 168.6	\$ 208.3	\$ 241.5
2022		72.2	159.0	222.1	273.0
2023			87.5	189.6	278.9
2024				69.1	179.7
2025					87.0
Total					1,060.1
	Outstanding Loss and Allocated LAE Reserves on Accident Years before 2021, Net of Reinsurance				13.8
	Loss and Allocated LAE Reserves, Net of Reinsurance				\$ 888.0

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

Commercial Automobile Insurance—Physical Damage

DOLLARS IN MILLIONS, EXCEPT CUMULATIVE INCURRED CLAIMS

As of December 31, 2025

Accident Year	Incurred Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,					Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	2021	2022	2023	2024	2025		
2021	\$ 52.4	\$ 51.9	\$ 51.6	\$ 51.8	\$ 51.8	\$ 0.3	17,705
2022		74.5	74.7	74.8	74.9	0.5	21,578
2023			90.0	87.5	87.4	0.7	20,263
2024				81.6	73.8	(0.6)	17,716
2025					80.1	7.4	18,183
Total					368.0		

Accident Year	Cumulative Paid Losses and Allocated LAE, Net of Reinsurance and Indemnification For the Years Ended December 31,				
	2021	2022	2023	2024	2025
2021	\$ 43.3	\$ 51.9	\$ 51.4	\$ 51.5	\$ 51.5
2022		66.8	74.6	74.2	74.4
2023			80.6	86.9	86.6
2024				66.1	74.3
2025					65.4
Total					352.2
Outstanding Loss and Allocated LAE Reserves on Accident Years before 2021, Net of Reinsurance					—
Loss and Allocated LAE Reserves, Net of Reinsurance					\$ 15.8

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

Non-Core Personal Automobile Insurance—Liability

DOLLARS IN MILLIONS, EXCEPT CUMULATIVE INCURRED CLAIMS

						As of December 31, 2025	
Incurred Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,						Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
Accident Year	2021	2022	2023	2024	2025		
2021	\$ 176.9	\$ 179.8	\$ 180.6	\$ 182.0	\$ 181.7	\$ 1.3	27,263
2022		165.0	172.4	173.5	174.5	3.1	24,308
2023			135.0	137.5	139.3	8.1	16,917
2024				58.7	59.6	7.4	6,956
2025					21.6	8.3	1,720
Total					576.7		

Cumulative Paid Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,					
Accident Year	2021	2022	2023	2024	2025
2021	\$ 50.3	\$ 106.1	\$ 144.1	\$ 161.9	\$ 172.3
2022		55.0	111.0	139.1	158.3
2023			43.7	84.6	113.0
2024				19.6	39.0
2025					6.6
Total					489.2
Outstanding Loss and Allocated LAE Reserves on Accident Years before 2021, Net of Reinsurance					5.1
Loss and Allocated LAE Reserves, Net of Reinsurance					\$ 92.6

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

Non-Core Personal Automobile Insurance—Physical Damage

DOLLARS IN MILLIONS, EXCEPT CUMULATIVE INCURRED CLAIMS

Accident Year	Incurred Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,					As of December 31, 2025	
	2021	2022	2023	2024	2025	Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2021	\$ 118.5	\$ 117.9	\$ 117.1	\$ 117.1	\$ 117.1	\$ —	53,493
2022		110.9	113.5	113.6	113.6	—	48,165
2023			86.6	84.7	84.9	(0.1)	33,966
2024				31.7	32.3	(0.2)	12,938
2025					8.3	—	2,689
Total					356.2		

Accident Year	Cumulative Paid Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,				
	2021	2022	2023	2024	2025
2021	\$ 113.1	\$ 118.1	\$ 117.2	\$ 117.1	\$ 117.1
2022		108.7	114.6	113.7	113.6
2023			84.8	85.4	85.0
2024				32.1	32.5
2025					7.9
Total					356.1
Outstanding Loss and Allocated LAE Reserves on Accident Years before 2021, Net of Reinsurance					—
Loss and Allocated LAE Reserves, Net of Reinsurance					\$ 0.1

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

Non-Core Homeowners Insurance

DOLLARS IN MILLIONS, EXCEPT CUMULATIVE INCURRED CLAIMS

Accident Year	Incurred Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,					As of December 31, 2025	
	2021	2022	2023	2024	2025	Total of IBNR Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2021	\$ 149.9	\$ 149.8	\$ 143.9	\$ 144.3	\$ 143.8	\$ 0.4	13,457
2022		142.7	152.7	155.2	154.9	1.0	11,533
2023			126.6	135.3	135.8	1.1	9,979
2024				80.6	78.4	1.0	4,411
2025					12.2	1.8	526
Total					525.1		

Accident Year	Cumulative Paid Losses and Allocated LAE, Net of Reinsurance For the Years Ended December 31,				
	2021	2022	2023	2024	2025
2021	\$ 100.6	\$ 132.6	\$ 139.7	\$ 141.3	\$ 142.1
2022		97.0	141.2	149.3	152.6
2023			84.7	127.8	132.8
2024				59.2	74.1
2025					8.2
Total					509.8
Outstanding Loss and Allocated LAE Reserves on Accident Years before 2021, Net of Reinsurance					1.7
Loss and Allocated LAE Reserves, Net of Reinsurance					\$ 17.0

The claim counts in the preceding tables are cumulative reported claim counts as of December 31, 2025 and are equal to the sum of cumulative open and cumulative closed claims, including claims closed without payment. Certain product lines, particularly the Company's specialty personal automobile insurance, tend to have a higher percentage of claims closed without payment.

The Company's claims associated with automobile insurance are counted at the feature level. As such, each claimant and each coverage is counted separately. For example, if for one occurrence, the Company's policyholder is at fault for damage to his/her own vehicle, another party's vehicle and three injured parties, there may be five features—three for bodily injury liability, one for property damage liability and one for first-party collision coverage. There may also be another feature for first-party medical payments.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

The following table reconciles the net incurred and paid claims development tables presented above to the Company's liability for Property and Casualty Insurance Reserves included in the Consolidated Balance Sheets at December 31, 2025.

<i>DOLLARS IN MILLIONS</i>	2025
Property and Casualty Insurance Reserves, Net of Reinsurance:	
Specialty Personal Automobile Insurance—Liability ¹	\$ 1,637.6
Specialty Personal Automobile Insurance—Physical Damage ¹	23.5
Commercial Automobile Insurance—Liability	888.0
Commercial Automobile Insurance—Physical Damage	15.8
Non-Core Personal Automobile Insurance—Liability	92.6
Non-Core Personal Automobile Insurance—Physical Damage	0.1
Non-Core Homeowners Insurance	17.0
Other	29.9
Total	<u>\$ 2,704.5</u>
Reinsurance Recoverables on Unpaid Losses and Allocated LAE:	
Specialty Personal Automobile Insurance—Liability	\$ 5.2
Non-Core Preferred Personal Automobile Insurance—Liability	18.9
Non-Core Homeowners Insurance	—
Other	1.5
Total	<u>25.6</u>
Unallocated LAE	<u>210.1</u>
Property and Casualty Insurance Reserves, Gross of Reinsurance ¹	<u>\$ 2,940.2</u>

¹Includes \$29.1 million and \$0.3 million of Specialty Personal Automobile Liability and Physical Damage Insurance Reserves, respectively, related to Kemper Reciprocal, which is reported as a consolidated variable interest entity.

The following is supplementary information about average historical claims duration as of December 31, 2025.

Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance (Unaudited)					
Years	1	2	3	4	5
Specialty Personal Automobile Insurance—Liability	37.2 %	77.0 %	89.6 %	94.3 %	96.8 %
Specialty Personal Automobile Insurance—Physical Damage	94.7	100.0	100.0	99.8	99.8
Commercial Automobile Insurance—Liability	19.1	46.6	65.6	79.2	91.6
Commercial Automobile Insurance—Physical Damage	87.2	100.0	100.0	100.0	100.0
Non-Core Preferred Personal Automobile Insurance—Liability	30.8	62.0	80.1	89.9	94.8
Non-Core Preferred Personal Automobile Insurance—Physical Damage	97.3	100.0	100.0	100.0	100.0
Non-Core Homeowners Insurance	67.5	93.0	97.1	98.4	98.8

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 5. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

Property and Casualty Insurance Reserve activity for the years ended December 31, 2025, 2024 and 2023 was:

<i><u>DOLLARS IN MILLIONS</u></i>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Property and Casualty Insurance Reserves:			
Gross of Reinsurance at Beginning of Year	\$ 2,611.9	\$ 2,680.5	\$ 2,756.9
Less: Reinsurance Recoverables at Beginning of Year	24.3	27.8	39.6
Property and Casualty Insurance Reserves, Net of Reinsurance at Beginning of Year	2,587.6	2,652.7	2,717.3
Incurred Losses and LAE related to:			
Current Year	3,025.6	2,745.9	3,429.9
Prior Years	76.0	29.8	159.8
Total Incurred Losses and LAE	3,101.6	2,775.7	3,589.7
Paid Losses and LAE related to:			
Current Year:	1,424.9	1,383.0	1,965.3
Prior Years	1,379.1	1,457.8	1,689.0
Total Paid Losses and LAE	2,804.0	2,840.8	3,654.3
Property and Casualty Insurance Reserves, Net of Reinsurance at End of Year	2,885.2	2,587.6	2,652.7
Plus: Reinsurance Recoverables at End of Year	25.6	24.3	27.8
Property and Casualty Insurance Reserves, Gross of Reinsurance at End of Year	<u>\$ 2,910.8</u>	<u>\$ 2,611.9</u>	<u>\$ 2,680.5</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 Consolidated Statements of Income (Loss) in the period of change. Additionally, the Company reviews if any premium revisions are appropriate as a result of any incurred losses and LAE related to prior years recorded in the current period. For the year ended December 31, 2025, 2024 and 2023, no premium revisions were deemed necessary as a result of any incurred losses or LAE related to prior years recorded in the current year.

In 2025, the net adverse prior year development of \$76.0 million included \$76.5 million of adverse reserve development on prior accident years which was primarily attributable to evolving loss patterns and higher defense costs associated with attorney-represented bodily injury coverages in the Commercial Automobile product line and higher losses on litigated claims, partially offset by favorable development on other Specialty Personal Automobile and Commercial Automobile coverages.

In 2024, the net adverse prior year development of \$29.8 million included \$22.6 million of adverse reserve development on prior accident years which was primarily attributable to increased claim severity on homeowners, umbrella, and bodily injury coverages within Non-Core Operations. Additionally, the Company experienced adverse development of \$7.2 million on its Commercial Automobile business within the Specialty Property and Casualty Insurance segment, driven by higher than expected loss emergence on bodily injury coverages.

In 2023, the net adverse prior year development of \$159.8 million included \$108.7 million of unfavorable prior year development within the Specialty Personal Automobile product line, primarily driven by Florida personal injury protection experiencing increased frequency and severity resulting from more litigated claim activity, as well as adverse development from bodily injury and property damage coverages. In addition, the Company experienced \$24.2 million and \$24.8 million of adverse development on the Commercial Automobile product and Non-Core Operations business, respectively, which was primarily attributable to higher than expected emergence on prior accident years within the bodily injury and physical damage coverages.

The Company cannot predict whether loss and LAE reserves will develop favorably or unfavorably from the amounts reported in the 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. PROPERTY AND CASUALTY INSURANCE RESERVES (Continued)

Reinsurance recoverables on property and casualty insurance reserves were \$25.6 million and \$24.3 million at December 31, 2025 and 2024, respectively. These recoverables are concentrated with several reinsurers, including state-legislated reinsurance entities funded through statutory assessments, as well as commercial reinsurers; the commercial reinsurers are highly rated by one or more of the principal investor and/or insurance company rating agencies. While most of these recoverables were unsecured at December 31, 2025 and 2024, the agreements with the reinsurers generally provide for some form of collateralization upon the occurrence of certain events.

NOTE 6. 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 policyholder benefits include mortality, lapses, and discount rates (both accretion and current). The Company's actuaries review assumptions used to measure the liability for future policyholder benefits for nonparticipating traditional and limited pay long-duration contracts at least annually. If there is a change, assumptions are updated with the recognition and remeasurement recorded in the Company's Consolidated Statements of Income. The Company's actuaries use a variety of generally accepted actuarial methodologies, in accordance with Actuarial Standards of Practice, in determining the assumptions.

A key assumption in these estimation methodologies is that patterns observed in prior periods are indicative of how policyholder benefits are expected to develop in the future and that such historical data can be used to predict and estimate future losses. However, changes in the Company's business processes and the macroeconomic environment, by their very nature, are likely to affect the actual to expected experience which generally results in the historical experience factors becoming less reliable over time in predicting how cash flows will ultimately develop. The Company's actuaries use professional judgment in determining how much weight to place on the actual to expected experience based on the older historical data and how much weight to place on more recent experience data. In some cases, the Company's actuaries make adjustments to the assumptions to estimate losses. These assumptions are reviewed by the Company's actuaries and corporate management who apply their collective judgment and determine the appropriate assumptions to adopt for the underlying business. Numerous factors are considered in this determination process, including, but not limited to, the assessed reliability of key assumptions that may be significantly influencing the current actuarial indications, changes in pricing and product offerings, changes in customer base, changes in agency operations or other changes that affect the timing of payments, the policyholder behaviors observed over the recent past, the level of volatility within a particular line of business, and the improvement or deterioration of actuarial indications in the current period as compared to prior periods. Changes in the Company's assumptions underlying these liabilities over time will occur and may be material.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 6. LIABILITY FOR FUTURE POLICYHOLDER BENEFITS (Continued)

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 years ended December 31, 2025, 2024 and 2023:

DOLLARS IN MILLIONS

		Year Ended		
		Dec 31, 2025	Dec 31, 2024	Dec 31, 2023
Present Value of Expected Net Premiums	Balance, Beginning of Year	\$ 646.1	\$ 675.4	\$ 688.6
	Beginning Balance at Original Discount Rate	\$ 681.0	\$ 694.7	\$ 728.9
	Effect of Changes in Cash Flow Assumptions	(28.5)	(56.6)	(35.7)
	Effect of Actual Variances from Expected Experience	17.6	0.3	(38.5)
	Adjusted Beginning of Period Balance	670.1	638.4	654.7
	Issuances	83.1	105.4	105.2
	Interest Accrual	29.6	31.0	29.7
	Net Premiums Collected	(96.2)	(93.8)	(94.9)
	Ending Balance at Original Discount Rate	686.6	681.0	694.7
	Effect of Changes in Discount Rate Assumptions	(14.0)	(34.9)	(19.3)
	Balance, End of Year	\$ 672.6	\$ 646.1	\$ 675.4
Present Value of Expected Future Policyholder Benefits	Balance, Beginning of Year	\$ 3,295.9	\$ 3,613.2	\$ 3,561.0
	Beginning Balance at Original Discount Rate	\$ 3,812.1	\$ 3,835.9	\$ 3,906.2
	Effect of Changes in Cash Flow Assumptions	(37.8)	(68.5)	(59.0)
	Effect of Actual Variances From Expected Experience	12.6	(7.0)	(45.5)
	Adjusted Beginning of Period Balance	3,786.9	3,760.4	3,801.7
	Issuances	83.1	105.5	104.6
	Interest Accrual	167.9	170.5	171.0
	Benefit Payments	(231.3)	(224.3)	(241.4)
	Ending Balance at Original Discount Rate	3,806.6	3,812.1	3,835.9
	Effect of Changes in Discount Rate Assumptions	(458.1)	(516.2)	(222.7)
	Balance, End of Year	\$ 3,348.5	\$ 3,295.9	\$ 3,613.2
	Net Liability for Future Policyholder Benefits, pre-flooring	\$ 2,675.9	\$ 2,649.8	\$ 2,937.8
	Cumulative impact of flooring the future Policyholder Benefits Reserve	—	—	—
	Net Liability for Future Policyholder Benefits, post-flooring	2,675.9	2,649.8	2,937.8
	Less: Reinsurance Recoverable	—	—	—
	Net Liability for Future Policyholder Benefits, After Reinsurance Recoverable	\$ 2,675.9	\$ 2,649.8	\$ 2,937.8

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

	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023
Weighted-Average Liability Duration of the Liability for Future Policyholder Benefits (Years)	13.3	13.9	15.3

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 6. LIABILITY FOR FUTURE POLICYHOLDER BENEFITS (Continued)

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

<u>DOLLARS IN MILLIONS</u>	Dec 31, 2025	Dec 31, 2024
Net Liability for Future Policyholder Benefits, post-flooring	\$ 2,675.9	\$ 2,649.8
Deferred Profit Liability	481.7	412.1
Other ¹	129.9	137.8
Total Life and Health Insurance Reserves	<u>\$ 3,287.5</u>	<u>\$ 3,199.7</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, is as follows:

<u>DOLLARS IN MILLIONS</u>	Dec 31, 2025	Dec 31, 2024
Expected Future Benefit Payments, undiscounted	\$ 9,981.3	\$ 10,100.0
Expected Future Gross Premiums, undiscounted	\$ 3,830.7	\$ 3,976.4
Expected Future Gross Premiums, discounted	\$ 2,614.7	\$ 2,628.1

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

<u>DOLLARS IN MILLIONS</u>	Year Ended		
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023
Gross Premiums or Assessments	\$ 398.6	\$ 399.6	\$ 399.0
Interest Expense	\$ 138.2	\$ 139.5	\$ 141.3

The weighted-average interest rate is as follows:

	Dec 31, 2025	Dec 31, 2024
Interest Accretion Rate	4.53 %	4.55 %
Current Discount Rate	5.71 %	5.77 %

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 reviewed and updated mortality and lapse assumptions during the fourth quarter of 2025. Market data that underlies current discount rates was updated as of December 31, 2025.

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

<u>DOLLARS IN MILLIONS</u>	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023
Balance, beginning of period	\$ 412.1	\$ 337.8	\$ 253.6
Annual assumption changes	6.3	4.8	15.0
Profits deferred	156.6	160.7	163.1
Interest accrual	20.2	17.1	13.2
Amortization	(115.9)	(110.7)	(111.2)
Effect of actual variances from expected experience and other changes	2.4	2.4	4.1
Balance, end of period	<u>\$ 481.7</u>	<u>\$ 412.1</u>	<u>\$ 337.8</u>

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 7. DEFERRED POLICY ACQUISITION COSTS

The following table presents 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 years ended December 31, 2025, 2024 and 2023:

<i>DOLLARS IN MILLIONS</i>	Specialty	Life	Segment Total	Non-Core Operations	Total
Balance, January 1, 2023	\$ 192.7	\$ 404.8	\$ 597.5	\$ 38.1	\$ 635.6
Capitalizations	446.3	62.1	508.4	54.9	563.3
Amortization Expense ¹	(496.4)	(39.9)	(536.3)	(71.0)	(607.3)
Balance, December 31, 2023	\$ 142.6	\$ 427.0	\$ 569.6	\$ 22.0	\$ 591.6
Capitalizations	494.3	68.7	563.0	13.4	576.4
Amortization Expense ¹	(474.1)	(32.6)	(506.7)	(31.3)	(538.0)
Balance, December 31, 2024 ²	\$ 162.8	\$ 463.1	\$ 625.9	\$ 4.1	\$ 630.0
Capitalizations	530.9	63.5	594.4	6.3	600.7
Amortization Expense ^{1,3}	(534.9)	(29.5)	(564.4)	(9.6)	(574.0)
Balance, December 31, 2025 ²	\$ 158.8	\$ 497.1	\$ 655.9	\$ 0.8	\$ 656.7

¹ The Life Insurance segment includes increases to amortization expense related to experience adjustments of \$4.6 million, \$7.4 million, and \$15.6 million for the years ended December 31, 2025, 2024, and 2023, respectively.

² Includes \$1.3 million and \$1.1 million attributable to Kemper Reciprocal as of December 31, 2025 and 2024, respectively, which is reported as a consolidated variable interest entity.

³ Includes \$2.0 million of impairment within Non-Core Operations related to a premium deficiency recognized during the year.

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 made changes to future assumptions in the fourth quarter for the Life and Health business for the years ended December 31, 2025, 2024, and 2023.

NOTE 8. 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 December 31, 2025 and 2024, and a roll forward of changes in the allowance for expected credit losses for the years ended December 31, 2025 and 2024.

(Dollars in Millions)	Year Ended December 31, 2025				
	Specialty	Life	Total Segments	Non-Core Operations	Total Allowance for Expected Credit Losses
Balance at Beginning of Year	\$ 2.6	\$ —	\$ 2.6	\$ 0.3	\$ 2.9
Provision for Expected Credit Losses	53.7	0.2	53.9	0.3	54.2
Write-offs of Uncollectible Receivables from Policyholders	(54.4)	(0.2)	(54.6)	(0.5)	(55.1)
Balance at End of Year	\$ 1.9	\$ —	\$ 1.9	\$ 0.1	\$ 2.0
Receivable Balance at End of Year ¹	\$ 957.3	\$ 10.8	\$ 968.1	\$ 7.5	\$ 975.6

¹ Specialty, Total Segments, and Total includes \$10.4 million attributable to Kemper Reciprocal, which is reported as a consolidated variable interest entity.

Kemper Corporation and Subsidiaries
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NOTE 8. RECEIVABLES FROM POLICYHOLDERS - ALLOWANCE FOR EXPECTED CREDIT LOSSES (Continued)

(Dollars in Millions)	Year Ended December 31, 2024				
	Specialty	Life	Total Segments	Non-Core Operations	Total Allowance for Expected Credit Losses
Balance at Beginning of Year	\$ 12.9	\$ —	\$ 12.9	\$ 1.0	\$ 13.9
Provision for Expected Credit Losses	38.9	0.3	39.2	0.4	39.6
Write-offs of Uncollectible Receivables from Policyholders	(49.2)	(0.3)	(49.5)	(1.1)	(50.6)
Balance at End of Year	\$ 2.6	\$ —	\$ 2.6	\$ 0.3	\$ 2.9
Receivable Balance at End of Year ¹	\$ 962.8	\$ 11.1	\$ 973.9	\$ 12.2	\$ 986.1

¹Specialty, Total Segments, and Total includes \$8.2 million attributable to Kemper Reciprocal, which is reported as a consolidated variable interest entity.

NOTE 9. INSURANCE AND OTHER EXPENSES

Insurance and Other Expenses for the years ended December 31, 2025, 2024 and 2023 were:

<i>DOLLARS IN MILLIONS</i>	2025	2024	2023
Insurance and Other Expenses			
Insurance Expenses			
Commissions	\$ 612.9	\$ 596.3	\$ 584.2
Taxes, Licenses and Fees	91.8	83.7	79.6
Policy Acquisition Costs (Deferred) Amortized:			
Deferral of Policy Acquisition Costs	(600.7)	(576.4)	(563.3)
Amortization of Policy Acquisition Costs	574.2	538.0	607.1
Net Policy Acquisition Costs (Deferred) Amortized	(26.5)	(38.4)	43.8
Policy Acquisition Costs	678.2	641.6	707.6
Business Unit Operating Costs	310.7	277.4	256.1
Corporate Overhead Costs	178.5	194.9	200.0
Insurance Expenses	1,167.4	1,113.9	1,163.7
Other Expenses:			
Acquisition and Disposition Related Transaction, Integration, Restructuring and Other Costs	38.0	40.3	120.3
Pension Settlement	—	(2.6)	70.2
Other Corporate Costs	9.6	28.5	11.4
Other Expenses	47.6	66.2	201.9
Insurance and Other Expenses	\$ 1,215.0	\$ 1,180.1	\$ 1,365.6

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 10. INVESTMENTS

Fixed Maturities

The amortized cost and estimated fair values of the Company's Investments in Fixed Maturities at December 31, 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	\$ 702.0	\$ 3.2	\$ (82.8)	\$ —	\$ 622.4
States and Political Subdivisions	1,437.3	1.8	(185.7)	(0.2)	1,253.2
Foreign Governments	10.7	0.4	(0.1)	—	11.0
Corporate Securities:					
Bonds and Notes	4,089.8	11.4	(433.5)	(17.4)	3,650.3
Redeemable Preferred Stocks	9.8	0.4	—	—	10.2
Collateralized Loan Obligations	850.8	2.5	(7.8)	(2.5)	843.0
Other Mortgage- and Asset-backed	375.3	1.1	(23.2)	—	353.2
Investments in Fixed Maturities	<u>\$ 7,475.7</u>	<u>\$ 20.8</u>	<u>\$ (733.1)</u>	<u>\$ (20.1)</u>	<u>\$ 6,743.3</u>

The amortized cost and estimated 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>

Other Receivables included \$1.6 million and \$1.8 million of unsettled sales of Investments in Fixed Maturities at December 31, 2025 and December 31, 2024, respectively. There were \$42.7 million and \$11.6 million of unsettled purchases of Investments in Fixed Maturities included in Accrued Expenses and Other Liabilities as of December 31, 2025 and December 31, 2024, respectively.

The amortized cost and estimated fair values of the Company's Investments in Fixed Maturities at December 31, 2025 by contractual maturity were:

(Dollars in Millions)	Amortized Cost	Fair Value
Due in One Year or Less	\$ 196.6	\$ 186.1
Due after One Year to Five Years	975.4	946.3
Due after Five Years to Ten Years	942.1	865.9
Due after Ten Years	3,577.4	3,060.3
Mortgage- and Asset-backed Securities Not Due at a Single Maturity Date	1,784.2	1,684.7
Investments in Fixed Maturities	<u>\$ 7,475.7</u>	<u>\$ 6,743.3</u>

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 10. INVESTMENTS (Continued)

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 December 31, 2025 consisted of securities issued by the Government National Mortgage Association with a fair value of \$345.2 million, securities issued by the Federal National Mortgage Association with a fair value of \$84.9 million, securities issued by the Federal Home Loan Mortgage Corporation with a fair value of \$58.4 million and securities of other non-governmental issuers with a fair value of \$1,196.2 million.

An aging of unrealized losses on the Company's Investments in Fixed Maturities at December 31, 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	\$ 3.1	\$ —	\$ 380.3	\$ (82.8)	\$ 383.4	\$ (82.8)
States and Political Subdivisions	86.2	(2.4)	1,063.3	(183.3)	1,149.5	(185.7)
Foreign Governments	1.0	—	0.5	(0.1)	1.5	(0.1)
Corporate Securities:						
Bonds and Notes	353.0	(5.4)	2,759.5	(428.1)	3,112.5	(433.5)
Redeemable Preferred Stocks	—	—	2.0	—	2.0	—
Collateralized Loan Obligations	238.2	(1.2)	61.7	(6.6)	299.9	(7.8)
Other Mortgage- and Asset-backed	24.7	(0.5)	249.5	(22.7)	274.2	(23.2)
Total Fixed Maturities	\$ 706.2	\$ (9.5)	\$ 4,516.8	\$ (723.6)	\$ 5,223.0	\$ (733.1)

The Company regularly reviews its fixed maturity investment portfolio for factors that may indicate that a decline in fair value of an investment has resulted from an expected credit loss. The portions of the declines in the fair values of fixed maturity investments that are determined to be due to expected credit losses are reported as losses in the Consolidated Statements of Income (Loss) in the periods when such determinations are made.

Investment-grade fixed maturity investments comprised \$719.6 million and below-investment-grade fixed maturity investments comprised \$13.6 million of the unrealized losses on investments in fixed maturities at December 31, 2025. For below-investment-grade fixed maturity investments in an unrealized loss position, the unrealized loss amount, on average, was 3.3% of the amortized cost basis of the investment.

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	\$ 1,006.9	\$ (51.9)	\$ 4,281.9	\$ (837.6)	\$ 5,288.8	\$ (889.5)

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 10. INVESTMENTS (Continued)

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.

At December 31, 2025 and 2024, the Company did not have the intent to sell these investments, and it was not more likely than not that the Company would be required to sell these investments before an anticipated recovery of value. The Company evaluated these investments for credit losses at December 31, 2025 and 2024. The Company considers many factors in evaluating whether the unrealized losses were credit related including, but not limited to, the extent to which the fair value has been less than amortized cost, conditions related to the security, industry, or geographic area, payment structure of the investment and the likelihood of the issuer's ability to make contractual cashflows, defaults or other collectability concerns related to the issuer, changes in the ratings assigned by a rating agency, and other credit enhancements that affect the investment's expected performance. The Company determined that the unrealized losses on these securities were due to non-credit related factors at the evaluation date.

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 the year ended December 31, 2025. Accrued interest excluded from the amortized cost of fixed maturities total \$75.3 million and \$70.9 million as of December 31, 2025 and 2024, respectively, and is reported within the Other Receivables line of the Consolidated Balance Sheets. The Company monitors accrued interest and writes off amounts when they are deemed uncollectible.

<u>(Dollars in Millions)</u>	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	—	2.4	2.4
Reductions due to Sales	—	(1.1)	(1.1)
Net (Decrease) Increase in Allowance on Securities for which Expected Credit Losses were Previously Recognized	(0.1)	9.4	9.3
Write-Offs Charged Against Allowance	—	(1.2)	(1.2)
Balance, End of Year	<u>\$ 0.2</u>	<u>\$ 19.9</u>	<u>\$ 20.1</u>

The following table sets forth the change in allowance for credit losses on fixed maturities available-for-sale by major security type for the year ended December 31, 2024.

<u>(Dollars in Millions)</u>	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	—	3.4	3.4
Reduction due to Sales	—	(0.8)	(0.8)
Net (Decrease) Increase in Allowance on Securities for which Expected Credit Losses were Previously Recognized	(0.2)	0.1	(0.1)
Balance, End of Year	<u>\$ 0.3</u>	<u>\$ 10.4</u>	<u>\$ 10.7</u>

Equity Securities

Equity Securities at Fair Value

Investments in Equity Securities at Fair Value were \$306.4 million and \$218.5 million at December 31, 2025 and 2024, respectively. Net unrealized losses arising during the year ended December 31, 2025 and 2024 and recognized in

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 10. INVESTMENTS (Continued)

earnings, related to such investments still held as of December 31, 2025 and December 31, 2024 were \$4.1 million and \$5.1 million, respectively.

There were no unsettled purchases and \$0.2 million sales of Investments in Equity Securities at Fair Value at December 31, 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 December 31, 2025 is limited to the total carrying value of \$176.0 million. In addition, the Company had outstanding commitments totaling approximately \$97.5 million to fund Equity Method Limited Liability Investments at December 31, 2025. At December 31, 2025, 3.1% of Equity Method Limited Liability Investments were reported without a reporting lag, 1.7% of the total carrying value were reported with a one-month lag, and the remainder were reported with a greater than a 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 December 31, 2025 or 2024. Unsettled purchases and sales of Equity Method Limited Liability Investments are carried within the Accrued Expenses and Other Liabilities and Other Receivables, respectively, on the Consolidated Balance Sheets.

Company-Owned Life Insurance

The carrying values of the Company's COLI investment at December 31, 2025 and 2024 were \$579.2 million and \$539.2 million, respectively.

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 December 31, 2025 and 2024 were \$279.9 million and \$280.7 million, respectively.

Other Investments

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

(Dollars in Millions)	2025	2024
Equity Securities at Modified Cost	\$ 21.7	\$ 22.5
Real Estate at Depreciated Cost	92.7	99.5
Mortgage Loans	149.8	75.3
Other ¹	7.1	19.8
Total Other Investments	\$ 271.3	\$ 217.1

¹In 2025, the Company elected to change the presentation of Alternative Energy Partnership Investments by including them within Other Investments. Prior-period amounts have been recast to conform to the current-period presentation.

Investments in Equity Securities at Modified Cost were \$21.7 million and \$22.5 million at December 31, 2025 and 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

NOTE 10. INVESTMENTS (Continued)

investment. If the estimated fair value is below the carrying value, the Company records an impairment in the Consolidated Statements of Income (Loss) 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 years ended December 31, 2025 and 2024. The Company did not recognize any impairment on Equity Securities at Modified Cost for the year ended December 31, 2025. The Company recognized an impairment of \$0.4 million and \$0.5 million on Equity Securities at Modified Cost for the year ended December 31, 2024 and 2023, respectively, as a result of the Company's impairment analysis. 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 held as of December 31, 2025. 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 held as of December 31, 2024.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 11. INCOME FROM INVESTMENTS

Net Investment Income for the years ended December 31, 2025, 2024 and 2023 was:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Investment Income:			
Interest on Fixed Income Securities ^{1,2}	\$ 309.4	\$ 315.3	\$ 323.3
Dividends on Equity Securities Excluding Alternative Investments	8.0	5.4	4.4
Alternative Investments:			
Equity Method Limited Liability Investments	(7.0)	(18.2)	10.5
Limited Liability Investments Included in Equity Securities	13.7	24.5	19.0
Total Alternative Investments	6.7	6.3	29.5
Short-term Investments	22.8	33.5	18.0
Loans to Policyholders	20.8	21.0	20.9
Real Estate	9.4	8.8	8.9
Company-Owned Life Insurance	42.9	35.7	29.2
Other	11.5	8.2	12.9
Total Investment Income	431.5	434.2	447.1
Investment Expenses:			
Real Estate	9.0	8.7	8.8
Other Investment Expenses ¹	17.5	18.0	18.6
Total Investment Expenses	26.5	26.7	27.4
Net Investment Income	<u>\$ 405.0</u>	<u>\$ 407.5</u>	<u>\$ 419.7</u>

¹In 2024, the Company changed its presentation of the details of investment performance to report interest expense incurred on Federal Home Loan Bank ("FHLB") borrowings as an offset to interest on fixed income securities since FHLB borrowings are used for spread lending purposes. The interest expense incurred on FHLB borrowings was previously reported within Other Investment Expenses. The prior period amounts presented above have been updated to reflect this change in presentation.

²Reduced by interest expense incurred on FHLB borrowings used for spread lending purposes of \$18.7 million, \$20.3 million and \$22.7 million for the year ended December 31, 2025, 2024, and 2023, respectively.

Other Receivables includes accrued investment income of \$87.5 million and \$81.9 million at December 31, 2025 and 2024, respectively.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 11. INCOME FROM INVESTMENTS (Continued)

The components of Net Realized Investment Gains (Losses) for the years ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Fixed Maturities:			
Gains on Sales	\$ 6.3	\$ 20.2	\$ 5.9
Losses on Sales	(2.1)	(3.2)	(10.9)
Losses on Hedging Activity ¹	—	(7.9)	(11.9)
Equity Securities:			
Gains on Sales	0.9	4.2	0.6
Losses on Sales	—	(0.1)	(2.5)
Other Investments:			
Gains on Sales	0.4	4.2	0.2
Losses on Sales	—	(4.2)	—
Net Realized Investment Gains (Losses)	<u>\$ 5.5</u>	<u>\$ 13.2</u>	<u>\$ (18.6)</u>
Gross Gains on Sales	\$ 7.6	\$ 28.6	\$ 6.7
Gross Losses on Sales	(2.1)	(7.5)	(13.4)
Losses on Hedging Activity ¹	—	(7.9)	(11.9)
Net Realized Investment Gains (Losses)	<u>\$ 5.5</u>	<u>\$ 13.2</u>	<u>\$ (18.6)</u>

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

The components of Impairment Losses reported in the Consolidated Statements of Income (Loss) for the years ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Fixed Maturities	\$ (10.8)	\$ (4.8)	\$ (0.1)
Equity Securities at Modified Cost	—	(0.4)	(0.5)
Real Estate	0.1	(0.4)	—
Other	(0.1)	(0.2)	(0.5)
Net Impairment Losses Recognized in Earnings ¹	<u>\$ (10.8)</u>	<u>\$ (5.8)</u>	<u>\$ (1.1)</u>

¹Includes losses from intent-to-sell securities of \$1.1 million, \$3.3 million and \$2.0 million for the years ended December 31, 2025, 2024, and 2023, respectively.

NOTE 12. 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 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 Consolidated Statements of Income (Loss) within Net Realized Investment Gains (Losses). 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.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 12. DERIVATIVES (Continued).

Ultra-Long Treasury Futures

Prior to fourth quarter 2025, the Company entered 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 expired quarterly and qualified for hedge accounting as a cash flow hedge. The Company utilized a rollover hedging strategy that involved continuously establishing short-term derivatives in consecutive contract months to hedge the underlying risk exposure. Under this strategy, the complete set of derivatives were not acquired at hedge inception; rather, short-term derivatives were acquired throughout the hedging period such that maturing derivatives were replaced with new short-term derivatives. As of December 31, 2025, the Company held no derivatives.

Primary Risks Managed by 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)	Primary Underlying Risk Exposure	Dec 31, 2025			Dec 31, 2024		
		Gross Notional Amount	Estimated Fair Value		Gross Notional Amount	Estimated Fair Value	
			Assets	Liabilities		Assets	Liabilities
Derivatives Designated as Hedging Instruments:							
Treasury Futures	Interest Rate Risk	\$ —	\$ —	\$ —	\$ 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 Income (Loss) through Net Investment Income for Ultra-Long Treasury Futures qualifying as cash flow hedges for the years ended December 31, 2025 and 2024:

(Dollars in Millions)	Year Ended	
	Dec 31, 2025	Dec 31, 2024
Beginning of Year	\$ (6.3)	\$ —
Gains (Losses) Deferred in AOCI	(2.2)	(4.4)
Net Change in AOCI with Current Period Hedging Transaction	3.7	(3.7)
Gains (Losses) Reclassified into Income	0.3	1.8
Net Comprehensive Gains (Losses) from Cash Flow Hedges	\$ (4.5)	\$ (6.3)

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 (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. Amortization of the

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 12. DERIVATIVES (Continued).

pre-tax derivative loss on the 2016 Treasury Lock was \$1.5 million and \$0.5 million for the years ended December 31, 2024 and 2023, respectively.

Amortization of the pre-tax derivative gain on the 2022 Treasury Lock was \$0.6 million for the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the remaining amount of pre-tax derivative gain on the 2022 Treasury Lock within AOCI to be amortized into earnings was \$3.6 million.

NOTE 13. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company is responsible for the determination of fair value of financial assets and liabilities, including the supporting assumptions and methodologies, and uses independent third-party valuation service providers, broker quotes and internal pricing methodologies to determine fair values. The Company obtains or estimates only one single quote or price for each financial instrument. The Company uses a hierarchical framework for inputs to determine fair value which prioritizes the use of observable inputs and minimizes the use of unobservable inputs. Additionally, the Company categorizes fair value measurements based on the lowest level of input that is considered to be significant to the entire measurement.

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 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 Consolidated Balance Sheets.

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Notes to the Consolidated Financial Statements

NOTE 13. FAIR VALUE MEASUREMENTS (Continued)

The valuation of assets and liabilities measured at fair value in the Company's Consolidated Balance Sheets at December 31, 2025 is summarized below. The Company had no material liabilities that are measured and reported at fair values.

(Dollars in Millions)	Fair Value Measurements				Measured at Net Asset Value	Total Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
Assets:						
Fixed Maturities:						
U.S. Government and Government Agencies and Authorities	\$ 115.9	\$ 506.5	\$ —	\$ —	\$ —	\$ 622.4
States and Political Subdivisions	—	1,251.5	1.7	—	—	1,253.2
Foreign Governments	—	11.0	—	—	—	11.0
Corporate Securities:						
Bonds and Notes	—	3,357.3	293.0	—	—	3,650.3
Redeemable Preferred Stock	—	5.8	4.4	—	—	10.2
Collateralized Loan Obligations	—	830.6	12.4	—	—	843.0
Other Mortgage and Asset-backed	—	325.3	27.9	—	—	353.2
Total Investments in Fixed Maturities	115.9	6,288.0	339.4	—	—	6,743.3
Equity Securities at Fair Value:						
Preferred Stocks:						
Finance, Insurance and Real Estate	—	11.6	2.6	—	—	14.2
Other Industries	—	5.0	—	—	—	5.0
Common Stocks:						
Finance, Insurance and Real Estate	63.2	—	—	—	—	63.2
Other Industries	0.2	—	1.6	—	—	1.8
Other Equity Interests:						
Exchange Traded Funds	11.9	—	—	—	—	11.9
Limited Liability Companies and Limited Partnerships	—	—	—	—	210.3	210.3
Total Investments in Equity Securities at Fair Value	75.3	16.6	4.2	210.3	210.3	306.4
Total Assets	\$ 191.2	\$ 6,304.6	\$ 343.6	\$ 210.3	\$ 210.3	\$ 7,049.7

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 13. 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				Measured at Net Asset Value	Total Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
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	\$ 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 Derivative

NOTE 13. FAIR VALUE MEASUREMENTS (Continued)

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 December 31, 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	\$ 99.1	1.6 %	-	11.1 %	7.2 %
Non-investment-grade:						
Senior Debt	Market Yield	102.6	6.3	-	26.1	9.1
Junior Debt	Market Yield	35.2	8.5	-	26.0	13.4
Other	Various	102.5				
Total Level 3 Fixed Maturity Investments		<u>\$ 339.4</u>				

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>				

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 13. FAIR VALUE MEASUREMENTS (Continued)

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 year ended December 31, 2025 is presented below.

(Dollars In Millions)	Fixed Maturities						Equity Securities	Total
	Corporate Bonds and Notes	Foreign Governments	States and Political Subdivisions	Redeemable Preferred Stocks	Collateralized Loan Obligations	Other Mortgage- and Asset-backed	Preferred and Common Stocks	
Balance, Beginning of Year	\$ 194.2	\$ —	\$ 1.8	\$ 4.2	\$ —	\$ 5.0	\$ 3.8	\$ 209.0
Total Gains (Losses):								
Included in Consolidated Statements of Income (Loss)	2.2	—	—	0.2	—	(0.1)	—	2.3
Included in Other Comprehensive Income	(6.3)	—	(0.3)	—	—	0.1	0.6	(5.9)
Purchases	279.5	5.0	—	—	137.9	20.8	0.3	443.5
Sales	(175.2)	(5.0)	—	—	(10.0)	(0.1)	(0.5)	(190.8)
Transfers into Level 3	5.0	—	1.7	—	—	10.0	—	16.7
Transfers out of Level 3	(6.4)	—	(1.5)	—	(115.5)	(7.8)	—	(131.2)
Balance, End of Year	\$ 293.0	\$ —	\$ 1.7	\$ 4.4	\$ 12.4	\$ 27.9	\$ 4.2	\$ 343.6

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 year ended December 31, 2024 is presented below.

(Dollars in Millions)	Fixed Maturities					Equity Securities	Total
	Corporate Bonds and Notes	States and Political Subdivisions	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 Consolidated Statements of Income (Loss)	0.6	—	—	—	—	2.2	2.8
Included in Other Comprehensive Income	0.8	(0.5)	0.1	—	(0.2)	—	0.2
Purchases	124.2	—	1.9	6.8	—	0.5	133.4
Sales	(104.0)	—	—	—	—	(1.7)	(105.7)
Transfers into Level 3	7.1	3.5	—	—	—	—	10.6
Transfers out of Level 3	(11.6)	(1.3)	(4.9)	(6.8)	—	—	(24.6)
Balance, End of Year	\$ 194.2	\$ 1.8	\$ 4.2	\$ —	\$ 5.0	\$ 3.8	\$ 209.0

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 Consolidated Financial Statements

NOTE 13. FAIR VALUE MEASUREMENTS (Continued)

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

(Dollars in Millions)	Asset Class	December 31, 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	\$ 115.5	\$ 38.8	\$ 116.7	\$ 40.8
	Real Estate	24.1	—	27.3	—
	Senior Debt	21.1	56.9	19.1	48.2
	Leveraged Buyout	6.5	0.1	7.5	0.6
	Secondary Transactions	1.9	1.6	5.5	1.6
	Distressed Debt	1.4	—	4.4	—
	Other	5.5	0.1	5.8	0.1
	Total Equity Method Limited Liability Investments	176.0	97.5	186.3	91.3
Reported as Other Equity Interests at Fair Value:					
	Mezzanine Debt	115.8	82.3	116.9	67.0
	Leveraged Buyout	40.5	41.0	19.2	30.4
	Senior Debt	25.5	6.1	26.3	8.4
	Distressed Debt	10.8	16.1	11.7	15.0
	Growth Equity	10.7	5.7	7.0	8.0
	Secondary Transactions	1.3	1.0	2.4	1.6
	Real Estate	0.1	—	—	—
	Other	5.6	0.3	0.1	0.2
	Total Reported as Other Equity Interests at Fair Value	210.3	152.5	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	\$ 388.1	\$ 250.1	\$ 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 Consolidated Financial Statements

NOTE 13. 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	December 31, 2025		December 31, 2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:					
Loans to Policyholders	Level 3	\$ 279.9	\$ 279.9	\$ 280.7	\$ 280.7
Short-term Investments	Level 1 or 2	313.5	313.5	1,037.1	1,037.1
Mortgage Loans	Level 3	149.8	149.8	75.3	75.3
Company-Owned Life Insurance	Level 2	579.2	579.2	539.2	539.2
Equity Securities at Modified Cost	Level 3	21.7	21.7	22.5	22.5
Financial Liabilities:					
Long-term Debt	Level 2	\$ 943.5	\$ 868.0	\$ 1,391.6	\$ 1,278.4
Policyholder Obligations	Level 2	513.8	513.8	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 from brokers and dealers 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 Consolidated Financial Statements

NOTE 14. GOODWILL AND INTANGIBLE ASSETS

Goodwill balances by business segment at December 31, 2025 and 2024 were:

<u>DOLLARS IN MILLIONS</u>	2025	2024
Specialty Property & Casualty Insurance	\$ 1,043.0	\$ 1,043.0
Life Insurance	207.7	207.7
Total	\$ 1,250.7	\$ 1,250.7

The Company tests goodwill for recoverability at the reporting unit level on an annual basis, or whenever events or circumstances indicate the fair value of a reporting unit may have declined below its carrying value. The Company performed a quantitative goodwill impairment assessment for all reporting units with goodwill as of October 1, 2025, principally using projections of discounted cash flows and market multiples comparisons to estimate the fair values of the reporting units. For each unit tested, the estimated fair value exceeded the carrying value of the reporting unit, and the Company concluded that the associated goodwill was recoverable for each reporting unit tested.

During the second quarter of 2023, the Company identified impairment indicators impacting the fair value of the Preferred Property & Casualty Insurance business in connection with ongoing evaluation of strategic alternatives for the Preferred Insurance business. As a result, the business's fair value was determined using a combination of available market information, market comparisons and a discounted cash flow valuation method based on the present value of future earnings. The fair value calculated in the second quarter of 2023 was lower than the carrying value of the business, resulting in a pre-tax impairment charge of \$49.6 million and an after-tax impairment charge of \$45.5 million. A substantial portion of the goodwill that was impaired was not tax deductible. The goodwill impairment charge is reported separately in the Consolidated Statements of Income (Loss) for the year ended December 31, 2023, with a corresponding reduction to goodwill in the Consolidated Balance Sheet as of December 31, 2023.

The gross carrying amount and accumulated amortization of definite and indefinite life intangible assets at December 31, 2025 and 2024 were:

(Dollars in Millions)	2025			2024		
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Definite Life Intangible Assets:						
Value of Business Acquired	\$ 237.5	\$ 227.0	\$ 10.5	\$ 237.5	\$ 225.4	\$ 12.1
Customer Relationships	43.8	42.7	1.1	43.8	42.3	1.5
Agent Relationships	81.7	48.8	32.9	81.6	43.9	37.7
Trade Names	—	—	—	—	—	—
Internal-Use Software ¹	330.1	148.1	182.0	395.1	180.3	214.8
Total Definite Life Intangible Assets	693.1	466.6	226.5	758.0	491.9	266.1
Indefinite Life Intangible Assets:						
Trade Names	5.2	—	5.2	5.2	—	5.2
Insurance Licenses	44.1	—	44.1	44.2	—	44.2
Total Indefinite Life Intangible Assets	49.3	—	49.3	49.4	—	49.4
Total Intangible Assets	\$ 742.4	\$ 466.6	\$ 275.8	\$ 807.4	\$ 491.9	\$ 315.5

¹ During the year ended December 31, 2025, the Company recognized a \$21.7 million impairment of Internal-Use Software assets included in Non-Core Operations.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 14. GOODWILL AND INTANGIBLE ASSETS (Continued)

The Company records intangible assets acquired in business combinations and certain costs incurred developing and customizing internal-use software within Other Assets on the Consolidated Balance Sheets. Definite life intangible assets are amortized over the estimated profit emergence period or estimated useful life of the asset. Indefinite life intangible assets are not amortized, but rather tested annually for impairment. In 2025, 2024 and 2023, the Company recognized the following amortization expense on definite life intangible assets:

<i>DOLLARS IN MILLIONS</i>	2025	2024	2023
Specialty Property & Casualty Insurance	\$ 18.8	\$ 16.6	\$ 17.9
Life Insurance	3.7	6.0	3.4
Total Segment Amortization Expense	22.5	22.6	21.3
Corporate and Other	17.4	21.8	26.1
Non-Core Operations ¹	23.9	1.9	1.2
Total Amortization Expense	<u>\$ 63.8</u>	<u>\$ 46.3</u>	<u>\$ 48.6</u>

During the year ended December 31, 2025 the Company recognized a \$21.7 million impairment of Internal-Use Software assets included in Non-Core Operations.

The amount of amortization expense expected to be recorded in the next five years for definite life intangible assets is as follows:

<i>DOLLARS IN MILLIONS</i>	2026	2027	2028	2029	2030
Definite Life Intangible Assets:					
Value of Business Acquired	\$ 1.5	\$ 1.5	\$ 1.4	\$ 1.3	\$ 1.1
Customer Relationships	0.5	0.3	0.1	0.1	—
Agent Relationships	4.9	4.9	4.9	4.9	4.1
Internal-Use Software	29.4	25.8	23.4	18.9	14.3
Total	<u>\$ 36.3</u>	<u>\$ 32.5</u>	<u>\$ 29.8</u>	<u>\$ 25.2</u>	<u>\$ 19.5</u>

NOTE 15. 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 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.

NOTE 15. VARIABLE INTEREST ENTITIES (Continued)

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 year ended December 31, 2025, the Company contributed an additional \$14.0 million of surplus to the Reciprocal Exchange, resulting in a total contributed surplus of \$36.0 million as of December 31, 2025. The effects of the transactions between the Company and the Reciprocal Exchange are eliminated in consolidation to derive consolidated Net Income (Loss). However, the management fee income earned by the AIF is reported in Net Income (Loss) attributable to Kemper Corporation and is included in the 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.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 16. OTHER COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED OTHER COMPREHENSIVE LOSS

The tables below display the changes in Accumulated Other Comprehensive Loss by component for the years ended December 31, 2025, 2024 and 2023:

(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 (Costs)	Net Gain (Loss) on Cash Flow Hedges	Change in Discount Rate on Future Life Policyholder Benefits	Total
Balance as of January 1, 2023	\$ (719.4)	\$ (2.2)	\$ (37.2)	\$ 2.8	\$ 241.1	\$ (514.9)
Other Comprehensive Income (Loss) Before Reclassifications	185.0	(0.3)	(6.0)	—	(80.5)	98.2
Amounts Reclassified from Accumulated Other Comprehensive Loss Net of Tax Expense of \$0.9, \$ —, \$13.8, \$0.1, \$—, and \$14.8	3.5	—	52.7	(0.3)	—	55.9
Other Comprehensive Income (Loss) Net of Tax Expense (Benefit) of \$50.3, \$(0.2), \$12.5, \$0.1, \$(21.2), and \$41.5	188.5	(0.3)	46.7	(0.3)	(80.5)	154.1
Balance as of December 31, 2023	\$ (530.9)	\$ (2.5)	\$ 9.5	\$ 2.5	\$ 160.6	\$ (360.8)
Other Comprehensive (Loss) Income Before Reclassifications	(165.8)	(0.3)	1.4	(5.4)	219.7	49.6
Amounts Reclassified from Accumulated Other Comprehensive Loss Net of Tax Expense (Benefit) of \$2.3, \$(0.3), \$(0.6), \$0.2, \$—, and \$1.6	8.9	(0.4)	(2.5)	0.7	—	6.7
Other Comprehensive (Loss) Income Net of Tax (Benefit) Expense of \$(41.8), \$(0.6), \$(0.2), \$(0.7), \$58.3 and \$15.0	(156.9)	(0.7)	(1.1)	(4.7)	219.7	56.3
Balance as of December 31, 2024	\$ (687.8)	\$ (3.2)	\$ 8.4	\$ (2.2)	\$ 380.3	\$ (304.5)
Other Comprehensive Income (Loss) Before Reclassifications	127.0	0.2	(0.7)	1.8	(29.5)	98.8
Amounts Reclassified from Accumulated Other Comprehensive Loss Net of Tax (Benefit) Expense of \$(0.3), \$—, \$0.5, \$—, \$—, and \$0.2	1.3	—	(1.6)	(0.2)	—	(0.5)
Other Comprehensive Income (Loss) Before Reclassifications Net of Tax (Benefit) Expense of \$(34.0), \$(0.1), \$0.7, \$0.3, \$7.8, and \$(25.3)	128.3	0.2	(2.3)	1.6	(29.5)	98.3
Balance as of December 31, 2025	\$ (559.5)	\$ (3.0)	\$ 6.1	\$ (0.6)	\$ 350.8	\$ (206.2)

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 16. OTHER COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED OTHER COMPREHENSIVE LOSS (Continued)

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

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

NOTE 17. SHAREHOLDERS' EQUITY

Common Stock Issuance

Kemper is authorized to issue 20 million shares of \$0.10 par value preferred stock and 100 million shares of \$0.10 par value common stock. No preferred shares were issued or outstanding at December 31, 2025 and 2024. There were 58,666,644 shares and 63,840,442 shares of common stock outstanding at December 31, 2025 and 2024, respectively.

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 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 December 31, 2025, the 2014 Repurchase Program has been completed, and the remaining share repurchase authorization under the 2025 Repurchase Program was \$304.2 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 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 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 Consolidated Balance Sheet.

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 year ended December 31, 2025, Kemper repurchased and retired approximately 2,677,000 shares of its common stock in open market transactions under its share repurchase authorizations for an aggregate cost of \$149.0 million and an average cost per share of \$55.67.

During the year ended December 31, 2024, Kemper repurchased and retired approximately 637,000 shares of its common stock in open market transactions under its share repurchase authorization for an aggregate cost of \$38.9 million and an average cost per share of \$61.12.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 17. SHAREHOLDERS' EQUITY (Continued)

Employee Stock Purchase Plan

During the years ended December 31, 2025, 2024, and 2023, the Company issued 69,000, 61,000, and 89,000 shares under the Kemper Employee Stock Purchase Plan ("ESPP"), respectively, at an average discounted price of \$45.46, \$52.72, and \$40.79 per share. Compensation costs charged against income were \$0.6 million for the year ended December 31, 2025, and \$0.6 million for the years ended, 2024, and 2023, respectively.

Dividends

Kemper issued dividends and dividend equivalents of \$79.6 million in 2025 and \$80.1 million for the years ended 2024 and 2023, respectively, of which \$79.6 million for 2025, and \$80.1 million for 2024 and 2023, respectively, was paid to shareholders. Except for certain financial covenants under Kemper's credit agreement or during any period in which Kemper elects to defer interest payments, there are no restrictions on Kemper's ability to pay dividends to its shareholders. Certain financial covenants, namely minimum net worth and a maximum debt to total capitalization ratio, under Kemper's credit agreement could limit the amount of dividends that Kemper may pay to shareholders. Kemper had the ability to pay \$0.4 billion, \$0.6 billion, and \$0.5 billion in dividends without restrictions to its shareholders and still be in compliance with all financial covenants under its credit agreement at December 31, 2025, 2024, and 2023, respectively.

NOTE 18. STATUTORY FINANCIAL INFORMATION AND DIVIDEND LIMITATIONS

Kemper's insurance subsidiaries are required to file financial statements in conformity with accounting practices prescribed or permitted by domestic and foreign insurance regulatory authorities.

Prescribed statutory accounting practices for domestic insurance companies include a variety of publications of the NAIC, as well as state laws, regulations and general administrative rules. All states require domiciled insurance companies to prepare statutory-basis financial statements in conformity with the NAIC Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the applicable insurance commissioner or director. Statutory accounting practices differ from GAAP primarily since they require charging policy acquisition costs to expense as incurred, establishing life insurance reserves based on different actuarial assumptions, and valuing certain investments and establishing deferred taxes on a different basis.

Kemper's foreign subsidiary, Kemper Bermuda Ltd., is required to file with its insurance regulator financial statements prepared in accordance with US GAAP and presented in conformity with the financial reporting provisions of the Insurance Act of 1978, amendments thereto and the Insurance Account Rules 2016 with respect to Condensed Consolidated General Purpose Financial Statements (the "Legislation").

The estimated combined statutory net income, excluding intercompany dividends and surplus note interest, and estimated combined capital and surplus of the Company's insurance subsidiaries is as follows:

<u>DOLLARS IN MILLIONS</u>	Year Ended December 31,		
	2025	2024	2023
Property and casualty companies:			
Domestic	\$ 186.5	\$ 440.7	\$ (150.4)
Life and health companies			
Domestic	16.5	17.1	(136.0)
Foreign	113.9	(73.9)	140.0
Total Life and health companies	130.4	(56.8)	4.0
Total statutory net income	<u>\$ 316.9</u>	<u>\$ 383.9</u>	<u>\$ (146.4)</u>

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 18. STATUTORY FINANCIAL INFORMATION AND DIVIDEND LIMITATIONS (Continued)

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>
Property and casualty companies		
Domestic	\$ 1,558.7	\$ 1,761.2
Life and health companies		
Domestic	108.4	124.3
Foreign	165.3	197.9
Total Life and health companies	<u>273.7</u>	<u>322.2</u>
Total statutory capital and surplus	<u>\$ 1,832.4</u>	<u>\$ 2,083.4</u>

The Company has non-insurance subsidiaries that are not subject to statutory accounting practices (“SAP”) as described above. The statutory net income and statutory capital and surplus amounts presented above do not include non-insurance subsidiaries in accordance with SAP.

Kemper’s insurance subsidiaries are also required to hold minimum levels of statutory capital and surplus to satisfy regulatory requirements. The minimum statutory capital and surplus for US subsidiaries, or company action level risk-based capital (“RBC”), necessary to satisfy regulatory requirements for the Company’s US based life and health insurance subsidiaries collectively was estimated to be approximately \$26.4 million and \$31.6 million at December 31, 2025 and 2024, respectively. The estimated minimum statutory capital and surplus necessary to satisfy regulatory requirements for the Company’s property and casualty insurance subsidiaries collectively was approximately \$684.9 million and \$574.9 million at December 31, 2025 and 2024, respectively. Company action level RBC is the level at which a US based insurance company is required to file a corrective action plan with its regulators and is equal to 200% of the authorized control level RBC.

Capital and surplus requirements of Kemper Bermuda Ltd. are regulated by the Bermuda Monetary Authority (“BMA”) and differ from those applicable to the US subsidiaries. On July 1, 2022, Kemper entered into an indefinite agreement with its subsidiary, Kemper Bermuda Ltd., that provides financial guarantees of up to \$300.0 million in contributed capital to maintain a minimum target capital ratio of 150% Enhance Capital Requirement, as described in Bermuda’s Insurance Act 1978. As of December 31, 2025 and 2024, Kemper had cumulatively contributed \$40.0 million under this agreement.

At December 31, 2025, all insurance subsidiaries individually are expected to exceed the minimum required statutory capital and surplus requirements.

Various insurance laws restrict the amount that a US based insurance subsidiary may pay in the form of dividends, loans or advances without the prior approval of regulatory authorities. Such insurance laws applicable to the Company’s US based 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. Also, that portion of a US based insurance subsidiary’s net equity which results from differences between statutory insurance accounting practices and GAAP would not be available for cash dividends, loans or advances. Kemper’s US based insurance subsidiaries paid dividends of \$448.9 million, \$213.3 million and \$640.9 million to Kemper in 2025, 2024 and 2023, respectively. In 2026, Kemper’s US based insurance subsidiaries capacity to pay dividends to Kemper without prior regulatory approval is estimated to be \$8.6 million as of the filing date. Kemper’s US based insurance subsidiaries had net assets of approximately \$3.5 billion and \$3.2 billion, determined in accordance with GAAP, that were restricted from payment to Kemper without prior regulatory approval at December 31, 2025 and 2024, respectively.

Additionally, Kemper Bermuda Ltd. is subject to minimum solvency requirements on its statutory and economic capital that limit its ability to declare and pay dividends. Kemper Bermuda Ltd. authorized and paid dividends of \$55.0 million to the Company for the year ended December 31, 2025. Kemper Bermuda Ltd. did not authorize or pay dividends to the Company for the years ended December 31, 2024 or 2023.

NOTE 19. PENSION BENEFITS

The Company previously sponsored a qualified defined benefit pension plan (the “Pension Plan”). Effective January 1, 2006, the Pension Plan was closed to new hires and, effective June 30, 2016, benefit accruals were frozen for substantially all of the participants under the Pension Plan. The Pension Plan has since been fully terminated.

During 2023, all plan liabilities were settled by either a lump-sum distribution or assumed by a third-party in exchange for a transfer of assets from the pension plan trust fund. After giving effect to these transactions, the Company

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 19. PENSION BENEFITS (Continued)

recorded a \$70.2 million noncash settlement charge (\$55.5 million after-tax) for the unamortized net unrecognized postretirement benefit costs related to the settled obligations. Subsequently, during 2024, the Company received \$2.6 million as a post-settlement adjustment which was recorded in Insurance and Other Expenses in the accompanying Consolidated Statements of Income (Loss).

During 2024, the Company distributed \$4.7 million to eligible participants in the Company's defined contribution benefit plans and reverted the remaining \$13.1 million of assets for general corporate use. The Company incurred \$7.3 million of pre- and post-tax expenses related to the reversion of assets within the pension trust, which included \$4.7 million distributed to eligible participants in the Company's defined contribution benefit plans and \$2.6 million of excise taxes paid by the Company on the remaining \$13.1 million made available for general corporate use. As of December 31, 2024, no assets remained in the pension trust.

Changes in Fair Value of Plan Assets and Changes in Projected Benefit Obligation for the Pension Plan for the years ended December 31, 2025 and 2024 is presented below.

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>
Fair Value of Plan Assets at Beginning of Year	\$ —	\$ 16.3
Actual Return on Plan Assets	—	(1.1)
Benefits Paid	—	—
Settlement Benefits	—	2.6
Assets contributed to 401(k) Plan	—	(4.7)
Assets reverted to the Company	—	(13.1)
Fair Value of Plan Assets at End of Year	<u>—</u>	<u>—</u>
Projected Benefit Obligation at Beginning of Year	—	—
Interest Cost	—	—
Benefits Paid	—	—
Settlement Benefits	—	—
Actuarial Gains	—	—
Projected Benefit Obligation at End of Year	<u>—</u>	<u>—</u>
Funded Status—Plan Assets in Excess of Projected Benefit Obligation	<u>\$ —</u>	<u>\$ —</u>
Unamortized Amount Reported in AOCI at End of Year	<u>\$ —</u>	<u>\$ —</u>
Accumulated Benefit Obligation at End of Year	<u>\$ —</u>	<u>\$ —</u>

The measurement dates of the assets and liabilities at end of year presented in the preceding table under the headings, "2025" and "2024" were December 31, 2025 and December 31, 2024, respectively.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 19. PENSION BENEFITS (Continued)

The components of Comprehensive Pension (Income) Expense for the Pension Plan for the years ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	2025	2024	2023
Service Cost Earned During the Year	\$ —	\$ —	\$ —
Interest Cost on Projected Benefit Obligation	—	—	8.4
Expected Return on Plan Assets	—	—	(7.9)
Amortization of Prior Service Cost	—	—	0.4
Amortization of Actuarial Loss	—	—	—
Settlement (Income) Expense	—	(2.6)	70.2
Pension (Income) Expense Recognized in Consolidated Statements of Income (Loss)	—	(2.6)	71.1
Unrecognized Pension Loss Arising During the Year	—	—	—
Prior Service Cost Arising During the Year	—	—	—
Amortization of Prior Service Cost	—	—	—
Amortization of Accumulated Unrecognized Pension Loss	—	—	—
Comprehensive Pension (Income) Expense	<u>\$ —</u>	<u>\$ (2.6)</u>	<u>\$ 71.1</u>

The weighted-average discount rate, service cost discount rate, interest cost discount rate, rate of increase in future compensation levels and expected long-term rate of return on plan assets used to develop the components of Pension Expense for the Pension Plan for the years ended December 31, 2025, 2024 and 2023 were:

	2025	2024	2023
Weighted-average Discount Rate	— %	— %	5.05 %
Interest Cost Discount Rate	—	—	4.92
Rate of Increase in Future Compensation Levels	N/A	N/A	N/A
Expected Long Term Rate of Return on Plan Assets	—	—	3.79

The Company did not contribute to the Pension Plan in 2023, 2024 or 2025.

The Company also sponsors a non-qualified supplemental defined benefit pension plan (the “Supplemental Plan”). Benefit accruals for all participants in the Supplemental Plan were frozen effective June 30, 2016. The unfunded liability related to the Supplemental Plan was \$20.3 million and \$20.1 million at December 31, 2025 and 2024, respectively. Pension expense for the Supplemental Plan was \$1.0 million, \$1.0 million, and \$1.0 million for the years ended December 31, 2025, 2024 and 2023, respectively. There was a pre-tax actuarial loss of \$1.1 million, gain of \$0.8 million, and loss of \$0.7 million included in Other Comprehensive Income for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company also sponsors several defined contribution benefit plans covering most of its employees. The Company made contributions to those plans of \$24.5 million, \$24.3 million and \$27.5 million in 2025, 2024 and 2023, respectively, excluding the \$4.7 million contributed during the fourth quarter of 2024 as part of the reversion of assets remaining in the pension trust.

NOTE 20. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Kemper and Infinity Property and Casualty Corporation (“Infinity”) sponsor other than pension postretirement employee benefit plans (“OPEB”) that together provide medical, dental and/or life insurance benefits to approximately 300 retired and 100 active employees.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 20. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (Continued)

Kemper has historically self-insured the benefits under the Kemper OPEB Plan. The Kemper medical plan generally provides for a limited number of years of medical insurance benefits at retirement based on the participant's attained age at retirement and number of years of service until specified dates and generally has required participant contributions, with most contributions adjusted annually. On December 30, 2016, Kemper amended the Kemper OPEB Plan and, effective December 31, 2016, no longer offers coverage to post-65 Medicare-eligible retirees and Medicare-eligible spouses under the self-insured portion of its coverage. Rather, beginning on January 1, 2017, the Kemper OPEB Plan offers access to a private, third-party Medicare exchange and provides varying levels of a Company-determined subsidy via health reimbursement accounts to certain Medicare-eligible retirees and spouses in order to help fund a portion of the participants' cost. Further, the amendment eliminates the requirement for such participants to contribute to the Kemper OPEB Plan.

In conjunction with the amendment, the Company recorded a pre-tax reduction to its Accumulated Postretirement Benefit Obligation of \$11.0 million through Other Comprehensive (Loss) Income. This prior service credit is being amortized into income over the remaining average life of the Kemper OPEB Plan's participants.

Changes in Fair Value of Plans' Assets and Changes in Accumulated Postretirement Benefit Obligation for the years ended December 31, 2025 and 2024 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>
Fair Value of Plans' Assets at Beginning of Year	\$ —	\$ —
Employer Contributions	0.5	0.4
Plan Participants' Contributions	0.1	0.1
Benefits Paid	(0.6)	(0.5)
Fair Value of Plan Assets at End of Year	<u>—</u>	<u>—</u>
Accumulated Postretirement Benefit Obligation at Beginning of Year	6.5	7.5
Service Cost	0.1	0.1
Interest Cost	0.3	0.3
Plan Participants' Contributions	0.1	0.1
Benefits Paid	(0.6)	(0.5)
Actuarial Gain	(0.2)	(1.0)
Accumulated Postretirement Benefit Obligation at End of Year	<u>6.2</u>	<u>6.5</u>
Funded Status—Accumulated Postretirement Benefit Obligation in Excess of Plans' Assets	<u>\$ (6.2)</u>	<u>\$ (6.5)</u>
Unamortized Actuarial Gain Reported in AOCI at End of Year	<u>\$ 10.1</u>	<u>\$ 12.0</u>

The measurement dates of the assets and liabilities at end of year in the preceding table under the headings "2025" and "2024" were December 31, 2025 and December 31, 2024, respectively.

The weighted-average discount rate and rate of increase in future compensation levels used to develop the components of the Accumulated Postretirement Benefit Obligation at December 31, 2025 and 2024 were:

	<u>2025</u>	<u>2024</u>
Discount Rate	5.22 %	5.55 %
Rate of Increase in Future Compensation Levels	2.20	2.20

The assumed health care cost trend rate used in measuring the Accumulated Postretirement Benefit Obligation at December 31, 2025 was 7.9% for 2026, gradually declining to 4.5% in the year 2034 and remaining at that level thereafter for medical benefits and 12.3% for 2026, gradually declining to 4.5% in the year 2034 and remaining at that level thereafter for prescription drug benefits. The assumed health care cost trend rate used in measuring the Accumulated Postretirement Benefit Obligation at December 31, 2024 was 8.3% for 2025, gradually declining to 4.7% in the year 2034 and remaining at that level thereafter for medical benefits and 12.3% for 2025, gradually declining to 4.5% in the year 2034 and remaining at that level thereafter for prescription drug benefits.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 20. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (Continued)

The components of Comprehensive OPEB (Income) Expense for the years ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	2025	2024	2023
Service Cost Earned During the Year	\$ 0.1	\$ 0.1	\$ 0.1
Interest Cost on Accumulated Postretirement Benefit Obligation	0.3	0.3	0.4
Amortization of Prior Service Credit	(0.5)	(1.3)	(1.3)
Amortization of Accumulated Unrecognized OPEB Gain	(1.6)	(1.5)	(1.8)
OPEB Income Recognized in Consolidated Statements of Income (Loss)	(1.7)	(2.4)	(2.6)
Unrecognized OPEB Gain Arising During the Year	(0.2)	(1.0)	(0.1)
Amortization of Prior Service Credit	0.5	1.3	1.3
Amortization of Accumulated Unrecognized OPEB Gain	1.6	1.5	1.8
Comprehensive OPEB Expense (Income)	<u>\$ 0.2</u>	<u>\$ (0.6)</u>	<u>\$ 0.4</u>

The Company estimates that OPEB Expense for the year ended December 31, 2026 will include income of \$2.0 million resulting from the amortization of the related accumulated actuarial gain and prior service credit included in AOCI at December 31, 2025.

The weighted-average discount rate and rate of increase in future compensation levels used to develop OPEB Expense for the years ended December 31, 2025, 2024 and 2023 were:

	2025	2024	2023
Weighted-average Discount Rate	5.54 %	4.92 %	5.11 %
Service Cost Discount Rate	5.61	4.94	5.12
Interest Cost Discount Rate	5.21	4.85	5.03
Effective Rate for Interest on Service Cost	5.50	4.85	5.04
Rate of Increase in Future Compensation Levels	2.20	2.20	2.20

The Company expects to contribute \$0.8 million, net of the expected Medicare Part D subsidy, to its OPEB Plan to fund benefit payments in 2026.

The following benefit payments (net of participant contributions), which consider expected future service, as appropriate, are expected to be paid:

<u>DOLLARS IN MILLIONS</u>	Years Ending December 31,					
	2026	2027	2028	2029	2030	2031-2034
Estimated Benefit Payments:						
Excluding Medicare Part D Subsidy	\$ 0.8	\$ 0.8	\$ 0.7	\$ 0.6	\$ 0.6	\$ 2.5
Expected Medicare Part D Subsidy	—	—	—	—	—	—
Net Estimated Benefit Payments	<u>\$ 0.8</u>	<u>\$ 0.8</u>	<u>\$ 0.7</u>	<u>\$ 0.6</u>	<u>\$ 0.6</u>	<u>\$ 2.5</u>

NOTE 21. LONG-TERM EQUITY-BASED COMPENSATION

On May 7, 2025 (“2023 A&R Omnibus Plan Effective Date”), Kemper’s shareholders approved the Second Amended and Restated Kemper Corporation 2023 Omnibus Equity Plan (“2023 A&R Omnibus Plan”). The maximum number of shares of Kemper common stock authorized for issuance under the 2023 A&R Omnibus Plan is (i) 3,275,000 shares less (ii) one (1) share for every one (1) share granted after February 15, 2025 and prior to the 2023 A&R Omnibus Plan Effective Date (the “Share Authorization”). Since May 3, 2023, no new awards have been granted under the 2020 Omnibus Equity Plan (“2020 Omnibus Plan”) that had been approved by Kemper’s Shareholders on May 6, 2020, but awards previously granted under the 2020 Omnibus Plan remain outstanding in accordance with their original terms. As of December 31, 2025, there were 2,411,430 common shares available for future grants, subject to adjustment in accordance with the plans’ terms and the respective grant agreements.

NOTE 21. LONG-TERM EQUITY-BASED COMPENSATION (Continued)

Outstanding equity-based compensation awards as of December 31, 2025 consisted of time-based Restricted Stock Units that typically vest over three years (“RSU”), stock option and stock appreciation rights (“Tandem Awards”), PSUs and Deferred Stock Units (“DSUs”) that were previously granted to Kemper’s Non-employee Directors under the 2011 Omnibus Equity Plan. In 2024, grants were made of RSUs that had performance vesting conditions (“pRSUs”). Unless otherwise specified in this Note 21, references to RSUs include pRSUs. RSUs, PSUs and DSUs give the recipient the right to receive one share of Kemper common stock for each RSU, PSU or DSU issued. Recipients of DSUs received full dividend equivalents on the same basis as all other outstanding shares of Kemper common stock, but do not receive voting rights until such shares are issued.

For grants under the 2023 A&R Omnibus Plan and the 2020 Omnibus Plan, recipients of RSUs and PSUs receive dividend equivalents on the same basis as all other outstanding shares of Kemper common stock only if, to the extent, and at the time that they vest and on subsequent dividend payment dates after they vest until the awards are settled, and do not receive voting rights until such shares are issued. For awards subject to a performance condition, the Company recognizes compensation expense based upon the probable outcome of the performance condition. The estimate is revised if the actual number of PSUs expected to vest is likely to differ from the previous estimate. Compensation expense for awards is recognized on a straight-line basis over the requisite service period. For equity-based compensation awards with a graded vesting schedule, the Company recognizes compensation expense on a straight-line basis over the requisite service period for each separately-vesting portion of the awards as if each award were, in substance, multiple awards. Compensation expense is recognized only for those awards expected to vest, with forfeitures estimated at the date of grant based on the Company’s historical experience and future expectations. Equity-based compensation expense was \$29.4 million, \$29.2 million and \$29.0 million for the years ended December 31, 2025, 2024 and 2023, respectively. Total unamortized compensation expense related to unvested awards at December 31, 2025 was \$24.2 million, which is expected to be recognized over the next three years ending December 31, 2026, 2027 and 2028.

The Human Resources and Compensation Committee of the Board of Directors, or, in limited circumstances, the Interim CEO as the Board’s authorized designee, has sole discretion to determine the persons to whom awards under the 2023 A&R Omnibus Plan are granted, and the material terms of the awards. For Tandem Awards, material terms include the number of shares covered by such awards and the exercise price, vesting and expiration dates of such awards. Tandem Awards are non-transferable. The exercise price of Tandem Awards is the fair value of Kemper’s common stock on the date of grant. Tandem Awards and RSU awards granted to employees generally vest in three equal annual installments over a period of three years, with the Tandem Awards expiring ten years from the date of grant. Employee PSU awards generally vest over a period of three years, subject to performance results and other restrictions. pRSU awards vest in three equal installments on the first three anniversaries of the grant date, assuming performance conditions are satisfied prior to each vesting date and that the executive remains employed by the Company. The performance conditions are measured using full-year 2024 results and full-year 2025 results.

Under the Non-employee Director compensation program in effect for 2025, each Non-employee Director elected at the 2025 annual shareholder meeting received an annual RSU award with an aggregate grant date fair value of \$150,000 (“Director RSUs”) at the conclusion of the meeting, and new Non-employee Directors who joined the Board received an initial award of Director RSUs valued at the percentage of the full grant date fair value of \$150,000 that represents the number of quarterly

Board meetings the new director was expected to attend during the remaining portion of the then-current annual compensation period that ends on the date of the next annual shareholder meeting. The Director RSUs vest over a period of one year, enable the award holder to make an election to defer the conversion to shares of common stock in accordance with applicable deferral rules, and include the right to receive dividend equivalents on the same basis as all other outstanding shares of Kemper common stock only if, to the extent, and at the time that they vest and on subsequent dividend payment dates after they vest until the awards are settled. Each Non-employee Director elected at the 2024 annual shareholder meeting received an annual Director RSU award with an aggregate grant date fair value of \$150,000 at the conclusion of the meeting, and, each Non-employee Director elected at the 2023 annual shareholder meeting received an annual Director RSU award with an aggregate grant date fair value of \$130,000 at the conclusion of the meeting, under the Non-employee Director compensation program in effect for the applicable year.

The Company uses the Black-Scholes option pricing model to estimate the fair value of each Tandem Award on the date of grant. The expected terms of Tandem Awards are developed by considering the Company’s historical Tandem Award exercise experience, demographic profiles, historical share retention practices of employees and assumptions about their propensity for early exercise in the future. Expected volatility is estimated using weekly historical volatility over the estimated life of each tranche of the award. The Company believes that historical volatility is currently the best estimate of expected volatility. The dividend yield in 2025, 2024 and 2023 was calculated by taking the natural logarithm of the annualized yield divided by the

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 21. LONG-TERM EQUITY-BASED COMPENSATION (Continued)

Kemper common stock price on the date of grant. The risk-free interest rate was the yield on the grant date of U.S. Treasury zero coupon issues with a maturity comparable to the expected term of the option.

The assumptions used in the Black-Scholes pricing model for Tandem Awards granted during the years ended December 31, 2025, 2024 and 2023 are presented below.

	2025		2024		2023	
<u>RANGE OF VALUATION ASSUMPTIONS</u>						
Expected Volatility	33.33 %	- 36.69 %	34.49 %	- 38.21 %	35.12 %	- 39.27 %
Risk-free Interest Rate	3.74	- 4.34	3.83	- 4.02	3.47	- 4.74
Expected Dividend Yield	1.88	- 2.16	1.95	- 2.15	1.55	- 2.39
<u>WEIGHTED-AVERAGE EXPECTED LIFE IN YEARS</u>						
Employee Grants	4	- 6	4	- 6	4	- 6

Tandem Award activity for the year ended December 31, 2025 is presented below.

	Shares Subject to Awards	Weighted-average Exercise Price Per Share (\$)	Weighted-average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value (\$ In Millions)
Outstanding at Beginning of the Year	2,355,780	\$ 58.62		
Granted	188,438	65.67		
Exercised	(254,306)	37.33		
Forfeited or Expired	(81,195)	71.03		
Outstanding at December 31, 2025	2,208,717	\$ 61.22	4.18	\$ 0.5
Vested and Expected to Vest at December 31, 2025	2,201,375	\$ 61.23	4.17	\$ 0.5
Exercisable at December 31, 2025	1,816,368	\$ 61.14	3.26	\$ 0.5

The weighted-average grant-date fair values of Tandem Awards granted during 2025, 2024 and 2023 were \$21.44, \$18.80 and \$18.85, respectively. Total intrinsic value of Tandem Awards exercised was \$3.6 million, \$0.9 million and \$0.6 million for the years ended December 31, 2025, 2024 and 2023, respectively. Cash received from exercises of Tandem Awards was \$9.5 million, \$4.7 million and \$1.9 million for the years ended December 31, 2025, 2024 and 2023, respectively. Total tax benefit realized for tax deductions from exercises of Tandem Awards was \$0.8 million, \$0.2 million and \$0.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Information pertaining to Tandem Awards outstanding at December 31, 2025 is presented below.

Range of Exercise Prices (\$)	Outstanding			Exercisable	
	Shares Subject to Awards	Weighted-average Exercise Price Per Share (\$)	Weighted-average Remaining Contractual Life (in Years)	Shares Subject to Awards	Weighted-average Exercise Price Per Share (\$)
\$ 20.01 - 30.00	7,496	\$ 27.71	0.16	7,496	\$ 27.71
30.01 - 40.00	43,219	31.01	0.34	43,219	31.01
40.01 - 50.00	225,128	43.49	0.74	221,765	43.43
50.01 - 60.00	1,023,331	56.58	5.49	817,045	56.21
60.01 - 70.00	427,580	67.71	5.66	244,880	69.08
70.01 - 80.00	465,549	76.59	2.06	465,549	76.59
80.01 - 90.00	16,414	83.86	3.18	16,414	83.86
20.01 - 90.00	2,208,717	61.22	4.18	1,816,368	61.14

The grant-date fair values of RSUs are determined using the closing price of Kemper common stock on the date of grant.

NOTE 21. LONG-TERM EQUITY-BASED COMPENSATION (Continued)

Activity related to nonvested RSUs for the year ended December 31, 2025 is presented below.

	Time-based Restricted Stock Unit Awards	
	Number of Restricted Stock Units	Weighted-average Grant-date Fair Value Per Unit
Nonvested Balance at Beginning of the Year	585,732	\$ 57.34
Granted	358,601	55.61
Vested	(235,828)	56.55
Forfeited	(73,860)	60.98
Nonvested Balance at December 31, 2025	<u>634,645</u>	<u>\$ 56.23</u>

The initial number of PSUs awarded to each participant represents the number of Kemper common shares that would vest and be issued if the performance level attained were to be at the “target” performance level. For performance above the target level, each participant would receive a grant of additional shares of stock up to a maximum of 100% of the initial number of PSUs awarded to the participant. The final payout of these awards, and any forfeitures of PSUs for performance below the “target” performance level, will be determined based on the Company’s performance. If, at the end of the applicable performance period, the Company’s performance:

- exceeds the “target” performance level, all of the PSUs will vest and additional shares of stock will be issued to the award recipient;
- is below the “target” performance level, but at or above a “minimum” performance level, only a portion of the PSUs originally issued to the award recipient will vest; or
- is below a “minimum” performance level, none of the PSUs originally issued to the award recipient will vest.

Activity related to nonvested PSU awards for the year ended December 31, 2025 is presented below.

	PSU Awards	
	Number of PSUs	Weighted-average Grant-date Fair Value Per PSU
Nonvested Balance at Beginning of the Year	536,526	\$ 60.99
Granted	167,843	63.51
Vested	—	—
Forfeited	(210,551)	54.59
Nonvested Balance at December 31, 2025	<u>493,818</u>	<u>\$ 64.57</u>

The number of additional shares that would be granted if the Company were to meet or exceed the maximum performance levels related to the outstanding PSU awards for the 2025, 2024 and 2023 three-year performance periods was 176,360 common shares, 179,173 common shares and 159,035 common shares, respectively, (as “full value awards,” the equivalent of 176,360 shares, 179,173 shares, and 159,035 shares, respectively, under the Share Authorization) at December 31, 2025.

The grant date fair values of the PSU awards with a market performance condition are determined using the Monte Carlo simulation method. The Monte Carlo simulation model produces a risk-neutral simulation of the daily returns on the common stock of Kemper and each of the other companies included in the peer group. Returns generated by the simulation depend on the risk-free interest rate used and the volatilities of, and the correlation between, these stocks. The model simulates stock prices and dividend payouts to the end of the three-year performance period. Total shareholder returns are generated for each of these stocks based on the simulated prices and dividend payouts. The total shareholder returns are then ranked, and Kemper’s simulated ranking is converted to a payout percentage based on the terms of the PSU awards. The payout percentage is applied to the simulated stock price at the end of the performance period, reinvested dividends are added back, and the total is

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 21. LONG-TERM EQUITY-BASED COMPENSATION (Continued)

discounted to the valuation date at the risk-free rate. This process is repeated approximately ten thousand times, and the grant date fair value is equal to the average of the results from these trials.

Sixty-seven percent of the PSU awards granted to employees in 2024 and sixty-seven percent of the PSU awards granted to employees in 2023 are measured using a market performance condition. Fair value for these awards was estimated using the Monte Carlo simulation method described above. Final payout for these awards, and any forfeitures of units for performance below the “target” performance level, will be based on Kemper’s total shareholder return, relative to a peer group comprised of all the companies in the S&P Supercomposite Insurance Index, over a three-year performance period. The three-year performance periods for the 2025, 2024 and 2023 awards end on January 31, 2027, January 31, 2026 and January 31, 2025, respectively. Compensation cost for these awards is recognized ratably over the requisite service period. In the event that the market performance condition is not satisfied, previously recognized compensation cost would not reverse, but it would reverse if the requisite service period is not met.

Beginning in 2025, sixty-seven percent of the PSU awards granted to employees are measured using a combination of a Company-specific metric and a market performance condition. Final payout for these awards, and any forfeitures of shares for performance below the “target” performance level, will be determined based on Kemper’s adjusted book value per share growth and Kemper’s total shareholder return, relative to a peer group comprised of all the companies in the S&P Supercomposite Insurance Index over a three-year performance period. The three-year performance periods for the 2025 awards end on December 31, 2027. Fair value for these awards was determined using both the closing price of Kemper common stock on the date of grant and the Monte Carlo Simulation method described above. Accruals of compensation cost for these awards are estimated based on the probable outcome of the performance condition.

Thirty-three percent of the PSU awards granted to employees in 2025, thirty-three percent of the PSU awards granted to employees in 2024 and thirty-three percent of the PSU awards granted to employees in 2023 are measured solely using a Company-specific metric. Final payout for these awards, and any forfeitures of shares for performance below the “target” performance level, will be determined based on Kemper’s adjusted return on equity over a three-year performance period. The three-year performance periods for the 2025, 2024 and 2023 awards end on December 31, 2027, December 31, 2026 and December 31, 2025, respectively. Fair value for these awards was determined using the closing price of Kemper common stock on the date of grant. Accruals of compensation cost for these awards are estimated based on the probable outcome of the performance condition.

The total fair value of RSUs and PSUs that vested during the year ended December 31, 2025 was \$16.0 million. The tax benefits for tax deductions realized from such awards was \$3.4 million. The total fair value of RSUs and PSUs that vested during the year ended December 31, 2024 was \$21.7 million. The tax benefits for tax deductions realized from such awards was \$4.5 million. The total fair value of RSUs and PSUs that vested during the year ended December 31, 2023 was \$5.2 million. The tax benefits for tax deductions realized from such awards was \$1.1 million.

The grant-date fair values of DSU awards issued under the 2011 Omnibus Plan granted to Non-employee Directors were determined using the closing price of Kemper common stock on the date of grant. Beginning in 2019 DSU awards are no longer issued to Non-employee Directors. All previously granted shares had vested upon issuance and as such, no DSUs vested during the years ended December 31, 2025, 2024 and 2023.

Activity related to DSU awards for the year ended December 31, 2025 is presented below.

	Number of DSUs	Weighted-average Grant-date Fair Value Per DSU
Vested Balance at Beginning of the Year	12,940	\$ 49.80
Reduction for Shares Issued on Conversion	—	—
Vested Balance at December 31, 2025	12,940	\$ 49.80

NOTE 22. POLICYHOLDER OBLIGATIONS

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

<u>DOLLARS IN MILLIONS</u>	December 31,	
	2025	2024
FHLB Funding Agreements	\$ 513.8	\$ 541.3
Universal Life-type Policyholder Account Balances	94.2	96.4
Total	\$ 608.0	\$ 637.7

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. United Insurance received advances of \$30.0 million from the FHLB of Chicago and made repayments of \$57.4 million under the spread lending program in 2025. United Insurance received advances of \$101.7 million and made repayments of \$117.8 million from the FHLB of Chicago in 2024 under the spread lending program. United Insurance received advances of \$122.5 million and made repayments of \$166.1 million from the FHLB of Chicago in 2023 under the spread lending program.

When a funding agreement is issued, United Insurance is then 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 December 31, 2025 and 2024 is presented below.

<u>DOLLARS IN MILLIONS</u>	2025	2024
Liability under Funding Agreements	\$ 513.8	\$ 541.3
Fair Value of Collateral Pledged	661.3	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% as of December 31, 2025 and 2024. Guaranteed minimum benefit amounts in excess of the current account balances for these contracts were \$260.3 million and \$276.6 million as of December 31, 2025 and 2024, respectively. The cash surrender value of the Company’s policyholder obligations for these contracts was \$94.2 million and \$96.4 million as of December 31, 2025 and 2024, respectively.

NOTE 23. 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.

Financial covenants within the agreement may limit the Company from accessing the maximum capacity. The amount available as of December 31, 2025 was \$600.0 million, the maximum capacity. There were no outstanding borrowings under the credit agreement at either December 31, 2025 or December 31, 2024.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 23. DEBT (Continued)

The Company incurred \$2.2 million of debt issuance costs in relation to the amended agreement. As of December 31, 2025 there were \$0.6 million of remaining unamortized costs under the credit agreement, which will be amortized under the remaining term of the credit agreement.

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 December 31, 2025 and 2024 was:

(Dollars in Millions)	Dec 31, 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	397.9	397.5
3.800% Senior Notes due February 23, 2032	396.9	396.5
5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062	148.7	147.7
Total Long-term Debt Outstanding	\$ 943.5	\$ 1,391.6

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 \$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.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 23. DEBT (Continued)

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 years ended December 31, 2025 or 2024 for cash and risk management purposes. There were no short-term debt advances from the FHLBs of Chicago or Dallas outstanding at December 31, 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 22, "Policyholder Obligations," to the 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 \$38.5 million, \$56.9 million and \$56.1 million for the years ended December 31, 2025, 2024 and 2023 respectively. Interest paid, including facility fees, was \$44.4 million for the year ended December 31, 2025 and \$54.5 million for the years ended December 31, 2024 and 2023, respectively.

NOTE 24. 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)	Dec 31, 2025	Dec 31, 2024
Operating Lease Right-of-Use Assets	\$ 45.4	\$ 33.9
Operating Lease Liabilities	61.4	51.6

Lease expenses are included in Insurance and Other Expenses in the Consolidated Statements of Income (Loss). Additional information regarding the Company's operating leases for the year ended December 31, 2025 and 2024 is presented below.

(Dollars in Millions)	2025	2024
Lease Cost:		
Operating Lease Cost	\$ 16.7	\$ 15.5
Variable Lease Cost	4.1	4.7
Short-Term Lease Cost ¹	0.5	1.1
Total Lease Cost	<u>\$ 21.3</u>	<u>\$ 21.3</u>

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

The Company had no expenses during the year ended December 31, 2025 or 2024 associated with lease impairments and other related costs. The Company incurred expenses of \$18.0 million for the year ended December 31, 2023 associated with lease impairments and other related costs.

Other Information on Operating Leases

Significant judgments and assumptions for determining lease asset and liability at December 31, 2025 and 2024 are presented below.

	2025	2024
Weighted-average Remaining Lease Term - Operating Leases	5.1 years	4.5 years
Weighted-average Discount Rate - Operating Leases	4.6 %	4.5 %

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 24. LEASES (Continued)

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 December 31, 2025 are presented below.

(Dollars in Millions)

2026	\$	17.1
2027		13.9
2028		11.6
2029		9.3
2030		7.5
2031 and Thereafter		9.7
Total Future Payments	\$	69.1
Less: Discount		7.7
Present Value of Minimum Lease Payments	\$	61.4

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

NOTE 25. CATASTROPHE REINSURANCE

Catastrophes and natural disasters are inherent risks of the property and casualty insurance business. These catastrophic events and natural disasters include, without limitation, hurricanes, tornadoes, earthquakes, hailstorms, wildfires, high winds and winter storms. Such events result in insured losses that are, and will continue to be, a material factor in the results of operations and financial position of the Company's property and casualty insurance companies. Further, because the level of these insured losses occurring in any one year cannot be accurately predicted, these losses may contribute to material year-to-year fluctuations in the results of operations and financial position of these companies. Specific types of catastrophic events are more likely to occur at certain times within the year than others. This factor adds an element of seasonality to property and casualty insurance claims. The Company has adopted the industry-wide catastrophe classifications of storms and other events promulgated by the Insurance Services Office ("ISO") to track and report losses related to catastrophes. ISO classifies a disaster as a catastrophe when the event causes \$25.0 million or more in direct insured losses to property and affects a significant number of policyholders and insurers. ISO-classified catastrophes are assigned a unique serial number recognized throughout the insurance industry. The discussions that follow utilize ISO's definition of catastrophes.

The Company manages its exposure to catastrophes and other natural disasters through a combination of geographical diversification, restrictions on the amount and location of new business production in certain regions, and reinsurance. To limit its exposures to catastrophic events, the Company maintains a catastrophe reinsurance program for the property and casualty insurance companies. In 2025, the property business written through the Life segment was included in the catastrophe reinsurance program. Coverage for the catastrophe reinsurance program is provided in various layers through multiple excess of loss reinsurance contracts and an annual aggregate excess property catastrophe reinsurance contract.

Coverage on individual catastrophes provided under the excess of loss reinsurance contracts effective January 1, 2025 to December 31, 2025 is provided in various layers as presented below.

<u>DOLLARS IN MILLIONS</u>	Catastrophe Losses and LAE		Percentage of Coverage
	In Excess of	Up to	
Retained	\$ —	\$ 50.0	— %
1st Layer of Coverage	50.0	110.0	95.0
2nd Layer of Coverage	110.0	175.0	95.0

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 25. CATASTROPHE REINSURANCE (Continued)

Coverage on individual catastrophes provided under the excess of loss reinsurance contracts effective January 1, 2024 to December 31, 2024 is provided in various layers as presented below.

<u>DOLLARS IN MILLIONS</u>	Catastrophe Losses and LAE		Percentage of Coverage
	In Excess of	Up to	
Retained	\$ —	\$ 50.0	— %
1st Layer of Coverage	50.0	150.0	85.0
2nd Layer of Coverage	150.0	240.0	95.0
3rd Layer of Coverage	240.0	250.0	31.7

Coverage on individual catastrophes provided under the excess of loss reinsurance contracts effective January 1, 2023 to December 31, 2023 is provided in various layers as presented below.

<u>DOLLARS IN MILLIONS</u>	Catastrophe Losses and LAE		Percentage of Coverage
	In Excess of	Up to	
Retained	\$ —	\$ 50.0	— %
1st Layer of Coverage	50.0	150.0	95.0
2nd Layer of Coverage	150.0	250.0	95.0
3rd Layer of Coverage	250.0	295.0	95.0
4th Layer of Coverage	295.0	325.0	95.0

In the event that the incurred catastrophe losses and LAE covered by the catastrophe reinsurance programs presented in the three preceding tables exceed the retention for that particular layer, each of the programs allow for one reinstatement of such coverage. In such an instance, the Company is required to pay a reinstatement premium to the reinsurers to reinstate the full amount of reinsurance available under such layer.

The catastrophe reinsurance in 2025, 2024 and 2023 for the property and casualty insurance companies also included reinsurance coverage from the Florida Hurricane Catastrophe Fund (“FHCF”) for hurricane losses in Florida at retentions lower than those described above. The Life Insurance segment also purchases reinsurance from the FHCF for hurricane losses in Florida.

Reinsurance premiums for the Company’s catastrophe reinsurance programs and the FHCF Program reduced earned premiums for the years ended December 31, 2025, 2024 and 2023 by the following:

<u>DOLLARS IN MILLIONS</u>	2025	2024	2023
Specialty Property & Casualty Insurance	\$ 1.2	\$ 6.5	\$ 6.1
Life Insurance	0.1	0.3	0.7
Non-Core Operations	—	9.6	9.5
Total Ceded Catastrophe Reinsurance Premiums	\$ 1.3	\$ 16.4	\$ 16.3

The Company did not pay any reinstatement premiums in 2025, 2024, or 2023.

Catastrophe losses and LAE (including reserve development), net of reinsurance recoveries, for the years ended December 31, 2025, 2024 and 2023 by business segment are presented below.

<u>DOLLARS IN MILLIONS</u>	2025	2024	2023
Specialty Property & Casualty Insurance	\$ 11.3	\$ 20.6	\$ 32.2
Life Insurance	1.1	2.1	3.0
Non-Core Operations	5.9	48.6	52.4
Total Catastrophe Losses and LAE	\$ 18.3	\$ 71.3	\$ 87.6

NOTE 25. CATASTROPHE REINSURANCE (Continued)

The Company had no material recoveries under its catastrophe reinsurance treaties for the years ended December 31, 2025 and 2024.

Total prior year catastrophe loss and LAE reserves, net of reinsurance recoverables, developed adversely by \$0.8 million in 2025, adversely by \$6.0 million in 2024 and favorably by \$9.1 million in 2023. The Specialty Property & Casualty Insurance segment reported favorable catastrophe reserve development of \$0.2 million, adverse development of \$0.7 million, and favorable development of \$2.3 million in 2025, 2024 and 2023, respectively. The Life Insurance segment reported favorable catastrophe reserve development of \$0.1 million, favorable development of \$0.1 million and adverse development of \$0.8 million in 2025, 2024 and 2023, respectively. Non-Core Operations reported adverse catastrophe reserve development of \$1.1 million, adverse development of \$5.4 million and favorable development of \$7.6 million in 2025, 2024 and 2023, respectively.

The process of estimating and establishing reserves for catastrophe losses is inherently uncertain and the actual ultimate cost of a claim, net of actual reinsurance recoveries, may vary materially from the estimated amount reserved. The Company's estimates of direct catastrophe losses are generally based on inspections by claims adjusters and historical loss development experience for areas that have not been inspected or for claims that have not yet been reported. The Company's estimates of direct catastrophe losses are based on the coverages provided by its insurance policies. The Company's homeowners and dwelling insurance policies do not provide coverage for losses caused by floods, but generally provide coverage for physical damage caused by wind or wind-driven rain. Accordingly, the Company's estimates of direct losses for homeowners and dwelling insurance do not include losses caused by flood. Depending on the policy, automobile insurance may provide coverage for losses caused by flood. Estimates of the number and severity of claims ultimately reported are influenced by many variables, including, but not limited to, repair or reconstruction costs and determination of cause of loss that are difficult to quantify and will influence the final amount of claim settlements. All these factors, coupled with the impact of the availability of labor and material on costs, require significant judgment in the reserve setting process. A change in any one or more of these factors is likely to result in an ultimate net claim cost different from the estimated reserve. The Company's estimates of indirect losses from wind pools and joint underwriting associations are based on a variety of factors, including, but not limited to, actual or estimated assessments provided by or received from such entities, insurance industry estimates of losses, and estimates of the Company's market share in the assessable states. Actual assessments may differ materially from these estimated amounts.

NOTE 26. OTHER REINSURANCE

In addition to the reinsurance programs described in Note 25, "Catastrophe Reinsurance," to the Consolidated Financial Statements, Kemper's insurance subsidiaries utilize other reinsurance arrangements to limit their maximum loss, provide greater diversification of risk and to minimize exposures on larger risks. The ceding of insurance does not discharge the primary liability of the original insurer. Accordingly, insurance reserve liabilities are reported gross of any estimated recovery from reinsurers in the Consolidated Balance Sheets. Amounts recoverable from reinsurers are estimated in a manner consistent with the insurance reserve liability and are included in Other Receivables in the Consolidated Balance Sheets. Reinsurance Recoverables were \$78.1 million and \$78.7 million at December 31, 2025 and 2024, respectively, of which \$27.2 million and \$26.0 million was related to short-duration policies, respectively, and \$50.9 million and \$52.7 million related to long-duration policies, respectively.

Earned Premiums ceded on long-duration and short-duration policies were \$17.3 million, \$33.1 million and \$32.7 million for the years ended December 31, 2025, 2024 and 2023, respectively, of which \$1.3 million, \$16.4 million and \$16.3 million, respectively, was related to catastrophe reinsurance. See Note 25, "Catastrophe Reinsurance," to the Consolidated Financial Statements for additional information regarding the Company's catastrophe reinsurance programs. Certain insurance subsidiaries assume business from other insurance companies and involuntary pools. Earned Premiums assumed on long-duration and short-duration policies were \$9.8 million, \$21.8 million and \$42.9 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Trinity and Capitol County Mutual Fire Insurance Company ("Capitol") are parties to a quota share reinsurance agreement whereby Trinity assumes 100% of the business written by Capitol for ceded losses for contents coverage. Earned Premiums assumed by Trinity from Capitol were \$9.2 million, \$10.5 million and \$10.4 million for the years ended December 31, 2025, 2024 and 2023, respectively. Capitol is a mutual insurance company and, accordingly, is owned by its policyholders. Trinity and Old Reliable Casualty Company ("ORCC"), a subsidiary of Capitol, are parties to a quota share reinsurance agreement whereby Trinity assumes 100% of the business written by ORCC, subject to a cap, for ceded losses for

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 26. OTHER REINSURANCE (Continued)

contents coverage. Earned Premiums assumed by Trinity from ORCC were \$2.2 million, \$2.3 million and \$2.7 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Seven employees of the Company serve as directors of Capitol's seven member board of directors. Ten employees of the Company also serve as directors of ORCC's ten member board of directors. Kemper's subsidiary, United Insurance, provides claims and administrative services to Capitol and ORCC. In addition, agents appointed by Kemper's subsidiary, The Reliable Life Insurance Company, and who are employed by United Insurance, are also appointed by Capitol and ORCC to sell property insurance products for the Company's Life Insurance segment. The Company also provides certain investment services to Capitol and ORCC.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 27. INCOME TAXES

The tax effects of temporary differences that give rise to significant portions of the Company's Net Deferred Income Tax Assets and Deferred Income Tax Liabilities at December 31, 2025 and 2024 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>
Deferred Income Tax Assets:		
Insurance Reserves	\$ 5.5	\$ —
Unearned Premium Reserves	51.5	52.8
Tax Capitalization of Policy Acquisition Costs	51.8	49.5
Payroll and Employee Benefit Accruals	29.9	34.7
Investments	118.4	147.6
Net Operating Loss and Credit Carryforwards	3.9	14.0
Other	60.4	45.9
Subtotal	<u>321.4</u>	<u>344.5</u>
Valuation Allowance	(38.0)	(38.7)
Total Deferred Income Tax Assets	<u>283.4</u>	<u>305.8</u>
Deferred Income Tax Liabilities:		
Insurance Reserves	—	39.5
Deferred Policy Acquisition Costs	137.9	132.3
Goodwill and Other Intangible Assets	35.5	35.0
Depreciable Assets	21.2	14.6
Other	2.5	4.4
Total Deferred Income Tax Liabilities	<u>197.1</u>	<u>225.8</u>
Net Deferred Income Tax Assets ¹	<u>\$ 86.3</u>	<u>\$ 80.0</u>

¹ Includes \$4.2 million and \$1.5 million attributable to Kemper Reciprocal at December 31, 2025 and 2024, respectively, which is reported as a consolidated variable interest entity.

Due to jurisdictional differences in which the Company operates, the consolidated net deferred tax asset of \$86.3 million is reported on the Consolidated Balance Sheets as a total deferred tax asset of \$101.1 million and a deferred tax liability of \$14.8 million.

The evaluation of the recoverability of the deferred tax asset and the need for a valuation allowance is based on the weight of all available positive and negative evidence. For the year ended December 31, 2025, a valuation allowance of \$38.0 million was recorded against those deferred tax assets that were determined not to be more likely than not to be realized based on Management's assessment, a decrease of \$0.7 million from the year ended December 31, 2024 when a \$38.7 million valuation allowance was recorded.

The expiration of federal net operating loss ("NOL") carryforwards and their related deferred income tax assets at December 31, 2025 is presented below by year of expiration.

<u>DOLLARS IN MILLIONS</u>	<u>NOL</u> <u>Carry-forwards</u>	<u>Deferred Tax</u> <u>Asset</u>
Expiring in:		
2043	\$ 0.3	\$ 0.1
2044	4.4	0.9
2045	14.1	2.9
Total All Years	<u>\$ 18.8</u>	<u>\$ 3.9</u>

The carryforwards relate to federal NOL carryforwards which the Company expects to fully utilize prior to expiration.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

.NOTE 27. INCOME TAXES (Continued)

There were no Unrecognized Tax Benefits at December 31, 2025, 2024 or 2023. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in Income Tax Expense (Benefit). There were no liabilities for accrued interest and penalties as of December 31, 2025, 2024 or 2023.

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. The statute of limitations related to tax years 2014, 2015, 2016, and 2017 has been extended to December 31, 2026. Tax years 2022, 2023 and 2024 are subject to a statute of three years from the extended due dates of October 15, 2023, 2024 and 2025, 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 modifications 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 components of Income Tax Expense (Benefit) from Operations for the years ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current Income Tax Expense (Benefit)	\$ 58.3	\$ 11.9	\$ (4.0)
Deferred Income Tax (Benefit) Expense	(30.2)	64.1	(70.8)
Income Tax Expense (Benefit)	<u>\$ 28.1</u>	<u>\$ 76.0</u>	<u>\$ (74.8)</u>

Federal, state and local, and foreign income taxes paid, net of income tax refunds received for the year ended December 31, 2025, 2024 and 2023 were:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>		<u>2024</u>		<u>2023</u>	
	Amount	Percentage of Total Taxes Paid	Amount	Percentage of Total Taxes Paid	Amount	Percentage of Total Taxes Paid
United States:						
Federal	\$ 33.1	93.8 %	\$ 9.9	88.4 %	\$ (107.7)	100.9 %
State and Local	2.2	6.2	1.3	11.6	1.0	(0.9)
Foreign:						
Bermuda	—	—	—	—	—	—
Total Income Taxes Paid (Refunds Received)	<u>\$ 35.3</u>	<u>100.0 %</u>	<u>\$ 11.2</u>	<u>100.0 %</u>	<u>\$ (106.7)</u>	<u>100.0 %</u>

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 27. INCOME TAXES (Continued)

A reconciliation of the Statutory Federal Income Tax Expense (Benefit) and Rate to the Company's Income Tax Expense (Benefit) and Rate from Operations for the years ended December 31, 2025, 2024 and 2023 is presented below.

<i>DOLLARS IN MILLIONS</i>	2025		2024		2023	
	Amount	Rate	Amount	Rate	Amount	Rate
United States	\$ 93.8		\$ 469.3		\$ (490.1)	
Bermuda	66.9		(80.8)		143.0	
Income (Loss) from Continuing Operations before Tax	\$ 160.7		\$ 388.5		\$ (347.1)	
Statutory Federal Income Tax (Expense) Benefit	\$ 33.7	21.0 %	\$ 81.6	21.0 %	\$ (72.9)	21.0 %
State and Local Income Tax Expense (Benefit), net of Federal Income Tax Effect ¹	1.7	1.1	0.6	0.2	1.1	(0.3)
Foreign Tax Effects:						
Bermuda						
Tax Rate Difference between Bermuda and United States	(4.0)	(2.5)	17.0	4.4	(30.0)	8.6
Bermuda Tax - Change in Enactment	—	—	(2.9)	(0.7)	(27.4)	7.9
Foreign Tax Credits	(9.3)	(5.8)	—	—	—	—
Change in Valuation Allowance	(0.7)	(0.4)	2.9	0.7	27.4	(7.9)
Effect of Cross-Border Tax Laws						
U.S. Tax on Foreign Insurance Income	14.0	8.7	(17.0)	(4.4)	30.0	(8.6)
Nontaxable or Nondeductible Items:						
Tax exempt Income and Dividends Received Deductions	(3.2)	(2.0)	(3.4)	(0.9)	(4.8)	1.4
Untaxed Earnings on Company-Owned Life Insurance	(9.0)	(5.6)	(7.5)	(1.9)	(6.1)	1.8
Nondeductible Executive Compensation (\$162(m))	6.7	4.2	3.5	0.9	1.8	(0.5)
Nondeductible - Goodwill Impairment	—	—	—	—	6.3	(1.8)
Other	1.5	0.9	2.4	0.6	2.7	(0.8)
Tax Credits	(3.3)	(2.1)	(1.2)	(0.3)	(2.9)	0.8
Other Adjustments	—	—	—	—	—	—
Income Tax Expense (Benefit)	\$ 28.1	17.5 %	\$ 76.0	19.6 %	\$ (74.8)	21.6 %
Net Income (Loss)	132.6		312.5		(272.3)	
Noncontrolling Interest	(13.6)		(6.7)		(0.3)	
Noncontrolling Interest Tax Benefit	(2.9)	(1.8)%	(1.4)	(0.4)%	(0.1)	— %
Net Income (Loss) Attributable to Kemper Corporation	\$ 143.3		\$ 317.8		\$ (272.1)	

¹ For the years ended December 31, 2025, and 2024, state taxes in Illinois and Florida represented the majority (greater than 50 percent) of the state and local tax effect in this category. For the year ended December 31, 2023, state taxes in Louisiana and Florida represented the majority of state and local tax effect in this category.

Kemper Corporation and Subsidiaries
Notes to the Consolidated Financial Statements

NOTE 27. INCOME TAXES (Continued)

Comprehensive Income Tax Expense (Benefit) included in the Consolidated Financial Statements for the years ended December 31, 2025, 2024 and 2023 was:

<u>DOLLARS IN MILLIONS</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Income Tax Expense (Benefit):			
Operations	\$ 28.1	\$ 76.0	\$ (74.8)
Unrealized Appreciation (Depreciation) on Securities	34.0	(42.2)	50.3
Tax Effects from Postretirement Benefit Plans	(0.4)	(0.3)	12.4
Tax Effects on changes in Discount Rate for Life Reserves	(7.8)	58.3	(21.2)
Tax Effects from Cash Flow Hedge	(0.2)	(0.8)	—
Comprehensive Income Tax Expense (Benefit)	<u>\$ 53.7</u>	<u>\$ 91.0</u>	<u>\$ (33.3)</u>

NOTE 28. 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 Consolidated Financial Statements and Notes to the Consolidated Financial Statements.

NOTE 29. RELATED PARTIES

As described in Note 26, "Other Reinsurance," to the Consolidated Financial Statements, the Company has certain relationships with Capitol, a mutual insurance company that is owned by its policyholders, and ORCC, a subsidiary of Capitol. There were no other material related party transactions during the year ended December 31, 2025.

**Report of Independent Registered
Public Accounting Firm**

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Kemper Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Kemper Corporation and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2025 and the related notes and the schedules listed in the Index at Item 15 (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Continued)

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Property and casualty insurance reserves – Refer to Notes 2 and 5 to the financial statements.

Critical Audit Matter Description

The estimation of property and casualty insurance reserves for losses and loss adjustment expenses (“property and casualty insurance reserves”), including those claims that are incurred but not reported, requires significant judgment. Estimating property and casualty insurance reserves is inherently uncertain as estimates are generally derived using a variety of actuarial estimation techniques that are dependent on assumptions and expectations about future events, many of which are difficult to quantify. The estimation process, particularly for claims with longer-tailed exposures that may not be discovered or reported immediately, is inherently subjective and modest changes in judgments and assumptions can materially impact the valuation of these reserves.

Given the significant judgments made by management in estimating property and casualty insurance reserves, auditing property and casualty insurance reserves required a high degree of auditor judgment and an increased extent of effort, including the need to involve our actuarial specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to property and casualty insurance reserves included the following, among others:

- We tested the effectiveness of controls related to property and casualty insurance reserves, including those controls related to the estimation of and management’s review of the property and casualty insurance reserves.
- We tested the underlying data, including historical claims, that served as the basis for the actuarial analyses to test that the inputs to the actuarial estimates were accurate and complete.
- With the assistance of our actuarial specialists:
 - We developed a range of independent estimates of the property and casualty insurance reserves and compared our estimates to the recorded reserves.
 - We compared the Company’s prior year estimates of expected incurred losses to actual experience during the most recent year to identify potential bias in the Company’s determination of property and casualty insurance reserves.

/s/ Deloitte & Touche LLP

Chicago, Illinois
February 11, 2026

We have served as the Company’s auditor since 2002.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not Applicable.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

The Company’s management, with 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.

Changes in Internal Controls 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 ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Management Report on Internal Control Over Financial Reporting

We, as management of the Company, are responsible for establishing and maintaining adequate internal control over financial reporting. Pursuant to the rules and regulations of the SEC, internal control over financial reporting is a process designed by, or under the supervision of, a company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on the financial statements.

Management has evaluated the effectiveness of its internal control over financial reporting as of December 31, 2025, based on the control criteria established in a report entitled *Internal Control—Integrated Framework*, issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, we have concluded that the Company’s internal control over financial reporting is effective as of December 31, 2025.

The independent registered public accounting firm of Deloitte & Touche LLP, as auditors of the consolidated financial statements of Kemper and its subsidiaries, has issued an attestation report on the effectiveness of management’s internal control over financial reporting based on criteria established in *Internal Control—Integrated Framework*, issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ C. THOMAS EVANS, JR.

C. Thomas Evans, Jr.
Interim Chief Executive Officer, Secretary, and General Counsel

Kemper Corporation

/s/ BRADLEY T. CAMDEN

Bradley T. Camden

Executive Vice President and Chief Financial Officer
Kemper Corporation

February 11, 2026

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

The attestation report of the independent registered public accounting firm, Deloitte & Touche LLP, on the Company's internal control over financial reporting is included in Item 8 under the heading "Report of Independent Registered Public Accounting Firm," and is incorporated herein by reference.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item is incorporated herein by reference to the sections captioned “Director Biographies,” “Executive Officers,” “Beneficial Ownership of Common Stock” and “Corporate Governance” in the Proxy Statement for Kemper’s 2026 Annual Meeting of Shareholders. Kemper plans to file such proxy statement within 120 days after December 31, 2025, the end of Kemper’s fiscal year.

Kemper’s code of ethics applicable to its chief executive officer, chief financial officer and principal accounting officer (“Code of Ethics for Senior Financial Executives”) is posted in the “Governance” section of Kemper’s investor relations website, investors.kemper.com. Kemper also intends to disclose any future amendments to, and any waivers from (though none are anticipated), the Code of Ethics for Senior Financial Executives in the “Governance” section of its website. Kemper has also adopted the Insider Trading Policy governing the purchase, sale, and/or other disposition of the Company’s securities by our directors, officers and employees that we believe is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and the New York Stock Exchange standards. Copies of the Insider Trading Policy are filed as Exhibit 19.1 and Exhibit 19.2 to our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 11. Executive Compensation.

The information required by this Item is incorporated herein by reference to the sections captioned “Executive Compensation,” “Director Compensation,” “Human Resources & Compensation Committee Interlocks and Insider Participation,” and “Compensation Committee Report” in the Proxy Statement for Kemper’s 2026 Annual Meeting of Shareholders. The Compensation Committee Report to be included in such Proxy Statement shall be deemed to be furnished in this report and shall not be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act as a result of such furnishing in this Item 11.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item is set forth in the table below and incorporated herein by reference to the section captioned “Beneficial Ownership of Common Stock” in the Proxy Statement for Kemper’s 2026 Annual Meeting of Shareholders.

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans or Programs
Equity Compensation Plans Approved by Security Holders	2,208,717	\$ 61.22	2,194,663
Equity Compensation Plans Not Approved by Security Holders	392,349	61.59	—
Total	2,601,066	\$ 122.81	2,194,663

The Second Amended and Restated Kemper 2023 Omnibus Plan permits various stock-based awards including, but not limited to, stock options, stock appreciation rights, RSUs, and PSUs.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item is incorporated herein by reference to the sections captioned “Related Person Transactions” and “Determination of Independence” in the Proxy Statement for Kemper’s 2026 Annual Meeting of Shareholders.

Item 14. Principal Accounting Fees and Services.

The information required by this Item is incorporated by reference to the section captioned “Proposal 4: Advisory Vote to Ratify the Selection of Deloitte & Touche LLP as the Company’s Independent Registered Public Accounting Firm” in the Proxy Statement for Kemper’s 2026 Annual Meeting of Shareholders.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Documents filed as part of this Report

1. Financial Statements. The consolidated balance sheets of Kemper and subsidiaries as of December 31, 2025 and 2024, and the consolidated statements of loss, comprehensive loss, cash flows and shareholders' equity for the years ended December 31, 2025, 2024 and 2023, together with the notes thereto and the report of Deloitte & Touche LLP thereon appearing in Item 8 are included in this 2025 Annual Report.
2. Financial Statement Schedules. The following four financial statement schedules are included on the pages immediately following the signature pages hereof. Schedules not listed here have been omitted because they are not applicable or not material or the required information is included in the Consolidated Financial Statements.

Schedule I Investments Other Than Investments in Related Parties

Schedule II Parent Company Financial Statements

Schedule III Supplementary Insurance Information

Schedule IV Reinsurance Schedule

The Report of Independent Registered Public Accounting Firm, Deloitte & Touche LLP, with regards to the Financial Statement Schedules listed above, is incorporated by reference to the Report of Independent Registered Public Accounting Firm included in Item 8.

3. Exhibits. An Exhibit Index has been filed as part of this report on pages 146 through 150.

(b) Exhibits. Included in Item 15(a)3 above

(c) Financial Statement Schedules. Included in Item 15(a)2 above

Item 16. Form 10-K Summary

None.

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		
3.1	Restated Certificate of Incorporation	8-K	001-18298	3.2	August 8, 2014	
3.2	Amended and Restated Bylaws of Kemper Corporation	8-K	001-18298	3.1	December 6, 2022	
4.1	Indenture, dated as of February 27, 2014, by and between Kemper Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee	8-K	001-18298	4.1	February 27, 2014	
4.2	Second Supplemental Indenture, dated as of February 24, 2015, to the Indenture, dated as of February 27, 2014, between Kemper Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee (including the form of 4.350% Senior Notes due 2025)	8-K	001-18298	4.2	February 24, 2015	
4.3	Indenture, dated as of September 29, 2020, by and between the Company and U.S. Bank National Association	8-K	001-18298	4.1	September 29, 2020	
4.4	First Supplemental Indenture, dated as of September 29, 2020, by and between the Company and U.S. Bank National Association (Including the form of 2.400% Senior Notes due 2030)	8-K	001-18298	4.2	September 29, 2020	
4.5	Second Supplemental Indenture, dated as of February 23, 2022, by and between the Company and U.S. Bank Trust Company, National Association (Including the form of 3.800% Senior Notes due 2032)	8-K	001-18298	4.2	February 23, 2022	
4.6	Third Supplemental Indenture, dated as of March 10, 2022, by and between the Company and U.S. Bank Trust Company, National Association (Including the form of 5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062)	8-K	001-18298	4.2	March 10, 2022	
4.7	Form of Certificate Representing Shares of Kemper Corporation Common Stock	10-K	001-18298	4.7	February 20, 2019	
4.8	Description of Securities Registered Under Section 12 of the Exchange Act					X
10.1	Third Amended and Restated Credit Agreement, dated as of March 15, 2022, by and among the Company, as the borrower, the lenders and issuing banks from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent	8-K	001-18298	10.1	March 17, 2022	
10.2	Advances and Security Agreement and Addendum to Advances and Security Agreement, effective as of December 31, 2013, between Trinity Universal Insurance Company and the Federal Home Loan Bank of Dallas	10-K	001-18298	10.2	February 14, 2014	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
10.3	Advances, Collateral Pledge, and Security Agreement, dated as of March 18, 2014, between United Insurance Company of America and the Federal Home Loan Bank of Chicago	8-K	001-18298	10.1	March 21, 2014	
10.4	Advances and Security Agreement, effective August 14, 2020, between Alliance United Insurance Company and the Federal Home Loan Bank of San Francisco	8-K/A	001-18298	10.1	August 20, 2020	
10.5	Advances, Collateral Pledge, and Security Agreement, dated as of May 10, 2022, between American Access Casualty Company and the Federal Home Loan Bank of Chicago	8-K	001-18298	10.1	May 11, 2022	
10.6*	Kemper Pension Equalization Plan, as amended and restated effective August 25, 2011, as amended by Amendment No. 2 effective September 16, 2013	10-K	001-18298	10.3	February 14, 2014	
10.7*	Kemper Supplemental Retirement Plan, as amended and restated effective September 22, 2016	10-K	001-18298	10.5	February 13, 2017	
10.8*	Kemper 2011 Omnibus Equity Plan, as amended and restated effective February 8, 2017	10-K	001-18298	10.17	February 13, 2017	
10.9*	Form of Stock Option and SAR Agreement for Non-employee Directors, as of May 1, 2013, under the Kemper 2011 Omnibus Equity Plan	10-Q	001-18298	10.1	May 2, 2013	
10.10*	Form of Deferred Stock Unit Agreement for Non-employee Directors, as of May 1, 2013, under the Kemper 2011 Omnibus Equity Plan	10-Q	001-18298	10.2	May 2, 2013	
10.11*	Form of Stock Option and SAR Agreement - Installment-Vesting Form, as of February 4, 2014, under the Kemper 2011 Omnibus Equity Plan	10-K	001-18298	10.24	February 14, 2014	
10.12*	Form of Stock Option and SAR Agreement - Installment-Vesting Form, as of February 7, 2017, under the Kemper 2011 Omnibus Equity Plan	10-K	001-18298	10.31	February 13, 2017	
10.13*	Form of Non-Qualified Stock Option and SAR Award Agreement (Installment Vesting), as of February 6, 2018, under the Kemper 2011 Omnibus Equity Plan	10-K	001-18298	10.39	February 13, 2018	
10.14*	Form of individual Indemnification Agreements between Kemper and its directors and executive officers	8-K	001-18298	10.1	February 11, 2020	
10.15*	2020 Omnibus Plan	Schedule 14A	001-18298	Appendix B	March 25, 2020	
10.16*	Form of Non-Employee Director Restricted Stock Unit Award Agreement as of May 5, 2020 under the 2020 Omnibus Equity Plan	8-K	001-18298	10.1	May 11, 2020	
10.17*	Form of Non-Qualified Stock Option and SAR Award Agreement (Cliff-Vesting) as of May 5, 2020 under the 2020 Omnibus Equity Plan	8-K	001-18298	10.2	May 11, 2020	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
10.18*	Form of Non-Qualified Stock Option and SAR Award Agreement (Installment-Vesting) as of May 5, 2020 under the 2020 Omnibus Equity Plan	8-K	001-18298	10.3	May 11, 2020	
10.19*	Form of Performance Share Unit Award Agreement (Adjusted ROE) as of May 5, 2020 under the 2020 Omnibus Equity Plan	8-K	001-18298	10.6	May 11, 2020	
10.20*	Form of Performance Share Unit Award Agreement (Relative TSR) as of May 5, 2020 under the 2020 Omnibus Equity Plan	8-K	001-18298	10.7	May 11, 2020	
10.21*	Form of Non-Qualified Stock Option and SAR Award Agreement (Cliff Vesting) as of February 1, 2022 under the 2020 Equity Omnibus Plan					X
10.22*	Form of Non-Qualified Stock Option and SAR Award Agreement (Installment Vesting) as of February 1, 2022 under the 2020 Equity Omnibus Plan					X
10.23*	Form of Restricted Stock Unit Award Agreement (Cliff Vesting) as of February 1, 2022 under the 2020 Equity Omnibus Plan					X
10.24*	Form of Restricted Stock Unit Award Agreement (Installment Vesting) as of February 1, 2022 under the 2020 Equity Omnibus Plan					X
10.25*	Form of Performance Share Unit Award Agreement (Adjusted ROE) as of February 1, 2022 under the 2020 Equity Omnibus Plan					X
10.26*	Form of Performance Share Unit Award Agreement (Relative TSR) as of February 1, 2022 under the 2020 Equity Omnibus Plan					X
10.27*	Form of Special Equity Award Agreement as of February 1, 2022 under the 2020 Omnibus Equity Plan					X
10.28*	Amended and Restated Kemper Corporation 2023 Omnibus Plan	Schedule 14A	001-18298	Appendix A	May 1, 2024	
10.29*	Form of Non-Employee Director Restricted Stock Unit Award Agreement as of May 2, 2023 under the 2023 Omnibus Plan	10-Q	001-18298	10.1	August 7, 2023	
10.30*	Form of Non-Qualified Stock Option and SAR Award Agreement (Cliff-Vesting) as of May 2, 2023 under the 2023 Omnibus Plan	10-Q	001-18298	10.2	August 7, 2023	
10.31*	Form of Non-Qualified Stock Option and SAR Award Agreement (Installment-Vesting) as of May 2, 2023 under the 2023 Omnibus Plan	10-Q	001-18298	10.3	August 7, 2023	
10.32*	Form of Restricted Stock Unit Award Agreement (Cliff-Vesting) as of May 2, 2023 under the 2023 Omnibus Plan	10-Q	001-18298	10.4	August 7, 2023	
10.33*	Form of Restricted Stock Unit Award Agreement (Installment-Vesting) as of May 2, 2023 under the 2023 Omnibus Plan	10-Q	001-18298	10.5	August 7, 2023	
10.34*	Form of Performance Share Unit Award Agreement (Adjusted ROE) as of May 2, 2023 under the 2023 Omnibus Plan	10-Q	001-18298	10.6	August 7, 2023	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
10.35*	Form of Performance Share Unit Award Agreement (Relative TSR) as of May 2, 2023 under the 2023 Omnibus Plan	10-Q	001-18298	10.7	August 7, 2023	
10.36*	Form of Restricted Stock Unit Award Agreement (ELT Retention) as of February 6, 2024 under the 2023 Omnibus Plan	10-Q	001-18298	10.2	May 1, 2024	
10.37*	Form of individual change in control severance agreements between Kemper and its executive officers	10-Q	001-18298	10.1	August 5, 2024	
	Each of the agreements is identical except that the multipliers for benefits related to severance payment, life insurance and health insurance are 3 years, 3 years and 36 months, respectively, for the Chief Executive Officer and 2 years, 2 years and 24 months, respectively, for the other officers.					
10.38	Second Amended and Restated Kemper Corporation 2023 Omnibus Plan	Schedule 14A	001-18298	Appendix B	March 26, 2025	
10.39	Form of Performance-Based Restricted Stock Unit Award Agreement (Adjusted Tangible Book Value with a Relative TSR Modifier) as of February 4, 2025 under the Amended and Restated 2023 Omnibus Plan	10-Q	001-18298	10.1	May 7, 2025	
10.40	Master Confirmation and Supplemental Confirmation, dated as of August 13, 2025, between the Company and Goldman Sachs & Co. LLC.	10-Q	001-18298	10.1	November 5, 2025	
10.41	Separation and Release Agreement, dated as of December 16, 2025, between the Company and Duane Sanders	8-K	001-18298	99.1	December 19, 2025	
10.42	Separation and Release Agreement, dated as of October 14, 2025, between the Company and Joseph P. Lacher, Jr.					X
18.1	Preferability letter from Deloitte & Touche LLP regarding change in accounting principle					X
19.1	Insider Trading Policy - Executive Version					X
19.2	Insider Trading Policy - ESOC Version					X
21	Subsidiaries of Kemper Corporation					X
23	Consent of Deloitte & Touche LLP					X
24	Power of Attorney (included on the signature page hereof)					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 (furnished pursuant to Item 601(b)(32) of Regulation S-K)					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
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 (furnished pursuant to Item 601(b)(32) of Regulation S-K)					X
97.1	Kemper Corporation Policy on Recoupment of Incentive Compensation					X
101.1	XBRL Instance					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

POWER OF ATTORNEY

Each person whose signature appears below on the following page hereby appoints each of C. Thomas, Evans, Jr., Interim Chief Executive Officer, Secretary, and General Counsel, Bradley T. Camden, Executive Vice President and Chief Financial Officer, and James A. Alexander, Senior Vice President and Chief Accounting Officer, so long as such individual remains an executive officer of Kemper Corporation, his or her true and lawful attorney-in-fact with authority together or individually to execute in the name of each such signatory, and with authority to file with the SEC, any and all amendments to this 2025 Annual Report of Kemper Corporation, together with any and all exhibits thereto and other documents therewith, necessary or advisable to enable Kemper Corporation to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations, and requirements of the SEC in respect thereof, which amendments may make such other changes in the 2025 Annual Report as the aforesaid attorney-in-fact executing the same deems appropriate.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, Kemper Corporation has duly caused this 2025 Annual Report on Form 10-K for the fiscal year ended December 31, 2025 to be signed on its behalf by the undersigned, thereunto duly authorized, on February 11, 2026.

KEMPER CORPORATION (Registrant)

By: /s/ C. THOMAS EVANS, JR.
C. Thomas Evans, Jr.
Interim Chief Executive Officer, Secretary, and General Counsel

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Kemper Corporation in the capacities indicated on February 11, 2026.

<u>Signature</u>	<u>Title</u>
/s/ C. THOMAS EVANS, JR. _____ C. Thomas Evans, Jr.	Interim Chief Executive Officer, Secretary, and General Counsel (Principal Executive Officer)
/s/ BRADLEY T. CAMDEN _____ Bradley T. Camden	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ JAMES A. ALEXANDER _____ James A. Alexander	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)
/s/ TERESA A. CANIDA _____ Teresa A. Canida	Director
/s/ GEORGE N. COCHRAN _____ George N. Cochran	Director
/s/ JASON N. GOREVIC _____ Jason N. Gorevic	Director
/s/ LACY M. JOHNSON _____ Lacy M. Johnson	Director
/s/ GERALD LADERMAN _____ Gerald Laderman	Director
/s/ ALBERTO PARACCHINI _____ Alberto J. Paracchini	Director
/s/ STUART B. PARKER _____ Stuart B. Parker	Director
/s/ SUZET M. MCKINNEY _____ Suzet M. McKinney	Director
/s/ SUSAN D. WHITING _____ Susan D. Whiting	Director

KEMPER CORPORATION AND SUBSIDIARIES
 INVESTMENTS OTHER THAN INVESTMENTS IN RELATED PARTIES
 DECEMBER 31, 2025
 (Dollars in Millions)

	Amortized Cost	Fair Value	Amount Carried in Balance Sheet
Fixed Maturities:			
Bonds and Notes:			
United States Government and Government Agencies and Authorities	\$ 702.0	\$ 622.4	\$ 622.4
States and Political Subdivisions	1,437.3	1,253.2	1,253.2
Foreign Governments	10.7	11.0	11.0
Corporate Securities:			
Other Bonds and Notes	4,089.8	3,650.3	3,650.3
Redeemable Preferred Stocks	9.8	10.2	10.2
Collateralized Loan Obligations	850.8	843.0	843.0
Other Mortgage- and Asset-backed	375.3	353.2	353.2
Total Investments in Fixed Maturities	<u>7,475.7</u>	<u>6,743.3</u>	<u>6,743.3</u>
Equity Securities at Fair Value:			
Preferred Stocks	19.2	19.2	19.2
Common Stocks	65.0	65.0	65.0
Other Equity Interests	222.2	222.2	222.2
Total Investments in Equity Securities	<u>306.4</u>	<u>306.4</u>	<u>306.4</u>
Equity Method Limited Liability Investments at Cost Plus Cumulative Undistributed Earnings	176.0	XXX.X	176.0
Short-term Investments	313.5	XXX.X	313.5
Company-Owned Life Insurance	579.2	XXX.X	579.2
Loans to Policyholders	279.9	XXX.X	279.9
Other Investments	271.3	XXX.X	271.3
Total Investments	<u>\$ 9,402.0</u>		<u>\$ 8,669.6</u>

See Accompanying Report of Independent Registered Public Accounting Firm.

KEMPER CORPORATION
PARENT COMPANY BALANCE SHEETS
(Dollars in Millions)

	December 31,	
	2025	2024
ASSETS		
Investments in Subsidiaries	\$ 3,544.0	\$ 3,773.8
Fixed Maturities at Fair Value (Amortized Cost: 2025 – \$0.5; 2024 - \$0.5)	0.5	0.5
Equity Securities at Fair Value (Cost: 2025 - \$13.8; 2024 - \$12.8)	11.9	10.9
Equity Method Limited Liability Investments	17.0	—
Short-term Investments	118.0	453.8
Other Investments	36.0	22.2
Cash	48.0	2.3
Other Receivables	23.8	60.9
Current Income Taxes	—	54.3
Right-of-Use Assets	6.7	7.2
Other Assets	11.3	13.1
Total Assets	\$ 3,817.2	\$ 4,399.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Senior Notes Payable, 4.350% due 2025 (Fair Value: 2025 – \$—; 2024 – \$448.1)	\$ —	\$ 449.9
Senior Notes Payable, 2.400% due 2030 (Fair Value: 2025 – \$358.1; 2024 – \$338.9)	397.9	397.5
Senior Notes Payable, 3.800% due 2032 (Fair Value: 2025 - \$369.4; 2024 - \$352.2)	396.9	396.5
Fixed-Rate Reset Junior Subordinated Debentures, 5.875% due 2062 (Fair Value: 2025 - \$140.4; 2024 - \$139.2)	148.7	147.7
Current Income Tax Liability	27.2	—
Deferred Income Tax Liability	114.6	137.0
Liabilities for Benefit Plans	30.9	32.1
Right-of-Use Liabilities	19.6	21.3
Accrued Expenses and Other Liabilities	—	28.6
Total Liabilities	1,135.8	1,610.6
Shareholders' Equity:		
Common Stock	5.9	6.4
Additional Paid-in Capital	1,723.9	1,854.9
Retained Earnings	1,157.8	1,231.6
Accumulated Other Comprehensive Loss	(206.2)	(304.5)
Total Shareholders' Equity	2,681.4	2,788.4
Total Liabilities and Shareholders' Equity	\$ 3,817.2	\$ 4,399.0

See Accompanying Report of Independent Registered Public Accounting Firm.

KEMPER CORPORATION
PARENT COMPANY STATEMENTS OF INCOME (LOSS)
(Dollars in Millions)

	For the Year Ended December 31,		
	2025	2024	2023
Net Investment Income	\$ (0.8)	\$ 15.9	\$ 8.6
Change in Fair Value of Equity Securities	—	(0.2)	(1.5)
Net Realized Investment Losses	(0.9)	(10.6)	(11.9)
Impairment Losses	(0.1)	—	(0.4)
Total Revenues	<u>(1.8)</u>	<u>5.1</u>	<u>(5.2)</u>
Interest Expense	40.5	58.1	56.7
Pension Settlement Expense	—	(2.6)	70.2
Other Operating Expenses	5.5	12.7	6.1
Total Operating Expenses	<u>46.0</u>	<u>68.2</u>	<u>133.0</u>
Loss before Income Taxes and Equity in Net Income (Loss) of Subsidiaries	(47.8)	(63.1)	(138.2)
Income Tax Benefit	(2.9)	(8.8)	(28.4)
Loss before Equity in Net Income (Loss) of Subsidiaries	(44.9)	(54.3)	(109.8)
Equity in Net Income (Loss) of Subsidiaries	188.2	372.1	(162.5)
Net Income (Loss)	143.3	317.8	(272.3)
Less: Net Loss attributable to Noncontrolling Interest	—	—	(0.2)
Net Income (Loss) attributable to Kemper Corporation	<u>\$ 143.3</u>	<u>\$ 317.8</u>	<u>\$ (272.1)</u>

See Accompanying Report of Independent Registered Public Accounting Firm.

KEMPER CORPORATION
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in Millions)

	For the Year Ended December 31,		
	2025	2024	2023
Net Income (Loss)	\$ 143.3	\$ 317.8	\$ (272.3)
Other Comprehensive Income:			
Changes in Net Unrealized Gains (Losses) on Investment Securities:			
Having No Credit Losses Recognized in Consolidated Statements of Loss:			
Securities Held by Subsidiaries	160.7	(210.5)	235.0
Securities Held by Parent	—	0.6	(0.6)
Having Credit Losses Recognized in Consolidated Statements of Loss:			
Securities Held by Subsidiaries	0.3	(0.6)	(0.5)
Reclassification Adjustment for Securities Having No Credit Losses Included in Net Loss:			
Securities Held by Subsidiaries	1.6	8.8	4.5
Securities Held by Parent	—	2.4	(0.1)
Reclassification Adjustment for Securities Having Credit Losses Included in Net Loss:			
Securities Held by Subsidiaries	—	(0.7)	—
Unrecognized Postretirement Benefit Costs Arising During the Year:			
Subsidiaries	—	0.5	0.1
Parent	(0.9)	1.3	(7.4)
Reclassification Adjustment for Postretirement Benefit Costs Arising During the Year:			
Subsidiaries	(0.4)	(0.3)	(0.3)
Parent	(1.7)	(2.8)	66.8
Unrecognized Gain (Loss) on Cash Flow Hedges Arising During the Year:			
Subsidiaries	1.5	(6.3)	—
Parent	—	—	—
Reclassification Adjustment for Gain (Loss) on Cash Flow Hedges Arising During the Year:			
Subsidiaries	0.3	—	—
Parent	(0.5)	0.9	(0.2)
Change in Discount Rate on Future Life Policyholder Benefits	(37.3)	278.0	(101.7)
Other Comprehensive Income Before Income Taxes	<u>123.6</u>	<u>71.3</u>	<u>195.6</u>
Income Tax Expense:			
Changes in Net Unrealized (Losses) Gains on Investment Securities:			
Having No Credit Losses Recognized in Consolidated Statements of Loss:			
Securities Held by Subsidiaries	33.7	(44.2)	49.5
Securities Held by Parent	—	0.1	(0.1)
Having Credit Losses Recognized in Consolidated Statements of Loss:			
Securities Held by Subsidiaries	0.1	(0.3)	(0.2)
Reclassification Adjustment for Securities Having No Credit Losses Included in Net Loss:			
Securities Held by Subsidiaries	0.3	1.8	1.0
Securities Held by Parent	—	0.5	(0.1)
Reclassification Adjustment for Securities Having Credit Losses Included in Net Loss:			
Securities Held by Subsidiaries	—	(0.3)	—
Unrecognized Postretirement Benefit Costs Arising During the Year:			
Subsidiaries	—	0.1	—
Parent	(0.2)	0.3	(1.3)
Reclassification Adjustment for Postretirement Benefit Costs Arising During the Year:			
Subsidiaries	(0.1)	—	(0.2)
Parent	(0.4)	(0.6)	14.0
Unrecognized Gain (Loss) on Cash Flow Hedges Arising During the Year:			
Subsidiaries	(0.3)	(0.9)	—
Reclassification Adjustment for Gain (Loss) on Cash Flow Hedges Arising During the Year:			
Subsidiaries	0.1	—	—
Parent	(0.1)	0.2	0.1
Change in Discount Rate on Future Life Policyholder Benefits	(7.8)	58.3	(21.2)
Income Tax Expense	<u>25.3</u>	<u>15.0</u>	<u>41.5</u>
Other Comprehensive Income (Loss)	<u>98.3</u>	<u>56.3</u>	<u>154.1</u>
Total Comprehensive Income (Loss)	<u>\$ 241.6</u>	<u>\$ 374.1</u>	<u>\$ (118.2)</u>
Less: Total Comprehensive Loss attributable to Noncontrolling Interest	—	—	(0.2)
Total Comprehensive Income (Loss) attributable to Kemper Corporation	<u>\$ 241.6</u>	<u>\$ 374.1</u>	<u>\$ (118.0)</u>

See Accompanying Report of Independent Registered Public Accounting Firm.

KEMPER CORPORATION
PARENT COMPANY STATEMENTS OF CASH FLOWS
(Dollars in Millions)

	For the Year Ended December 31,		
	2025	2024	2023
Operating Activities:			
Net Income (Loss)	\$ 143.3	\$ 317.8	\$ (272.3)
Adjustment Required to Reconcile Net Income (Loss) to Net Cash Provided by Operations:			
Equity in Net Loss (Income) of Subsidiaries	(188.2)	(372.1)	162.5
Cash Dividends from Subsidiaries	498.5	245.4	320.8
Net Realized Investment Losses	0.9	10.6	11.9
Settlement Related to Defined Benefit Pension Plan	—	(2.6)	70.2
Impairment Losses	0.1	—	0.4
Income from Change in Fair Value of Equity Securities	—	0.2	1.5
Other	139.2	31.9	(30.6)
Net Cash Provided by Operating Activities	593.8	231.2	264.4
Investing Activities:			
Capital Contributed to Subsidiaries	(3.7)	—	(177.5)
Contribution to Non-Controlling Interest	(14.0)	(18.0)	(4.0)
Proceeds from the Sales, Calls and Maturities of Fixed Maturities	—	35.3	50.8
Proceeds from the Sales or Paydowns of Investments:			
Equity Securities	1.7	2.7	14.8
Purchases of Investments:			
Equity Securities	(2.7)	(3.8)	(2.1)
Net (Purchases) Sales of Short-term Investments	298.4	(126.3)	(112.2)
Other	0.2	(0.1)	(23.2)
Net Cash Provided by (Used in) Investing Activities	279.9	(110.2)	(253.4)
Financing Activities:			
Proceeds from Loans from Subsidiaries	250.0	—	—
Repayments of Loans from Subsidiaries	(250.0)	—	—
Repayment of Long-term Debt	(450.0)	—	—
Proceeds from Shares Issued under Employee Stock Purchase Plan	3.7	3.8	4.3
Common Stock Repurchases	(301.9)	(38.9)	—
Dividends and Dividend Equivalents Paid	(79.6)	(80.1)	(79.6)
Other	(0.2)	(5.0)	(0.5)
Net Cash Used in Financing Activities	(828.0)	(120.2)	(75.8)
Net increase (decrease) in cash	45.7	0.8	(64.8)
Cash, Beginning of Year	2.3	1.5	66.3
Cash, End of Year	<u>\$ 48.0</u>	<u>\$ 2.3</u>	<u>\$ 1.5</u>

See Accompanying Report of Independent Registered Public Accounting Firm.

KEMPER CORPORATION
FINANCIAL INFORMATION OF KEMPER CORPORATION
NOTES TO FINANCIAL INFORMATION
(Dollars in Millions)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial information of Kemper Corporation (“Kemper” or the “Parent Company”) should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in Item 8 of this Form 10-K. Kemper’s subsidiaries are accounted for using the equity method of accounting. Equity in Net Income (Loss) of Subsidiaries of these subsidiaries is presented on the Statements of Operations as Equity in Net Income (Loss) of Subsidiaries.

NOTE 2. GUARANTEES

On July 1, 2022, Kemper executed an indefinite agreement with its subsidiary, Kemper Bermuda Ltd, which requires Kemper to contribute up to \$300.0 million in contributed capital to maintain its minimum Enhanced Capital Requirement (“ECR”) as required by the Bermuda Monetary Authority as a Class C insurer. As of December 31, 2025 and 2024, Kemper had contributed \$40.0 million under this agreement.

NOTE 3. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Kemper received \$14.8 million of non-cash dividends from and made \$77.4 million of non-cash capital contributions to subsidiaries during 2025. In 2024, Kemper did not receive any non-cash dividends from or make any non-cash capital contributions to subsidiaries.

NOTE 4. LEASES

Kemper leases certain office space for its current and former corporate headquarters under non-cancelable operating leases.

The following table presents operating lease Right-of-Use (“ROU”) assets and lease liabilities at December 31, 2025 and 2024.

<u>DOLLARS IN MILLIONS</u>	2025	2024
Operating Lease Right-of-Use Assets	\$ 6.7	\$ 7.2
Operating Lease Liabilities	19.6	21.3

Supplemental cash flow information related to Kemper’s operating leases for the year ended December 31, 2025 and December 31, 2024 respectively are presented follows.

<u>DOLLARS IN MILLIONS</u>	2025	2024
Operating Cash Flows from Operating Leases (Fixed Payments)	\$ 2.6	\$ 3.0
Operating Cash Flows from Operating Leases (Liability Reduction)	1.8	2.1

Significant judgments and assumptions for determining lease asset and liability as December 31, 2025 and December 31, 2024 respectively are presented below.

<u>DOLLARS IN MILLIONS</u>	2025	2024
Weighted-average Remaining Lease Term - Operating Leases	8.0 years	9.0 years
Weighted-average Discount Rate - Operating Leases	4.0 %	4.0 %

KEMPER CORPORATION
 FINANCIAL INFORMATION OF KEMPER CORPORATION
 NOTES TO FINANCIAL INFORMATION
 (Dollars in Millions)

NOTE 4. LEASES (Continued)

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

Future minimum operating lease payments at December 31, 2025 were:

<u>DOLLARS IN MILLIONS</u>	<u>Operating Leases</u>
2026	\$ 2.6
2027	2.7
2028	2.8
2029	2.8
2030	2.9
2031 and Thereafter	9.2
Total Future Payments	\$ 23.0
Less Discount	3.4
Present Value of Minimum Lease Payments	\$ 19.6

NOTE 5. DEBT

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 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.

KEMPER CORPORATION
FINANCIAL INFORMATION OF KEMPER CORPORATION
NOTES TO FINANCIAL INFORMATION
(Dollars in Millions)

NOTE 5. DEBT (Continued)

In anticipation of the issuance of the 2032 Senior Notes and for risk management purposes, the Company entered into a derivative transaction 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 (“Treasury Lock”). The effective portion of the gain on the derivative instrument upon discontinuance was \$5.9 million before taxes, and is reported as a component of Accumulated Other Comprehensive Loss. The gain is being amortized into earnings and reported in Interest Expense in the same periods that the hedged items affect earnings. Amortization, reported in Interest Expense, was \$0.6 million for the year ended December 31, 2025. The Company expects to reclassify \$0.5 million of net gain on derivative instruments from AOCI to earnings for the twelve months ended December 31, 2026 as interest expense on the debt is recognized.

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 \$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.

KEMPER CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY INSURANCE INFORMATION
(Dollars in Millions)

	Year Ended December 31,							At December 31		
	Earned Premiums	Premiums Written	Other Income (Loss)	Net Investment Income ²	Insurance Claims and Policy- holders' Benefits	Amortization of Deferred Policy Acquisition Costs	Other Insurance Expenses ³	Deferred Policy Acquisition Costs	Insurance Reserves	Unearned Premiums
2025										
Specialty Property & Casualty Insurance	\$ 3,925.7	\$ 3,912.8	\$ 8.9	\$ 211.2	\$ 3,077.2	\$ 534.9	\$ 301.7	\$ 158.8	\$ 2,769.4	\$ 1,204.2
Life Insurance ¹	393.4	N/A	1.6	188.2	238.7	29.5	234.9	497.1	3,289.4	8.5
Non-Core Operations	77.2	59.4	—	7.7	59.4	9.6	56.7	0.8	161.9	32.5
Corporate and Other	—	N/A	(12.5)	(2.1)	0.2	—	47.7	—	7.0	—
Total	\$ 4,396.3	N/A	\$ (2.0)	\$ 405.0	\$ 3,375.5	\$ 574.0	\$ 641.0	\$ 656.7	\$ 6,227.7	\$ 1,245.2
2024										
Specialty Property & Casualty Insurance	\$ 3,576.4	\$ 3,685.4	\$ 6.1	\$ 189.6	\$ 2,541.7	\$ 474.1	\$ 285.4	\$ 162.8	\$ 2,347.9	\$ 1,216.8
Life Insurance ¹	393.9	N/A	1.1	170.6	234.5	32.6	239.5	463.1	3,202.4	8.2
Non-Core Operations	245.6	108.3	0.4	36.4	236.8	31.3	51.0	4.1	261.7	50.3
Corporate and Other	—	N/A	2.9	10.9	0.1	—	66.2	—	9.0	—
Total	\$ 4,215.9	N/A	\$ 10.5	\$ 407.5	\$ 3,013.1	\$ 538.0	\$ 642.1	\$ 630.0	\$ 5,821.0	\$ 1,275.3
2023										
Specialty Property & Casualty Insurance	\$ 3,632.5	\$ 3,305.4	\$ 6.1	\$ 168.3	\$ 3,141.9	\$ 496.2	\$ 245.1			
Life Insurance ¹	387.6	N/A	0.5	193.4	243.4	39.9	235.9			
Non-Core Operations	509.3	435.5	0.4	48.7	434.6	71.0	75.6			
Corporate and Other	—	N/A	3.1	9.3	0.1	—	201.9			
Total	\$ 4,529.4	N/A	\$ 10.1	\$ 419.7	\$ 3,820.0	\$ 607.1	\$ 758.5			

¹ The Company's Life Insurance employee-agents also market certain property and casualty insurance products under common management. Accordingly, the Company includes the results of these property and casualty insurance products in its Life Insurance segment.

² The Company reports Net Investment Income based on the attributable source of investable funds. The Specialty Property & Casualty Insurance and Non-Core Operations Net Investment Income is allocated from a shared investment portfolio based on the respective amounts of investable funds contributed by each business. Investable funds is determined based on certain liabilities (net of non-invested assets) and required capital. The Life Insurance segment and Corporate and Other Operations Net Investment Incomes are primarily sourced from dedicated investment portfolios.

³ Expenses are allocated based upon specific metrics associated with each business, including but not limited to claim counts, headcount, and budgeted premium.

See Accompanying Report of Independent Registered Public Accounting Firm.

KEMPER CORPORATION
REINSURANCE SCHEDULE
(Dollars in Millions)

	Gross Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount Assumed to Net
Year Ended December 31, 2025					
Life Insurance in Force	\$ 19,496.7	\$ 310.2	\$ 117.9	\$ 19,304.4	0.6 %
Premiums:					
Life Insurance	\$ 333.1	\$ 2.9	\$ 0.4	\$ 330.6	0.1 %
Accident and Health Insurance	34.6	12.8	—	21.8	—
Property and Liability Insurance	4,047.6	1.6	(2.1)	4,043.9	(0.1)
Total Premiums	\$ 4,415.3	\$ 17.3	\$ (1.7)	\$ 4,396.3	— %
Year Ended December 31, 2024					
Life Insurance in Force	\$ 19,651.3	\$ 322.5	\$ 123.6	\$ 19,452.4	0.6 %
Premiums:					
Life Insurance	\$ 330.7	\$ 3.1	\$ 0.5	\$ 328.1	0.2 %
Accident and Health Insurance	34.7	12.5	—	22.2	—
Property and Liability Insurance	3,873.1	17.5	10.0	3,865.6	0.3
Total Premiums	\$ 4,238.5	\$ 33.1	\$ 10.5	\$ 4,215.9	0.2 %
Year Ended December 31, 2023					
Life Insurance in Force	\$ 19,750.8	\$ 339.4	\$ 129.9	\$ 19,541.3	0.7 %
Premiums:					
Life Insurance	\$ 322.0	\$ 3.3	\$ 0.5	\$ 319.2	0.2 %
Accident and Health Insurance	34.7	11.6	—	23.1	—
Property and Liability Insurance	4,175.7	17.8	29.2	4,187.1	0.7
Total Premiums	\$ 4,532.4	\$ 32.7	\$ 29.7	\$ 4,529.4	0.7 %

See Accompanying Report of Independent Registered Public Accounting Firm.

Description of Securities of Kemper Corporation Registered under Section 12 of the Exchange Act as of December 31, 2022**Description of the Company's Common Stock**

The following is a summary of the material terms and provisions of the capital stock of Kemper Corporation (“we,” “us,” “our,” “Kemper” or “Company”) and does not purport to be complete. It is qualified by reference to our Restated Certificate of Incorporation (“Certificate of Incorporation”) and our amended and restated bylaws (“Bylaws”), each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K of which this Exhibit is a part (“Annual Report”), and by certain provisions of the General Corporation Law of the State of Delaware (“DGCL”).

Our authorized capital stock consists of 100,000,000 shares of common stock, par value \$.10 per share, and 20,000,000 shares of preferred stock, par value \$.10 per share. No preferred stock is outstanding as of the date of the filing of the Annual Report.

Voting Rights. Each holder of shares of our common stock is entitled to attend all special and annual meetings of our shareholders. The holders of our common stock have one vote for each share held on all matters voted upon by our shareholders, including the election of directors to our Board of Directors (“Board of Directors”). Other than the election of directors, if an action is to be taken by vote of our shareholders at a meeting of shareholders at which a quorum is present, it will be decided by a majority of the votes cast with respect to such matter, unless a different vote is required under our Certificate of Incorporation or the DGCL. In an election of directors at a meeting of shareholders at which a quorum is present, a nominee for director shall be elected to the Board of Directors if the votes cast for such nominee’s election exceed the votes cast against such nominee’s election, provided, however, in the event the number of nominees for director is greater than the number of directors to be elected, directors shall be elected by a plurality of the votes cast.

Dividends. Except for any preferential rights of holders of any preferred stock that may then be issued and outstanding and any other class or series of stock having a preference over the common stock, holders of our common stock are entitled to receive dividends as and when declared by our Board of Directors, from legally available funds.

Liquidation and Dissolution. In the event of our liquidation or dissolution, the holders of our common stock are entitled to receive ratably all assets available for distribution to shareholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock.

Other Rights. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Listing. Our common stock is listed on the New York Stock Exchange, or the NYSE, under the symbol “KMPR.”

Transfer Agent and Registrar. The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

Preferred Stock

Our Certificate of Incorporation authorizes our Board of Directors to issue up to 20,000,000 shares of preferred stock in one or more series, with such distinctive designation or title and in such number of shares as may be authorized by our Board of Directors. Our Board of Directors is authorized to prescribe the relative rights and preferences of each series, and the limitations applicable thereto, including but not limited to the following: (i) the voting powers, full, special, or limited, or no voting powers, of each such series; (ii) the rate, terms and conditions on which dividends will be paid, whether such dividends will be cumulative, and what preference such dividends shall have in relation to the dividends on other series or classes of stock; (iii) the rights, terms and conditions, if any, for conversion of such series of preferred stock into shares of other series or classes of stock; (iv) any right of the Company to redeem the shares of such series of preferred stock, and the price, time, and conditions of such redemption, including the provisions for any sinking fund; and (v) the rights of holders of such series of preferred stock in relation to the rights of other series and classes of stock upon the liquidation, dissolution or distribution of our assets. Unless otherwise provided by our Board of Directors, upon redemption or conversion, shares of preferred stock will revert to authorized but unissued shares and may be reissued as shares of any series of preferred stock.

Certain Statutory, Certificate of Incorporation and Bylaw Provisions Affecting Shareholders

Various provisions of our Certificate of Incorporation and Bylaws, the DGCL and state insurance laws could have the effect of delaying, deferring or discouraging another party from acquiring control of Kemper. These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage, or could have the effect of encouraging, persons seeking to acquire control of Kemper to first negotiate with our Board of Directors.

The portions of the summary set forth below describing certain provisions of our Certificate of Incorporation and Bylaws is qualified in its entirety by reference to the provisions of our Certificate of Incorporation and Bylaws.

Certificate of Incorporation and Bylaw Provisions

Special Meetings of Shareholders. Our Certificate of Incorporation and Bylaws do not grant the shareholders the right to call a special meeting of shareholders. Under our Certificate of Incorporation and Bylaws, special meetings of shareholders may be called only by the Chairman of the Board of Directors or by a majority of the Board of Directors then in office. The Board of Directors may postpone, reschedule, or cancel any special meeting of stockholders.

No Shareholder Action by Written Consent. Our Certificate of Incorporation also provides that shareholders may not take any action by written consent.

Advance Notice Requirements. Our Bylaws set forth advance notice procedures with regard to shareholder proposals relating to the nomination of candidates for election as directors or other business to be presented at meetings of shareholders. These procedures provide that notice of such shareholder proposals must be timely given in writing to the Secretary of Kemper prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received by the Secretary at the principal executive offices of Kemper not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting. The notice must contain specified information concerning the person to be nominated or the business to be brought before the meeting and concerning the shareholder submitting the proposal. The advance notice requirement does not give the Board of Directors any power to approve or disapprove shareholder

director nominations or proposals but may have the effect of precluding the consideration of such nominations or proposals at a meeting if the proper notice procedures are not followed.

Blank Check Preferred Stock. Our preferred stock could be deemed to have an anti-takeover effect in that, if a hostile takeover situation should arise, shares of preferred stock could be issued to purchasers sympathetic with our management or others in such a way as to render more difficult or to discourage a merger, tender offer, proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management.

The effects of the issuance of one or more series of the preferred stock on the holders of our common stock could include:

- reduction of the amount otherwise available for payments of dividends on common stock if dividends are payable on the series of preferred stock;
- restrictions on dividends on our common stock if dividends on the series of preferred stock are in arrears;
- dilution of the voting power of our common stock if the series of preferred stock has voting rights, including a possible “veto” power if the series of preferred stock has class voting rights;
- dilution of the equity interest of holders of our common stock if the series of preferred stock is convertible, and is converted, into our common stock; and
- restrictions on the rights of holders of our common stock to share in our assets upon liquidation until satisfaction of any liquidation preference granted to the holders of the series of preferred stock.

Business Combinations. Article Seven of our Certificate of Incorporation places certain restrictions on the following transactions with a direct or indirect beneficial owner (including certain former beneficial owners and successors to such beneficial owners) of more than 15% of the voting power of Kemper’s outstanding voting stock (an “Interested Shareholder”):

- any merger or consolidation of Kemper or any subsidiary with any Interested Shareholder or any other person (whether or not itself an Interested Shareholder) which is, or after such merger or consolidation would be, an affiliate of an Interested Shareholder; or
- any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Shareholder or any affiliate of any Interested Shareholder of any assets of Kemper or any subsidiary having an aggregate fair market value of \$10,000,000 or more; or
- the issuance or transfer by Kemper or any subsidiary (in one transaction or a series of transactions) of any securities of Kemper or any subsidiary to any Interested Shareholder or any affiliate of any Interested Shareholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate fair market value of \$10,000,000 or more; or
- the adoption of any plan or proposal for the liquidation or dissolution of Kemper proposed by or on behalf of any Interested Shareholder or any affiliate of any Interested Shareholder; or
- any reclassification of securities (including any reverse stock split or recapitalization of Kemper) or any merger or consolidation of Kemper with any of its subsidiaries or any other transaction (whether or not with or into or otherwise involving any Interested Shareholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of Kemper or any subsidiary beneficially owned by any Interested Shareholder or any affiliate of any Interested Shareholder.

We may only enter into one of the transactions described above if:

- the transaction has been approved by a majority of our “continuing directors,” being (A) members of our original Board of Directors, (B) persons unaffiliated with an Interested Shareholder who

were members of the Board of Directors prior to such person or entity becoming an Interested Shareholder, or (C) successors of continuing directors who were recommended to succeed continuing directors by a majority of continuing directors then on the Board of Directors; or

▪the transaction has been approved by the affirmative vote of 75% of the voting power of our outstanding voting stock, voting together as a single class, and (A) the consideration to be received by the holders of each class or series of our capital stock is (i) not less than the highest price paid by the Interested Shareholder for any shares of such class or series during the preceding 24 months, and (ii) is either in cash or in the form of consideration previously used by the Interested Shareholder to acquire the largest number of shares of such class or series previously acquired by such Interested Shareholder, and (B) certain other conditions have been met.

Exclusive Forum Provision. Our Bylaws provide that, unless we consent to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed to us or our shareholders by any of our directors, officers or other employees or agents, (iii) any action asserting a claim against us or any of our directors or officers or other employees or agents arising pursuant to any provision of the DGCL or our Certificate of Incorporation or Bylaws, or (iv) any action asserting a claim against us or any of our directors or officers or other employees or agents governed by the internal affairs doctrine, shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another court of the State of Delaware or, if no court of the State of Delaware has jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having personal jurisdiction over the indispensable parties named as defendants.

Business Combination Statute

We are a Delaware corporation and consequently are also subject to certain anti-takeover provisions of the DGCL. Subject to certain exceptions, Section 203 of the DGCL prevents a publicly held Delaware corporation from engaging in a “business combination” with any “interested stockholder” for three years following the date that the person became an interested stockholder, unless the interested stockholder attained such status with the approval of the corporation’s board of directors or unless the business combination is approved in a prescribed manner. A “business combination,” in reference to Kemper, includes, among other things, a merger or consolidation of Kemper or one of its subsidiaries and an interested stockholder or the sale by Kemper or any of its subsidiaries to an interested stockholder of assets having an aggregate market value equal to 10% or more of either the aggregate market value of Kemper’s consolidated assets or the aggregate market value of Kemper’s outstanding stock. In general, in relation to Kemper, an “interested stockholder” is any person that is the owner of 15% or more of Kemper’s outstanding voting stock and the affiliates and associates of such person. Section 203 makes it more difficult for an interested stockholder to effect various business combinations with a corporation for a three-year period. This statute could prohibit or delay mergers or other takeover or change in control attempts not approved in advance by our Board of Directors, and as a result could discourage attempts to acquire Kemper, which could depress the market price of our common stock.

Change in Control Requirements Under Insurance Laws

State insurance laws impose requirements that must be met prior to a change of control of an insurance company or insurance holding company based on the insurer’s state of domicile and, in some cases, additional states in which it is deemed commercially domiciled due to the substantial amount of business it conducts therein. These requirements may include the advance filing of specific information with the state insurance regulators, a public hearing on the matter, and the review and approval of the change of control by such regulators. In the majority of states in which Kemper’s insurance subsidiaries are domiciled or deemed commercially domiciled, “control” is generally presumed to exist through the direct or indirect ownership of 10% or more of the voting securities of an insurance company. In

Alabama, where Kemper also has insurance subsidiaries, control is presumed to exist with a 5% or more ownership interest in such securities. Any purchase of Kemper's shares that would result in the purchaser

owning Kemper's voting securities in the foregoing percentages for the states indicated would be presumed to result in the acquisition of control of Kemper's insurance subsidiaries in those states. Therefore, acquisitions subject to the 10% threshold generally would require the prior approval of insurance regulators in each state in which the Company's insurance subsidiaries are domiciled or deemed commercially domiciled, including those in Alabama, while acquisitions subject to the 5% threshold generally would require the prior approval of only Alabama regulators. Similarly, several of the states in which the Company's insurance subsidiaries are domiciled have enacted legislation that requires either the divesting and/or acquiring company to notify regulators of, and in some cases to receive regulatory approval for, a change in control.

Many state statutes also require pre-acquisition notification to state insurance regulators of a change of control of an insurance company licensed in the state if specific market concentration thresholds would be triggered by the acquisition. Such statutes authorize the issuance of a cease and desist order with respect to the insurance company if certain conditions, such as undue market concentration, would result from the acquisition.

These regulatory requirements may deter, delay or prevent transactions affecting control of Kemper or its insurance subsidiaries, or the ownership of Kemper's voting securities, including transactions that could be advantageous to Kemper's shareholders.

Description of the 5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062

The following description of our 5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062 ("debentures") is a summary and does not purport to be complete. Any information regarding the debentures contained does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Indenture, dated as of September 20, 2020 (the "Base Indenture"), by and between Kemper and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by the Third Supplemental Indenture, dated as of March 10, 2022 (the Base Indenture, as supplemented by the Third Supplemental Indenture, the "Indenture"), to provide for the issuance of the debentures, which are incorporated by reference as exhibits to our Annual Report on Form 10-K for the year ended December 31, 2022 of which this Exhibit 4.8 is a part. For a complete description of the terms and provisions of the debentures, please refer to the Indenture, which is filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2022 and to the form of debenture, which is filed as an exhibit to the Form 8-K filed with the SEC on March 10, 2022.

General

The debentures were issued as junior subordinated debt securities under the Indenture and initially were limited in aggregate principal amount to \$150,000,000 (or \$172,500,000 if the underwriters exercise their over-allotment option in full). The debentures were issued only in denominations of \$25 and integral multiples of \$25 in excess thereof. Payments of principal of, and interest on, the debentures are made in U.S. dollars. The provisions of the Indenture pertaining to unclaimed moneys apply to the debentures.

We may, without notice to or consent of the holders of the debentures, re-open and issue additional 5.875% Fixed-Rate Reset Junior Subordinated Debentures due 2062 having the same ranking,

interest rate, maturity date and other terms as the debentures issued under the Indenture on March 10, 2022,

provided that if the additional debentures are not fungible for United States federal income tax purposes with the debentures issued under the Indenture on March 10, 2022, the additional debentures will have a separate CUSIP number. Any additional debentures, together with the debentures issued under the Indenture on March 10, 2022, will constitute a single series of debt securities under the Indenture. The debentures and the Indenture under which the debentures are issued do not place any limitation on the amount of unsecured debt that may be incurred by us.

Subordination

The debentures are unsecured, and rank in right of payment and upon our liquidation junior to all of our current and future Senior Indebtedness (as defined below) and equal with any other future Indebtedness Ranking on a Parity with the Debentures (as defined below), and, in each case in the manner set forth below. The debentures are also effectively subordinated to all debt and other liabilities of our subsidiaries.

Upon any payment or distribution of assets to creditors upon any receivership, liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, or similar proceedings, the holders of Senior Indebtedness will first be entitled to receive payment in full in cash or other satisfactory consideration of all amounts due or to become due on or in respect of such Senior Indebtedness before the holders of the debentures will be entitled to receive or retain any payment in respect thereof.

In the event of the acceleration of the maturity of the debentures, the holders of all Senior Indebtedness outstanding at the time of such acceleration will first be entitled to receive payment in full in cash or other satisfactory consideration of all such Senior Indebtedness before the holders of the debentures will be entitled to receive or retain any payment in respect of the debentures. In the event and during the continuation of any default in any payment with respect to any Senior Indebtedness, or in the event that the maturity of any Senior Indebtedness has been or would be permitted upon notice or the passage of time to be accelerated because of a default, then, unless and until such default shall have been cured or waived or shall have ceased to exist and such acceleration shall have been rescinded or annulled, no payments on account of principal or premium, if any, or interest, if any, in respect of the debentures may be made, in each case unless and until all amounts due or to become due on such Senior Indebtedness are paid in full in cash or other satisfactory consideration.

As of December 31, 2022, we had Senior Indebtedness with an outstanding principal balance of approximately \$1.2 billion. On February 23, 2022, we closed an SEC-registered offering of \$400 million aggregate principal amount of 3.800% Senior Notes due 2032. Senior Indebtedness does not include obligations to trade creditors created or assumed by us in the ordinary course of business, which ranks *pari passu* with the debentures in right of payment upon liquidation. In addition, the debentures are effectively subordinated to the indebtedness of our subsidiaries. Except for capital lease obligations of \$72.6 million, as of December 31, 2022, our subsidiaries had no third party indebtedness outstanding.

“*Senior Indebtedness*” shall mean all Indebtedness for Money Borrowed, whether outstanding on the date of the first issuance of the debentures or thereafter created, assumed or incurred, except Indebtedness Ranking on a Parity with the Debentures or Indebtedness Ranking Junior to the Debentures, and any deferrals, renewals or extension of such Senior Indebtedness. Notwithstanding anything to the contrary, Senior Indebtedness shall not include obligations to trade creditors created or assumed by us in the ordinary course of business.

“Indebtedness Ranking on a Parity with the Debentures” shall mean Indebtedness for Money Borrowed, whether outstanding on the date of the first issuance of the debentures or thereafter created,

assumed or incurred, which specifically by its terms ranks equally with and not prior to the debentures in right of payment upon our dissolution, winding-up, liquidation, reorganization or similar events. The securing of any Indebtedness for Money Borrowed, otherwise constituting Indebtedness Ranking on a Parity with the Debentures, shall not be deemed to prevent such Indebtedness for Money Borrowed from constituting Indebtedness Ranking on a Parity with the Debentures.

“Indebtedness Ranking Junior to the Debentures” shall mean any Indebtedness for Money Borrowed, whether outstanding on the date of the first issuance of the debentures or thereafter created, assumed or incurred, which specifically by its terms ranks junior to and not equally with or prior to the debentures (and any other Indebtedness Ranking on a Parity with the Debentures) in right of payment upon our dissolution, winding-up, liquidation, reorganization, or similar events. The securing of any Indebtedness for Money Borrowed, otherwise constituting Indebtedness Ranking Junior to the Debentures, shall not be deemed to prevent such Indebtedness for Money Borrowed from constituting Indebtedness Ranking Junior to the Debentures.

“Indebtedness for Money Borrowed” shall mean (i) any obligation of, or any obligation guaranteed by, us for which we are responsible or liable as obligor or otherwise including principal, premium and interest (whether accruing before or after filing of any petition in bankruptcy or any similar proceedings by or against us and whether or not allowed as a claim in bankruptcy or similar proceedings) for (A) indebtedness for money borrowed, (B) indebtedness evidenced by securities, bonds, debentures, notes or other similar written instruments, (C) any deferred obligation for the payment of the purchase price or conditional sale obligation of property or assets acquired other than in the ordinary course of business, (D) all obligations for the reimbursement of any letter of credit, banker’s acceptance, security purchase facility or similar credit transaction, (E) all obligations under “keep-well” agreements required by insurance regulators or (F) any obligation referred to in (A) through (E) above of other persons secured by any lien on any property or asset of the Company and (ii) all indebtedness for obligations to make payment in respect of derivative products such as interest and foreign exchange rate contracts, commodity contracts (including future or options contracts) swap agreements, cap agreements, repurchase and reverse repurchase agreements and similar arrangements, whether outstanding on the first issuance of the debentures or thereafter created, assumed or incurred.

Maturity

The debentures will mature on March 15, 2062.

Interest

Subject to applicable law and subject to any Optional Deferral Period, as described below, the debentures bear interest (i) 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 and (ii) from, and including, the First Reset Date, during each Reset Period, at a rate per annum equal to the Five-Year Treasury Rate as of the most recent Reset Interest Determination Date plus 4.140% to be reset on each Reset Date. Interest on the debentures are payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2022, each of which dates we refer to as an interest payment date, to the record holders of the debentures at the close of business on the immediately preceding March 1, June 1, September 1 or December 1, as applicable, whether or not a business day. However, interest that we pay

on the maturity date or a redemption date will be payable to the person to whom the principal will be payable.

Interest payments include accrued interest from, and including, the original issue date, or, if interest has already been paid, from the last date in respect of which interest has been paid or duly provided for to, but excluding, the next succeeding interest payment date, the maturity date or the redemption date, as the case may be. The amount of interest payable for any interest payment period are computed on the basis of a 360-day year consisting of twelve 30-day months. If any date on which interest is payable on the debentures is not a business day, then payment of the interest payable on such date are made on the next succeeding day that is a business day (and without any interest or other payment in respect of any such delay). “business day” means any day other than a day on which banking institutions in the State of New York or any place of payment are authorized or required by law, executive order or regulation to close.

Interest not paid on any payment date accrues and compounds quarterly at a rate per year equal to the rate of interest on the debentures until paid. References to “interest” include interest accruing on the debentures, interest on deferred interest payments, other unpaid amounts and compounded interest, as applicable.

Unless we have validly redeemed all outstanding debentures on or before the First Reset Date, U.S. Bank Trust Company, National Association will serve as the initial calculation agent with respect to the debentures prior to the Reset Interest Determination Date preceding the First Reset Date. The applicable interest rate for each Reset Period will be determined by the calculation agent, as of the applicable Reset Interest Determination Date. Promptly upon such determination, the calculation agent will notify us of the interest rate for the relevant Reset Period. We shall then promptly notify the trustee and paying agent in writing of such interest rate. The calculation agent’s determination of any interest rate and its calculation of the amount of interest for any Reset Period beginning on or after the First Reset Date will be on file at our principal offices and will be made available to any holder of the debentures upon request and will be final and binding in the absence of manifest error.

“*Five-Year Treasury Rate*” means, as of any Reset Interest Determination Date, as applicable, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published H.15, with a maturity of five years from the next Reset Date and trading in the public securities market or (2) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, the rate will be determined by the calculation agent by interpolation or extrapolation on a straight line basis between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Reset Interest Determination Date, and (B) the other maturity as close as possible to, but later than, the Reset Date following the next succeeding Reset Interest Determination Date, in each case as published in the most recently published H.15. If the Five-Year Treasury Rate cannot be determined pursuant to the methods described in clauses (1) or (2) above, then the Five-Year Treasury Rate will be the same interest rate as in effect for the prior period.

“*H.15*” means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities.”

“*Reset Date*” means the First Reset Date and each date falling on the fifth anniversary of the preceding Reset Date.

“*Reset Interest Determination Date*” means, in respect of any Reset Period, the day falling two business days prior to the beginning of such Reset Period.

“*Reset Period*” means the period from and including the First Reset Date to, but excluding, the next following Reset Date and thereafter each period from and including each Reset Date to, but excluding, the next following Reset Date.

Option to Defer Interest Payments

So long as no event of default with respect to the debentures has occurred and is continuing, we may, on one or more occasions, defer interest payments on the debentures for one or more optional deferral periods of up to five consecutive years (each such period, an “Optional Deferral Period”). A deferral of interest payments cannot extend, however, beyond the maturity date or the earlier acceleration or redemption of the debentures. During an Optional Deferral Period, interest will continue to accrue on the debentures, and deferred interest payments will accrue additional interest at the then applicable interest rate on the debentures, compounded quarterly as of each interest payment date to the extent permitted by applicable law. No interest otherwise due during an Optional Deferral Period will be due and payable on the debentures until the end of such Optional Deferral Period except upon an acceleration or redemption of the debentures during such deferral period.

At the end of five years following the commencement of an Optional Deferral Period, we must pay all accrued and unpaid deferred interest, including compounded interest. If, at the end of any Optional Deferral Period, we have paid all deferred interest due on the debentures, including compounded interest, we can again defer interest payments on the debentures as described above.

We will provide to the Trustee and the holders of debentures written notice of any deferral of interest at least one and not more than 60 business days prior to the applicable interest payment date. In addition, our failure to pay interest on the debentures on any interest payment date will itself constitute the commencement of an Optional Deferral Period unless we pay such interest within five business days after any such interest payment date, whether or not we provide a notice of deferral. We have no present intention of exercising our right to defer payments of interest.

Payment Restrictions During an Optional Deferral Period

After the commencement of an Optional Deferral Period until we have paid all accrued and unpaid interest on the debentures, we will not, and will not permit any of our subsidiaries to:

1. declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of our capital stock (which includes common and preferred stock),
2. make any payment of principal, interest or premium on or repay, repurchase or redeem any Indebtedness Ranking on a Parity with the Debentures or Indebtedness Ranking Junior to the Debentures, or
3. make any guarantee payments with respect to any guarantee by us of any securities of any of our subsidiaries if such guarantee ranks pari passu with or junior in right of payment to the debentures;

other than:

- a. dividends or distributions in shares of, or options, warrants or rights to subscribe for or purchase shares of, our capital stock where the dividend stock or stock issuable upon exercise of such options, warrants or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock,
- b. any declaration of a dividend in connection with the implementation of a stockholder's rights plan, or the issuance of capital stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto,
- c. as a result of a reclassification of any series or class of our capital stock or the exchange or conversion of one class or series of our capital stock for or into another class or series of our capital stock,
- d. the purchase of fractional interests in shares of our capital stock pursuant to an acquisition or the conversion or exchange provisions of such capital stock or the security being converted or exchanged,
- e. purchases or acquisitions of shares of our capital stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of directors, officers, agents, consultants or employees or our satisfaction of our obligations under any dividend reinvestment plan or our director, officer, agent, consultant or employee stock purchase plans,
- f. any exchange, redemption or conversion of any class or series of our capital stock, or the capital stock of one of our subsidiaries, for any other class or series of our capital stock, or of any class or series of our Indebtedness for Money Borrowed for any class or series of our capital stock,
- g. purchases or acquisitions of shares of our capital stock in connection with our satisfaction of our obligations under any contract or security entered into before commencement of the Optional Deferral Period, and
- h. (i) payment of current or deferred interest on our Indebtedness Ranking on a Parity with the Debentures made pro rata to the amounts due on our Indebtedness Ranking on a Parity with the Debentures and the debentures and (ii) payment of principal or current or deferred interest on our Indebtedness Ranking on a Parity with the Debentures that, if not made, would cause us to breach the terms of the instrument governing such Indebtedness Ranking on a Parity with the Debentures.

For the avoidance of doubt, no terms of the debentures will restrict in any manner the ability of any of our subsidiaries to pay dividends or make any distributions to us or to any of our other subsidiaries.

Optional Redemption of the Debentures

We may redeem the debentures in increments of \$25 principal amount:

- 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 thereon (including compounded interest, if any) to, but excluding, the date of redemption; provided that if the debentures are not redeemed in whole, at least \$25 million aggregate principal amount of the debentures must remain outstanding after giving effect to such redemption;

- in whole, but not in part, at any time prior to March 15, 2027, within 90 days of the occurrence of a “Tax Event” at a redemption price equal to the principal amount plus any accrued and

unpaid interest thereon (including compounded interest, if any) to, but excluding, the date of redemption;

- in whole, but not in part, at any time prior to March 15, 2027, within 90 days of the occurrence of a “Regulatory Capital Event,” at a redemption price equal to the principal amount plus any accrued and unpaid interest thereon (including compounded interest, if any) to, but excluding, the date of redemption; or
- in whole, but not in part, at any time prior to March 15, 2027, within 90 days of the occurrence of a “Rating Agency Event”, at a redemption price equal to 102% of the principal amount plus any accrued and unpaid interest thereon (including compounded interest, if any) to, but excluding, the date of redemption.

“*Tax Event*” means that we will have received an opinion of counsel, rendered by a law firm of nationally recognized standing that is experienced in such matters, stating that, as a result of any:

- amendment to, or change in (including any promulgation, enactment, execution or modification of) the laws (or any regulations under those laws) of the United States or any political subdivision thereof or therein affecting taxation;
- official administrative pronouncement (including a private letter ruling, technical advice memorandum or similar pronouncement) or judicial decision or administrative action or other official pronouncement interpreting or applying the laws or regulations enumerated in the preceding bullet point, by any court, governmental agency or regulatory authority; or
- threatened challenge asserted in connection with an audit of us or any of our subsidiaries, or a threatened challenge asserted in writing against any taxpayer that has raised capital through the issuance of securities that are substantially similar to the debentures,

which amendment or change is enacted or effective or which pronouncement or decision is announced or which challenge is asserted against us or becomes publicly known on or after the original issue date of the debentures, there is more than an insubstantial increase in the risk that interest accruable or payable by us on the debentures is not, or will not be, deductible by us in whole or in part, for U.S. federal income tax purposes; provided that a change of tax law shall not give rise to a “Tax Event” unless, in the opinion of independent tax counsel, the change of law limits, defers, or prohibits the deduction of interest on the debentures in a manner or to an extent different from and more adverse than interest on senior debt obligations of the Company by reason of the specific characteristics of the debentures.

“*Regulatory Capital Event*” means that we become subject to capital adequacy supervision by a capital regulator and the capital adequacy guidelines that apply to us as a result of being so subject set forth criteria pursuant to which the full principal amount of the debentures would not qualify as capital under such capital adequacy guidelines, as we may determine at any time, in our sole discretion.

“*Rating Agency Event*” means that any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Securities Exchange Act of 1934 (the “Exchange Act”) that then publishes a rating for us (a “rating agency”) amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the debentures, which amendment, clarification or change results in (a)

the shortening of the length of time the debentures are assigned a particular level of equity credit by that rating agency as compared to the length of time they would have been assigned that level of equity credit by that rating agency or its predecessor on the initial issuance of the debentures; or (b) the lowering of the equity credit (including up to a lesser amount) assigned to the debentures by that rating agency compared to the equity credit assigned by that rating agency or its predecessor on the initial issuance of the debentures.

Notice of any optional redemption of any debentures will be given to registered holders of the debentures to be redeemed or, if the debentures are represented by one or more global security certificates, sent in accordance with the procedures of the depositary not more than 90 nor less than 30 days prior to the date fixed for redemption. If less than all of the debentures are to be redeemed, and such debentures are at the time represented by one or more global security certificates, then the debentures to be redeemed will be selected in accordance with the procedures of the depositary. If less than all of the debentures are to be redeemed, and such debentures are not represented by one or more global security certificates, then the Trustee will select the particular debentures to be redeemed by lot or in such manner it deems appropriate. The Trustee may select debentures and portions of debentures in amounts of \$25 and multiples of \$25 in excess of \$25.

On and after the date of redemption, interest will cease to accrue on the debentures or any portion of the debentures called for redemption, unless we default in the payment of the redemption amount.

Restrictions on Mergers, Consolidations and Sales of Substantially all Assets

The Indenture provides that we may not merge with or into or consolidate with any other Person, or sell, assign, transfer, lease or convey all or substantially all of our properties and assets to any other Person other than a Wholly Owned Subsidiary of ours, unless:

- we are the surviving corporation or the Person formed by or surviving such merger or consolidation or to which such sale, assignment, transfer, lease or conveyance has been made (the “successor Person”), if other than us, assumes our obligations in the debentures and under the Indenture; and
- after giving effect to such transaction, no default under the Indenture has occurred or is continuing.

The successor Person will be the successor to us, and will be substituted for and may exercise every right and power and become the obligor on the debentures, but, in the case of a lease of all or substantially all of our properties and assets, we will not be released from our obligations under the Indenture and the debentures.

Notwithstanding the foregoing, we need not comply with the provision described in the second bullet point of the immediately preceding paragraph in connection with (i) any merger of us with or into, or any consolidation of us with, any Wholly Owned Subsidiary of ours or (ii) any merger of us with or into, or any consolidation of us with, an affiliate of ours solely for the purpose of our reincorporating or reorganizing in another jurisdiction.

“*Person*” means an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization or a government or an agency or political subdivision thereof.

“*Wholly Owned Subsidiary*” means, with respect to any Person: (a) any corporation, limited liability company, association or other business entity of which 100% of the total voting power of shares (other than directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons

pursuant to applicable law) of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers

voting power) to vote in the election of directors, managers or trustees of the corporation, limited liability company, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and (b) any partnership (i) the sole general partner or the managing general partner of which is such Person or a Wholly Owned Subsidiary of such Person or (ii) the only general partners of which are that Person or one or more Wholly Owned Subsidiaries of that Person (or any combination thereof).

“*Capital Stock*” means: (a) in the case of a corporation, corporate stock; (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; (c) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“*Subsidiary*” means, with respect to any Person: (a) any corporation, limited liability company, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, limited liability company, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and (b) any partnership (i) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (ii) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

Events of Default

An “event of default” with respect to the debentures shall occur only upon certain events of bankruptcy, insolvency or receivership.

The Indenture refers to breaches that are not “events of default” as “defaults.” They include:

- a default in payment of principal or any premium when due;
- a default for 30 days in payment of any interest when due; provided that the date on which such interest payment is due and payable shall be the date on which we must make payment following any Optional Deferral Period; or
- the failure to comply with our covenants or agreements under the Indenture or the debentures.

A “default” also includes, for example, a failure to pay interest within 30 days of the relevant interest payment date if we do not give a timely written notice of our election to commence or continue a deferral period. If we do not give a timely written notice of our election to commence or continue a deferral period and fail to pay interest within 30 days of the relevant interest payment date, any holder of debentures may seek to enforce our obligation to make the missed interest payment, including through

legal process. However, there is no right of acceleration except upon the occurrence of an event of default as described above.

If we do give a timely written notice of our election to commence or continue a deferral period on any interest payment date (and, if such notice continues a deferral period, the deferral period has not continued for five years), then no “default” will arise from our non-payment of interest on such interest payment date on the debentures.

The Indenture provides that the trustee must give holders notice of all defaults or events of default within 90 days after they become actually known to a responsible officer of the trustee. However, except in the case of a default in payment on the debentures, the trustee will be protected in withholding the notice if a responsible officer determines that withholding of the notice is in the interest of holders.

If an event of default under the Indenture occurs, the entire principal amount of the debentures will automatically become due and payable without any declaration or other action on the part of the trustee or any holder of the debentures. There is no right of acceleration in the case of any payment default or other breaches of covenants under the Indenture or the debentures. In the case of a default in the payment of principal or interest, including any compounded interest, on the debentures, the holders may, or if directed by the holders of a majority in principal amount of the debentures, the trustee shall, subject to the conditions set forth in the Indenture, demand payment of the amount then due and payable and may institute legal proceedings for the collection of such amount if we fail to make payment thereof upon demand.

The holders of a majority in aggregate principal amount of the outstanding debentures may waive any past default, except:

- a default in payment of principal or interest; or
- a default under any provision of the Indenture that itself cannot be modified or amended without the consent of the holders of all outstanding debentures.

The holders of a majority in principal amount of the debentures will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, subject to the provisions of the Indenture.

We are required to file an officers’ certificate with the trustee each year that states, to the knowledge of the certifying officers, whether we have complied with all conditions and covenants under the terms of the Indenture and the debentures and specifying any default.

If an event of default under the Indenture occurs, the trustee will be obligated to use its rights and powers under the Indenture, and to use the same degree of care and skill in doing so that a prudent person would use in that situation in conducting his or her own affairs. In contrast, the trustee shall have no right or obligation under the Indenture or otherwise to exercise any remedies on behalf of any holders of the debentures pursuant to the Indenture in connection with any default that is not also an event of default, unless such remedies are available under the Indenture and the trustee is directed to exercise such remedies by the holders of a majority in principal amount of the debentures pursuant to and subject to the conditions of the Indenture. In connection with any such exercise of remedies in connection with a default the trustee shall be entitled to the same immunities and protections and remedial rights (other than acceleration) as if such default were an event of default.

Modification of Indenture and Debentures

With certain exceptions, the Indenture and the debentures may be modified or amended with the consent of the holders of not less than a majority in principal amount of the debentures affected by the

modification or amendment. However, no such modification or amendment may be made, without the consent of the holder of each debenture affected, which would:

- change the stated maturity of the principal of the debentures;
- reduce the principal amount on the debentures or the rate of interest thereon or any premium payable upon the redemption of the debentures;
- change any place of payment where, or the coin or currency in which, any debenture or the interest or any premium thereon is payable;
- impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of a redemption, on or after the redemption date);
- reduce the percentage in principal amount of the debentures, the consent of holders of which is required to modify or amend the Indenture or the debentures, or the consent of the holders of which is required for any waiver of compliance with certain provisions of the Indenture or certain defaults therein and their consequences provided in the Indenture;
- modify any of the provisions described under “—Modification of Indenture and Debentures” or provisions under the Indenture relating to waivers of defaults and waivers of compliance with certain provisions of the Indenture, except to increase the percentage in principal amount of holders required under any such provision or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each outstanding debenture affected thereby; or
- modify, without the written consent of the Trustee, the rights, duties or immunities of the Trustee.

Furthermore, no modification may be made to any of the provisions described under “—Subordination,” or the rights of Senior Indebtedness, in any manner that would alter or impair the subordination of the debentures with respect to Senior Indebtedness then outstanding, without the consent of each holder of such Senior Indebtedness.

Without the consent of any holders of the debentures, we and the Trustee may modify or amend the Indenture or the debentures for, among other things, any of the following purposes:

- to add to our covenants for the benefit of the holders of the debentures or to surrender any right or power conferred upon us in the Indenture;
- to add events of default;
- to add to, change or eliminate any of the provisions of the Indenture to provide, change or eliminate any restrictions on the payment of principal on the debentures; provided that any such action shall not adversely affect the interests of the holders of debentures in any material respect;
- to evidence the succession of another person to us in compliance with the Indenture and the assumption by any such successor of the covenants in the Indenture and in the debentures;

- to evidence and provide for the acceptance of appointment under the Indenture by a successor trustee with respect to the debentures in compliance with the Indenture and to add to or change any of the provisions of the Indenture as may be necessary to provide for or facilitate the administration of the trusts under the Indenture by more than one trustee;
- to secure the debentures;
- to cure any ambiguity or to correct or supplement any provision of the Indenture or the debentures which may be defective or inconsistent with any other provision of the Indenture or the debentures or to conform the terms of the Indenture that are applicable to the debentures to the description of the terms of the debentures;
- to add to or change or eliminate any provision of the Indenture or the debentures as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act of 1939, as amended;
- to add guarantors or co-obligors with respect to the debentures;
- to make any change that does not adversely affect in any material respect the rights of the holders of the debentures;
- to provide for the issuance of the debentures in uncertificated form or to add to or change any of the provisions of the Indenture to such extent as shall be necessary to permit or facilitate the issuance of the debentures in uncertificated form;
- to comply with the requirements of any applicable securities depositary;
- to supplement any of the provisions of the Indenture or the debentures to such extent as necessary to permit or facilitate the defeasance and discharge of the debentures, provided that any such action shall not adversely affect in any material respect the interests of the holders of the debentures; or
- to establish the form of any certifications required to be furnished pursuant to the terms of the Indenture or the debentures or to add to the rights of holders of the debentures.

Defeasance and Covenant Defeasance

We may elect either to:

- be discharged from our obligations with respect to the debentures (except as otherwise provided in the Indenture) (“discharge”) or
- be released from our obligations with respect to certain covenants that are described in the Indenture (“covenant defeasance”),

upon the deposit with the Trustee, in trust for such purpose, of money and/or government obligations that through the payment of principal and interest in accordance with their terms will provide money (or a combination of money and United States government obligations) in an amount sufficient, based on a certificate, report or opinion of a nationally recognized investment bank, appraisal firm or firm of independent certified public accountants, without reinvestment, to pay the principal of, premium, if any, and interest on the debentures to maturity or redemption, as the case may be. As a condition to discharge

or covenant defeasance, among others, we must deliver to the Trustee an opinion of counsel to the effect that the beneficial owners of such series of debentures will not recognize income, gain or loss for United States federal income tax purposes as a result of such discharge or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such discharge or covenant defeasance had not occurred. In the case of a discharge, such opinion of counsel must refer to or be based on a ruling of the IRS or applicable court to that effect or a change in applicable United States federal income tax law occurring after the original issue date of the debentures. We may exercise our discharge option with respect to the debentures notwithstanding our prior exercise of our covenant defeasance option.

If we exercise our covenant defeasance option, payment of the debentures may not thereafter be accelerated by reference to any covenant from which we are released as described in the second bullet point in the immediately preceding paragraph. However, if acceleration were to occur for other reasons, the realizable value at the acceleration date of the money and government obligations in the defeasance trust could be less than the principal and interest then due on the debentures, in that the required deposit in the defeasance trust is based upon scheduled cash flows rather than market value, which will vary depending upon interest rates and other factors.

Satisfaction and Discharge

Upon our written order to the Trustee, the Indenture will cease to be of further effect with respect to the debentures (except as to any surviving rights of registration of transfer or exchange of the debentures expressly provided for in the Indenture and rights to receive payments of principal of and premium, if any, and interest on the debentures), and the Trustee will execute proper instruments acknowledging satisfaction and discharge of the Indenture with respect to the debentures, when:

either

- all of the debentures theretofore authenticated and delivered (other than (A) debentures that have been destroyed, lost or stolen and that have been replaced or paid as provided in the Indenture and (B) debentures for whose payment money has theretofore been deposited in trust or segregated and held in trust by us and thereafter repaid to us or discharged from such trust, as provided in the Indenture) have been delivered to the Trustee for cancellation; or
- all of the debentures not theretofore delivered to the Trustee for cancellation,
 - A. have become due and payable,
 - B. will become due and payable at their stated maturity within one year, or
 - C. are to be called for redemption within one year under arrangements satisfactory to the Trustee,

and we, in the case of (A), (B) or (C) above, have deposited or caused to be deposited with the Trustee or paying agent an amount sufficient to pay and discharge the entire indebtedness on the debentures for principal and premium, if any, and interest to the date of such deposit (if the debentures have become due and payable) or to the stated maturity or redemption date, as the case may be;

- we have paid or caused to be paid all other sums payable by us under the Indenture with respect to the debentures; and

- we have delivered to the Trustee an officer’s certificate and an opinion of counsel each stating that all conditions precedent provided for in the Indenture relating to the satisfaction and discharge of the Indenture with respect to the debentures have been complied with.

Transfer

No service charge will be made for any registration of transfer or exchange of debentures, but payment will be required of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

Listing

We intend to apply to list the debentures on the NYSE under the symbol “KMPB.” If the application is approved, we expect trading of the debentures on the NYSE to begin within 30 days after they are first issued.

Agreement to Treat Debentures as Indebtedness for Tax Purposes

We agree and each holder of the debentures will, by accepting the debentures or a beneficial interest therein, be deemed to have agreed, in each case, that such party intends that the debentures constitute indebtedness and will treat the debentures as indebtedness for all U.S. federal, state and local tax purposes.

Book-Entry System

The Depository Trust Company, or DTC, which we refer to along with its successors in this capacity as the depository, will act as securities depository for the debentures. The debentures will be issued only as fully registered securities registered in the name of Cede & Co., the depository’s nominee. One or more fully registered global security certificates, representing the total aggregate principal amount of the debentures, will be issued and will be deposited with the depository or its custodian and will bear a legend regarding the restrictions on exchanges and registration of transfer referred to below.

The laws of some jurisdictions may require that some purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in the debentures so long as the debentures are represented by global security certificates.

Investors may elect to hold interests in the debentures in global form through either DTC in the United States or Clearstream Banking S.A. (“Clearstream, Luxembourg”) or Euroclear Bank S.A./N.V. (“Euroclear”), if they are participants in those systems, or indirectly through organizations which are participants in those systems. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers’ securities accounts in Clearstream, Luxembourg’s and Euroclear’s names on the books of their respective depositories, which in turn will hold such interests in customers’ securities accounts in the depositories’ names on the books of DTC. Citibank, N.A. will act as depository for Clearstream, Luxembourg and JPMorgan Chase Bank, N.A. will act as depository for Euroclear (in such capacities, the “U.S. Depositories”).

DTC advises that it is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. The depository holds securities that its participants (the “DTC Participants”) deposit with

the depository. The depository also facilitates the settlement among DTC Participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in DTC Participants' accounts, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The depository is owned by a number of its direct participants and by the NYSE, the NYSE MKT LLC, and the Financial Industry Regulatory Authority, Inc. Access to the depository's system is also available to others, including securities brokers and dealers, banks and trust companies that clear transactions through or maintain a direct or indirect custodial relationship with a direct participant either directly, or indirectly. The rules applicable to the depository and DTC Participants are on file with the SEC.

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depository. Clearstream, Luxembourg holds securities for its participating organizations ("Clearstream Participants") and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depository, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Distributions with respect to interests in the debentures held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream, Luxembourg.

Euroclear advises that it was created in 1968 to hold securities for participants of Euroclear ("Euroclear Participants") and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash.

Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. The Euroclear system is operated by Euroclear Bank S.A./N.V. (the "Euroclear Operator"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities

clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no records of or relationship with persons holding through Euroclear Participants.

Distributions with respect to the debentures held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

We issue certificated debentures to each person that the depository identifies as the beneficial owner of the debentures represented by a global security certificate upon surrender by the depository of the global security certificate if:

- the depository notifies us that it is unwilling or unable to continue as a depository for such global security certificate or ceases to be a clearing agency registered under the Exchange Act;
- an event of default under the debentures has occurred and is continuing; or
- we determine not to have the debentures represented by a global security certificate.

Neither we nor the Trustee is liable for any delay by the depository or its nominee or any direct or indirect participant in identifying the beneficial owners of the debentures. We and the Trustee may conclusively rely on, and will be protected in relying on, instructions from the depository or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the certificated debentures to be issued.

As long as the depository or its nominee is the registered owner of the global security certificates, the depository or its nominee, as the case may be, is considered the sole owner and holder of the global security certificates and all debentures represented by these global security certificates for all purposes under the Indenture. Except in the limited circumstances referred to above, owners of beneficial interests in global security certificates:

- are not entitled to have the debentures represented by these global security certificates registered in their names, and
- are not considered to be owners or holders of the global security certificates or any debentures represented by these certificates for any purpose under the debentures or the Indenture.

All payments on the debentures represented by the global security certificates and all transfers and deliveries of related debentures are made to the depository or its nominee, as the case may be, as the holder of such securities.

Ownership of beneficial interests in the global security certificates is limited to participants or persons that may hold beneficial interests through institutions that have accounts with the depository or its nominee. Ownership of beneficial interests in global security certificates is shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the depository or its nominee, with respect to participants' interests, or any participant, with respect to interests of persons held by the participant on their behalf. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the depository from time to time. Neither we nor the Trustee has any responsibility or liability for any aspect of the depository's or any participant's records relating to, or for payments made on account of, beneficial interests in global security certificates, or for maintaining, supervising or

reviewing any of the depositary's records or any participant's records relating to these beneficial ownership interests.

Although the depositary has agreed to the foregoing procedures in order to facilitate transfers of interests in the global security certificates among participants, the depositary is under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. We will not have any responsibility for the performance by the depositary or its direct participants or indirect participants under the rules and procedures governing the depositary.

The information in this section concerning the depositary, its book-entry system, Clearstream, Luxembourg and Euroclear has been obtained from sources that we believe to be reliable, but we have not attempted to verify the accuracy of this information.

Global Clearance and Settlement Procedures

Initial settlement for the debentures will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear, as applicable.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other hand, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. Depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositaries.

Because of time-zone differences, credits of debentures received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such debentures settled during such processing will be reported to the relevant Euroclear Participant or Clearstream Participant on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of the debentures by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of debentures among participants of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time.

About the Trustee

U.S. Bank Trust Company, National Association is the Trustee. Subject to the provisions of the Trust Indenture Act of 1939, as amended, the Trustee is under no obligation to exercise any of its powers vested in it by the Indenture at the request of any holder of the debentures unless the holder offers the Trustee indemnity reasonably satisfactory to it against the costs, claims, expenses and liabilities which might result. The Trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in performing its duties if the Trustee believes that it is not reasonably assured of repayment or adequate indemnity. We have entered, and from time to time may continue to enter, into banking or other relationships with U.S. Bank Trust Company, National Association or its affiliates. The Trustee serves as trustee with respect to outstanding debt securities of the Company other than the debentures. An affiliate of U.S. Bank Trust Company, National Association is a lender under our revolving credit agreement.

The Trustee may resign or be removed with respect to one or more series of debt securities under the Indenture, and a successor trustee may be appointed to act with respect to such series.

Applicable Law

The debentures and the Indenture are governed by, and construed in accordance with, the laws of the State of New York.

Payment and Paying Agent

We will pay principal of, and premium, if any, and interest on, the debentures at the office of the paying agent designated by us, except that we may pay interest by check mailed to the registered holder or, in accordance with customary arrangements, by wire transfer to an account designated by the registered holder.

Subject to applicable abandoned property law, any money deposited with the Trustee or any paying agent for the payment of the principal of and premium, if any, or interest on a debenture which remains unclaimed at the end of two years after such principal and premium, if any, or interest has become due and payable will be repaid to us, and the holder of the debenture may then look only to us for payment.

The Trustee acts as paying agent for the debentures.

Calculation Agent

The “calculation agent” means, at any time, the person or entity appointed by Kemper and serving as such agent with respect to the debentures at such time. Unless Kemper has validly redeemed all outstanding debentures on or before the First Reset Date, it will appoint a calculation agent with respect to the debentures prior to the First Reset Date. Kemper may terminate any such appointment as long as it appoints a successor agent at the time of termination. U.S. Bank Trust Company, National Association initially acts as calculation agent and may subsequently appoint one of its affiliates as calculation agent.

Kemper Corporation 2020 Omnibus Equity Plan

NON-QUALIFIED STOCK OPTION AND SAR AWARD AGREEMENT

(Cliff-Vesting Form)

This NON-QUALIFIED STOCK OPTION AND SAR AWARD AGREEMENT ("Agreement") is made as of this _____ day of _____, 20__ ("Grant Date") between KEMPER CORPORATION, a Delaware corporation ("Company"), and «name» ("Participant"), for an award consisting of the right and option ("Option") to purchase, on the terms and conditions hereinafter set forth, shares of the Company's common stock ("Common Stock"), along with a tandem stock appreciation right ("SAR").

SIGNATURES

As of the date set forth above, the parties have accepted the terms of this Agreement by signing this Agreement by an electronic signature, and each party agrees that such signature shall not be denied legal effect, validity or enforceability solely because it was submitted or executed electronically.

KEMPER CORPORATION PARTICIPANT

By: _____
«CEO Signature and Title» «name»

RECITALS

A. The Board of Directors of the Company ("Board") has adopted the Kemper Corporation 2020 Omnibus Equity Plan ("Plan"), including all amendments to date, to be administered by the Compensation Committee of the Board or any subcommittee thereof, or any other committee designated by the Board to administer the Plan ("Committee"). Capitalized terms that are not defined herein shall be defined in accordance with the Plan.

B. The Plan authorizes the Committee to grant to selected Employees, Directors and Third Party Service Providers awards of various types, including options to purchase shares of Common Stock and tandem stock appreciation rights.

C. Pursuant to the Plan, the Committee has determined that it is in the best interest of the Company and its shareholders to grant a non-qualified stock option (and tandem stock appreciation right) to the Participant under the terms and conditions specified in this Agreement as an inducement to remain in the service of the Company and as an incentive for increased effort during such service.

D. Neither the Option nor the SAR granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Grant.**

(a) The Company grants the Option to purchase all or any part of an aggregate of «shares» («number») shares of Common Stock at the Exercise Price (as

defined below) to the Participant, which will be exercisable in accordance with the provisions of this Agreement; provided that the Option may not be exercised with respect to a fraction of a share.

(b) The Option is coupled with a SAR that is exercisable to the extent, and only to the extent, that the Option is vested as described in Section 6. The SAR shall entitle the Participant to surrender the Option (or any portion thereof, subject to Section 8(a)) to the Company unexercised and receive in exchange therefor that number of shares of Common Stock having an aggregate value equal to: (A) the excess of the Fair Market Value (as defined below) of one share of Common Stock over the Exercise Price, multiplied by (B) the number of such shares of Common Stock subject to the Option (or portion thereof) which is so surrendered.

2. **Exercise Price.** The per share price of Common Stock issuable upon exercise of the Option or SAR shall be \$ _____ (“Exercise Price”), which shall not be less than 100% of the Fair Market Value of a share of Common Stock on the Grant Date. The Exercise Price may be adjusted in accordance with Section 13.

3. **Governing Plan.** The Option is granted pursuant to the Plan, which is incorporated herein for all purposes. The Participant agrees to be bound by the terms and conditions of the Plan, which controls in case of any conflict with this Agreement, except as otherwise provided for in the Plan. No amendment of the Plan shall adversely affect this Option in any material way without the written consent of the Participant.

4. **Restrictions on Transfer.** The Option and SAR and all rights and privileges granted hereby (including the right of exercise) shall not be transferred, assigned, pledged or hypothecated in any way, whether by operation of the law or otherwise, except by will or the laws of descent and distribution. Without limiting the generality of the preceding sentence, no rights or privileges granted hereby may be assigned or otherwise transferred to the spouse or former spouse of the Participant pursuant to any divorce proceedings, settlement or judgment, unless approved by the Committee. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the Option or the SAR or any other rights or privileges granted hereby contrary to the provisions hereof, the Option and SAR and all other rights and privileges contained herein shall immediately become null and void and of no further force or effect.

5. **Term.** Except as provided in Section 11, neither the Option nor the SAR shall be exercisable after the Company’s close of business on the last business day that occurs coincident with or prior to the earliest of (“Expiration Date”):

- (a) the 10th anniversary of the Grant Date;
- (b) the first anniversary of the Participant’s death;
- (c) the first anniversary of the Participant’s termination of Service due to the Participant’s Disability;
- (d) the first anniversary of the Participant’s termination of Service (other than for Cause) following Retirement;
- (e) the date that is three (3) months following the Participant’s termination of Service for any reason other than Cause or any reason described in (b) – (d) above; or
- (f) any date of the Participant’s termination of Service for Cause.

6. **Vesting and Exercise.**

(a) **Vesting.** The Option and/or the SAR may only be exercised to the extent they are vested. To the extent not previously forfeited, the Option and SAR shall fully vest on the earliest to occur of the following (“Vesting Date”):

- (i) the _____ anniversary of the Grant Date, if the Participant continues in Service through such date;
- (ii) the date of the Participant’s death, if the Participant dies while in Service;
- (iii) the date of the Participant’s Disability, if the Participant becomes Disabled while in Service; or
- (iv) the date upon which vesting is accelerated in accordance with Section 13(b), or otherwise by the Committee in its discretion in accordance with the terms of the Plan.

(b) **Certain Definitions.**

(i) “Cause” means any of the following: (1) the Participant’s theft or falsification of any Company or Affiliate documents, records or property; (2) the Participant’s improper use or disclosure of the Company’s or an Affiliate’s confidential or proprietary information in breach of the Company’s Essential Standards of Conduct or an applicable contractual or other obligation, or using such information for personal gain including, without limitation, by trading in Company securities on the basis of material, non-public information; (3) fraud, misappropriation of or intentional material damage to the property or business of the Company or an Affiliate or other action by the Participant which has a material detrimental effect on the Company’s or an Affiliate’s reputation or business as determined by the Committee; (4) the Participant’s material failure or inability to perform any reasonable assigned and lawful duties after written notice from the Company or Affiliate of such failure or inability, and such failure or inability is not cured by the Participant within ten (10) business days; (5) the Participant’s conviction (including any plea of guilty or nolo contendere) of any felony or any criminal violation involving fraud, embezzlement, misappropriation, dishonesty, the misuse or misappropriation of money or other property or any other crime which has or would reasonably be expected to have an adverse effect on the business or reputation of the Company or an Affiliate or (6) a material breach by the Participant of the policies and procedures of the Company or an Affiliate, including, but not limited to, any breach of the Company’s Essential Standards of Conduct and the requirements of Section 18 below.

(ii) “Disabled” or “Disability” means that the Participant either:

(A) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and, with respect to a Participant who is an Employee, is receiving income replacement benefits for a period of not less than three (3) months under an accident

and health plan (e.g., a long term disability plan) covering Employees of the Company or Affiliate that employs the Participant ; or

(B) is determined to be totally disabled by the Social Security Administration or Railroad Retirement Board.

(iii) "Employer" means the Company or Affiliate by whom the Participant is employed, or to whom the Participant provides services.

(iv) "Good Reason" means any action taken by the Employer which results in a material negative change to the Participant in the employment relationship, such as the duties to be performed, the conditions under which such duties are to be performed or the compensation to be received for performing such services. A termination by the Participant shall not constitute termination for Good Reason unless the Participant shall first have delivered to the Employer written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the occurrence of such event), and there shall have passed a reasonable time (not less than thirty (30) days) within which the Employer may take action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by the Participant.

(v) "Retirement" means that the Participant has either attained age 55 and completed ten (10) years of Service as an Employee or attained age 60 and completed five (5) years of Service as an Employee.

(vi) "Service" means the period during which the Participant is an Employee, Director or Third Party Service Provider; provided, however, that the Participant will not be deemed to be in Service after the Company divests its control in the Affiliate for whom the Participant is exclusively in Service, or if the Company's control of such Affiliate otherwise ceases.

7. **Termination of Service.** On the date of the Participant's cessation of Service, any unvested portion of the Option and SAR held by the Participant that does not vest upon such cessation of Service in accordance with this Agreement shall be forfeited to the Company. If the Participant's Service is terminated, or is deemed to be terminated, for Cause, any outstanding portions of the Option and SAR held by the Participant (vested or unvested) shall be forfeited to the Company on the date of such termination of Service. For purposes of the preceding sentence, a Participant's Service shall be deemed terminated for Cause if the Participant resigns or is terminated and the Committee determines in good faith, either before, at the time of, or after such termination, that one or more of the events or actions described in the definition of Cause in Section 6(b) existed as of the time of such termination.

8. **Manner of Exercise.**

(a) During the period beginning on the Vesting Date and ending on the Expiration Date, the Participant may purchase all or any part of the shares of Common Stock subject to the Option or may receive such lesser number of shares as may be available through the exercise of the SAR. In the event the Option (or any portion thereof) is exercised, then the SAR (or the corresponding portion) shall terminate. In the event that the SAR (or any portion thereof) is exercised, then the Option (or the corresponding portion) shall likewise terminate. Consequently, the total number of shares subject to the Option shall be reduced by the number of shares for which the

Option or the SAR has previously been exercised. Likewise, the total number of shares subject to the SAR shall be reduced by the number of shares for which the SAR or the Option has previously been exercised.

(b) Each exercise of the Option shall be initiated by the Participant or his or her Representative by means of a notice of exercise delivered to the Company through the internet portal ("Portal") provided by or on behalf of the Company or, if such Portal is not available for such exercise, in the form of a written document or electronic mail ("Notice"). The Notice shall identify the number of shares for which the Option is being exercised. Before shares of Common Stock will be issued and subject to the requirements of Section 9 below, the aggregate Exercise Price for the shares for which the Option is being exercised shall be paid to the Company in a manner permitted under the Plan.

(c) Each exercise of the SAR shall be initiated by the Participant or his or her Representative by delivery of a Notice as described above in Section 8(b). The Notice shall identify the number of shares for which the SAR is being exercised. Upon satisfaction of the Participant's obligation to pay the Company the amount of all taxes that the Company is required to withhold in connection with such exercise as specified in Section 9 below, the Company shall issue to the Participant a number of shares of the Company's common stock determined in accordance with Section 1(b). The SAR may only be settled by delivery of shares of Common Stock and not by payment of cash to the Participant. Any fractional share that would otherwise result from an exercise of the SAR shall be rounded down to the nearest whole share.

(d) The date of exercise shall be: (i) in the case of an Option exercise, the date that the Company receives the Notice if received within regular market hours on a day that the New York Stock Exchange is open for business ("Trading Day"), and otherwise on the next Trading Day; provided, however, that if the Notice is provided by means of a "Good Till Cancelled Order" involving a "Same Day Sale" or "Sell to Cover" transaction ("Order"), then the date of exercise shall instead be the date that the Order is executed; (ii) in the case of a SAR exercise not conducted through the Portal, the date specified in the Notice or, if not specified, the date that the Company receives the Notice; or (iii) in the case of a SAR exercise conducted through the Portal, the date that the Company receives the Notice if received within regular market hours on a Trading Day, and otherwise on the next Trading Day.

(e) The Option and SAR may be exercised only by the Participant or his or her Representative, and not otherwise, regardless of any community property interest therein of the spouse of the Participant, or such spouse's successors in interest. If the spouse of the Participant shall have acquired a community property interest in the Option or the SAR, the Participant, or the Participant's Representative, may exercise the Option and/or the SAR on behalf of the spouse of the Participant or such spouse's successors in interest.

9. **Withholding of Taxes.** Upon the exercise of the Option or the SAR, the Participant or the Participant's Representative shall pay to the Company the amount of any taxes which the Company is required to withhold with respect to such exercise. Subject to the limitations set forth in the next two sentences, the Company shall withhold shares of Common Stock that would otherwise have been issued pursuant to the exercise of the Option or the SAR to satisfy the tax withholding obligations, unless and except to the extent that the Participant or his or her Representative elects to satisfy all or any portion of such tax withholding obligations by cash payment to the Company. Neither the Participant nor his or her Representative shall have the right to have shares of Common Stock withheld, in either case, to the extent that the

Fair Market Value of such shares delivered or withheld on the date of exercise exceeds the amount required to be delivered or withheld to meet tax withholding requirements, based on the maximum statutory withholding rates for the Participant for federal, state and local tax purposes (including the Participant's share of payroll or similar taxes) in the applicable jurisdiction. In the case of an exercise of the SAR, the Committee retains the right to require the Participant or his or her Representative to pay any and all withholding taxes arising out of such exercise solely in cash.

10. **Fair Market Value of Common Stock.** The fair market value ("Fair Market Value") of a share of Common Stock shall be determined for purposes of this Agreement by reference to the closing price of a share of Common Stock, as reported by the New York Stock Exchange (or such other exchange on which the shares of Common Stock are primarily traded) for the Grant Date or date of exercise, as applicable, or if such date is not a business day, for the business day immediately preceding such date (or, if for any reason no such price is available, the Fair Market Value shall be determined by the Company in its sole discretion in accordance with the Plan).

11. **Extension of Expiration Date in Certain Cases.** From time to time, the Company may declare "blackout" periods during which the Participant may be prohibited from engaging in certain transactions in Company securities. In the event that the scheduled Expiration Date of the Option and SAR shall fall within a blackout period that has been declared by the Company and that applies to the Participant, then the Expiration Date shall automatically, and without further notice to the Participant, be extended until such time as fifteen (15) consecutive business days have elapsed after the scheduled Expiration Date without interruption by any blackout period that applied to the Participant.

12. **Shares to be Issued in Compliance with Federal Securities Laws and Exchange Rules.** No shares issuable upon the exercise of the Option or the SAR shall be issued and delivered unless and until there shall have been full compliance with all applicable requirements of the Securities Act of 1933, as amended (whether by registration or satisfaction of exemption conditions), all applicable listing requirements of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery. The Company shall use its best efforts and take all necessary or appropriate actions to ensure that such full compliance on the part of the Company is made.

13. **Certain Adjustments; Change in Control.**

(a) If, during the term of this Agreement, there shall be any equity restructurings (within the meaning of FASB Accounting Standards Codification® Topic 718) that causes the per share value of a share of Common Stock to change, such as a stock dividend, stock split, spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, and similar matters, the Committee shall make or cause to be made an equitable adjustment to the number and kind of shares subject to and/or the Exercise Price (if applicable) of the Award. If, during the term of this Agreement, there shall be any other changes in corporate capitalization, the Committee shall make or cause to be made an appropriate and equitable substitution, adjustment or treatment with respect to the Option in a manner consistent with Sections 4.3 and 21.2 of the Plan. The Committee's determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares of Common Stock shall be issued under the Plan on any such adjustment.

(b) In the event of a Change in Control as defined in Section 20.1(a) or (b) of the Plan, except as prohibited by applicable laws, rules, regulations or stock exchange

requirements, if the Service of a Participant is terminated within the two (2)-year period following such Change in Control by the Company or an Affiliate for reasons other than Cause or by the Participant for Good Reason, the Option and SAR shall vest and be immediately exercisable and shall remain exercisable for the remainder of their term.

14. **Participation by Participant in Other Company Plans.** Nothing herein contained shall affect the right of the Participant to participate in and receive benefits under and in accordance with the then current provisions of any retirement plan or employee welfare benefit plan or program of the Company or of any Affiliate of the Company, subject in each case, to the terms and conditions of any such plan or program.

15. **No Rights as a Shareholder Until Issuance of Shares.** Neither the Participant nor his or her Representative shall be entitled to any of the rights or privileges of a shareholder of the Company in respect of any shares of Common Stock issuable upon any exercise of the Option or the SAR unless and until such shares shall have been issued and delivered to: (i) the Participant in the form of certificates, (ii) a brokerage or other account for the benefit of the Participant either in certificate form or via "DWAC" or similar electronic means, or (iii) a book entry or direct registration account in the name of the Participant.

16. **Not an Employment or Service Contract.** Nothing herein contained shall be construed as an agreement by the Company or any of its Affiliates, expressed or implied, to employ or contract for the services of the Participant, to restrict the right of the Company or any of its Affiliates to discharge the Participant or cease contracting for the Participant's services or to modify, extend or otherwise affect in any manner whatsoever, the terms of any employment agreement or contract for services which may exist between the Participant and the Company or any of its Affiliates.

17. **Death of the Participant.** In the event of the death of the Participant while any portion of the Option and/or the SAR are outstanding, the Option and/or the SAR may be exercised prior to the Expiration Date by the duly appointed and qualified executor or other personal representative of the Participant, and the shares of Common Stock received upon such exercise shall be made to such executor or representative to be distributed in accordance with the Participant's will or applicable intestacy law.

18. **Confidentiality, Non-Solicitation and Non-Disparagement.** The Participant agrees that the Award to the Participant under the terms and conditions specified in this Agreement is conditioned upon the Participant's compliance with the following confidentiality, non-solicitation and non-disparagement terms and conditions.

(a) **Definitions.** As used in this Section, the following terms have the meanings set forth below:

(i) "Confidential Information" means any and all confidential information, including without limitation any negotiations or agreements between the Company or its Affiliates and third parties, business and marketing plans and related materials, training materials, financial information, plans, executive summaries, capitalization tables, budgets, unpublished financial statements, costs, prices, licenses, employee, customer, supplier, shareholder, partner or investor lists and/or data, products, technology, know-how, business processes, business data, inventions, designs, patents, trademarks, copyrights, trade secrets, business models, notes, sketches, flow charts, formulas, blueprints and elements thereof, databases, compilations, and other intellectual property, whether written or otherwise. Some or all of the Confidential Information may also be entitled to protection as a "trade secret" under applicable state or

federal law. Confidential Information does not include information that the Participant can prove was properly known to the Participant from sources permitted to disseminate the information prior to the Participant's employment by, or provision of services to, the Employer, or that has become publicly known and made generally available through no wrongful act of the Participant.

(ii) "Customer" means any customer of the Company or an Affiliate with which/whom the Participant had material communications, for which/whom the Participant performed any services, to which/whom the Participant sold any products, or about which/whom the Participant learned or had access to any Confidential Information, in each case during the twelve (12)-month period immediately preceding the Participant's termination of employment from, or provision of services to, the Employer (whether by Participant or by the Employer and whether for any or no reason).

(iii) "Enhanced Restricted Period" means the twenty-four (24)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or by the Employer and whether for any or no reason).

(iv) "Restricted Employee" means any person who was employed by the Company or an Affiliate and had Material Contact pursuant to the Participant's duties at any point during the period of twelve (12) months immediately preceding the Participant's last day of employment with the Employer. For purposes of this Section, "Material Contact" means interaction between the Participant and another employee of the Employer or an Affiliate: (A) with whom the Participant actually dealt or interacted; or (B) whose employment or dealings with the Employer or services for the Employer were directly or indirectly handled, coordinated, managed, or supervised by the Participant.

(v) "Restricted Period" means the twelve (12)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or by the Employer and whether for any or no reason).

(b) Confidential Information.

(i) Protection of Confidential Information. At all times during the Participant's employment with, or provision of services to, the Employer, and at all times thereafter, the Participant agrees to: (A) hold the Confidential Information in strictest confidence, and not to directly or indirectly copy, distribute, disclose, divert, or disseminate, in whole or in part, any of such Confidential Information to any person, firm, corporation, association or other entity except (x) to authorized agents of the Employer who have a need to know such Confidential Information for the purpose for which it is disclosed, or (y) to other persons for the benefit of the Employer, in the course and scope of the Participant's employment with or service to the Employer; and (B) refrain from directly or indirectly using the Confidential Information other than as necessary and as authorized in the course and scope of the Participant's employment with, or provision of services to, the Employer. In the event the Participant receives a subpoena or other validly issued administrative or judicial order demanding production or disclosure of Confidential Information, the Participant shall promptly notify the Employer and provide a copy of such subpoena or order and

tender to the Employer the defense of any such demand. The Participant may, if necessary, disclose Confidential Information in judicial proceedings relating to the enforcement of the Participant's rights or obligations under this Agreement; provided, however, that the Participant must first enter into an agreed protective order with the Employer protecting the confidentiality of the Confidential Information.

(ii) Notwithstanding the Participant's confidentiality and non-disclosure obligations under this Agreement or otherwise, as provided in the Federal Defend Trade Secret Act, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or to the Participant's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. The Participant understands and acknowledges that nothing in this Agreement prohibits the Participant from confidentially or otherwise communicating with or reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice or the Securities and Exchange Commission, or making other disclosures or statements that are protected under the whistleblower, collective bargaining, anti-discrimination and/or anti-retaliation provisions of federal or state law or regulation. The Participant understands that the Participant does not need prior authorization of the Employer to make any such reports or disclosures, and that the Participant is not required to notify the Employer that the Participant has made such reports or disclosures.

(c) Non-Solicitation.

(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly, seek to recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or

engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i). Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(i) shall be replaced with those set forth in Appendix I of this Agreement.

(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in their and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue, or terminate Customer's or Key Business Partner's patronage and/or business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate. In addition to the foregoing restrictions, the Participant agrees that, during the Participant's employment with the Employer and during the Enhanced Restricted Period, the Participant shall not be personally involved in the negotiation, competition for, solicitation or execution of any individual book roll over(s) or other book of business transfer arrangements involving the transfer of business away from the Company or an Affiliate. Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(ii) shall be replaced with those set forth in Appendix I of this Agreement.

(d) Notification to New Employers. During the Restricted Period, the Participant shall notify any subsequent employer of the Participant's obligations under this Section prior to commencing employment. In addition, during the Restricted Period, the Participant shall provide the Employer and his/her prior manager at the Employer fourteen (14) days' advance written notice prior to becoming employed by, or retained to represent or provide services to, any person or entity or engaging in any business of any type or form, with such notice including the identity of the prospective employer or business, the specific division (if applicable) for which the Participant will be

performing services, the title or position to be assumed by the Participant, the physical location of the position to be assumed by the Participant, and the responsibilities of the position to be assumed by the Participant. The Participant hereby authorizes the Company and/or any of its Affiliates, at their discretion, to contact the Participant's prospective or subsequent employers and inform them of this Section or any other policy or employment agreement between the Participant and the Company and/or its Affiliates that may be in effect at the termination of the Participant's employment with the Employer.

(e) Non-Disparagement. During the term of Participant's employment and for the two (2)-year period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason), the Participant shall not make or intentionally cause or direct others to make any written or oral statement that disparages or otherwise are slanderous, libelous, or defamatory towards the Company or its Affiliates, or their respective business relations. Without in any way limiting the scope or effect of the preceding sentence, the Participant specifically agrees, represents and warrants that the Participant shall not directly or indirectly disparage the Company's and/or its Affiliates': (i) officers, management, business practices, policies, procedures and/or operations, (ii) employees or other personnel, employment or other personnel-related decisions, staffing, and/or hiring or termination decisions, practices or other personnel-related activities or occurrences, and/or any other employment-related decisions, actions or practices by or relating to the Company or the Affiliates, or (iii) any other policies, procedures or matters concerning or relating to the Company, including but not limited to the Company's business, operations, employees, management, Customers, suppliers, activities, products, services or any other matter relating to the Company or its Affiliates; provided that this non-disparagement provision shall not prohibit any statement, reporting or other action this is permitted by subsection (b)(ii) of this Section. Moreover, unless permitted by applicable law, and subject to subsection (b)(ii) of this Section, the Participant shall not encourage or aid any person or entity in the pursuit of any cause of action, lawsuit or any other claim or dispute of any kind against the Company and/or its Affiliates.

(f) Consideration/Reasonableness of Restrictions.

(i) Consideration. The Participant agrees and acknowledges that the Participant has received valuable and adequate consideration in exchange for the restrictions in this Section, including but not limited to the Award to the Participant under the terms and conditions specified in this Agreement, offer of employment or continued employment with the Employer, training and continued training, access to the Confidential Information, and access to the Customers and Key Business Partners.

(ii) Reasonableness of Restrictions. The Participant understands and acknowledges the importance of the relationships which the Company and its Affiliates have with their Employees, Customers and Key Business Partners, as well as how significant the maintenance of the Confidential Information is to the business and success of the Company and its Affiliates, and acknowledges the steps the Company and its Affiliates have taken, are taking and will continue to take to develop, preserve and protect these relationships and the Confidential Information. Accordingly, the Participant agrees that the scope and duration of the restrictions and limitations described in this Section are reasonable and necessary to protect the legitimate business interests of the Company and its Affiliates, and the Participant agrees and acknowledges that all restrictions and

limitations relating to the period following the end of the Participant's employment or service with the Employer will apply regardless of the reason the Participant's employment or service ends. The Participant agrees and acknowledges that the enforcement of this Section will not in any way preclude the Participant from becoming gainfully employed or engaged as a contractor in such manner and to such extent as to provide the Participant with an adequate standard of living.

(iii) Participant's Notice to Consult An Attorney. The Company hereby advises the Participant to consult with an attorney (chosen by the Participant and at the Participant's cost) prior to signing this Agreement, including with respect to the non-solicitation provisions and other restrictive covenants contained in this Section. The Participant hereby acknowledges receipt of this notice by the Company.

(iv) Review Period. The Participant has at least fourteen (14) calendar days to review this Agreement before agreeing to its terms (although the Participant may elect to voluntarily sign it before the end of this review period).

(v) Tolling. Notwithstanding anything herein to the contrary, if the Participant breaches any of the non-solicitation restrictions in Section 18(c), then the Restricted Period (or the Enhanced Restricted Period, if applicable) shall be tolled (retroactive to the date such breach commenced) until such breach or violation has been duly cured.

(vi) Modification. If any provision or term in this Section is declared invalid or unenforceable by a court of competent jurisdiction, the invalid and unenforceable portion shall be reformed to the maximum time, activity-related restrictions and/or limitations permitted by applicable law, so as to be valid and enforceable. If any such provision cannot be made valid and enforceable, it shall be severed from this Agreement without affecting the remainder of this Agreement.

(vii) Breach/Remedies. Notwithstanding anything to the contrary in this Agreement, the Participant agrees and acknowledges that the breach of this Section would cause substantial loss to the goodwill of the Company and/or its Affiliates, and cause irreparable harm for which there is no adequate remedy at law. Further, because the Participant's employment with the Employer is personal and unique, because damages alone would not be an adequate remedy and because of the Participant's access to the Confidential Information, the Company and/or its Affiliates shall have the right to enforce this Section, including any of its provisions, by injunction, specific performance, or other equitable relief, without having to post bond or prove actual damages, and without prejudice to any other rights and remedies that the Company and/or its Affiliates may have for a breach of this Section, including, without limitation, money damages. The Participant agrees and acknowledges that notwithstanding the arbitration provisions in this Agreement, the Company may elect to file and pursue claims which arise from or relate to the Participant's actual or threatened breaches of this Section in state or federal court of competent jurisdiction. The Participant shall be liable to pay all costs, including reasonable attorneys' and experts' fees and expenses, that the Company and/or its Affiliates may incur in enforcing or defending this Section, whether or not litigation is actually commenced and including litigation of any appeal taken or defended by the

Company and/or its Affiliates where the Company and/or its Affiliates succeed in enforcing any provision of this Section.

(viii) Forfeiture and Repayment Provisions. Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement, the Participant agrees that during the Restricted Period (or the Enhanced Restricted Period, if/as applicable), if the Participant breaches any of the terms or conditions in this Section, then in addition to all rights and remedies available to the Company and/or its Affiliates at law and in equity, the Participant shall immediately forfeit any portion of the Award that has not otherwise been previously forfeited under the applicable terms of this Agreement and that has not yet been paid, exercised, settled, or vested. The Company and/or its Affiliates may also require repayment from the Participant of any and all of the compensatory value of the Award that the Participant received during the Restricted Period (or the Enhanced Restricted Period, as applicable), including without limitation the gross amount of any Common Stock distribution or cash payment made to the Participant upon the vesting, distribution, exercise, or settlement of the Award and/or any consideration in excess of such gross amounts received by the Participant upon the sale or transfer of the Common Stock acquired through vesting, distribution, exercise or settlement of the Award. The Participant shall promptly pay the full amount due upon demand by the Company and/or its Affiliates in the form of cash or shares of Common Stock at current Fair Market Value.

(ix) Waiver. The waiver of any breach of the terms of this Section shall not constitute the waiver of any other or further breach hereunder, whether or not of a like nature or kind. No waiver by the Company or any of its Affiliates of the breach of any term contained in a similar agreement between the Company and/or any of its Affiliates and any other employee or participant, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a waiver of the breach of any term of this Section. No waiver of any provision of this Section shall be valid unless in writing and signed by an authorized representative of the Company or one or more of its Affiliates.

(x) Interpretation. Any reference to "Section" or "subsection" in this Section 18 shall refer to this Section 18 or respective subsection.

19. Arbitration. In lieu of litigation by way of court or jury trial, any dispute or controversy arising hereunder shall be settled by arbitration, in accordance with the arbitration agreement currently in effect by separate agreement between the Participant and the Company or any of its Affiliates and which is incorporated herein by reference. In the event that such arbitration agreement is determined to be inapplicable or unenforceable or if no such arbitration agreement is then in effect, the parties mutually agree to arbitrate any dispute arising out of or related to this Agreement pursuant to the terms of this paragraph. The parties agree that this Agreement provides sufficient consideration for that obligation and the mutual promises to arbitrate also constitutes consideration for this agreement to arbitrate. The following terms and conditions shall apply to such arbitration hereunder. The arbitration shall be conducted before a single arbitrator in accordance with the Employment Arbitration Rules of the American Arbitration Association ("AAA Rules") then in effect, and shall be governed by the Federal Arbitration Act. Judgment may be entered on the award of the arbitrator in any court having jurisdiction. Unless provided otherwise in the arbitrator's award, each party will pay its own attorneys' fees and costs. To the extent required by law or the AAA Rules, all administrative costs of arbitration (including filing fees) and the fees of the arbitrator will be paid by the Company. The Participant and the Company waive the right for any dispute to be

brought, heard, decided, or arbitrated as a class and/or collective action (or joinder or consolidation with claims of any other person), and the parties agree that, regardless of anything else in this arbitration provision or the AAA Rules, the interpretation, applicability, enforceability or formation of the class action waiver in this provision may only be determined by a court and not an arbitrator. Regardless of anything else in this Agreement, this arbitration provision may not be modified or terminated absent a writing signed by the Participant and the Company stating an intent to modify or terminate the arbitration provision.

20. **Governing Law.** Except as otherwise provided in the foregoing Section or an Appendix to this Agreement, this Agreement and any disputes hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without application of its conflicts of laws principles.

21. **Miscellaneous.** This Agreement, together with the Plan, is the entire agreement of the parties with respect to the Option and SAR granted hereby and may not be amended except in a writing signed by both the Company and the Participant or his or her Representative. If any provision of this Agreement is deemed invalid, it shall be modified to the extent possible and minimally necessary to be enforceable, and, in any event, the remainder of this Agreement will be in full force and effect.

22. **Forfeiture and Clawback of Option.** Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement and as a condition to the receipt of this Option, the rights, payments and benefits with respect to this Option, SAR and any shares acquired pursuant to the exercise of this Option and/or SAR are subject to reduction, cancellation, forfeiture, or recoupment by the Company if and to the extent permitted by Section 15.3 of the Plan, required in accordance with Company policy as in effect from time to time ("Forfeiture and Clawback Policy"), and/or as otherwise required by applicable law, rule or regulation of the Securities and Exchange Commission, or rule or listing requirement of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) as in effect from time to time (collectively with the Forfeiture and Clawback Policy, "Applicable Requirements") in connection with an accounting restatement or under such other circumstances as specified in the Applicable Requirements. Any determination made and action taken under the Forfeiture and Clawback Policy shall be final, binding and conclusive.

ADDITIONAL PROVISIONS APPLICABLE ONLY TO EXECUTIVE OFFICERS OF THE COMPANY:

23. **Stock Holding Period.** The Participant agrees to hold all shares of Common Stock acquired upon the exercise of the Option and/or the SAR granted hereunder for a minimum of 12 months following the date of such exercise. This holding period shall not apply to shares sold or tendered by the Participant and/or withheld by the Company to pay the aggregate Exercise Price and/or to settle tax liabilities related to the exercise, and as otherwise may be provided under the Company's Stock Ownership Policy.

Appendix I (Employees Whose Primary Residences are Located in California)

If the Participant's primary residence is located in the State of California:

1. Sections 18(c)(i) and (c)(ii) of the foregoing Agreement shall be replaced with the following:

18(c)(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees to the extent that the Participant uses or misuses Confidential Information (as the term is defined in this Section) to so solicit and/or interfere. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, use or rely in any manner on any Confidential Information to directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i).

18(c)(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in its and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue or terminate Customer's patronage and/or

business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate.

2. Any claims relating to Section 18 of the Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

Kemper Corporation 2020 Omnibus Equity Plan

NON-QUALIFIED STOCK OPTION AND SAR AWARD AGREEMENT

(Installment Vesting Form)

This NON-QUALIFIED STOCK OPTION AND SAR AWARD AGREEMENT ("Agreement") is made as of this _____ day of _____, 20__ ("Grant Date") between KEMPER CORPORATION, a Delaware corporation ("Company"), and «name» ("Participant"), for an award consisting of the right and option ("Option") to purchase, on the terms and conditions hereinafter set forth, shares of the Company's common stock ("Common Stock"), along with a tandem stock appreciation right ("SAR").

SIGNATURES

As of the date set forth above, the parties have accepted the terms of this Agreement by signing this Agreement by an electronic signature, and each party agrees that such signature shall not be denied legal effect, validity or enforceability solely because it was submitted or executed electronically.

KEMPER CORPORATION **PARTICIPANT**

By: _____
«CEO Signature and Title» «name»

RECITALS

A. The Board of Directors of the Company ("Board") has adopted the Kemper Corporation 2020 Omnibus Equity Plan ("Plan"), including all amendments to date, to be administered by the Compensation Committee of the Board or any subcommittee thereof, or any other committee designated by the Board to administer the Plan ("Committee"). Capitalized terms that are not defined herein shall be defined in accordance with the Plan.

B. The Plan authorizes the Committee to grant to selected Employees, Directors and Third Party Service Providers awards of various types, including options to purchase shares of Common Stock and tandem stock appreciation rights.

C. Pursuant to the Plan, the Committee has determined that it is in the best interest of the Company and its shareholders to grant a non-qualified stock option (and tandem stock appreciation right) to the Participant under the terms and conditions specified in this Agreement as an inducement to remain in the service of the Company and as an incentive for increased effort during such service.

D. Neither the Option nor the SAR granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Grant.**

(a) The Company grants the Option to purchase all or any part of an aggregate of «shares» shares of Common Stock at the Exercise Price (as defined below)

to the Participant, which will be exercisable in accordance with the provisions of this Agreement; provided that the Option may not be exercised with respect to a fraction of a share.

(b) The Option is coupled with a SAR that is exercisable to the extent, and only to the extent, that the Option is vested as described in Section 6. The SAR shall entitle the Participant to surrender the Option (or any portion thereof, subject to Section 8(a)) to the Company unexercised and receive in exchange therefor that number of shares of Common Stock having an aggregate value equal to: (A) the excess of the Fair Market Value (as defined below) of one share of Common Stock over the Exercise Price, multiplied by (B) the number of such shares of Common Stock subject to the Option (or portion thereof) which is so surrendered.

2. **Exercise Price.** The per share price of Common Stock issuable upon exercise of the Option or SAR shall be \$ ____ (“Exercise Price”), which shall not be less than 100% of the Fair Market Value of a share of Common Stock on the Grant Date. The Exercise Price may be adjusted in accordance with Section 13.

3. **Governing Plan.** The Option is granted pursuant to the Plan, which is incorporated herein for all purposes. The Participant agrees to be bound by the terms and conditions of the Plan, which controls in case of any conflict with this Agreement, except as otherwise provided for in the Plan. No amendment of the Plan shall adversely affect this Option in any material way without the written consent of the Participant.

4. **Restrictions on Transfer.** The Option and SAR and all rights and privileges granted hereby (including the right of exercise) shall not be transferred, assigned, pledged or hypothecated in any way, whether by operation of the law or otherwise, except by will or the laws of descent and distribution. Without limiting the generality of the preceding sentence, no rights or privileges granted hereby may be assigned or otherwise transferred to the spouse or former spouse of the Participant pursuant to any divorce proceedings, settlement or judgment, unless approved by the Committee. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the Option or the SAR or any other rights or privileges granted hereby contrary to the provisions hereof, the Option and SAR and all other rights and privileges contained herein shall immediately become null and void and of no further force or effect.

5. **Term.** Except as provided in Section 11, neither the Option nor the SAR shall be exercisable after the Company’s close of business on the last business day that occurs coincident with or prior to the earliest of (“Expiration Date”):

(a) the 10th anniversary of the Grant Date;

(b) the first anniversary of the Participant’s death;

(c) the first anniversary of the Participant’s termination of Service due to the Participant’s Disability;

(d) if the Participant was not Retirement Eligible on the date of the Participant’s termination of Service (other than as described in (b) or (c) above), the date that is three (3) months following the Participant’s termination of Service for any reason other than Cause;

(e) if the Participant was Retirement Eligible on the date of the Participant’s termination of Service (other than as described in (b) or (c) above), the later of (A) the date that is three (3) months following the Participant’s termination of Service for any

reason other than Cause, or (B) the date on which the Participant became an employee of a competitor of the Company or any of its Affiliates or otherwise engaged in any activity that is competitive with the Company or any of its Affiliates, as determined by the Committee in its sole discretion; or

(f) any date of the Participant's termination of Service for Cause.

6. **Vesting and Exercise.**

(a) **Vesting.** The Option and/or the SAR may only be exercised to the extent they are vested. To the extent not previously forfeited, and except as provided in Section 6(b) below, the Option and SAR shall vest in accordance with the following schedule if the Participant continues in Service through the applicable date (each date of vesting, a "Vesting Date"):

in three (3) equal, annual installments, beginning on the first anniversary of the Grant Date.

Notwithstanding the foregoing and except as provided in Section 6(b) or 6(c) below, if the Participant is Retirement Eligible (as defined below) prior to the date the Participant's Service is terminated for any reason other than Cause, the unvested portions of the Option and SAR shall continue to vest in accordance with the schedule set forth above until the Expiration Date, provided that the Committee in its sole discretion determines that the Participant has not at any time prior to the applicable Vesting Date become an employee of a competitor of the Company or any of its Affiliates or otherwise engaged in any activity that is competitive with the Company or any of its Affiliates.

(b) **Acceleration of Vesting.** Notwithstanding the terms of Section 6(a) above, to the extent not previously vested or forfeited, the shares covered by the Option and SAR shall fully vest on the earliest to occur of the following (the date of which shall also be designated as a Vesting Date) prior to the Expiration Date:

(i) the date of the Participant's death or Disability, if the Participant dies or becomes Disabled while in Service;

(ii) the date of the Participant's death or Disability following the Participant's termination of Service for any reason other than Cause, if the Participant was Retirement Eligible prior to the date the Participant's Service is terminated, provided that the Committee in its sole discretion determines that the Participant did not at any time prior to the date of death or Disability become an employee of a competitor of the Company or any of its Affiliates or otherwise engaged in any activity that is competitive with the Company or any of its Affiliates; or

(iii) the date upon which vesting is accelerated in accordance with Section 13(b), or otherwise by the Committee in its discretion in accordance with the terms of the Plan.

(c) **Certain Definitions.**

(i) "Cause" means any of the following: (1) the Participant's theft or falsification of any Company or Affiliate documents, records or property; (2) the Participant's improper use or disclosure of the Company's or an Affiliate's

confidential or proprietary information in breach of the Company's Essential Standards of Conduct or an applicable contractual or other obligation, or using such information for personal gain including, without limitation, by trading in Company securities on the basis of material, non-public information; (3) fraud, misappropriation of or intentional material damage to the property or business of the Company or an Affiliate or other action by the Participant which has a material detrimental effect on the Company's or an Affiliate's reputation or business as determined by the Committee; (4) the Participant's material failure or inability to perform any reasonable assigned and lawful duties after written notice from the Company or Affiliate of such failure or inability, and such failure or inability is not cured by the Participant within ten (10) business days; (5) the Participant's conviction (including any plea of guilty or nolo contendere) of any felony or any criminal violation involving fraud, embezzlement, misappropriation, dishonesty, the misuse or misappropriation of money or other property or any other crime which has or would reasonably be expected to have an adverse effect on the business or reputation of the Company or an Affiliate or (6) a material breach by the Participant of the policies and procedures of the Company or an Affiliate, including, but not limited to, any breach of the Company's Essential Standards of Conduct and the requirements of Section 18 below.

(ii) "Disabled" or "Disability" means that the Participant either:

(A) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and, with respect to a Participant who is an Employee, is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan (*e.g.*, a long term disability plan) covering Employees of the Company or Affiliate that employs the Participant ; or

(B) is determined to be totally disabled by the Social Security Administration or Railroad Retirement Board.

(iii) "Employer" means the Company or Affiliate by whom the Participant is employed, or to whom the Participant provides services.

(iv) "Good Reason" means any action taken by the Employer which results in a material negative change to the Participant in the employment relationship, such as the duties to be performed, the conditions under which such duties are to be performed or the compensation to be received for performing such services. A termination by the Participant shall not constitute termination for Good Reason unless the Participant shall first have delivered to the Employer written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the occurrence of such event), and there shall have passed a reasonable time (not less than thirty (30) days) within which the Employer may take action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by the Participant.

(v) “Retirement Eligible” means that the Participant has either attained age 55 and completed ten (10) years of Service as an Employee or attained age 60 and completed five (5) years of Service as an Employee.

(vi) “Service” means the period during which the Participant is an Employee, Director or Third Party Service Provider; provided, however, that the Participant will not be deemed to be in Service after the Company divests its control in the Affiliate for whom the Participant is exclusively in Service, or if the Company’s control of such Affiliate otherwise ceases.

7. **Termination of Service.** On the date of the Participant’s cessation of Service, any unvested portion of the Option and SAR held by the Participant that does not vest upon such cessation of Service in accordance with this Agreement shall be forfeited to the Company if the Participant is not Retirement Eligible on such date. If the Participant’s Service is terminated, or is deemed to be terminated, for Cause prior to or after becoming Retirement Eligible, any outstanding portions of the Option and SAR held by the Participant (vested or unvested) shall be forfeited to the Company on the date of such termination of Service. For purposes of the preceding sentence, a Participant’s Service shall be deemed terminated for Cause if the Participant resigns or is terminated and the Committee determines in good faith, either before, at the time of, or after such termination, that one or more of the events or actions described in the definition of Cause in Section 6(b) existed as of the time of such termination.

8. **Manner of Exercise.**

(a) During the period beginning on the applicable Vesting Date and ending on the Expiration Date, the Participant may purchase all or any part of the shares of Common Stock subject to the vested portion of the Option or may receive such lesser number of shares as may be available through the exercise of the SAR. In the event the Option (or any portion thereof) is exercised, then the SAR (or the corresponding portion) shall terminate. In the event that the SAR (or any portion thereof) is exercised, then the Option (or the corresponding portion) shall likewise terminate. Consequently, the total number of shares subject to the Option shall be reduced by the number of shares for which the Option or the SAR has previously been exercised. Likewise, the total number of shares subject to the SAR shall be reduced by the number of shares for which the SAR or the Option has previously been exercised.

(b) Each exercise of the Option shall be initiated by the Participant or his or her Representative by means of a notice of exercise delivered to the Company through the internet portal (“Portal”) provided by or on behalf of the Company or, if such Portal is not available for such exercise, in the form of a written document or electronic mail (“Notice”). The Notice shall identify the number of shares for which the Option is being exercised. Before shares of Common Stock will be issued and subject to the requirements of Section 9 below, the aggregate Exercise Price for the shares for which the Option is being exercised shall be paid to the Company in a manner permitted under the Plan.

(c) Each exercise of the SAR shall be initiated by the Participant or his or her Representative by delivery of a Notice as described above in Section 8(b). The Notice shall identify the number of shares for which the SAR is being exercised. Upon satisfaction of the Participant’s obligation to pay the Company the amount of all taxes that the Company is required to withhold in connection with such exercise as specified in Section 9 below, the Company shall issue to the Participant a number of shares of the Company’s common stock determined in accordance with Section 1(b). The SAR may only be settled by delivery of shares of Common Stock and not by payment of cash to

the Participant. Any fractional share that would otherwise result from an exercise of the SAR shall be rounded down to the nearest whole share.

(d) The date of exercise shall be: (i) in the case of an Option exercise, the date that the Company receives the Notice if received within regular market hours on a day that the New York Stock Exchange is open for business ("Trading Day"), and otherwise on the next Trading Day; provided, however, that if the Notice is provided by means of a "Good Till Cancelled Order" involving a "Same Day Sale" or "Sell to Cover" transaction ("Order"), then the date of exercise shall instead be the date that the Order is executed; (ii) in the case of a SAR exercise not conducted through the Portal, the date specified in the Notice or, if not specified, the date that the Company receives the Notice; or (iii) in the case of a SAR exercise conducted through the Portal, the date that the Company receives the Notice if received within regular market hours on a Trading Day, and otherwise on the next Trading Day.

(e) The Option and SAR may be exercised only by the Participant or his or her Representative, and not otherwise, regardless of any community property interest therein of the spouse of the Participant, or such spouse's successors in interest. If the spouse of the Participant shall have acquired a community property interest in the Option or the SAR, the Participant, or the Participant's Representative, may exercise the Option and/or the SAR on behalf of the spouse of the Participant or such spouse's successors in interest.

9. **Withholding of Taxes.** Upon the exercise of the Option or the SAR, the Participant or the Participant's Representative shall pay to the Company the amount of any taxes which the Company is required to withhold with respect to such exercise. Subject to the limitations set forth in the next two sentences, the Company shall withhold shares of Common Stock that would otherwise have been issued pursuant to the exercise of the Option or the SAR to satisfy the tax withholding obligations, unless and except to the extent that the Participant or his or her Representative elects to satisfy all or any portion of such tax withholding obligations by cash payment to the Company. Neither the Participant nor his or her Representative shall have the right to have shares of Common Stock withheld, in either case, to the extent that the Fair Market Value of such shares delivered or withheld on the date of exercise exceeds the amount required to be delivered or withheld to meet tax withholding requirements, based on the maximum statutory withholding rates for the Participant for federal, state and local tax purposes (including the Participant's share of payroll or similar taxes) in the applicable jurisdiction. In the case of an exercise of the SAR, the Committee retains the right to require the Participant or his or her Representative to pay any and all withholding taxes arising out of such exercise solely in cash.

10. **Fair Market Value of Common Stock.** The fair market value ("Fair Market Value") of a share of Common Stock shall be determined for purposes of this Agreement by reference to the closing price of a share of Common Stock, as reported by the New York Stock Exchange (or such other exchange on which the shares of Common Stock are primarily traded) for the Grant Date or date of exercise, as applicable, or if such date is not a business day, for the business day immediately preceding such date (or, if for any reason no such price is available, the Fair Market Value shall be determined by the Company in its sole discretion in accordance with the Plan).

11. **Extension of Expiration Date in Certain Cases.** From time to time, the Company may declare "blackout" periods during which the Participant may be prohibited from engaging in certain transactions in Company securities. In the event that the scheduled Expiration Date of the Option and SAR shall fall within a blackout period that has been declared by the Company and that applies to the Participant, then the Expiration Date shall automatically, and

without further notice to the Participant, be extended until such time as fifteen (15) consecutive business days have elapsed after the scheduled Expiration Date without interruption by any blackout period that applied to the Participant.

12. **Shares to be Issued in Compliance with Federal Securities Laws and Exchange Rules.** No shares issuable upon the exercise of the Option or the SAR shall be issued and delivered unless and until there shall have been full compliance with all applicable requirements of the Securities Act of 1933, as amended (whether by registration or satisfaction of exemption conditions), all applicable listing requirements of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery. The Company shall use its best efforts and take all necessary or appropriate actions to ensure that such full compliance on the part of the Company is made.

13. **Certain Adjustments; Change in Control.**

(a) If, during the term of this Agreement, there shall be any equity restructurings (within the meaning of FASB Accounting Standards Codification[®] Topic 718) that causes the per share value of a share of Common Stock to change, such as a stock dividend, stock split, spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, and similar matters, the Committee shall make or cause to be made an equitable adjustment to the number and kind of shares subject to and/or the Exercise Price (if applicable) of the Award. If, during the term of this Agreement, there shall be any other changes in corporate capitalization, the Committee shall make or cause to be made an appropriate and equitable substitution, adjustment or treatment with respect to the Option in a manner consistent with Sections 4.3 and 21.2 of the Plan. The Committee's determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares of Common Stock shall be issued under the Plan on any such adjustment.

(b) In the event of a Change in Control as defined in Section 20.1(a) or (b) of the Plan, except as prohibited by applicable laws, rules, regulations or stock exchange requirements, if the Service of a Participant is terminated within the two (2)-year period following such Change in Control by the Company or an Affiliate for reasons other than Cause or by the Participant for Good Reason, the Option and SAR shall vest and be immediately exercisable and shall remain exercisable for the remainder of their term.

14. **Participation by Participant in Other Company Plans.** Nothing herein contained shall affect the right of the Participant to participate in and receive benefits under and in accordance with the then current provisions of any retirement plan or employee welfare benefit plan or program of the Company or of any Affiliate of the Company, subject in each case, to the terms and conditions of any such plan or program.

15. **No Rights as a Shareholder Until Issuance of Shares.** Neither the Participant nor his or her Representative shall be entitled to any of the rights or privileges of a shareholder of the Company in respect of any shares of Common Stock issuable upon any exercise of the Option or the SAR unless and until such shares shall have been issued and delivered to: (i) the Participant in the form of certificates, (ii) a brokerage or other account for the benefit of the Participant either in certificate form or via "DWAC" or similar electronic means, or (iii) a book entry or direct registration account in the name of the Participant.

16. **Not an Employment or Service Contract.** Nothing herein contained shall be construed as an agreement by the Company or any of its Affiliates, expressed or implied, to employ or contract for the services of the Participant, to restrict the right of the Company or

any of its Affiliates to discharge the Participant or cease contracting for the Participant's services or to modify, extend or otherwise affect in any manner whatsoever, the terms of any employment agreement or contract for services which may exist between the Participant and the Company or any of its Affiliates.

17. **Death of the Participant.** In the event of the death of the Participant while any portion of the Option and/or the SAR are outstanding, the Option and/or the SAR may be exercised prior to the Expiration Date by the duly appointed and qualified executor or other personal representative of the Participant, and the shares of Common Stock received upon such exercise shall be made to such executor or representative to be distributed in accordance with the Participant's will or applicable intestacy law.

18. **Confidentiality, Non-Solicitation and Non-Disparagement.** The Participant agrees that the Award to the Participant under the terms and conditions specified in this Agreement is conditioned upon the Participant's compliance with the following confidentiality, non-solicitation and non-disparagement terms and conditions.

(a) **Definitions.** As used in this Section, the following terms have the meanings set forth below:

(i) "Confidential Information" means any and all confidential information, including without limitation any negotiations or agreements between the Company or its Affiliates and third parties, business and marketing plans and related materials, training materials, financial information, plans, executive summaries, capitalization tables, budgets, unpublished financial statements, costs, prices, licenses, employee, customer, supplier, shareholder, partner or investor lists and/or data, products, technology, know-how, business processes, business data, inventions, designs, patents, trademarks, copyrights, trade secrets, business models, notes, sketches, flow charts, formulas, blueprints and elements thereof, databases, compilations, and other intellectual property, whether written or otherwise. Some or all of the Confidential Information may also be entitled to protection as a "trade secret" under applicable state or federal law. Confidential Information does not include information that the Participant can prove was properly known to the Participant from sources permitted to disseminate the information prior to the Participant's employment by, or provision of services to, the Employer, or that has become publicly known and made generally available through no wrongful act of the Participant.

(ii) "Customer" means any customer of the Company or an Affiliate with which/whom the Participant had material communications, for which/whom the Participant performed any services, to which/whom the Participant sold any products, or about which/whom the Participant learned or had access to any Confidential Information, in each case during the twelve (12)-month period immediately preceding the Participant's termination of employment from, or provision of services to, the Employer (whether by Participant or the Employer and whether for any or no reason).

(iii) "Enhanced Restricted Period" means the twenty-four (24)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(iv) "Restricted Employee" means any person who was employed by the Company or an Affiliate and had Material Contact pursuant to the

Participant's duties at any point during the period of twelve (12) months immediately preceding the Participant's last day of employment with the Employer. For purposes of this Section, "Material Contact" means interaction between the Participant and another employee of the Employer or an Affiliate: (A) with whom the Participant actually dealt or interacted; or (B) whose employment or dealings with the Employer or services for the Employer were directly or indirectly handled, coordinated, managed, or supervised by the Participant.

(v) "Restricted Period" means the twelve (12)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(b) Confidential Information.

(i) Protection of Confidential Information. At all times during the Participant's employment with, or provision of services to, the Employer, and at all times thereafter, the Participant agrees to: (A) hold the Confidential Information in strictest confidence, and not to directly or indirectly copy, distribute, disclose, divert, or disseminate, in whole or in part, any of such Confidential Information to any person, firm, corporation, association or other entity except (x) to authorized agents of the Employer who have a need to know such Confidential Information for the purpose for which it is disclosed, or (y) to other persons for the benefit of the Employer, in the course and scope of the Participant's employment with or service to the Employer; and (B) refrain from directly or indirectly using the Confidential Information other than as necessary and as authorized in the course and scope of the Participant's employment with, or provision of services to, the Employer. In the event the Participant receives a subpoena or other validly issued administrative or judicial order demanding production or disclosure of Confidential Information, the Participant shall promptly notify the Employer and provide a copy of such subpoena or order and tender to the Employer the defense of any such demand. The Participant may, if necessary, disclose Confidential Information in judicial proceedings relating to the enforcement of the Participant's rights or obligations under this Agreement; provided, however, that the Participant must first enter into an agreed protective order with the Employer protecting the confidentiality of the Confidential Information.

(ii) Notwithstanding the Participant's confidentiality and non-disclosure obligations under this Agreement or otherwise, as provided in the Federal Defend Trade Secret Act, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or to the Participant's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. The Participant understands and acknowledges that nothing in this Agreement prohibits the Participant from confidentially or otherwise communicating with or reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice or the Securities and Exchange Commission, or making

other disclosures or statements that are protected under the whistleblower, collective bargaining, anti-discrimination and/or anti-retaliation provisions of federal or state law or regulation. The Participant understands that the Participant does not need prior authorization of the Employer to make any such reports or disclosures, and that the Participant is not required to notify the Employer that the Participant has made such reports or disclosures.

(c) Non-Solicitation.

(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly, seek to recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i). Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(i) shall be replaced with those set forth in Appendix I of this Agreement.

(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in their and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period,

the Participant shall not, directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue, or terminate Customer's or Key Business Partner's patronage and/or business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate. In addition to the foregoing restrictions, the Participant agrees that, during the Participant's employment with the Employer and during the Enhanced Restricted Period, the Participant shall not be personally involved in the negotiation, competition for, solicitation or execution of any individual book roll over(s) or other book of business transfer arrangements involving the transfer of business away from the Company or an Affiliate. Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(ii) shall be replaced with those set forth in Appendix I of this Agreement.

(d) Notification to New Employers. During the Restricted Period, the Participant shall notify any subsequent employer of the Participant's obligations under this Section prior to commencing employment. In addition, during the Restricted Period, the Participant shall provide the Employer and his/her prior manager at the Employer fourteen (14) days' advance written notice prior to becoming employed by, or retained to represent or provide services to, any person or entity or engaging in any business of any type or form, with such notice including the identity of the prospective employer or business, the specific division (if applicable) for which the Participant will be performing services, the title or position to be assumed by the Participant, the physical location of the position to be assumed by the Participant, and the responsibilities of the position to be assumed by the Participant. The Participant hereby authorizes the Company and/or any of its Affiliates, at their discretion, to contact the Participant's prospective or subsequent employers and inform them of this Section or any other policy or employment agreement between the Participant and the Company and/or its Affiliates that may be in effect at the termination of the Participant's employment with the Employer.

(e) Non-Disparagement. During the term of Participant's employment and for the two (2)-year period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason), the Participant shall not make or intentionally cause or direct others to make any written or oral statement that disparages, or otherwise are slanderous, libelous, or defamatory towards, the Company or its Affiliates, or their respective business relations. Without in any way limiting the scope or effect of the preceding sentence, the Participant specifically agrees, represents and warrants that the Participant shall not directly or indirectly disparage the Company's and/or its Affiliates': (i) officers, management, business practices, policies, procedures and/or operations, (ii) employees or other personnel, employment or other personnel-related decisions, staffing, and/or hiring or termination decisions, practices or other personnel-related activities or occurrences, and/or any other employment-related decisions, actions or

practices by or relating to the Company or the Affiliates, or (iii) any other policies, procedures or matters concerning or relating to the Company, including but not limited to the Company's business, operations, employees, management, Customers, suppliers, activities, products, services or any other matter relating to the Company or its Affiliates; provided that this non-disparagement provision shall not prohibit any statement, reporting or other action this is permitted by subsection (b)(ii) of this Section. Moreover, unless permitted by applicable law, and subject to subsection (b)(ii) of this Section, the Participant shall not encourage or aid any person or entity in the pursuit of any cause of action, lawsuit or any other claim or dispute of any kind against the Company and/or its Affiliates.

(f) Consideration/Reasonableness of Restrictions.

(i) Consideration. The Participant agrees and acknowledges that the Participant has received valuable and adequate consideration in exchange for the restrictions in this Section, including but not limited to the Award to the Participant under the terms and conditions specified in this Agreement, offer of employment or continued employment with the Employer, training and continued training, access to the Confidential Information, and access to the Customers and Key Business Partners.

(ii) Reasonableness of Restrictions. The Participant understands and acknowledges the importance of the relationships which the Company and its Affiliates have with their Employees, Customers and Key Business Partners, as well as how significant the maintenance of the Confidential Information is to the business and success of the Company and its Affiliates, and acknowledges the steps the Company and its Affiliates have taken, are taking and will continue to take to develop, preserve and protect these relationships and the Confidential Information. Accordingly, the Participant agrees that the scope and duration of the restrictions and limitations described in this Section are reasonable and necessary to protect the legitimate business interests of the Company and its Affiliates, and the Participant agrees and acknowledges that all restrictions and limitations relating to the period following the end of the Participant's employment or service with the Employer will apply regardless of the reason the Participant's employment or service ends. The Participant agrees and acknowledges that the enforcement of this Section will not in any way preclude the Participant from becoming gainfully employed or engaged as a contractor in such manner and to such extent as to provide the Participant with an adequate standard of living.

(iii) Participant's Notice to Consult An Attorney. The Company hereby advises the Participant to consult with an attorney (chosen by the Participant and at the Participant's cost) prior to signing this Agreement, including with respect to the non-solicitation provisions and other restrictive covenants contained in this Section. The Participant hereby acknowledges receipt of this notice by the Company.

(iv) Review Period. The Participant has at least fourteen (14) calendar days to review this Agreement before agreeing to its terms (although the Participant may elect to voluntarily sign it before the end of this review period).

(v) Tolling. Notwithstanding anything herein to the contrary, if the Participant breaches any of the non-solicitation restrictions in Section 18(c), then the Restricted Period (or the Enhanced Restricted Period, if applicable) shall be

tolled (retroactive to the date such breach commenced) until such breach or violation has been duly cured.

(vi) Modification. If any provision or term in this Section is declared invalid or unenforceable by a court of competent jurisdiction, the invalid and unenforceable portion shall be reformed to the maximum time, activity-related restrictions and/or limitations permitted by applicable law, so as to be valid and enforceable. If any such provision cannot be made valid and enforceable, it shall be severed from this Agreement without affecting the remainder of this Agreement.

(vii) Breach/Remedies. Notwithstanding anything to the contrary in this Agreement, the Participant agrees and acknowledges that the breach of this Section would cause substantial loss to the goodwill of the Company and/or its Affiliates, and cause irreparable harm for which there is no adequate remedy at law. Further, because the Participant's employment with the Employer is personal and unique, because damages alone would not be an adequate remedy and because of the Participant's access to the Confidential Information, the Company and/or its Affiliates shall have the right to enforce this Section, including any of its provisions, by injunction, specific performance, or other equitable relief, without having to post bond or prove actual damages, and without prejudice to any other rights and remedies that the Company and/or its Affiliates may have for a breach of this Section, including, without limitation, money damages. The Participant agrees and acknowledges that notwithstanding the arbitration provisions in this Agreement, the Company may elect to file and pursue claims which arise from or relate to the Participant's actual or threatened breaches of this Section in state or federal court of competent jurisdiction. The Participant shall be liable to pay all costs, including reasonable attorneys' and experts' fees and expenses, that the Company and/or its Affiliates may incur in enforcing or defending this Section, whether or not litigation is actually commenced and including litigation of any appeal taken or defended by the Company and/or its Affiliates where the Company and/or its Affiliates succeed in enforcing any provision of this Section.

(viii) Forfeiture and Repayment Provisions. Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement, the Participant agrees that during the Restricted Period (or the Enhanced Restricted Period, if/as applicable), if the Participant breaches any of the terms or conditions in this Section, then in addition to all rights and remedies available to the Company and/or its Affiliates at law and in equity, the Participant shall immediately forfeit any portion of the Award that has not otherwise been previously forfeited under the applicable terms of this Agreement and that has not yet been paid, exercised, settled, or vested. The Company and/or its Affiliates may also require repayment from the Participant of any and all of the compensatory value of the Award that the Participant received during the Restricted Period (or the Enhanced Restricted Period, as applicable), including without limitation the gross amount of any Common Stock distribution or cash payment made to the Participant upon the vesting, distribution, exercise, or settlement of the Award and/or any consideration in excess of such gross amounts received by the Participant upon the sale or transfer of the Common Stock acquired through vesting, distribution, exercise or settlement of the Award. The Participant shall promptly pay the full amount due upon demand by the Company and/or its Affiliates in the form of cash or shares of Common Stock at current Fair Market Value.

(ix) **Waiver.** The waiver of any breach of the terms of this Section shall not constitute the waiver of any other or further breach hereunder, whether or not of a like nature or kind. No waiver by the Company or any of its Affiliates of the breach of any term contained in a similar agreement between the Company and/or any of its Affiliates and any other employee or participant, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a waiver of the breach of any term of this Section. No waiver of any provision of this Section shall be valid unless in writing and signed by an authorized representative of the Company or one or more of its Affiliates.

(x) **Interpretation.** Any reference to “Section” or “subsection” in this Section 18 shall refer to this Section 18 or respective subsection.

19. **Arbitration.** In lieu of litigation by way of court or jury trial, any dispute or controversy arising hereunder shall be settled by arbitration, in accordance with the arbitration agreement currently in effect by separate agreement between the Participant and the Company or any of its Affiliates and which is incorporated herein by reference. In the event that such arbitration agreement is determined to be inapplicable or unenforceable or if no such arbitration agreement is then in effect, the parties mutually agree to arbitrate any dispute arising out of or related to this Agreement pursuant to the terms of this paragraph. The parties agree that this Agreement provides sufficient consideration for that obligation and the mutual promises to arbitrate also constitutes consideration for this agreement to arbitrate. The following terms and conditions shall apply to such arbitration hereunder. The arbitration shall be conducted before a single arbitrator in accordance with the Employment Arbitration Rules of the American Arbitration Association (“AAA Rules”) then in effect, and shall be governed by the Federal Arbitration Act. Judgment may be entered on the award of the arbitrator in any court having jurisdiction. Unless provided otherwise in the arbitrator’s award, each party will pay its own attorneys’ fees and costs. To the extent required by law or the AAA Rules, all administrative costs of arbitration (including filing fees) and the fees of the arbitrator will be paid by the Company. The Participant and the Company waive the right for any dispute to be brought, heard, decided, or arbitrated as a class and/or collective action (or joinder or consolidation with claims of any other person), and the parties agree that, regardless of anything else in this arbitration provision or the AAA Rules, the interpretation, applicability, enforceability or formation of the class action waiver in this provision may only be determined by a court and not an arbitrator. Regardless of anything else in this Agreement, this arbitration provision may not be modified or terminated absent a writing signed by the Participant and the Company stating an intent to modify or terminate the arbitration provision.

20. **Governing Law.** Except as otherwise provided in the foregoing Section or an Appendix to this Agreement, this Agreement and any disputes hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without application of its conflicts of laws principles.

21. **Miscellaneous.** This Agreement, together with the Plan, is the entire agreement of the parties with respect to the Option and SAR granted hereby and may not be amended except in a writing signed by both the Company and the Participant or his or her Representative. If any provision of this Agreement is deemed invalid, it shall be modified to the extent possible and minimally necessary to be enforceable, and, in any event, the remainder of this Agreement will be in full force and effect.

22. **Forfeiture and Clawback of Option.** Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement and as a condition to the receipt of this Option, the rights, payments and benefits with respect to this Option, SAR and any shares acquired pursuant to the exercise of this Option and/or SAR are subject to

reduction, cancellation, forfeiture, or recoupment by the Company if and to the extent permitted by Section 15.3 of the Plan, required in accordance with Company policy as in effect from time to time (“Forfeiture and Clawback Policy”), and/or as otherwise required by applicable law, rule or regulation of the Securities and Exchange Commission, or rule or listing requirement of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) as in effect from time to time (collectively with the Forfeiture and Clawback Policy, “Applicable Requirements”) in connection with an accounting restatement or under such other circumstances as specified in the Applicable Requirements. Any determination made and action taken under the Forfeiture and Clawback Policy shall be final, binding and conclusive.

ADDITIONAL PROVISIONS APPLICABLE ONLY TO EXECUTIVE OFFICERS OF THE COMPANY:

23. **Stock Holding Period.** The Participant agrees to hold all shares of Common Stock acquired upon the exercise of the Option and/or the SAR granted hereunder for a minimum of 12 months following the date of such exercise. This holding period shall not apply to shares sold or tendered by the Participant and/or withheld by the Company to pay the aggregate Exercise Price and/or to settle tax liabilities related to the exercise, and as otherwise may be provided under the Company’s Stock Ownership Policy.

Appendix I (Employees Whose Primary Residences are Located in California)

If the Participant's primary residence is located in the State of California:

1. Sections 18(c)(i) and (c)(ii) of the foregoing Agreement shall be replaced with the following:

18(c)(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees to the extent that the Participant uses or misuses Confidential Information (as the term is defined in this Section) to so solicit and/or interfere. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, use or rely in any manner on any Confidential Information to directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i).

18(c)(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in its and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue or terminate Customer's patronage and/or

business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate.

2. Any claims relating to Section 18 of the Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

Kemper Corporation 2020 Omnibus Equity Plan

RESTRICTED STOCK UNIT AWARD AGREEMENT

(Cliff-Vesting Form)

This RESTRICTED STOCK UNIT AWARD AGREEMENT ("Agreement") is made as of this _____ day of _____, 20__ ("Grant Date") between KEMPER CORPORATION, a Delaware corporation ("Company"), and «name» ("Participant") for an Award of restricted stock units ("RSUs"), each representing the right to receive one share of the Company's common stock ("Common Stock") on the terms and conditions set forth in this Agreement.

SIGNATURES

As of the date set forth above, the parties have accepted the terms of this Agreement by signing this Agreement by an electronic signature, and each party agrees that such signature shall not be denied legal effect, validity or enforceability solely because it was submitted or executed electronically.

KEMPER CORPORATION **PARTICIPANT**

By: _____
«CEO Signature and Title» «name»

RECITALS

A. The Board of Directors of the Company ("Board") has adopted the Kemper Corporation 2020 Omnibus Equity Plan ("Plan"), including all amendments to date, to be administered by the Compensation Committee of the Board or any subcommittee thereof, or any other committee designated by the Board to administer the Plan ("Committee"). Capitalized terms that are not defined herein shall be defined in accordance with the Plan.

B. The Plan authorizes the Committee to grant to selected Employees, Directors and Third Party Service Providers awards of various types, including restricted stock units providing the right to receive shares of Common Stock under specified terms and conditions.

C. Pursuant to the Plan, the Committee has determined that it is in the best interest of the Company and its shareholders to grant an Award of RSUs to the Participant under the terms and conditions specified in this Agreement as an inducement to remain in the service of the Company and an incentive for increased effort during such service.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Grant.** The Company grants an aggregate of «shares» («shares») RSUs, which represent the Company's unfunded and unsecured promise to issue shares of Common Stock, to the Participant, subject to the terms and conditions set forth in this Agreement. The RSUs shall not entitle the Participant to any rights of a shareholder of Common Stock and the Participant has no rights with respect to the Award other than rights as a general creditor of the Company.

2. **Governing Plan.** This Award is granted pursuant to the Plan, which is incorporated herein for all purposes. The Participant agrees to be bound by the terms and conditions of the Plan, which controls in case of any conflict with this Agreement, except as

otherwise provided for in the Plan. No amendment of the Plan shall adversely affect this Award in any material way without the written consent of the Participant.

3. **Restrictions on Transfer.** The RSUs shall be restricted during a period (“Restriction Period”) beginning on the Grant Date and expiring on the Settlement Date (as defined in Section 6 below). During the Restriction Period, neither this Agreement, the RSUs nor any rights and privileges granted hereby may be transferred, assigned, pledged or hypothecated in any way, whether by operation of the law or otherwise (any such disposition being referred to herein as a “Transfer”), except by will or the laws of descent and distribution. Without limiting the generality of the preceding sentence, no rights or privileges granted hereby may be Transferred during the Restriction Period to the spouse or former spouse of the Participant pursuant to any divorce proceedings, settlement or judgment, unless approved by the Committee. Any attempt to Transfer this Agreement, the RSUs or any other rights or privileges granted hereby contrary to the provisions hereof shall be null and void and of no force or effect, and the Company shall not recognize or give effect to any such Transfer on its books and records or recognize the person to whom such purported Transfer has been made as the legal or beneficial holder of such RSUs.

4. **Vesting and Forfeiture.**

(a) **Vesting.** To the extent not previously forfeited, the RSUs shall fully vest on the earliest to occur of the following (“Vesting Date”):

- (i) the _____ anniversary of the Grant Date, if the Participant continues in Service through such date;
- (ii) the date of the Participant’s death, if the Participant dies while in Service;
- (iii) the date of the Participant’s Disability, if the Participant becomes Disabled while in Service; or
- (iv) the date upon which vesting is accelerated in accordance with Section 11(b) or otherwise by the Committee in its discretion in accordance with the terms of the Plan.

(b) **Termination of Service.** On the date of the Participant’s cessation of Service, all unvested RSUs that do not vest upon such cessation of Service in accordance with this Agreement shall be forfeited to the Company. If the Participant’s Service is terminated, or is deemed to be terminated, for Cause, any outstanding portion of the RSUs held by the Participant (vested or unvested) shall be forfeited to the Company on the date of such termination of Service. For purposes of the preceding sentence, a Participant’s Service shall be deemed terminated for Cause if the Participant resigns or is terminated and the Committee determines in good faith, either before, at the time of, or after such termination, that one or more of the events or actions described in the definition of Cause below existed as of the time of such termination.

(c) **Certain Definitions.**

(i) “Cause” means any of the following: (1) the Participant’s theft or falsification of any Company or Affiliate documents, records or property; (2) the Participant’s improper use or disclosure of the Company’s or an Affiliate’s confidential or proprietary information in breach of the Company’s Essential Standards of Conduct or an applicable contractual or other obligation, or using such information for personal gain including, without limitation, by trading in Company securities on the basis of material, non-public information; (3) fraud,

misappropriation of or intentional material damage to the property or business of the Company or an Affiliate or other action by the Participant which has a material detrimental effect on the Company's or an Affiliate's reputation or business as determined by the Committee; (4) the Participant's material failure or inability to perform any reasonable assigned and lawful duties after written notice from the Company or Affiliate of such failure or inability, and such failure or inability is not cured by the Participant within ten (10) business days; (5) the Participant's conviction (including any plea of guilty or nolo contendere) of any felony or any criminal violation involving fraud, embezzlement, misappropriation, dishonesty, the misuse or misappropriation of money or other property or any other crime which has or would reasonably be expected to have an adverse effect on the business or reputation of the Company or an Affiliate or (6) a material breach by the Participant of the policies and procedures of the Company or an Affiliate, including, but not limited to, any breach of the Company's Essential Standards of Conduct and the requirements of Section 15 below.

(ii) "Disabled" or "Disability" means that the Participant either:

(A) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and, with respect to a Participant who is an Employee, is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan (*e.g.*, a long term disability plan) covering Employees of the Company or Affiliate that employs the Participant; or

(B) is determined to be totally disabled by the Social Security Administration or Railroad Retirement Board.

(iii) "Employer" means the Company or Affiliate by whom the Participant is employed, or to whom the Participant provides services.

(iv) "Good Reason" means any action taken by the Employer which results in a material negative change to the Participant in the employment relationship, such as the duties to be performed, the conditions under which such duties are to be performed or the compensation to be received for performing such services. A termination by the Participant shall not constitute termination for Good Reason unless the Participant shall first have delivered to the Employer written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the occurrence of such event), and there shall have passed a reasonable time (not less than thirty (30) days) within which the Employer may take action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by the Participant.

(v) "Service" means the period during which the Participant is an Employee, Director or Third Party Service Provider; provided, however, that the Participant will not be deemed to be in Service after the Company divests its control in the Affiliate for whom the Participant is exclusively in Service, or if the Company's control of such Affiliate otherwise ceases.

5. **Dividend Equivalents.** If a cash dividend is declared and paid by the Company with respect to the Common Stock during the Restriction Period, the Participant shall be eligible to receive a cash payment equal to the total cash dividend the Participant would have received had the RSUs been actual shares of Common Stock, provided that the Participant vests in the RSUs. Any such cash payment shall be made on the Settlement Date (as defined below) and it shall be subject to applicable tax withholding obligations as described in Section 8.

6. **Conversion of RSUs; Issuance of Common Stock.** Except as otherwise provided in Section 10, the Company shall cause one share of Common Stock to be issued, within the time period provided below, for each RSU that is vesting on the Vesting Date.

Any issuance of Common Stock shall be subject to applicable tax withholding obligations as described in Section 8 and shall be in book-entry form, registered in the Participant's name (or in the name of the Participant's Representative, as the case may be), in payment of whole RSUs. Any fractional shares of Common Stock that would otherwise be issued to the Participant shall instead be paid in the form of cash. Except as otherwise provided in Section 10, in no event shall the date that Common Stock is issued to the Participant ("Settlement Date") occur later than the first to occur of (a) March 15th following the calendar year in which the Vesting Date occurred, or (b) 90 days following the Vesting Date.

7. **Fair Market Value of Common Stock.** The fair market value ("Fair Market Value") of a share of Common Stock shall be determined for purposes of this Agreement by reference to the closing price of a share of Common Stock as reported by the New York Stock Exchange (or such other exchange on which the shares of Common Stock are primarily traded) for the applicable date or if no prices are reported for that day, the last preceding day on which such prices are reported (or, if for any reason no such price is available, the Fair Market Value shall be determined by the Company in its sole discretion in accordance with the Plan).

8. **Withholding of Taxes.** The Participant acknowledges that the vesting of the RSUs will result in the Participant being subject to payroll taxes upon the Vesting Date (if the Participant is an Employee or was an Employee on the Grant Date), except as otherwise determined by the Company and permitted by regulations issued under Section 3121(v)(2) of the Code, and that the issuance of Common Stock pursuant to Section 6 will result in the Participant being subject to income taxes upon the Settlement Date. Upon a required withholding date, the Company will deduct from the shares of Common Stock that are otherwise due to be delivered to the Participant shares of Common Stock having a Fair Market Value not in excess of the tax withholding requirements based on the maximum statutory withholding rates for the Participant for federal, state and local tax purposes (including the Participant's share of payroll or similar taxes) in the applicable jurisdiction, and the Participant shall remit to the Company in cash any and all applicable withholding taxes that exceed the amount available to the Company using shares with respect to which the Settlement Date has occurred.

9. **Section 409A.** The Company intends that the Award hereunder shall either be exempt from the application of, or compliant with, the requirements of Section 409A and this Agreement shall be interpreted and administered in accordance with such intent. In no event shall the Company and/or its Affiliates be liable for any tax, interest or penalties that may be imposed on the Participant (or the Participant's estate) under Section 409A.

10. **Shares to be Issued in Compliance with Federal Securities Laws and Other Rules.** No shares of Common Stock issuable in settlement of the RSUs shall be issued and delivered unless and until there shall have been full compliance with all applicable requirements of the Securities Act of 1933, as amended ("Act") (whether by registration or satisfaction of exemption conditions), all applicable listing requirements of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then

listed) and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery. The Company shall use its best efforts and take all necessary or appropriate actions to ensure that such full compliance on the part of the Company is made. By signing this Agreement, the Participant represents and warrants that none of the shares to be acquired in settlement of the RSUs will be acquired with a view towards any sale, transfer or distribution of said shares in violation of the Act, and the rules and regulations promulgated thereunder, or any applicable "blue sky" laws, and that the Participant hereby agrees to indemnify the Company in the event of any violation by the Participant of such Act, rules, regulations or laws. The Company will use its best efforts to complete all actions necessary for such compliance so that settlement can occur within the period specified in Section 6; provided that if the Company reasonably anticipates that settlement within such period will cause a violation of applicable law, settlement may be delayed provided that settlement occurs at the earliest date at which the Company reasonably anticipates that such settlement will not cause a violation of applicable law, all in accordance with Treas. Reg. §1.409A-2(b)(7)(ii).

11. **Certain Adjustments; Change in Control.**

(a) If, during the term of this Agreement, there shall be any equity restructurings (within the meaning of FASB Accounting Standards Codification® Topic 718) that causes the per share value of a share of Common Stock to change, such as a stock dividend, stock split, spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, and similar matters, the Committee shall make or cause to be made an equitable adjustment to the number and kind of RSUs subject to the Award. If, during the term of this Agreement, there shall be any other changes in corporate capitalization, the Committee shall make or cause to be made an appropriate and equitable substitution, adjustment or treatment with respect to the RSUs in a manner consistent with Sections 4.3 and 21.2 of the Plan. The Committee's determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional RSUs shall be issued under the Plan on any such adjustment.

(b) In the event of a Change in Control as defined in Section 20.1(a) or (b) of the Plan, except as prohibited by applicable laws, rules, regulations or stock exchange requirements, if the Service of a Participant is terminated within the two (2)-year period following such Change in Control by the Company or an Affiliate for reasons other than Cause or by the Participant for Good Reason, any Restriction Period shall lapse and the RSUs shall immediately vest and be paid out or distributed without further restriction.

12. **Participation by Participant in Other Company Plans.** Nothing herein contained shall affect the right of the Participant to participate in and receive benefits under and in accordance with the then current provisions of any retirement plan or employee welfare benefit plan or program of the Company or of any Affiliate of the Company, subject in each case, to the terms and conditions of any such plan or program.

13. **Not an Employment or Service Contract.** Nothing herein contained shall be construed as an agreement by the Company or any of its Affiliates, expressed or implied, to employ or contract for the services of the Participant, to restrict the right of the Company or any of its Affiliates to discharge the Participant or cease contracting for the Participant's services or to modify, extend or otherwise affect in any manner whatsoever, the terms of any employment agreement or contract for services which may exist between the Participant and the Company or any of its Affiliates.

14. **Death of the Participant.** In the event of the Participant's death prior to the Settlement Date, delivery of shares of Common Stock pursuant to Section 6 shall be made to the duly appointed and qualified executor or other personal representative of the Participant, to be distributed in accordance with the Participant's will or applicable intestacy law.

15. **Confidentiality, Non-Solicitation and Non-Disparagement.** The Participant agrees that the Award to the Participant under the terms and conditions specified in this Agreement is conditioned upon the Participant's compliance with the following confidentiality, non-solicitation and non-disparagement terms and conditions.

(a) **Definitions.** As used in this Section, the following terms have the meanings set forth below:

(i) "Confidential Information" means any and all confidential information, including without limitation any negotiations or agreements between the Company or its Affiliates and third parties, business and marketing plans and related materials, training materials, financial information, plans, executive summaries, capitalization tables, budgets, unpublished financial statements, costs, prices, licenses, employee, customer, supplier, shareholder, partner or investor lists and/or data, products, technology, know-how, business processes, business data, inventions, designs, patents, trademarks, copyrights, trade secrets, business models, notes, sketches, flow charts, formulas, blueprints and elements thereof, databases, compilations, and other intellectual property, whether written or otherwise. Some or all of the Confidential Information may also be entitled to protection as a "trade secret" under applicable state or federal law. Confidential Information does not include information that the Participant can prove was properly known to the Participant from sources permitted to disseminate the information prior to the Participant's employment by, or provision of services to, the Employer, or that has become publicly known and made generally available through no wrongful act of the Participant.

(ii) "Customer" means any customer of the Company or an Affiliate with which/whom the Participant had material communications, for which/whom the Participant performed any services, to which/whom the Participant sold any products, or about which/whom the Participant learned or had access to any Confidential Information, in each case during the twelve (12)-month period immediately preceding the Participant's termination of employment from, or provision of services to, the Employer (whether by Participant or the Employer and whether for any or no reason).

(iii) "Enhanced Restricted Period" means the twenty-four (24)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(iv) "Restricted Employee" means any person who was employed by the Company or an Affiliate and had Material Contact pursuant to the Participant's duties at any point during the period of twelve (12) months immediately preceding the Participant's last day of employment with the Employer. For purposes of this Section, "Material Contact" means interaction between the Participant and another employee of the Employer or an Affiliate: (A) with whom the Participant actually dealt or interacted; or (B) whose employment or dealings with the Employer or services for the Employer were directly or indirectly handled, coordinated, managed, or supervised by the Participant.

(v) "Restricted Period" means the twelve (12)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(b) Confidential Information.

(i) Protection of Confidential Information. At all times during the Participant's employment with, or provision of services to, the Employer, and at all times thereafter, the Participant agrees to: (A) hold the Confidential Information in strictest confidence, and not to directly or indirectly copy, distribute, disclose, divert, or disseminate, in whole or in part, any of such Confidential Information to any person, firm, corporation, association or other entity except (x) to authorized agents of the Employer who have a need to know such Confidential Information for the purpose for which it is disclosed, or (y) to other persons for the benefit of the Employer, in the course and scope of the Participant's employment with or service to the Employer; and (B) refrain from directly or indirectly using the Confidential Information other than as necessary and as authorized in the course and scope of the Participant's employment with, or provision of services to, the Employer. In the event the Participant receives a subpoena or other validly issued administrative or judicial order demanding production or disclosure of Confidential Information, the Participant shall promptly notify the Employer and provide a copy of such subpoena or order and tender to the Employer the defense of any such demand. The Participant may, if necessary, disclose Confidential Information in judicial proceedings relating to the enforcement of the Participant's rights or obligations under this Agreement; provided, however, that the Participant must first enter into an agreed protective order with the Employer protecting the confidentiality of the Confidential Information.

(ii) Notwithstanding the Participant's confidentiality and non-disclosure obligations under this Agreement or otherwise, as provided in the Federal Defend Trade Secret Act, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or to the Participant's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. The Participant understands and acknowledges that nothing in this Agreement prohibits the Participant from confidentially or otherwise communicating with or reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice or the Securities and Exchange Commission, or making other disclosures or statements that are protected under the whistleblower, collective bargaining, anti-discrimination and/or anti-retaliation provisions of federal or state law or regulation. The Participant understands that the Participant does not need prior authorization of the Employer to make any such reports or disclosures, and that the Participant is not required to notify the Employer that the Participant has made such reports or disclosures.

(c) Non-Solicitation.

(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers,

consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly, seek to recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i). Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(i) shall be replaced with those set forth in Appendix I of this Agreement.

(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in their and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue, or terminate Customer's or Key Business Partner's patronage and/or business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate. In addition to the foregoing restrictions, the Participant agrees that, during the Participant's employment with the Employer and during the Enhanced Restricted Period, the

Participant shall not be personally involved in the negotiation, competition for, solicitation or execution of any individual book roll over(s) or other book of business transfer arrangements involving the transfer of business away from the Company or an Affiliate. Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(ii) shall be replaced with those set forth in Appendix I of this Agreement.

(d) Notification to New Employers. During the Restricted Period, the Participant shall notify any subsequent employer of the Participant's obligations under this Section prior to commencing employment. In addition, during the Restricted Period, the Participant shall provide the Employer and his/her prior manager at the Employer fourteen (14) days' advance written notice prior to becoming employed by, or retained to represent or provide services to, any person or entity or engaging in any business of any type or form, with such notice including the identity of the prospective employer or business, the specific division (if applicable) for which the Participant will be performing services, the title or position to be assumed by the Participant, the physical location of the position to be assumed by the Participant, and the responsibilities of the position to be assumed by the Participant. The Participant hereby authorizes the Company and/or any of its Affiliates, at their discretion, to contact the Participant's prospective or subsequent employers and inform them of this Section or any other policy or employment agreement between the Participant and the Company and/or its Affiliates that may be in effect at the termination of the Participant's employment with the Employer.

(e) Non-Disparagement. During the term of Participant's employment and for the two (2)-year period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason), the Participant shall not make or intentionally cause or direct others to make any written or oral statement that disparages or otherwise are slanderous, libelous, or defamatory towards the Company or its Affiliates, or their respective business relations. Without in any way limiting the scope or effect of the preceding sentence, the Participant specifically agrees, represents and warrants that the Participant shall not directly or indirectly disparage the Company's and/or its Affiliates': (i) officers, management, business practices, policies, procedures and/or operations, (ii) employees or other personnel, employment or other personnel-related decisions, staffing, and/or hiring or termination decisions, practices or other personnel-related activities or occurrences, and/or any other employment-related decisions, actions or practices by or relating to the Company or the Affiliates, or (iii) any other policies, procedures or matters concerning or relating to the Company, including but not limited to the Company's business, operations, employees, management, Customers, suppliers, activities, products, services or any other matter relating to the Company or its Affiliates; provided that this non-disparagement provision shall not prohibit any statement, reporting or other action this is permitted by subsection (b)(ii) of this Section. Moreover, unless permitted by applicable law, and subject to subsection (b)(ii) of this Section, the Participant shall not encourage or aid any person or entity in the pursuit of any cause of action, lawsuit or any other claim or dispute of any kind against the Company and/or its Affiliates.

(f) Consideration/Reasonableness of Restrictions.

(i) Consideration. The Participant agrees and acknowledges that the Participant has received valuable and adequate consideration in exchange for the restrictions in this Section, including but not limited to the Award to the Participant under the terms and conditions specified in this Agreement, offer of

employment or continued employment with the Employer, training and continued training, access to the Confidential Information, and access to the Customers and Key Business Partners.

(ii) Reasonableness of Restrictions. The Participant understands and acknowledges the importance of the relationships which the Company and its Affiliates have with their Employees, Customers and Key Business Partners, as well as how significant the maintenance of the Confidential Information is to the business and success of the Company and its Affiliates, and acknowledges the steps the Company and its Affiliates have taken, are taking and will continue to take to develop, preserve and protect these relationships and the Confidential Information. Accordingly, the Participant agrees that the scope and duration of the restrictions and limitations described in this Section are reasonable and necessary to protect the legitimate business interests of the Company and its Affiliates, and the Participant agrees and acknowledges that all restrictions and limitations relating to the period following the end of the Participant's employment or service with the Employer will apply regardless of the reason the Participant's employment or service ends. The Participant agrees and acknowledges that the enforcement of this Section will not in any way preclude the Participant from becoming gainfully employed or engaged as a contractor in such manner and to such extent as to provide the Participant with an adequate standard of living.

(iii) Participant's Notice to Consult An Attorney. The Company hereby advises the Participant to consult with an attorney (chosen by the Participant and at the Participant's cost) prior to signing this Agreement, including with respect to the non-solicitation provisions and other restrictive covenants contained in this Section. The Participant hereby acknowledges receipt of this notice by the Company.

(iv) Review Period. The Participant has at least fourteen (14) calendar days to review this Agreement before agreeing to its terms (although the Participant may elect to voluntarily sign it before the end of this review period).

(v) Tolling. Notwithstanding anything herein to the contrary, if the Participant breaches any of the non-solicitation restrictions in Section 15(c), then the Restricted Period (or the Enhanced Restricted Period, if applicable) shall be tolled (retroactive to the date such breach commenced) until such breach or violation has been duly cured.

(vi) Modification. If any provision or term in this Section is declared invalid or unenforceable by a court of competent jurisdiction, the invalid and unenforceable portion shall be reformed to the maximum time, activity-related restrictions and/or limitations permitted by applicable law, so as to be valid and enforceable. If any such provision cannot be made valid and enforceable, it shall be severed from this Agreement without affecting the remainder of this Agreement.

(vii) Breach/Remedies. Notwithstanding anything to the contrary in this Agreement, the Participant agrees and acknowledges that the breach of this Section would cause substantial loss to the goodwill of the Company and/or its Affiliates, and cause irreparable harm for which there is no adequate remedy at law. Further, because the Participant's employment with the Employer is personal and unique, because damages alone would not be an adequate remedy and because of the Participant's access to the Confidential Information, the

Company and/or its Affiliates shall have the right to enforce this Section, including any of its provisions, by injunction, specific performance, or other equitable relief, without having to post bond or prove actual damages, and without prejudice to any other rights and remedies that the Company and/or its Affiliates may have for a breach of this Section, including, without limitation, money damages. The Participant agrees and acknowledges that notwithstanding the arbitration provisions in this Agreement, the Company may elect to file and pursue claims which arise from or relate to the Participant's actual or threatened breaches of this Section in state or federal court of competent jurisdiction. The Participant shall be liable to pay all costs, including reasonable attorneys' and experts' fees and expenses, that the Company and/or its Affiliates may incur in enforcing or defending this Section, whether or not litigation is actually commenced and including litigation of any appeal taken or defended by the Company and/or its Affiliates where the Company and/or its Affiliates succeed in enforcing any provision of this Section.

(viii) Forfeiture and Repayment Provisions. Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement, the Participant agrees that during the Restricted Period (or the Enhanced Restricted Period, if/as applicable), if the Participant breaches any of the terms or conditions in this Section, then in addition to all rights and remedies available to the Company and/or its Affiliates at law and in equity, the Participant shall immediately forfeit any portion of the Award that has not otherwise been previously forfeited under the applicable terms of this Agreement and that has not yet been paid, exercised, settled, or vested. The Company and/or its Affiliates may also require repayment from the Participant of any and all of the compensatory value of the Award that the Participant received during the Restricted Period (or the Enhanced Restricted Period, as applicable), including without limitation the gross amount of any Common Stock distribution or cash payment made to the Participant upon the vesting, distribution, exercise, or settlement of the Award and/or any consideration in excess of such gross amounts received by the Participant upon the sale or transfer of the Common Stock acquired through vesting, distribution, exercise or settlement of the Award. The Participant shall promptly pay the full amount due upon demand by the Company and/or its Affiliates in the form of cash or shares of Common Stock at current Fair Market Value.

(ix) Waiver. The waiver of any breach of the terms of this Section shall not constitute the waiver of any other or further breach hereunder, whether or not of a like nature or kind. No waiver by the Company or any of its Affiliates of the breach of any term contained in a similar agreement between the Company and/or any of its Affiliates and any other employee or participant, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a waiver of the breach of any term of this Section. No waiver of any provision of this Section shall be valid unless in writing and signed by an authorized representative of the Company or one or more of its Affiliates.

(x) Interpretation. Any reference to "Section" or "subsection" in this Section 15 shall refer to this Section 15 or respective subsection.

16. Arbitration. In lieu of litigation by way of court or jury trial, any dispute or controversy arising hereunder shall be settled by arbitration, in accordance with the arbitration agreement currently in effect by separate agreement between the Participant and the Company or any of its Affiliates and which is incorporated herein by reference. In the event that such arbitration agreement is determined to be inapplicable or unenforceable or if no such

arbitration agreement is then in effect, the parties mutually agree to arbitrate any dispute arising out of or related to this Agreement pursuant to the terms of this paragraph. The parties agree that this Agreement provides sufficient consideration for that obligation and the mutual promises to arbitrate also constitutes consideration for this agreement to arbitrate. The following terms and conditions shall apply to such arbitration hereunder. The arbitration shall be conducted before a single arbitrator in accordance with the Employment Arbitration Rules of the American Arbitration Association (“AAA Rules”) then in effect, and shall be governed by the Federal Arbitration Act. Judgment may be entered on the award of the arbitrator in any court having jurisdiction. Unless provided otherwise in the arbitrator’s award, each party will pay its own attorneys’ fees and costs. To the extent required by law or the AAA Rules, all administrative costs of arbitration (including filing fees) and the fees of the arbitrator will be paid by the Company. The Participant and the Company waive the right for any dispute to be brought, heard, decided, or arbitrated as a class and/or collective action (or joinder or consolidation with claims of any other person), and the parties agree that, regardless of anything else in this arbitration provision or the AAA Rules, the interpretation, applicability, enforceability or formation of the class action waiver in this provision may only be determined by a court and not an arbitrator. Regardless of anything else in this Agreement, this arbitration provision may not be modified or terminated absent a writing signed by the Participant and the Company stating an intent to modify or terminate the arbitration provision.

17. **Governing Law.** Except as otherwise provided in the foregoing Section or an Appendix to this Agreement, this Agreement and any disputes hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without application of its conflicts of laws principles.

18. **Miscellaneous.** This Agreement, together with the Plan, is the entire agreement of the parties with respect to the RSUs granted hereby and may not be amended except in a writing signed by both the Company and the Participant or his or her Representative. If any provision of this Agreement is deemed invalid, it shall be modified to the extent possible and minimally necessary to be enforceable, and, in any event, the remainder of this Agreement will be in full force and effect.

19. **Forfeiture and Clawback of Award.** Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement and as a condition to the receipt of this Award, the rights, payments and benefits with respect to this Award and any shares of Common Stock acquired pursuant to this Award are subject to reduction, cancellation, forfeiture, or recoupment by the Company if and to the extent permitted by Section 15.3 of the Plan, required in accordance with Company policy as in effect from time to time (“Forfeiture and Clawback Policy”), and/or as otherwise required by applicable law, rule or regulation of the Securities and Exchange Commission, or rule or listing requirement of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) as in effect from time to time (collectively with the Forfeiture and Clawback Policy, “Applicable Requirements”) in connection with an accounting restatement or under such other circumstances as specified in the Applicable Requirements. Any determination made and action taken under the Forfeiture and Clawback Policy shall be final, binding and conclusive.

ADDITIONAL PROVISIONS APPLICABLE ONLY TO EXECUTIVE OFFICERS OF THE COMPANY:

20. **Stock Holding Period.** The Participant agrees to hold the shares of Common Stock acquired upon the conversion of the RSUs for a minimum of 12 months following their Settlement Date. This holding period shall not apply to shares of Common Stock withheld by the Company to settle tax liabilities related to vesting and/or settlement, and as otherwise may be provided under the Company’s Stock Ownership Policy.

Appendix I (Employees Whose Primary Residences are Located in California)

If the Participant's primary residence is located in the State of California:

1. Sections 15(c)(i) and (c)(ii) of the foregoing Agreement shall be replaced with the following:

15(c)(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees to the extent that the Participant uses or misuses Confidential Information (as the term is defined in this Section) to so solicit and/or interfere. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, use or rely in any manner on any Confidential Information to directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i).

15(c)(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in its and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue or terminate Customer's patronage and/or business relationship with the Company or an Affiliate; or (B) inviting, assisting,

encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate.

2. Any claims relating to Section 15 of the Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

Kemper Corporation 2020 Omnibus Equity Plan

RESTRICTED STOCK UNIT AWARD AGREEMENT

(Installment-Vesting Form)

This RESTRICTED STOCK UNIT AWARD AGREEMENT (“Agreement”) is made as of this _____ day of _____, 20____ (“Grant Date”) between KEMPER CORPORATION, a Delaware corporation (“Company”), and «name» (“Participant”) for an Award of restricted stock units (“RSUs”), each representing the right to receive one share of the Company’s common stock (“Common Stock”) on the terms and conditions set forth in this Agreement.

SIGNATURES

As of the date set forth above, the parties have accepted the terms of this Agreement by signing this Agreement by an electronic signature, and each party agrees that such signature shall not be denied legal effect, validity or enforceability solely because it was submitted or executed electronically.

KEMPER CORPORATION **PARTICIPANT**

By: _____
«CEO Signature and Title» «name»

RECITALS

A. The Board of Directors of the Company (“Board”) has adopted the Kemper Corporation 2020 Omnibus Equity Plan (“Plan”), including all amendments to date, to be administered by the Compensation Committee of the Board or any subcommittee thereof, or any other committee designated by the Board to administer the Plan (“Committee”). Capitalized terms that are not defined herein shall be defined in accordance with the Plan.

B. The Plan authorizes the Committee to grant to selected Employees, Directors and Third Party Service Providers awards of various types, including restricted stock units providing the right to receive shares of Common Stock under specified terms and conditions.

C. Pursuant to the Plan, the Committee has determined that it is in the best interest of the Company and its shareholders to grant an Award of RSUs to the Participant under the terms and conditions specified in this Agreement as an inducement to remain in the service of the Company and an incentive for increased effort during such service.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Grant.** The Company grants an aggregate of «shares» RSUs, which represent the Company’s unfunded and unsecured promise to issue shares of Common Stock, to the Participant, subject to the terms and conditions set forth in this Agreement. The RSUs shall not entitle the Participant to any rights of a shareholder of Common Stock and the Participant has no rights with respect to the Award other than rights as a general creditor of the Company.

2. **Governing Plan.** This Award is granted pursuant to the Plan, which is incorporated herein for all purposes. The Participant agrees to be bound by the terms and conditions of the Plan, which controls in case of any conflict with this Agreement, except as

otherwise provided for in the Plan. No amendment of the Plan shall adversely affect this Award in any material way without the written consent of the Participant.

3. **Restrictions on Transfer.** The RSUs shall be restricted during a period (“Restriction Period”) beginning on the Grant Date and expiring on the applicable Settlement Date (as defined in Section 6 below). During the Restriction Period, neither this Agreement, the RSUs nor any rights and privileges granted hereby may be transferred, assigned, pledged or hypothecated in any way, whether by operation of the law or otherwise (any such disposition being referred to herein as a “Transfer”), except by will or the laws of descent and distribution. Without limiting the generality of the preceding sentence, no rights or privileges granted hereby may be Transferred during the Restriction Period to the spouse or former spouse of the Participant pursuant to any divorce proceedings, settlement or judgment, unless approved by the Committee. Any attempt to Transfer this Agreement, the RSUs or any other rights or privileges granted hereby contrary to the provisions hereof shall be null and void and of no force or effect, and the Company shall not recognize or give effect to any such Transfer on its books and records or recognize the person to whom such purported Transfer has been made as the legal or beneficial holder of such RSUs.

4. **Vesting and Forfeiture.**

(a) **Vesting.** To the extent not previously forfeited, and except as provided in Section 4(b) below, the RSUs shall vest in accordance with the following schedule if the Participant continues in Service through the applicable date (each date of vesting, a “Vesting Date”):

in three (3) equal, annual installments, beginning on the first anniversary of the Grant Date.

Notwithstanding the foregoing and except as provided in Section 4(b) or 4(c) below, if the Participant is Retirement Eligible (as defined below) prior to the date the Participant’s Service is terminated for any reason other than Cause, any unvested RSUs shall continue to vest in accordance with the schedule set forth above, provided that the Committee does not determine, in its sole discretion, that the Participant has failed to comply with the restrictive covenants set forth in Section 15 and executes and does not revoke a release of claims in the form provided by the Company.

(b) **Acceleration of Vesting.** Notwithstanding the terms of Section 4(a) above, to the extent not previously vested or forfeited, the RSUs shall fully vest on the earliest to occur of the following (the date of which shall also be designated as a Vesting Date):

(i) the date of the Participant’s death or Disability, if the Participant dies or becomes Disabled while in Service;

(ii) the date of the Participant’s death or Disability following the Participant’s termination of Service for any reason other than Cause, if the Participant was Retirement Eligible prior to the date the Participant’s Service is terminated, provided that the Committee does not determine, in its sole discretion, that the Participant has failed to comply with the restrictive covenants set forth in Section 15 prior to the date of death or Disability; or

(iii) the date upon which vesting is accelerated in accordance with Section 11(b) or otherwise by the Committee in its discretion in accordance with the terms of the Plan.

(c) Termination of Service. On the date of the Participant's cessation of Service, any unvested portion of the RSUs held by the Participant that does not vest upon such cessation of Service in accordance with this Agreement shall be forfeited to the Company if the Participant is not Retirement Eligible on such date. If the Participant's Service is terminated, or is deemed to be terminated, for Cause prior to or after becoming Retirement Eligible, any outstanding portion of the RSUs held by the Participant (vested or unvested) shall be forfeited to the Company on the date of such termination of Service. For purposes of the preceding sentence, a Participant's Service shall be deemed terminated for Cause if the Participant resigns or is terminated and the Committee determines in good faith, either before, at the time of, or after such termination, that one or more of the events or actions described in the definition of Cause below existed as of the time of such termination.

(d) Certain Definitions.

(i) "Cause" means any of the following: (1) the Participant's theft or falsification of any Company or Affiliate documents, records or property; (2) the Participant's improper use or disclosure of the Company's or an Affiliate's confidential or proprietary information in breach of the Company's Essential Standards of Conduct or an applicable contractual or other obligation, or using such information for personal gain including, without limitation, by trading in Company securities on the basis of material, non-public information; (3) fraud, misappropriation of or intentional material damage to the property or business of the Company or an Affiliate or other action by the Participant which has a material detrimental effect on the Company's or an Affiliate's reputation or business as determined by the Committee; (4) the Participant's material failure or inability to perform any reasonable assigned and lawful duties after written notice from the Company or Affiliate of such failure or inability, and such failure or inability is not cured by the Participant within ten (10) business days; (5) the Participant's conviction (including any plea of guilty or nolo contendere) of any felony or any criminal violation involving fraud, embezzlement, misappropriation, dishonesty, the misuse or misappropriation of money or other property or any other crime which has or would reasonably be expected to have an adverse effect on the business or reputation of the Company or an Affiliate or (6) a material breach by the Participant of the policies and procedures of the Company or an Affiliate, including, but not limited to, any breach of the Company's Essential Standards of Conduct and the requirements of Section 15 below.

(ii) "Disabled" or "Disability" means that the Participant either:

(A) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and, with respect to a Participant who is an Employee, is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan (*e.g.*, a long term disability plan) covering Employees of the Company or Affiliate that employs the Participant; or

(B) is determined to be totally disabled by the Social Security Administration or Railroad Retirement Board.

(iii) “Employer” means the Company or Affiliate by whom the Participant is employed, or to whom the Participant provides services.

(iv) “Good Reason” means any action taken by the Employer which results in a material negative change to the Participant in the employment relationship, such as the duties to be performed, the conditions under which such duties are to be performed or the compensation to be received for performing such services. A termination by the Participant shall not constitute termination for Good Reason unless the Participant shall first have delivered to the Employer written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the occurrence of such event), and there shall have passed a reasonable time (not less than thirty (30) days) within which the Employer may take action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by the Participant.

(v) “Retirement Eligible” means that the Participant has either attained age 55 and completed ten (10) years of Service as an Employee or attained age 60 and completed five (5) years of Service as an Employee.

(vi) “Service” means the period during which the Participant is an Employee, Director or a Third Party Service Provider; provided, however, that the Participant will not be deemed to be in Service after the Company divests its control in the Affiliate for whom the Participant is exclusively in Service, or if the Company’s control of such Affiliate otherwise ceases.

5. **Dividend Equivalents.** If a cash dividend is declared and paid by the Company with respect to the Common Stock during the Restriction Period, the Participant shall be eligible to receive a cash payment equal to the total cash dividend the Participant would have received had the RSUs been actual shares of Common Stock, provided that the Participant vests in the RSUs for which the cash payment (or portion thereof) relates. Any such cash payment(s) shall be made on the Settlement Date(s) (as defined below) of the applicable RSUs, and they shall be subject to applicable tax withholding obligations as described in Section 8.

6. **Conversion of RSUs; Issuance of Common Stock.** Except as otherwise provided in Section 10, the Company shall cause one share of Common Stock to be issued, within the time period provided below, for each RSU that is vesting on the applicable Vesting Date.

Any issuance of Common Stock shall be subject to applicable tax withholding obligations as described in Section 8 and shall be in book-entry form, registered in the Participant’s name (or in the name of the Participant’s Representative, as the case may be), in payment of whole RSUs. Any fractional shares of Common Stock that would otherwise be issued to the Participant shall instead be paid in the form of cash. Except as otherwise provided in Section 10, in no event shall the date on which Common Stock is issued to the Participant (in each case, a “Settlement Date”) occur later than the first to occur of (a) March 15th following the calendar year in which the applicable Vesting Date occurred, or (b) 90 days following the applicable Vesting Date.

7. **Fair Market Value of Common Stock.** The fair market value (“Fair Market Value”) of a share of Common Stock shall be determined for purposes of this Agreement by reference to the closing price of a share of Common Stock as reported by the New York Stock Exchange (or such other exchange on which the shares of Common Stock are primarily traded) for the applicable date, or if no prices are reported for that day, the last preceding day on which

such prices are reported (or, if for any reason no such price is available, the Fair Market Value shall be determined by the Company in its sole discretion in accordance with the Plan).

8. **Withholding of Taxes.** The Participant acknowledges that the vesting of the RSUs will result in the Participant being subject to payroll taxes upon the Vesting Date (if the Participant is an Employee or was an Employee on the Grant Date), except as otherwise determined by the Company and permitted by regulations issued under Section 3121(v)(2) of the Code, and that the issuance of Common Stock pursuant to Section 6 will result in the Participant being subject to income taxes upon the applicable Settlement Date. Upon a required withholding date, the Company will deduct from the shares of Common Stock that are otherwise due to be delivered to the Participant shares of Common Stock having a Fair Market Value not in excess of the tax withholding requirements based on the maximum statutory withholding rates for the Participant for federal, state and local tax purposes (including the Participant's share of payroll or similar taxes) in the applicable jurisdiction, and the Participant shall remit to the Company in cash any and all applicable withholding taxes that exceed the amount available to the Company using shares with respect to which the Settlement Date has occurred.

The Participant further acknowledges that the Participant will be subject to payroll taxes upon becoming Retirement Eligible prior to termination of the Participant's Service and agrees that the Company or its Affiliate shall withhold such payroll taxes from any other compensation paid by the Company or its Affiliate to the Participant.

9. **Section 409A.** The Company intends that the Award hereunder shall either be exempt from the application of, or compliant with, the requirements of Section 409A and this Agreement shall be interpreted and administered in accordance with such intent. In no event shall the Company and/or its Affiliates be liable for any tax, interest or penalties that may be imposed on the Participant (or the Participant's estate) under Section 409A.

10. **Shares to be Issued in Compliance with Federal Securities Laws and Other Rules.** No shares of Common Stock issuable in settlement of the RSUs shall be issued and delivered unless and until there shall have been full compliance with all applicable requirements of the Securities Act of 1933, as amended ("Act") (whether by registration or satisfaction of exemption conditions), all applicable listing requirements of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery. The Company shall use its best efforts and take all necessary or appropriate actions to ensure that such full compliance on the part of the Company is made. By signing this Agreement, the Participant represents and warrants that none of the shares to be acquired in settlement of the RSUs will be acquired with a view towards any sale, transfer or distribution of said shares in violation of the Act, and the rules and regulations promulgated thereunder, or any applicable "blue sky" laws, and that the Participant hereby agrees to indemnify the Company in the event of any violation by the Participant of such Act, rules, regulations or laws. The Company will use its best efforts to complete all actions necessary for such compliance so that settlement can occur within the period specified in Section 6; provided that if the Company reasonably anticipates that settlement within such period will cause a violation of applicable law, settlement may be delayed provided that settlement occurs at the earliest date at which the Company reasonably anticipates that such settlement will not cause a violation of applicable law, all in accordance with Treas. Reg. § 1.409A-2(b)(7)(ii).

11. **Certain Adjustments; Change in Control.**

(a) If, during the term of this Agreement, there shall be any equity restructurings (within the meaning of FASB Accounting Standards Codification® Topic

718) that causes the per share value of a share of Common Stock to change, such as a stock dividend, stock split, spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, and similar matters, the Committee shall make or cause to be made an equitable adjustment to the number and kind of RSUs subject to the Award. If, during the term of this Agreement, there shall be any other changes in corporate capitalization, the Committee shall make or cause to be made an appropriate and equitable substitution, adjustment or treatment with respect to the RSUs in a manner consistent with Sections 4.3 and 21.2 of the Plan. The Committee's determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional RSUs shall be issued under the Plan on any such adjustment.

(b) In the event of a Change in Control as defined in Section 20.1(a) or (b) of the Plan, except as prohibited by applicable laws, rules, regulations or stock exchange requirements, if the Service of a Participant is terminated within the two (2)-year period following such Change in Control by the Company or an Affiliate for reasons other than Cause or by the Participant for Good Reason, any Restriction Period shall lapse and the RSUs shall immediately vest and be paid out or distributed without further restriction.

12. **Participation by Participant in Other Company Plans.** Nothing herein contained shall affect the right of the Participant to participate in and receive benefits under and in accordance with the then current provisions of any retirement plan or employee welfare benefit plan or program of the Company or of any Affiliate of the Company, subject in each case, to the terms and conditions of any such plan or program.

13. **Not an Employment or Service Contract.** Nothing herein contained shall be construed as an agreement by the Company or any of its Affiliates, expressed or implied, to employ or contract for the services of the Participant, to restrict the right of the Company or any of its Affiliates to discharge the Participant or cease contracting for the Participant's services or to modify, extend or otherwise affect in any manner whatsoever, the terms of any employment agreement or contract for services which may exist between the Participant and the Company or any of its Affiliates.

14. **Death of the Participant.** In the event of the Participant's death prior to the Settlement Date, delivery of shares of Common Stock pursuant to Section 6 shall be made to the duly appointed and qualified executor or other personal representative of the Participant, to be distributed in accordance with the Participant's will or applicable intestacy law.

15. **Confidentiality, Non-Solicitation and Non-Disparagement.** The Participant agrees that the Award to the Participant under the terms and conditions specified in this Agreement is conditioned upon the Participant's compliance with the following confidentiality, non-solicitation and non-disparagement terms and conditions.

(a) **Definitions.** As used in this Section, the following terms have the meanings set forth below:

(i) "Confidential Information" means any and all confidential information, including without limitation any negotiations or agreements between the Company or its Affiliates and third parties, business and marketing plans and related materials, training materials, financial information, plans, executive summaries, capitalization tables, budgets, unpublished financial statements, costs, prices, licenses, employee, customer, supplier, shareholder, partner or investor lists and/or data, products, technology, know-how, business processes, business data, inventions, designs, patents, trademarks, copyrights, trade secrets, business models, notes, sketches, flow charts, formulas, blueprints

and elements thereof, databases, compilations, and other intellectual property, whether written or otherwise. Some or all of the Confidential Information may also be entitled to protection as a “trade secret” under applicable state or federal law. Confidential Information does not include information that the Participant can prove was properly known to the Participant from sources permitted to disseminate the information prior to the Participant’s employment by, or provision of services to, the Employer, or that has become publicly known and made generally available through no wrongful act of the Participant.

(ii) “Customer” means any customer of the Company or an Affiliate with which/whom the Participant had material communications for which/whom the Participant performed any services, to which/whom the Participant sold any products, or about which/whom the Participant learned or had access to any Confidential Information, in each case during the twelve (12)-month period immediately preceding the Participant’s termination of employment from, or provision of services to, the Employer (whether by Participant or the Employer and whether for any or no reason).

(iii) “Enhanced Restricted Period” means the twenty-four (24)-month period commencing on the day following the last day of the Participant’s employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(iv) “Restricted Employee” means any person who was employed by the Company or an Affiliate and had Material Contact pursuant to the Participant’s duties at any point during the period of twelve (12) months immediately preceding the Participant’s last day of employment with the Employer. For purposes of this Section, “Material Contact” means interaction between the Participant and another employee of the Employer or an Affiliate: (A) with whom the Participant actually dealt or interacted; or (B) whose employment or dealings with the Employer or services for the Employer were directly or indirectly handled, coordinated, managed, or supervised by the Participant.

(v) “Restricted Period” means the twelve (12)-month period commencing on the day following the last day of the Participant’s employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(b) Confidential Information.

(i) Protection of Confidential Information. At all times during the Participant’s employment with, or provision of services to, the Employer, and at all times thereafter, the Participant agrees to: (A) hold the Confidential Information in strictest confidence, and not to directly or indirectly copy, distribute, disclose, divert, or disseminate, in whole or in part, any of such Confidential Information to any person, firm, corporation, association or other entity except (x) to authorized agents of the Employer who have a need to know such Confidential Information for the purpose for which it is disclosed, or (y) to other persons for the benefit of the Employer, in the course and scope of the Participant’s employment with or service to the Employer; and (B) refrain from directly or indirectly using the Confidential Information other than as necessary and as authorized in the course and scope of the Participant’s employment with, or provision of services to, the Employer. In the event the Participant receives a

subpoena or other validly issued administrative or judicial order demanding production or disclosure of Confidential Information, the Participant shall promptly notify the Employer and provide a copy of such subpoena or order and tender to the Employer the defense of any such demand. The Participant may, if necessary, disclose Confidential Information in judicial proceedings relating to the enforcement of the Participant's rights or obligations under this Agreement; provided, however, that the Participant must first enter into an agreed protective order with the Employer protecting the confidentiality of the Confidential Information.

(ii) Notwithstanding the Participant's confidentiality and non-disclosure obligations under this Agreement or otherwise, as provided in the Federal Defend Trade Secret Act, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or to the Participant's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. The Participant understands and acknowledges that nothing in this Agreement prohibits the Participant from confidentially or otherwise communicating with or reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice or the Securities and Exchange Commission, or making other disclosures or statements that are protected under the whistleblower, collective bargaining, anti-discrimination and/or anti-retaliation provisions of federal or state law or regulation. The Participant understands that the Participant does not need prior authorization of the Employer to make any such reports or disclosures, and that the Participant is not required to notify the Employer that the Participant has made such reports or disclosures.

(c) Non-Solicitation.

(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly, seek to recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the

Participant shall not, on behalf of the Participant or any other person or entity, directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i). Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(i) shall be replaced with those set forth in Appendix I of this Agreement.

(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in their and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue, or terminate Customer's or Key Business Partner's patronage and/or business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate. In addition to the foregoing restrictions, the Participant agrees that, during the Participant's employment with the Employer and during the Enhanced Restricted Period, the Participant shall not be personally involved in the negotiation, competition for, solicitation or execution of any individual book roll over(s) or other book of business transfer arrangements involving the transfer of business away from the Company or an Affiliate. Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(ii) shall be replaced with those set forth in Appendix I of this Agreement.

(d) Notification to New Employers. During the Restricted Period, the Participant shall notify any subsequent employer of the Participant's obligations under this Section prior to commencing employment. In addition, during the Restricted Period, the Participant shall provide the Employer and his/her prior manager at the Employer fourteen (14) days' advance written notice prior to becoming employed by, or

retained to represent or provide services to, any person or entity or engaging in any business of any type or form, with such notice including the identity of the prospective employer or business, the specific division (if applicable) for which the Participant will be performing services, the title or position to be assumed by the Participant, the physical location of the position to be assumed by the Participant, and the responsibilities of the position to be assumed by the Participant. The Participant hereby authorizes the Company and/or any of its Affiliates, at their discretion, to contact the Participant's prospective or subsequent employers and inform them of this Section or any other policy or employment agreement between the Participant and the Company and/or its Affiliates that may be in effect at the termination of the Participant's employment with the Employer.

(e) Non-Disparagement. During the term of Participant's employment and for the two (2)-year period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason), the Participant shall not make or intentionally cause or direct others to make any written or oral statement that disparages or otherwise are slanderous, libelous, or defamatory towards the Company or its Affiliates, or their respective business relations. Without in any way limiting the scope or effect of the preceding sentence, the Participant specifically agrees, represents and warrants that the Participant shall not directly or indirectly disparage the Company's and/or its Affiliates': (i) officers, management, business practices, policies, procedures and/or operations, (ii) employees or other personnel, employment or other personnel-related decisions, staffing, and/or hiring or termination decisions, practices or other personnel-related activities or occurrences, and/or any other employment-related decisions, actions or practices by or relating to the Company or the Affiliates, or (iii) any other policies, procedures or matters concerning or relating to the Company, including but not limited to the Company's business, operations, employees, management, Customers, suppliers, activities, products, services or any other matter relating to the Company or its Affiliates; provided that this non-disparagement provision shall not prohibit any statement, reporting or other action this is permitted by subsection (b)(ii) of this Section. Moreover, unless permitted by applicable law, and subject to subsection (b)(ii) of this Section, the Participant shall not encourage or aid any person or entity in the pursuit of any cause of action, lawsuit or any other claim or dispute of any kind against the Company and/or its Affiliates.

(f) Consideration/Reasonableness of Restrictions.

(i) Consideration. The Participant agrees and acknowledges that the Participant has received valuable and adequate consideration in exchange for the restrictions in this Section, including but not limited to the Award to the Participant under the terms and conditions specified in this Agreement, offer of employment or continued employment with the Employer, training and continued training, access to the Confidential Information, and access to the Customers and Key Business Partners.

(ii) Reasonableness of Restrictions. The Participant understands and acknowledges the importance of the relationships which the Company and its Affiliates have with their Employees, Customers and Key Business Partners, as well as how significant the maintenance of the Confidential Information is to the business and success of the Company and its Affiliates, and acknowledges the steps the Company and its Affiliates have taken, are taking and will continue to take to develop, preserve and protect these relationships and the Confidential Information. Accordingly, the Participant agrees that the scope and duration of

the restrictions and limitations described in this Section are reasonable and necessary to protect the legitimate business interests of the Company and its Affiliates, and the Participant agrees and acknowledges that all restrictions and limitations relating to the period following the end of the Participant's employment or service with the Employer will apply regardless of the reason the Participant's employment or service ends. The Participant agrees and acknowledges that the enforcement of this Section will not in any way preclude the Participant from becoming gainfully employed or engaged as a contractor in such manner and to such extent as to provide the Participant with an adequate standard of living.

(iii) Participant's Notice to Consult An Attorney. The Company hereby advises the Participant to consult with an attorney (chosen by the Participant and at the Participant's cost) prior to signing this Agreement, including with respect to the non-solicitation provisions and other restrictive covenants contained in this Section. The Participant hereby acknowledges receipt of this notice by the Company.

(iv) Review Period. The Participant has at least fourteen (14) calendar days to review this Agreement before agreeing to its terms (although the Participant may elect to voluntarily sign it before the end of this review period).

(v) Tolling. Notwithstanding anything herein to the contrary, if the Participant breaches any of the non-solicitation restrictions in Section 15(c), then the Restricted Period (or the Enhanced Restricted Period, if applicable) shall be tolled (retroactive to the date such breach commenced) until such breach or violation has been duly cured.

(vi) Modification. If any provision or term in this Section is declared invalid or unenforceable by a court of competent jurisdiction, the invalid and unenforceable portion shall be reformed to the maximum time, activity-related restrictions and/or limitations permitted by applicable law, so as to be valid and enforceable. If any such provision cannot be made valid and enforceable, it shall be severed from this Agreement without affecting the remainder of this Agreement.

(vii) Breach/Remedies. Notwithstanding anything to the contrary in this Agreement, the Participant agrees and acknowledges that the breach of this Section would cause substantial loss to the goodwill of the Company and/or its Affiliates, and cause irreparable harm for which there is no adequate remedy at law. Further, because the Participant's employment with the Employer is personal and unique, because damages alone would not be an adequate remedy and because of the Participant's access to the Confidential Information, the Company and/or its Affiliates shall have the right to enforce this Section, including any of its provisions, by injunction, specific performance, or other equitable relief, without having to post bond or prove actual damages, and without prejudice to any other rights and remedies that the Company and/or its Affiliates may have for a breach of this Section, including, without limitation, money damages. The Participant agrees and acknowledges that notwithstanding the arbitration provisions in this Agreement, the Company may elect to file and pursue claims which arise from or relate to the Participant's actual or threatened breaches of this Section in state or federal court of competent jurisdiction. The Participant shall be liable to pay all costs, including reasonable attorneys' and experts' fees and expenses, that the Company and/or its Affiliates may incur in

enforcing or defending this Section, whether or not litigation is actually commenced and including litigation of any appeal taken or defended by the Company and/or its Affiliates where the Company and/or its Affiliates succeed in enforcing any provision of this Section.

(viii) Forfeiture and Repayment Provisions. Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement, the Participant agrees that during the Restricted Period (or the Enhanced Restricted Period, if/as applicable), if the Participant breaches any of the terms or conditions in this Section, then in addition to all rights and remedies available to the Company and/or its Affiliates at law and in equity, the Participant shall immediately forfeit any portion of the Award that has not otherwise been previously forfeited under the applicable terms of this Agreement and that has not yet been paid, exercised, settled, or vested. The Company and/or its Affiliates may also require repayment from the Participant of any and all of the compensatory value of the Award that the Participant received during the Restricted Period (or the Enhanced Restricted Period, as applicable), including without limitation the gross amount of any Common Stock distribution or cash payment made to the Participant upon the vesting, distribution, exercise, or settlement of the Award and/or any consideration in excess of such gross amounts received by the Participant upon the sale or transfer of the Common Stock acquired through vesting, distribution, exercise or settlement of the Award. The Participant shall promptly pay the full amount due upon demand by the Company and/or its Affiliates, in the form of cash or shares of Common Stock at current Fair Market Value.

(ix) Waiver. The waiver of any breach of the terms of this Section shall not constitute the waiver of any other or further breach hereunder, whether or not of a like nature or kind. No waiver by the Company or any of its Affiliates of the breach of any term contained in a similar agreement between the Company and/or any of its Affiliates and any other employee or participant, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a waiver of the breach of any term of this Section. No waiver of any provision of this Section shall be valid unless in writing and signed by an authorized representative of the Company or one or more of its Affiliates.

(x) Interpretation. Any reference to "Section" or "subsection" in this Section 15 shall refer to this Section 15 or respective subsection.

16. **Arbitration**. In lieu of litigation by way of court or jury trial, any dispute or controversy arising hereunder shall be settled by arbitration, in accordance with the arbitration agreement currently in effect by separate agreement between the Participant and the Company or any of its Affiliates and which is incorporated herein by reference. In the event that such arbitration agreement is determined to be inapplicable or unenforceable or if no such arbitration agreement is then in effect, the parties mutually agree to arbitrate any dispute arising out of or related to this Agreement pursuant to the terms of this paragraph. The parties agree that this Agreement provides sufficient consideration for that obligation and the mutual promises to arbitrate also constitutes consideration for this agreement to arbitrate. The following terms and conditions shall apply to such arbitration hereunder. The arbitration shall be conducted before a single arbitrator in accordance with the Employment Arbitration Rules of the American Arbitration Association ("AAA Rules") then in effect, and shall be governed by the Federal Arbitration Act. Judgment may be entered on the award of the arbitrator in any court having jurisdiction. Unless provided otherwise in the arbitrator's award, each party will pay its own attorneys' fees and costs. To the extent required by law or the AAA Rules, all

administrative costs of arbitration (including filing fees) and the fees of the arbitrator will be paid by the Company. The Participant and the Company waive the right for any dispute to be brought, heard, decided, or arbitrated as a class and/or collective action (or joinder or consolidation with claims of any other person), and the parties agree that, regardless of anything else in this arbitration provision or the AAA Rules, the interpretation, applicability, enforceability or formation of the class action waiver in this provision may only be determined by a court and not an arbitrator. Regardless of anything else in this Agreement, this arbitration provision may not be modified or terminated absent a writing signed by the Participant and the Company stating an intent to modify or terminate the arbitration provision.

17. **Governing Law.** Except as otherwise provided in the foregoing Section or an Appendix to this Agreement, this Agreement and any disputes hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without application of its conflicts of laws principles.

18. **Miscellaneous.** This Agreement, together with the Plan, is the entire agreement of the parties with respect to the RSUs granted hereby and may not be amended except in a writing signed by both the Company and the Participant or his or her Representative. If any provision of this Agreement is deemed invalid, it shall be modified to the extent possible and minimally necessary to be enforceable, and, in any event, the remainder of this Agreement will be in full force and effect.

19. **Forfeiture and Clawback of Award.** Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement and as a condition to the receipt of this Award, the rights, payments and benefits with respect to this Award and any shares of Common Stock acquired pursuant to this Award are subject to reduction, cancellation, forfeiture, or recoupment by the Company if and to the extent permitted by Section 15.3 of the Plan, required in accordance with Company policy as in effect from time to time (“Forfeiture and Clawback Policy”), and/or as otherwise required by applicable law, rule or regulation of the Securities and Exchange Commission, or rule or listing requirement of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) as in effect from time to time (collectively with the Forfeiture and Clawback Policy, “Applicable Requirements”) in connection with an accounting restatement or under such other circumstances as specified in the Applicable Requirements. Any determination made and action taken under the Forfeiture and Clawback Policy shall be final, binding and conclusive.

ADDITIONAL PROVISIONS APPLICABLE ONLY TO EXECUTIVE OFFICERS OF THE COMPANY:

20. **Stock Holding Period.** The Participant agrees to hold the shares of Common Stock acquired upon the conversion of the RSUs for a minimum of 12 months following the applicable Settlement Date. This holding period shall not apply to shares of Common Stock withheld by the Company to settle tax liabilities related to vesting and/or settlement, and as otherwise may be provided under the Company’s Stock Ownership Policy.

Appendix I (Employees Whose Primary Residences are Located in California)

If the Participant's primary residence is located in the State of California:

1. Sections 15(c)(i) and (c)(ii) of the foregoing Agreement shall be replaced with the following:

15(c)(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees to the extent that the Participant uses or misuses Confidential Information (as the term is defined in this Section) to so solicit and/or interfere. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, use or rely in any manner on any Confidential Information to directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i).

15(c)(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in its and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue or terminate Customer's patronage and/or

business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate.

2. Any claims relating to Section 15 of the Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

Kemper Corporation 2020 Omnibus Equity Plan
PERFORMANCE SHARE UNIT AWARD AGREEMENT

(Adjusted ROE)

This PERFORMANCE SHARE UNIT AWARD AGREEMENT (“Agreement”) is made as of this _____ day of _____, 20__ (“Grant Date”) between KEMPER CORPORATION, a Delaware corporation (“Company”), and «name» (“Participant”) for an Award of performance share units (“PSUs”), each representing the right to receive one share of the Company’s common stock (“Common Stock”) on the terms and conditions set forth in this Agreement.

SIGNATURES

As of the date set forth above, the parties have accepted the terms of this Agreement by signing this Agreement by an electronic signature, and each party agrees that such signature shall not be denied legal effect, validity or enforceability solely because it was submitted or executed electronically.

KEMPER CORPORATION **PARTICIPANT**

By: _____
«CEO Signature and Title» «name»

RECITALS

A. The Board of Directors of the Company (“Board”) has adopted the Kemper Corporation 2020 Omnibus Equity Plan (“Plan”), including all amendments to date, to be administered by the Compensation Committee of the Board or any subcommittee thereof, or any other committee designated by the Board to administer the Plan (“Committee”). Capitalized terms that are not defined herein shall be defined in accordance with the Plan.

B. The Plan authorizes the Committee to grant to selected Employees, Directors and Third Party Service Providers awards of various types, including performance share units providing the right to receive shares of Common Stock under specified terms and conditions.

C. Pursuant to the Plan, the Committee has determined that it is in the best interest of the Company and its shareholders to grant an Award of performance share units to the Participant under the terms and conditions specified in this Agreement as an inducement to remain in the service of the Company and an incentive for increased effort during such service.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Grant.** The Company grants an aggregate of «shares» PSUs, which represent the Company’s unfunded and unsecured promise to issue shares of Common Stock under certain circumstances to the Participant, subject to the terms and conditions set forth in this Agreement. The PSUs shall not entitle the Participant to any rights of a shareholder of Common Stock and the Participant has no rights with respect to the Award other than rights as a general creditor of the Company.

2. **Governing Plan.** This Award is granted pursuant to the Plan, which is incorporated herein for all purposes. The Participant agrees to be bound by the terms and conditions of the Plan, which controls in case of any conflict with this Agreement, except as

otherwise provided for in the Plan. No amendment of the Plan shall adversely affect this Award in any material way without the written consent of the Participant.

3. **Restrictions on Transfer.** The PSUs shall be restricted during a period (“Restriction Period”) beginning on the Grant Date and expiring on the Settlement Date (as defined in Section 6 below). During the Restriction Period, neither this Agreement, the PSUs nor any rights and privileges granted hereby may be transferred, assigned, pledged or hypothecated in any way, whether by operation of the law or otherwise (any such disposition being referred to herein as a “Transfer”), except by will or the laws of descent and distribution. Without limiting the generality of the preceding sentence, no rights or privileges granted hereby may be Transferred during the Restriction Period to the spouse or former spouse of the Participant pursuant to any divorce proceedings, settlement or judgment, unless approved by the Committee. Any attempt to Transfer this Agreement, the PSUs or any other rights or privileges granted hereby contrary to the provisions hereof shall be null and void and of no force or effect, and the Company shall not recognize or give effect to any such Transfer on its books and records or recognize the person to whom such purported Transfer has been made as the legal or beneficial holder of such PSUs.

4. **Vesting and Forfeiture.** The PSUs shall be subject to the terms concerning vesting and forfeiture set forth on Exhibit A to this Agreement and Section 11(b).

5. **Dividend Equivalents.** If a cash dividend is declared and paid by the Company with respect to the Common Stock during the Restriction Period, the Participant shall be eligible to receive a cash payment equal to the total cash dividend the Participant would have received had the PSUs and any “Additional Shares” granted to Participant pursuant to Exhibit A been actual shares of Common Stock held by the Participant during the Restriction Period, provided and to the extent that that the Participant vests in the PSUs and any such Additional Shares. Any such cash payment shall be made on the Settlement Date (as defined below) and it shall be subject to applicable withholding obligations as described in Section 8.

6. **Conversion of PSUs; Issuance of Common Stock.** Except as otherwise provided in Section 10, the Company shall cause one share of Common Stock to be issued, within the time period provided below, for each PSU that is vesting and each Additional Share that is being issued on the applicable Vesting Date in accordance with Exhibit A.

Any issuance of Common Stock shall be subject to applicable tax withholding obligations as described in Section 8 and shall be in book-entry form, registered in the Participant’s name (or in the name of the Participant’s Representative, as the case may be). Except as otherwise provided in Section 10, in no event shall the date that Common Stock is issued to the Participant (“Settlement Date”) occur later than the first to occur of (a) March 15th following the calendar year in which the Vesting Date occurred or (b) 90 days following the Vesting Date.

7. **Fair Market Value of Common Stock.** The fair market value (“Fair Market Value”) of a share of Common Stock shall be determined for purposes of this Agreement by reference to the closing price of a share of Common Stock as reported by the New York Stock Exchange (or such other exchange on which the shares of Common Stock are primarily traded) for the applicable date, or if no prices are reported for that day, the last preceding day on which such prices are reported (or, if for any reason no such price is available, in such other manner as the Committee in its sole discretion may deem appropriate to reflect the fair market value thereof).

8. **Withholding of Taxes.** The Participant acknowledges that the vesting of the PSUs will result in the Participant being subject to payroll taxes upon the Vesting Date (if the Participant is an Employee or was an Employee on the Grant Date), except as otherwise

determined by the Company and permitted by regulations issued under Section 3121(v)(2) of the Code, and that the issuance of Common Stock pursuant to Section 6 will result in the Participant being subject to income taxes upon the Settlement Date. Upon a required withholding date, the Company will deduct from the shares of Common Stock that are otherwise due to be delivered to the Participant shares of Common Stock having a Fair Market Value not in excess of the tax withholding requirements based on the maximum statutory withholding rates for the Participant for federal, state and local tax purposes (including the Participant's share of payroll or similar taxes) in the applicable jurisdiction, and the Participant shall remit to the Company in cash any and all applicable withholding taxes that exceed the amount available to the Company using shares with respect to which the Settlement Date has occurred.

9. **Section 409A.** The Company intends that the Award hereunder shall either be exempt from the application of, or compliant with, the requirements of Section 409A and this Award Agreement shall be interpreted and administered in accordance with such intent. In no event shall the Company and/or its Affiliates be liable for any tax, interest or penalties that may be imposed on the Participant (or the Participant's estate) under Section 409A.

10. **Shares to be Issued in Compliance with Federal Securities Laws and Other Rules.** No shares of Common Stock issuable in settlement of the PSUs shall be issued and delivered unless and until there shall have been full compliance with all applicable requirements of the Securities Act of 1933, as amended ("Act") (whether by registration or satisfaction of exemption conditions), all applicable listing requirements of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery. The Company shall use its best efforts and take all necessary or appropriate actions to ensure that such full compliance on the part of the Company is made. By signing this Agreement, the Participant represents and warrants that none of the shares to be acquired in settlement of the PSUs will be acquired with a view towards any sale, transfer or distribution of said shares in violation of the Act, and the rules and regulations promulgated thereunder, or any applicable "blue sky" laws, and that the Participant hereby agrees to indemnify the Company in the event of any violation by the Participant of such Act, rules, regulations or laws. The Company will use its best efforts to complete all actions necessary for such compliance so that settlement can occur within the period specified in Section 6; provided that if the Company reasonably anticipates that settlement within such period will cause a violation of applicable law, settlement may be delayed provided that settlement occurs at the earliest date at which the Company reasonably anticipates that such settlement will not cause a violation of applicable law, all in accordance with Treas. Reg. § 1.409A-2(b)(7)(ii).

11. **Certain Adjustments; Change in Control.**

(a) If, during the term of this Agreement, there shall be any equity restructurings (within the meaning of FASB Accounting Standards Codification® Topic 718) that causes the per share value of Shares to change, such as a stock dividend, stock split, spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, and similar matters, the Committee shall make or cause to be made an equitable adjustment to the number and kind of PSUs subject to the Award. If, during the term of this Agreement, there shall be any other changes in corporate capitalization, the Committee shall make or cause to be made an appropriate and equitable substitution, adjustment or treatment with respect to the PSUs in a manner consistent with Sections 4.3 and 21.2 of the Plan. The Committee's determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares of PSUs shall be issued under the Plan on any such

adjustment. This Award may be subject to early vesting or termination in connection with a Change in Control in accordance with the provisions of Section 20.3 of the Plan.

(b) In the event of a Change in Control as defined in Section 20.1(a) or (b) of the Plan, except as prohibited by applicable laws, rules, regulations or stock exchange requirements, if the Service of a Participant is terminated within the two (2)-year period following such Change in Control by the Company or an Affiliate for reasons other than Cause or by the Participant for Good Reason, the payout opportunities attainable under all outstanding PSUs shall be deemed to have been fully earned based on the greater of (i) targeted performance, or (ii) actual performance being attained for a truncated Performance Period (as defined in Exhibit A) that ends on the date of the Change in Control.

(c) Definitions

(i) "Cause" means any of the following: (1) the Participant's theft or falsification of any Company or Affiliate documents, records or property; (2) the Participant's improper use or disclosure of the Company's or an Affiliate's confidential or proprietary information in breach of the Company's Essential Standards of Conduct or an applicable contractual or other obligation, or using such information for personal gain including, without limitation, by trading in Company securities on the basis of material, non-public information; (3) fraud, misappropriation of or intentional material damage to the property or business of the Company or an Affiliate or other action by the Participant which has a material detrimental effect on the Company's or an Affiliate's reputation or business as determined by the Committee; (4) the Participant's material failure or inability to perform any reasonable assigned and lawful duties after written notice from the Company or Affiliate of such failure or inability, and such failure or inability is not cured by the Participant within ten (10) business days; (5) the Participant's conviction (including any plea of guilty or nolo contendere) of any felony or any criminal violation involving fraud, embezzlement, misappropriation, dishonesty, the misuse or misappropriation of money or other property or any other crime which has or would reasonably be expected to have an adverse effect on the business or reputation of the Company or an Affiliate or (6) a material breach by the Participant of the policies and procedures of the Company or an Affiliate, including, but not limited to, any breach of the Company's Essential Standards of Conduct and the requirements of Section 15.

(ii) "Employer" means the Company or Affiliate by which/whom the Participant is employed, or to which/whom the Participant provides services.

(iii) "Good Reason" means any action taken by the Employer which results in a material negative change to the Participant in the employment relationship, such as the duties to be performed, the conditions under which such duties are to be performed or the compensation to be received for performing such services. A termination by the Participant shall not constitute termination for Good Reason unless the Participant shall first have delivered to the Employer written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the occurrence of such event), and there shall have passed a reasonable time (not less than thirty (30) days) within which the Employer may take action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by the Participant.

12. **Participation by Participant in Other Company Plans.** Nothing herein contained shall affect the right of the Participant to participate in and receive benefits under and in accordance with the then current provisions of any retirement plan or employee welfare benefit plan or program of the Company or of any Affiliate of the Company, subject in each case, to the terms and conditions of any such plan or program.

13. **Not an Employment or Service Contract.** Nothing herein contained shall be construed as an agreement by the Company or any of its Affiliates, expressed or implied, to employ or contract for the services of the Participant, to restrict the right of the Company or any of its Affiliates to discharge the Participant or cease contracting for the Participant's services or to modify, extend or otherwise affect in any manner whatsoever, the terms of any employment agreement or contract for services which may exist between the Participant and the Company or any of its Affiliates.

14. **Death of the Participant.** In the event of the Participant's death prior to the Settlement Date, delivery of shares of Common Stock pursuant to Section 6 shall be made to the duly appointed and qualified executor or other personal representative of the Participant, to be distributed in accordance with the Participant's will or applicable intestacy law.

15. **Confidentiality, Non-Solicitation and Non-Disparagement.** The Participant agrees that the Award to the Participant under the terms and conditions specified in this Agreement is conditioned upon the Participant's compliance with the following confidentiality, non-solicitation and non-disparagement terms and conditions.

(a) **Definitions.** As used in this Section, the following terms have the meanings set forth below:

(i) "Confidential Information" means any and all confidential information, including without limitation any negotiations or agreements between the Company or its Affiliates and third parties, business and marketing plans and related materials, training materials, financial information, plans, executive summaries, capitalization tables, budgets, unpublished financial statements, costs, prices, licenses, employee, customer, supplier, shareholder, partner or investor lists and/or data, products, technology, know-how, business processes, business data, inventions, designs, patents, trademarks, copyrights, trade secrets, business models, notes, sketches, flow charts, formulas, blueprints and elements thereof, databases, compilations, and other intellectual property, whether written or otherwise. Some or all of the Confidential Information may also be entitled to protection as a "trade secret" under applicable state or federal law. Confidential Information does not include information that the Participant can prove was properly known to the Participant from sources permitted to disseminate the information prior to the Participant's employment by, or provision of services to, the Employer, or that has become publicly known and made generally available through no wrongful act of the Participant.

(ii) "Customer" means any customer of the Company or an Affiliate with which/whom the Participant had material communications, for which/whom the Participant performed any services, to which/whom the Participant sold any products, or about which/whom the Participant learned or had access to any Confidential Information, in each case during the twelve (12)-month period immediately preceding the Participant's termination of employment from, or provision of services to, the Employer (whether by Participant or the Employer and whether for any or no reason).

(iii) "Enhanced Restricted Period" means the twenty-four (24)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(iv) "Restricted Employee" means any person who was employed by the Company or an Affiliate and had Material Contact pursuant to the Participant's duties at any point during the period of twelve (12) months immediately preceding the Participant's last day of employment with the Employer. For purposes of this Section, "Material Contact" means interaction between the Participant and another employee of the Employer or an Affiliate: (A) with whom the Participant actually dealt or interacted; or (B) whose employment or dealings with the Employer or services for the Employer were directly or indirectly handled, coordinated, managed, or supervised by the Participant.

(v) "Restricted Period" means the twelve (12)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(b) Confidential Information.

(i) Protection of Confidential Information. At all times during the Participant's employment with, or provision of services to, the Employer, and at all times thereafter, the Participant agrees to: (A) hold the Confidential Information in strictest confidence, and not to directly or indirectly copy, distribute, disclose, divert, or disseminate, in whole or in part, any of such Confidential Information to any person, firm, corporation, association or other entity except (x) to authorized agents of the Employer who have a need to know such Confidential Information for the purpose for which it is disclosed, or (y) to other persons for the benefit of the Employer, in the course and scope of the Participant's employment with or service to the Employer; and (B) refrain from directly or indirectly using the Confidential Information other than as necessary and as authorized in the course and scope of the Participant's employment with, or provision of services to, the Employer. In the event the Participant receives a subpoena or other validly issued administrative or judicial order demanding production or disclosure of Confidential Information, the Participant shall promptly notify the Employer and provide a copy of such subpoena or order and tender to the Employer the defense of any such demand. The Participant may, if necessary, disclose Confidential Information in judicial proceedings relating to the enforcement of the Participant's rights or obligations under this Agreement; provided, however, that the Participant must first enter into an agreed protective order with the Employer protecting the confidentiality of the Confidential Information.

(ii) Notwithstanding the Participant's confidentiality and non-disclosure obligations under this Agreement or otherwise, as provided in the Federal Defend Trade Secret Act, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or to the Participant's attorney in connection with a lawsuit for retaliation for reporting a

suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. The Participant understands and acknowledges that nothing in this Agreement prohibits the Participant from confidentially or otherwise communicating with or reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice or the Securities and Exchange Commission, or making other disclosures or statements that are protected under the whistleblower, collective bargaining, anti-discrimination and/or anti-retaliation provisions of federal or state law or regulation. The Participant understands that the Participant does not need prior authorization of the Employer to make any such reports or disclosures, and that the Participant is not required to notify the Employer that the Participant has made such reports or disclosures.

(c) Non-Solicitation.

(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly, seek to recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i). Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(i) shall be replaced with those set forth in Appendix I of this Agreement.

(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have

invested in their and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue, or terminate Customer's or Key Business Partner's patronage and/or business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate. In addition to the foregoing restrictions, the Participant agrees that, during the Participant's employment with the Employer and during the Enhanced Restricted Period, the Participant shall not be personally involved in the negotiation, competition for, solicitation or execution of any individual book roll over(s) or other book of business transfer arrangements involving the transfer of business away from the Company or an Affiliate. Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(ii) shall be replaced with those set forth in Appendix I of this Agreement.

(d) Notification to New Employers. During the Restricted Period, the Participant shall notify any subsequent employer of the Participant's obligations under this Section prior to commencing employment. In addition, during the Restricted Period, the Participant shall provide the Employer and his/her prior manager at the Employer fourteen (14) days' advance written notice prior to becoming employed by, or retained to represent or provide services to, any person or entity or engaging in any business of any type or form, with such notice including the identity of the prospective employer or business, the specific division (if applicable) for which the Participant will be performing services, the title or position to be assumed by the Participant, the physical location of the position to be assumed by the Participant, and the responsibilities of the position to be assumed by the Participant. The Participant hereby authorizes the Company and/or any of its Affiliates, at their discretion, to contact the Participant's prospective or subsequent employers and inform them of this Section or any other policy or employment agreement between the Participant and the Company and/or its Affiliates that may be in effect at the termination of the Participant's employment with the Employer.

(e) Non-Disparagement. During the term of Participant's employment and for the two (2)-year period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason), the Participant shall not make or intentionally cause or direct others to make any written or oral statement that disparages or otherwise are slanderous, libelous, or defamatory towards the Company or its Affiliates, or their

respective business relations. Without in any way limiting the scope or effect of the preceding sentence, the Participant specifically agrees, represents and warrants that the Participant shall not directly or indirectly disparage the Company's and/or its Affiliates': (i) officers, management, business practices, policies, procedures and/or operations, (ii) employees or other personnel, employment or other personnel-related decisions, staffing, and/or hiring or termination decisions, practices or other personnel-related activities or occurrences, and/or any other employment-related decisions, actions or practices by or relating to the Company or the Affiliates, or (iii) any other policies, procedures or matters concerning or relating to the Company, including but not limited to the Company's business, operations, employees, management, Customers, suppliers, activities, products, services or any other matter relating to the Company or its Affiliates; provided that this non-disparagement provision shall not prohibit any statement, reporting or other action this is permitted by subsection (b)(ii) of this Section. Moreover, unless permitted by applicable law, and subject to subsection (b)(ii) of this Section, the Participant shall not encourage or aid any person or entity in the pursuit of any cause of action, lawsuit or any other claim or dispute of any kind against the Company and/or its Affiliates.

(f) Consideration/Reasonableness of Restrictions.

(i) Consideration. The Participant agrees and acknowledges that the Participant has received valuable and adequate consideration in exchange for the restrictions in this Section, including but not limited to the Award to the Participant under the terms and conditions specified in this Agreement, offer of employment or continued employment with the Employer, training and continued training, access to the Confidential Information, and access to the Customers and Key Business Partners.

(ii) Reasonableness of Restrictions. The Participant understands and acknowledges the importance of the relationships which the Company and its Affiliates have with their Employees, Customers and Key Business Partners, as well as how significant the maintenance of the Confidential Information is to the business and success of the Company and its Affiliates, and acknowledges the steps the Company and its Affiliates have taken, are taking and will continue to take to develop, preserve and protect these relationships and the Confidential Information. Accordingly, the Participant agrees that the scope and duration of the restrictions and limitations described in this Section are reasonable and necessary to protect the legitimate business interests of the Company and its Affiliates, and the Participant agrees and acknowledges that all restrictions and limitations relating to the period following the end of the Participant's employment or service with the Employer will apply regardless of the reason the Participant's employment or service ends. The Participant agrees and acknowledges that the enforcement of this Section will not in any way preclude the Participant from becoming gainfully employed or engaged as a contractor in such manner and to such extent as to provide the Participant with an adequate standard of living.

(iii) Participant's Notice to Consult An Attorney. The Company hereby advises the Participant to consult with an attorney (chosen by the Participant and at the Participant's cost) prior to signing this Agreement, including with respect to the non-solicitation provisions and other restrictive covenants contained in this Section. The Participant hereby acknowledges receipt of this notice by the Company.

(iv) Review Period. The Participant has at least fourteen (14) calendar days to review this Agreement before agreeing to its terms (although the Participant may elect to voluntarily sign it before the end of this review period).

(v) Tolling. Notwithstanding anything herein to the contrary, if the Participant breaches any of the non-solicitation restrictions in Section 15(c), then the Restricted Period (or the Enhanced Restricted Period, if applicable) shall be tolled (retroactive to the date such breach commenced) until such breach or violation has been duly cured.

(vi) Modification. If any provision or term in this Section is declared invalid or unenforceable by a court of competent jurisdiction, the invalid and unenforceable portion shall be reformed to the maximum time, activity-related restrictions and/or limitations permitted by applicable law, so as to be valid and enforceable. If any such provision cannot be made valid and enforceable, it shall be severed from this Agreement without affecting the remainder of this Agreement.

(vii) Breach/Remedies. Notwithstanding anything to the contrary in this Agreement, the Participant agrees and acknowledges that the breach of this Section would cause substantial loss to the goodwill of the Company and/or its Affiliates, and cause irreparable harm for which there is no adequate remedy at law. Further, because the Participant's employment with the Employer is personal and unique, because damages alone would not be an adequate remedy and because of the Participant's access to the Confidential Information, the Company and/or its Affiliates shall have the right to enforce this Section, including any of its provisions, by injunction, specific performance, or other equitable relief, without having to post bond or prove actual damages, and without prejudice to any other rights and remedies that the Company and/or its Affiliates may have for a breach of this Section, including, without limitation, money damages. The Participant agrees and acknowledges that notwithstanding the arbitration provisions in this Agreement, the Company may elect to file and pursue claims which arise from or relate to the Participant's actual or threatened breaches of this Section in state or federal court of competent jurisdiction. The Participant shall be liable to pay all costs, including reasonable attorneys' and experts' fees and expenses, that the Company and/or its Affiliates may incur in enforcing or defending this Section, whether or not litigation is actually commenced and including litigation of any appeal taken or defended by the Company and/or its Affiliates where the Company and/or its Affiliates succeed in enforcing any provision of this Section.

(viii) Forfeiture and Repayment Provisions. Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement, the Participant agrees that during the Restricted Period (or the Enhanced Restricted Period, if/as applicable), if the Participant breaches any of the terms or conditions in this Section, then in addition to all rights and remedies available to the Company and/or its Affiliates at law and in equity, the Participant shall immediately forfeit any portion of the Award that has not otherwise been previously forfeited under the applicable terms of this Agreement and that has not yet been paid, exercised, settled, or vested. The Company and/or its Affiliates may also require repayment from the Participant of any and all of the compensatory value of the Award that the Participant received during the Restricted Period (or the Enhanced Restricted Period, as applicable), including without limitation the gross amount of any Common Stock

distribution or cash payment made to the Participant upon the vesting, distribution, exercise, or settlement of the Award and/or any consideration in excess of such gross amounts received by the Participant upon the sale or transfer of the Common Stock acquired through vesting, distribution, exercise or settlement of the Award. The Participant shall promptly pay the full amount due upon demand by the Company and/or its Affiliates, in the form of cash or shares of Common Stock at current Fair Market Value.

(ix) Waiver. The waiver of any breach of the terms of this Section shall not constitute the waiver of any other or further breach hereunder, whether or not of a like nature or kind. No waiver by the Company or any of its Affiliates of the breach of any term contained in a similar agreement between the Company and/or any of its Affiliates and any other employee or participant, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a waiver of the breach of any term of this Section. No waiver of any provision of this Section shall be valid unless in writing and signed by an authorized representative of the Company or one or more of its Affiliates.

(x) Interpretation. Any reference to "Section" or "subsection" in this Section 15 shall refer to this Section 15 or respective subsection.

16. Arbitration. In lieu of litigation by way of court or jury trial, any dispute or controversy arising hereunder shall be settled by arbitration, in accordance with the arbitration agreement currently in effect by separate agreement between the Participant and the Company or any of its Affiliates and which is incorporated herein by reference. In the event that such arbitration agreement is determined to be inapplicable or unenforceable or if no such arbitration agreement is then in effect, the parties mutually agree to arbitrate any dispute arising out of or related to this Agreement pursuant to the terms of this paragraph. The parties agree that this Agreement provides sufficient consideration for that obligation and the mutual promises to arbitrate also constitutes consideration for this agreement to arbitrate. The following terms and conditions shall apply to such arbitration hereunder. The arbitration shall be conducted before a single arbitrator in accordance with the Employment Arbitration Rules of the American Arbitration Association ("AAA Rules") then in effect, and shall be governed by the Federal Arbitration Act. Judgment may be entered on the award of the arbitrator in any court having jurisdiction. Unless provided otherwise in the arbitrator's award, each party will pay its own attorneys' fees and costs. To the extent required by law or the AAA Rules, all administrative costs of arbitration (including filing fees) and the fees of the arbitrator will be paid by the Company. The Participant and the Company waive the right for any dispute to be brought, heard, decided, or arbitrated as a class and/or collective action (or joinder or consolidation with claims of any other person), and the parties agree that, regardless of anything else in this arbitration provision or the AAA Rules, the interpretation, applicability, enforceability or formation of the class action waiver in this provision may only be determined by a court and not an arbitrator. Regardless of anything else in this Agreement, this arbitration provision may not be modified or terminated absent a writing signed by the Participant and the Company stating an intent to modify or terminate the arbitration provision.

17. Governing Law. Except as otherwise provided in the foregoing Section or an Appendix to this Agreement, this Agreement and any disputes hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without application of its conflicts of laws principles.

18. Miscellaneous. This Agreement, together with the Plan, is the entire agreement of the parties with respect to the PSUs granted hereby and may not be amended except in a writing signed by both the Company and the Participant or his or her Representative. If any

provision of this Agreement is deemed invalid, it shall be modified to the extent possible and minimally necessary to be enforceable, and, in any event, the remainder of this Agreement will be in full force and effect.

19. **Forfeiture and Clawback of Award.** Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement and as a condition to the receipt of this Award, the rights, payments and benefits with respect to this Award and any shares of Common Stock acquired pursuant to this Award are subject to reduction, cancellation, forfeiture, or recoupment by the Company if and to the extent permitted by Section 15.3 of the Plan, required in accordance with Company policy as in effect from time to time (“Forfeiture and Clawback Policy”), and/or as otherwise required by applicable law, rule or regulation of the Securities and Exchange Commission, or rule or listing requirement of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) as in effect from time to time (collectively with the Forfeiture and Clawback Policy, “Applicable Requirements”) in connection with an accounting restatement or under such other circumstances as specified in the Applicable Requirements. Any determination made and action taken under the Forfeiture and Clawback Policy shall be final, binding and conclusive.

ADDITIONAL PROVISIONS APPLICABLE ONLY TO EXECUTIVE OFFICERS OF THE COMPANY:

20. **Stock Holding Period.** The Participant agrees to hold the shares of Common Stock acquired upon the conversion of the PSUs for a minimum of 12 months following their Settlement Date. This holding period shall not apply to shares of Common Stock withheld by the Company to settle tax liabilities related to vesting and/or settlement, and as otherwise may be provided under the Company’s Stock Ownership Policy.

EXHIBIT A

Vesting Schedule Based on Operational Metric

A. Definition of Terms:

“Additional Shares” means any shares of Common Stock to be issued to the Participant on the Vesting Date in the event that the Company’s Operational Performance Results exceed the Target Performance Level.

“Award Agreement” means the Performance Share Unit Award Agreement to which this Exhibit is a part, pursuant to which an award of PSUs has been granted.

“Cause” is defined in Section 11(c) of the Award Agreement.

“Disability” means that the Participant either: (A) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months and, with respect to a Participant who is an Employee, is receiving income replacement benefits for a period of not less than three months under an accident and health plan (*e.g.*, a long term disability plan) covering Employees of the Company or Affiliate that employs the Participant; or (B) is determined to be totally disabled by the Social Security Administration or Railroad Retirement Board.

“Grant Date” is defined in the first paragraph of the Award Agreement.

“Operational Performance Results” means the Company’s Adjusted Return on Equity as defined in Section C below and certified by the Committee for the Performance Period.

“Performance Period” means the three-year period starting on January 1 of the calendar year in which the Grant Date occurs (“Start Date”) and ending on the December 31 immediately preceding the three-year anniversary of the Start Date.

“Retirement Eligible” means that the Participant has either attained age 55 and completed 10 years of Service as an Employee or attained age 60 and completed five years of Service as an Employee.

“Separation from Service” has the meaning ascribed to such term in Section 409A.

“Service” means the period during which the Participant is an Employee, Director or a Third Party Service Provider; provided, however, that the Participant will not be deemed to be in service after the Company divests its control in the Affiliate for which the Participant is exclusively in Service, or if the Company’s control of such Affiliate otherwise ceases.

“Target Units” means one hundred percent (100%) of the total number of PSUs granted on the Grant Date, as specified in Section 1 of the Award Agreement.

“Vesting Date” means the date that the Committee certifies the Operational Performance Results, except as otherwise provided in Section E below.

B. Determination of Vesting Date Events:

As soon as practicable following the end of the Performance Period, the Committee will determine the Company’s Operational Performance Results in accordance with the

methodology described in the next section below. The Company's Operational Performance Results will determine the number of Target Units that will vest or be forfeited on the Vesting Date, and the number of Additional Shares, if any, that will be issued to the Participant on the Vesting Date, as described below under "Vesting Determination."

C. Operational Performance Calculation Methodology:

The following table shows the Maximum, Target and Threshold Performance Levels for the Company's Operational Performance Results:

Level of Achievement for Performance Period	Operational Performance Results	Total PSUs to Vest (and/or Additional Shares to be Granted) on Vesting Date as Percentage of Target Units
Maximum	10.0%	200%
Target	8.5%	100%
Threshold	7.0%	50%
Below Threshold	Under 7.0%	0%

At the conclusion of the Performance Period, the Committee will determine the Company's Operational Performance Results in accordance with the formula and methods described below. For performance that falls between the percentage points specified in the second column of the above table, the total PSUs to vest and/or Additional Shares to be granted shall be interpolated on a straight-line basis.

Formula for Calculating Operational Performance Results

For purposes of this Exhibit, the Operational Performance Results for the Company will be calculated as follows:

Adjusted Return on Equity shall be computed by dividing the sum of Adjusted Net Income for each of the three years in the Performance Period by the sum of the Adjusted Average Shareholders' Equity for each of the three years.

Adjusted Net Income is defined as Net Income as reported in the Company's financial statements for the respective year, adjusted to take into account the after-tax impacts of the following items, to the extent the Committee deems them not indicative of the Company's core operating performance:

- (i) adjust the amount of Actual CAT Losses and LAE to equal Expected CAT Losses;

- (ii) adjust Net Realized Gains on Sales of Investments and Net Impairment Losses Recognized in Earnings to equal Expected Net Realized Gains on Sales of Investments and Expected Net Impairment Losses Recognized in Earnings;
- (iii) significant unusual judgments or settlements in connection with the Company's legal contingencies or benefit plans; and
- (iv) additional significant unusual or nonrecurring items as permitted by the Plan.

Adjusted Average Shareholders' Equity is defined as the simple average of Total Shareholders' Equity as reported in the Company's financial statements for the beginning and end of year for each year in the Performance Period, adjusted to take into account the after-tax impacts of the following items, to the extent the Committee deems them not indicative of the Company's core operating performance:

- (i) Unrealized Gains and Losses on Fixed Maturity Securities from Adjusted Shareholders Equity;
- (ii) the modifications made in calculating Adjusted Net Income; and
- (iii) additional significant unusual or nonrecurring items as permitted by the Plan.

Actual CAT Losses and LAE means the actual Catastrophe Losses and associated Loss Adjustment Expenses, including catastrophe reserve development, as reported in the Management Reports.

Expected CAT Losses, Expected Net Realized Gains on Sales of Investments, and Expected Net Impairment Losses Recognized in Earnings means the amounts specified in the Management Reports as "Planned" or "Expected" for, respectively, (A) Catastrophe Losses and associated Loss Adjustment Expenses, including catastrophe reserve development, (B) Net Realized Gains on Sales of Investments, and (C) Net Impairment Losses Recognized in Earnings.

Management Reports means the Hyperion reports, or their reporting equivalent, prepared by the Company for the relevant Plan Year or other time period.

Unrealized Gains and Losses on Fixed Maturity Securities means the Unrealized Gains and Losses on Fixed Maturity Securities as reported in the Management Reports.

D. **Vesting Determination:**

Except as otherwise provided in Section E, the PSUs held by the Participant will vest, to the extent earned for the Performance Period, and Additional Shares, if any, will be issued to the Participant, on the Vesting Date only if the Participant has not had a Separation from Service prior to such date.

Once the Company's Operational Performance Results are determined by the Committee, the Company will confirm the number of Target Units that will vest or be forfeited on the Vesting Date, and the number of Additional Shares, if any, that will be issued to the Participant on the Vesting Date consistent with the following provisions:

- If the Company's Operational Performance Results are at or above the Target Performance Level, 100% of the Target Units will vest on the Vesting Date. If the Company's Operational Performance Results are above the Target Performance Level, Additional Shares will also be issued to the Participant on the Vesting Date. If the

Company's Operational Performance Results are less than the Target Performance Level, some or all of the Target Units will be forfeited.

- The number of the Target Units that will vest on the Vesting Date, and the number of any Additional Shares that will be issued to the Participant on the Vesting Date, will be determined in accordance with the table set forth in Section C above. Any Target Units that do not vest in accordance with the table will be forfeited on the Vesting Date.

E. **Determination of Vesting in Case of Certain Terminations and Other Events:**

Notwithstanding any contrary provisions of the Plan:

(1) Retirement Eligible. (a) Except as otherwise provided in Section (1)(b) or in another subsection of this Section E, if the Participant is Retirement Eligible, any PSUs that will vest and Additional Shares that will be issued on the Vesting Date will be based on the extent earned for the Performance Period as determined in accordance with the provisions of Sections A – D above, and then reduced pro-rata by multiplying any such PSUs and Additional Shares by a fraction, the numerator of which is the number of full months in the Performance Period during which the Participant was actively in Service, and the denominator of which is the total number of months in the Performance Period. A partial month worked shall be counted as a full month if the Participant was actively working for 15 or more days in that month. All PSUs that do not vest in accordance with this provision shall be forfeited.

(b) If, on or prior to the last day of the Performance Period, the Participant is Retirement Eligible and either (i) becomes an employee of a competitor of the Company or any of its Affiliates or otherwise engages in any activity that is competitive with the Company or any of its Affiliates, as determined by the Committee in its sole discretion, or (ii) the Participant's Service is terminated, or is deemed to be terminated, for Cause, then any of the PSUs that are restricted on the date of such employment, activity or termination shall be forfeited to the Company. For purposes of the preceding sentence, a Participant's Service shall be deemed terminated for Cause if the Participant resigns or is terminated and the Committee determines in good faith, either before, at the time of, or after such termination, that one or more of the events or actions described in the definition of Cause in Section 11(c) of the Award Agreement existed as of the time of such termination.

(2) Termination on Death or Disability. The Vesting Date shall be the date of the Participant's death or Disability if the Participant dies or becomes Disabled prior to the three-year anniversary of the Grant Date: (i) while in Service; or (ii) after terminating Service if the Participant (A) was Retirement Eligible on the date of such termination of Service for a reason other than Cause, and (B) had not, at any time prior to the date of the Participant's death or Disability, become an employee of a competitor of the Company or any of its Affiliates or otherwise engaged in any activity that is competitive with the Company or any of its Affiliates, as determined by the Committee in its sole discretion. On such Vesting Date: (a) the Performance Period shall be deemed to have been completed; (b) a number of PSUs shall vest in an amount equal to the number of Target Units multiplied by a fraction, the numerator of which is the number of full months in the Performance Period during which the Participant was actively in Service, and the denominator of which is the total number of months in the original Performance Period (a partial month worked shall be counted as a full month if the Participant was actively in Service for 15 or more days in that month); (c) no Additional Shares shall be issued to the Participant; and (d) all PSUs that do not vest in accordance with this provision shall be forfeited.

(3) Termination on Divestiture. Except as otherwise provided below or in another subsection of this Section E, in the event that, prior to the three-year anniversary of the Grant

Date, the Participant is no longer employed by the Company or an Affiliate as a result of the Company's divestiture of the business for which the Participant primarily performed services or its controlling interest in the Affiliate for which the Participant was exclusively in Service, or other cessation of the Company's control of such Affiliate, the following terms shall apply. Any PSUs that will vest and Additional Shares that will be issued on the Vesting Date will be based on the extent earned for the Performance Period as determined in accordance with the provisions of Sections A – D above, and then reduced pro-rata by multiplying the number of any such PSUs and Additional Shares by a fraction, the numerator of which is the number of full months in the Performance Period during which the Participant was actively in Service, and the denominator of which is the total number of months in the Performance Period. A partial month worked shall be counted as a full month if the Participant was actively working for 15 or more days in that month. All PSUs that do not vest in accordance with this provision shall be forfeited.

(4) Other Termination of Service. If the Participant ceases to be in Service prior to the Vesting Date (including, without limitation, by reason of a divestiture or cessation of control of an Affiliate), and is not Retirement Eligible or subject to a divestiture, under circumstances other than those set forth in the foregoing subsections (1) – (3) of this Section E or Section 11(b) of the Award Agreement, all unvested PSUs held by the Participant shall be forfeited to the Company on the date of such cessation of Service, and no Additional Shares shall be issued to the Participant.

(5) Leave of Absence. In the event that the Participant is on an approved Leave of Absence (other than a short-term disability or Family and Medical Leave Act leave) at the end of the Performance Period or takes such a Leave of Absence at any time during the Performance Period, then the PSUs will vest, forfeit or be granted, as applicable, to the extent earned for the Performance Period, in an amount equal to the number of Target Units that would vest and the number of Additional Shares that would be issued in accordance with the provisions of Sections A – D above, if any, multiplied by a fraction, the numerator of which is the number of full months in the Performance Period during which the Participant was an active Employee not on such Leave of Absence and the denominator of which is the total number of months in the Performance Period.

F. Interpretations Related to Calculations and Determinations Related to Performance:

(1) Interpretations. The Committee shall have the reasonable discretion to interpret or construe ambiguous, unclear or implied terms applicable to this Agreement, and to make any findings of fact necessary to make a calculation or determination hereunder.

(2) Disagreements. A decision made in good faith by the Committee or the Company shall govern and be binding in the event of any dispute regarding a method of calculation of performance or a determination of vesting or forfeiture in connection with this Award.

(3) Method of Calculating Final Number of Vested or Forfeited PSUs. The number of PSUs that will vest or be forfeited and any Additional Shares that will be issued on the Vesting Date pursuant to Section D above for performance that falls between the percentage points specified in the second column of the table in Section C above shall be interpolated on a straight-line basis.

(4) Rounding Conventions.

- Regarding rounding of results, percentages shall be computed to one decimal point (i.e., XX.X%).
- Target Units that will vest and any Additional Shares that will be issued from the application of the methods in the foregoing subsection F(3) and Section D above shall only be paid out in whole shares of Common Stock. Any fractional shares that would otherwise result from such application shall be rounded down to the nearest whole number of shares.

Appendix I (Employees Whose Primary Residences are Located in California)

If the Participant's primary residence is located in the State of California:

1. Sections 15(c)(i) and (c)(ii) of the foregoing Agreement shall be replaced with the following:

15(c)(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees to the extent that the Participant uses or misuses Confidential Information (as the term is defined in this Section) to so solicit and/or interfere. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, use or rely in any manner on any Confidential Information to directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i).

15(c)(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in its and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue or terminate Customer's patronage and/or

business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate.

2. Any claims relating to Section 15 of the Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

Kemper Corporation 2020 Omnibus Equity Plan
PERFORMANCE SHARE UNIT AWARD AGREEMENT

(Relative TSR)

This PERFORMANCE SHARE UNIT AWARD AGREEMENT (“Agreement”) is made as of this _____ day of _____, 20__ (“Grant Date”) between KEMPER CORPORATION, a Delaware corporation (“Company”), and «name» (“Participant”) for an Award of performance share units (“PSUs”), each representing the right to receive one share of the Company’s common stock (“Common Stock”) on the terms and conditions set forth in this Agreement.

SIGNATURES

As of the date set forth above, the parties have accepted the terms of this Agreement by signing this Agreement by an electronic signature, and each party agrees that such signature shall not be denied legal effect, validity or enforceability solely because it was submitted or executed electronically.

KEMPER CORPORATION **PARTICIPANT**

By: _____
«CEO Signature and Title» «name»

RECITALS

A. The Board of Directors of the Company (“Board”) has adopted the Kemper Corporation 2020 Omnibus Equity Plan (“Plan”), including all amendments to date, to be administered by the Compensation Committee of the Board or any subcommittee thereof, or any other committee designated by the Board to administer the Plan (“Committee”). Capitalized terms that are not defined herein shall be defined in accordance with the Plan.

B. The Plan authorizes the Committee to grant to selected Employees, Directors and Third Party Service Providers awards of various types, including performance share units providing the right to receive shares of Common Stock under specified terms and conditions.

C. Pursuant to the Plan, the Committee has determined that it is in the best interest of the Company and its shareholders to grant an Award of performance share units to the Participant under the terms and conditions specified in this Agreement as an inducement to remain in the service of the Company and an incentive for increased effort during such service.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Grant.** The Company grants an aggregate of «shares» PSUs, which represent the Company’s unfunded and unsecured promise to issue shares of Common Stock under certain circumstances to the Participant, subject to the terms and conditions set forth in this Agreement. The PSUs shall not entitle the Participant to any rights of a shareholder of Common Stock and the Participant has no rights with respect to the Award other than rights as a general creditor of the Company.

2. **Governing Plan.** This Award is granted pursuant to the Plan, which is incorporated herein for all purposes. The Participant agrees to be bound by the terms and conditions of the Plan, which controls in case of any conflict with this Agreement, except as

otherwise provided for in the Plan. No amendment of the Plan shall adversely affect this Award in any material way without the written consent of the Participant.

3. **Restrictions on Transfer.** The PSUs shall be restricted during a period (“Restriction Period”) beginning on the Grant Date and expiring on the Settlement Date (as defined in Section 6 below). During the Restriction Period, neither this Agreement, the PSUs nor any rights and privileges granted hereby may be transferred, assigned, pledged or hypothecated in any way, whether by operation of the law or otherwise (any such disposition being referred to herein as a “Transfer”), except by will or the laws of descent and distribution. Without limiting the generality of the preceding sentence, no rights or privileges granted hereby may be Transferred during the Restriction Period to the spouse or former spouse of the Participant pursuant to any divorce proceedings, settlement or judgment, unless approved by the Committee. Any attempt to Transfer this Agreement, the PSUs or any other rights or privileges granted hereby contrary to the provisions hereof shall be null and void and of no force or effect, and the Company shall not recognize or give effect to any such Transfer on its books and records or recognize the person to whom such purported Transfer has been made as the legal or beneficial holder of such PSUs.

4. **Vesting and Forfeiture.** The PSUs shall be subject to the terms concerning vesting and forfeiture set forth on Exhibit A to this Agreement and Section 11(b).

5. **Dividend Equivalents.** If a cash dividend is declared and paid by the Company with respect to the Common Stock during the Restriction Period, the Participant shall be eligible to receive a cash payment equal to the total cash dividend the Participant would have received had the PSUs and any “Additional Shares” granted to Participant pursuant to Exhibit A been actual shares of Common Stock held by the Participant during the Restriction Period, provided and to the extent that that the Participant vests in the PSUs and any such Additional Shares. Any such cash payment shall be made on the Settlement Date (as defined below) and it shall be subject to applicable withholding obligations as described in Section 8.

6. **Conversion of PSUs; Issuance of Common Stock.** Except as otherwise provided in Section 10, the Company shall cause one share of Common Stock to be issued, within the time period provided below, for each PSU that is vesting and each Additional Share that is being issued on the applicable Vesting Date in accordance with Exhibit A.

Any issuance of Common Stock shall be subject to applicable tax withholding obligations as described in Section 8 and shall be in book-entry form, registered in the Participant’s name (or in the name of the Participant’s Representative, as the case may be). Except as otherwise provided in Section 10, in no event shall the date that Common Stock is issued to the Participant (“Settlement Date”) occur later than the first to occur of (a) March 15th following the calendar year in which the Vesting Date occurred or (b) 90 days following the Vesting Date.

7. **Fair Market Value of Common Stock.** The fair market value (“Fair Market Value”) of a share of Common Stock shall be determined for purposes of this Agreement by reference to the closing price of a share of Common Stock as reported by the New York Stock Exchange (or such other exchange on which the shares of Common Stock are primarily traded) for the applicable date, or if no prices are reported for that day, the last preceding day on which such prices are reported (or, if for any reason no such price is available, in such other manner as the Committee in its sole discretion may deem appropriate to reflect the fair market value thereof).

8. **Withholding of Taxes.** The Participant acknowledges that the vesting of the PSUs will result in the Participant being subject to payroll taxes upon the Vesting Date (if the Participant is an Employee or was an Employee on the Grant Date), except as otherwise

determined by the Company and permitted by regulations issued under Section 3121(v)(2) of the Code, and that the issuance of Common Stock pursuant to Section 6 will result in the Participant being subject to income taxes upon the Settlement Date. Upon a required withholding date, the Company will deduct from the shares of Common Stock that are otherwise due to be delivered to the Participant shares of Common Stock having a Fair Market Value not in excess of the tax withholding requirements based on the maximum statutory withholding rates for the Participant for federal, state and local tax purposes (including the Participant's share of payroll or similar taxes) in the applicable jurisdiction, and the Participant shall remit to the Company in cash any and all applicable withholding taxes that exceed the amount available to the Company using shares with respect to which the Settlement Date has occurred.

9. **Section 409A.** The Company intends that the Award hereunder shall either be exempt from the application of, or compliant with, the requirements of Section 409A and this Award Agreement shall be interpreted and administered in accordance with such intent. In no event shall the Company and/or its Affiliates be liable for any tax, interest or penalties that may be imposed on the Participant (or the Participant's estate) under Section 409A.

10. **Shares to be Issued in Compliance with Federal Securities Laws and Other Rules.** No shares of Common Stock issuable in settlement of the PSUs shall be issued and delivered unless and until there shall have been full compliance with all applicable requirements of the Securities Act of 1933, as amended ("Act") (whether by registration or satisfaction of exemption conditions), all applicable listing requirements of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery. The Company shall use its best efforts and take all necessary or appropriate actions to ensure that such full compliance on the part of the Company is made. By signing this Agreement, the Participant represents and warrants that none of the shares to be acquired in settlement of the PSUs will be acquired with a view towards any sale, transfer or distribution of said shares in violation of the Act, and the rules and regulations promulgated thereunder, or any applicable "blue sky" laws, and that the Participant hereby agrees to indemnify the Company in the event of any violation by the Participant of such Act, rules, regulations or laws. The Company will use its best efforts to complete all actions necessary for such compliance so that settlement can occur within the period specified in Section 6; provided that if the Company reasonably anticipates that settlement within such period will cause a violation of applicable law, settlement may be delayed provided that settlement occurs at the earliest date at which the Company reasonably anticipates that such settlement will not cause a violation of applicable law, all in accordance with Treas. Reg. § 1.409A-2(b)(7)(ii).

11. **Certain Adjustments; Change in Control.**

(a) If, during the term of this Agreement, there shall be any equity restructurings (within the meaning of FASB Accounting Standards Codification® Topic 718) that causes the per share value of Shares to change, such as a stock dividend, stock split, spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, and similar matters, the Committee shall make or cause to be made an equitable adjustment to the number and kind of PSUs subject to the Award. If, during the term of this Agreement, there shall be any other changes in corporate capitalization, the Committee shall make or cause to be made an appropriate and equitable substitution, adjustment or treatment with respect to the PSUs in a manner consistent with Sections 4.3 and 21.2 of the Plan. The Committee's determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares of PSUs shall be issued under the Plan on any such

adjustment. This Award may be subject to early vesting or termination in connection with a Change in Control in accordance with the provisions of Section 20.3 of the Plan.

(b) In the event of a Change in Control as defined in Section 20.1(a) or (b) of the Plan, except as prohibited by applicable laws, rules, regulations or stock exchange requirements, if the Service of a Participant is terminated within the two (2)-year period following such Change in Control by the Company or an Affiliate for reasons other than Cause or by the Participant for Good Reason, the payout opportunities attainable under all outstanding PSUs shall be deemed to have been fully earned based on the greater of (i) targeted performance, or (ii) actual performance being attained for a truncated Performance Period (as defined in Exhibit A) that ends on the date of the Change in Control.

(c) Definitions

(i) "Cause" means any of the following: (1) the Participant's theft or falsification of any Company or Affiliate documents, records or property; (2) the Participant's improper use or disclosure of the Company's or an Affiliate's confidential or proprietary information in breach of the Company's Essential Standards of Conduct or an applicable contractual or other obligation, or using such information for personal gain including, without limitation, by trading in Company securities on the basis of material, non-public information; (3) fraud, misappropriation of or intentional material damage to the property or business of the Company or an Affiliate or other action by the Participant which has a material detrimental effect on the Company's or an Affiliate's reputation or business as determined by the Committee; (4) the Participant's material failure or inability to perform any reasonable assigned and lawful duties after written notice from the Company or Affiliate of such failure or inability, and such failure or inability is not cured by the Participant within ten (10) business days; (5) the Participant's conviction (including any plea of guilty or nolo contendere) of any felony or any criminal violation involving fraud, embezzlement, misappropriation, dishonesty, the misuse or misappropriation of money or other property or any other crime which has or would reasonably be expected to have an adverse effect on the business or reputation of the Company or an Affiliate or (6) a material breach by the Participant of the policies and procedures of the Company or an Affiliate, including, but not limited to, any breach of the Company's Essential Standards of Conduct and the requirements of Section 15.

(ii) "Employer" means the Company or Affiliate by which/whom the Participant is employed, or to which/whom the Participant provides services.

(iii) "Good Reason" means any action taken by the Employer which results in a material negative change to the Participant in the employment relationship, such as the duties to be performed, the conditions under which such duties are to be performed or the compensation to be received for performing such services. A termination by the Participant shall not constitute termination for Good Reason unless the Participant shall first have delivered to the Employer written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the occurrence of such event), and there shall have passed a reasonable time (not less than thirty (30) days) within which the Employer may take action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by the Participant.

12. **Participation by Participant in Other Company Plans.** Nothing herein contained shall affect the right of the Participant to participate in and receive benefits under and in accordance with the then current provisions of any retirement plan or employee welfare benefit plan or program of the Company or of any Affiliate of the Company, subject in each case, to the terms and conditions of any such plan or program.

13. **Not an Employment or Service Contract.** Nothing herein contained shall be construed as an agreement by the Company or any of its Affiliates, expressed or implied, to employ or contract for the services of the Participant, to restrict the right of the Company or any of its Affiliates to discharge the Participant or cease contracting for the Participant's services or to modify, extend or otherwise affect in any manner whatsoever, the terms of any employment agreement or contract for services which may exist between the Participant and the Company or any of its Affiliates.

14. **Death of the Participant.** In the event of the Participant's death prior to the Settlement Date, delivery of shares of Common Stock pursuant to Section 6 shall be made to the duly appointed and qualified executor or other personal representative of the Participant, to be distributed in accordance with the Participant's will or applicable intestacy law.

15. **Confidentiality, Non-Solicitation and Non-Disparagement.** The Participant agrees that the Award to the Participant under the terms and conditions specified in this Agreement is conditioned upon the Participant's compliance with the following confidentiality, non-solicitation and non-disparagement terms and conditions.

(a) **Definitions.** As used in this Section, the following terms have the meanings set forth below:

(i) "Confidential Information" means any and all confidential information, including without limitation any negotiations or agreements between the Company or its Affiliates and third parties, business and marketing plans and related materials, training materials, financial information, plans, executive summaries, capitalization tables, budgets, unpublished financial statements, costs, prices, licenses, employee, customer, supplier, shareholder, partner or investor lists and/or data, products, technology, know-how, business processes, business data, inventions, designs, patents, trademarks, copyrights, trade secrets, business models, notes, sketches, flow charts, formulas, blueprints and elements thereof, databases, compilations, and other intellectual property, whether written or otherwise. Some or all of the Confidential Information may also be entitled to protection as a "trade secret" under applicable state or federal law. Confidential Information does not include information that the Participant can prove was properly known to the Participant from sources permitted to disseminate the information prior to the Participant's employment by, or provision of services to, the Employer, or that has become publicly known and made generally available through no wrongful act of the Participant.

(ii) "Customer" means any customer of the Company or an Affiliate with which/whom the Participant had material communications for which/whom the Participant performed any services, to which/whom the Participant sold any products, or about which/whom the Participant learned or had access to any Confidential Information, in each case during the twelve (12)-month period immediately preceding the Participant's termination of employment from, or provision of services to, the Employer (whether by Participant or the Employer and whether for any or no reason).

(iii) “Enhanced Restricted Period” means the twenty-four (24)-month period commencing on the day following the last day of the Participant’s employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(iv) “Restricted Employee” means any person who was employed by the Company or an Affiliate and had Material Contact pursuant to the Participant’s duties at any point during the period of twelve (12) months immediately preceding the Participant’s last day of employment with the Employer. For purposes of this Section, “Material Contact” means interaction between the Participant and another employee of the Employer or an Affiliate: (A) with whom the Participant actually dealt or interacted; or (B) whose employment or dealings with the Employer or services for the Employer were directly or indirectly handled, coordinated, managed, or supervised by the Participant.

(v) “Restricted Period” means the twelve (12)-month period commencing on the day following the last day of the Participant’s employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(b) Confidential Information.

(i) Protection of Confidential Information. At all times during the Participant’s employment with, or provision of services to, the Employer, and at all times thereafter, the Participant agrees to: (A) hold the Confidential Information in strictest confidence, and not to directly or indirectly copy, distribute, disclose, divert, or disseminate, in whole or in part, any of such Confidential Information to any person, firm, corporation, association or other entity except (x) to authorized agents of the Employer who have a need to know such Confidential Information for the purpose for which it is disclosed, or (y) to other persons for the benefit of the Employer, in the course and scope of the Participant’s employment with or service to the Employer; and (B) refrain from directly or indirectly using the Confidential Information other than as necessary and as authorized in the course and scope of the Participant’s employment with, or provision of services to, the Employer. In the event the Participant receives a subpoena or other validly issued administrative or judicial order demanding production or disclosure of Confidential Information, the Participant shall promptly notify the Employer and provide a copy of such subpoena or order and tender to the Employer the defense of any such demand. The Participant may, if necessary, disclose Confidential Information in judicial proceedings relating to the enforcement of the Participant’s rights or obligations under this Agreement; provided, however, that the Participant must first enter into an agreed protective order with the Employer protecting the confidentiality of the Confidential Information.

(ii) Notwithstanding the Participant’s confidentiality and non-disclosure obligations under this Agreement or otherwise, as provided in the Federal Defend Trade Secret Act, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or to the Participant’s attorney in connection with a lawsuit for retaliation for reporting a

suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. The Participant understands and acknowledges that nothing in this Agreement prohibits the Participant from confidentially or otherwise communicating with or reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice or the Securities and Exchange Commission, or making other disclosures or statements that are protected under the whistleblower, collective bargaining, anti-discrimination and/or anti-retaliation provisions of federal or state law or regulation. The Participant understands that the Participant does not need prior authorization of the Employer to make any such reports or disclosures, and that the Participant is not required to notify the Employer that the Participant has made such reports or disclosures.

(c) Non-Solicitation.

(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly, seek to recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i). Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(i) shall be replaced with those set forth in Appendix I of this Agreement.

(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have

invested in their and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue, or terminate Customer's or Key Business Partner's patronage and/or business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate. In addition to the foregoing restrictions, the Participant agrees that, during the Participant's employment with the Employer and during the Enhanced Restricted Period, the Participant shall not be personally involved in the negotiation, competition for, solicitation or execution of any individual book roll over(s) or other book of business transfer arrangements involving the transfer of business away from the Company or an Affiliate. Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(ii) shall be replaced with those set forth in Appendix I of this Agreement.

(d) Notification to New Employers. During the Restricted Period, the Participant shall notify any subsequent employer of the Participant's obligations under this Section prior to commencing employment. In addition, during the Restricted Period, the Participant shall provide the Employer and his/her prior manager at the Employer fourteen (14) days' advance written notice prior to becoming employed by, or retained to represent or provide services to, any person or entity or engaging in any business of any type or form, with such notice including the identity of the prospective employer or business, the specific division (if applicable) for which the Participant will be performing services, the title or position to be assumed by the Participant, the physical location of the position to be assumed by the Participant, and the responsibilities of the position to be assumed by the Participant. The Participant hereby authorizes the Company and/or any of its Affiliates, at their discretion, to contact the Participant's prospective or subsequent employers and inform them of this Section or any other policy or employment agreement between the Participant and the Company and/or its Affiliates that may be in effect at the termination of the Participant's employment with the Employer.

(e) Non-Disparagement. During the term of Participant's employment and for the two (2)-year period commencing on the day following the last day of the Participant's employment with the Employer (whether by the Participant or the Employer and whether for any or no reason), the Participant shall not make or intentionally cause or direct others to make any written or oral statement that disparages or otherwise are slanderous, libelous, or defamatory towards on the

Company or its Affiliates, or their respective business relations. Without in any way limiting the scope or effect of the preceding sentence, the Participant specifically agrees, represents and warrants that the Participant shall not directly or indirectly disparage the Company's and/or its Affiliates': (i) officers, management, business practices, policies, procedures and/or operations, (ii) employees or other personnel, employment or other personnel-related decisions, staffing, and/or hiring or termination decisions, practices or other personnel-related activities or occurrences, and/or any other employment-related decisions, actions or practices by or relating to the Company or the Affiliates, or (iii) any other policies, procedures or matters concerning or relating to the Company, including but not limited to the Company's business, operations, employees, management, Customers, suppliers, activities, products, services or any other matter relating to the Company or its Affiliates; provided that this non-disparagement provision shall not prohibit any statement, reporting or other action this is permitted by subsection (b)(ii) of this Section. Moreover, unless permitted by applicable law, and subject to subsection (b)(ii) of this Section, the Participant shall not encourage or aid any person or entity in the pursuit of any cause of action, lawsuit or any other claim or dispute of any kind against the Company and/or its Affiliates.

(f) Consideration/Reasonableness of Restrictions.

(i) Consideration. The Participant agrees and acknowledges that the Participant has received valuable and adequate consideration in exchange for the restrictions in this Section, including but not limited to the Award to the Participant under the terms and conditions specified in this Agreement, offer of employment or continued employment with the Employer, training and continued training, access to the Confidential Information, and access to the Customers and Key Business Partners.

(ii) Reasonableness of Restrictions. The Participant understands and acknowledges the importance of the relationships which the Company and its Affiliates have with their Employees, Customers and Key Business Partners, as well as how significant the maintenance of the Confidential Information is to the business and success of the Company and its Affiliates, and acknowledges the steps the Company and its Affiliates have taken, are taking and will continue to take to develop, preserve and protect these relationships and the Confidential Information. Accordingly, the Participant agrees that the scope and duration of the restrictions and limitations described in this Section are reasonable and necessary to protect the legitimate business interests of the Company and its Affiliates, and the Participant agrees and acknowledges that all restrictions and limitations relating to the period following the end of the Participant's employment or service with the Employer will apply regardless of the reason the Participant's employment or service ends. The Participant agrees and acknowledges that the enforcement of this Section will not in any way preclude the Participant from becoming gainfully employed or engaged as a contractor in such manner and to such extent as to provide the Participant with an adequate standard of living.

(iii) Participant's Notice to Consult An Attorney. The Company hereby advises the Participant to consult with an attorney (chosen by the Participant and at the Participant's cost) prior to signing this Agreement, including with respect to the non-solicitation provisions and other restrictive covenants contained in this Section. The Participant hereby acknowledges receipt of this notice by the Company.

(iv) Review Period. The Participant has at least fourteen (14) calendar days to review this Agreement before agreeing to its terms (although the Participant may elect to voluntarily sign it before the end of this review period).

(v) Tolling. Notwithstanding anything herein to the contrary, if the Participant breaches any of the non-solicitation restrictions in Section 15(c), then the Restricted Period (or the Enhanced Restricted Period, if applicable) shall be tolled (retroactive to the date such breach commenced) until such breach or violation has been duly cured.

(vi) Modification. If any provision or term in this Section is declared invalid or unenforceable by a court of competent jurisdiction, the invalid and unenforceable portion shall be reformed to the maximum time, activity-related restrictions and/or limitations permitted by applicable law, so as to be valid and enforceable. If any such provision cannot be made valid and enforceable, it shall be severed from this Agreement without affecting the remainder of this Agreement.

(vii) Breach/Remedies. Notwithstanding anything to the contrary in this Agreement, the Participant agrees and acknowledges that the breach of this Section would cause substantial loss to the goodwill of the Company and/or its Affiliates, and cause irreparable harm for which there is no adequate remedy at law. Further, because the Participant's employment with the Employer is personal and unique, because damages alone would not be an adequate remedy and because of the Participant's access to the Confidential Information, the Company and/or its Affiliates shall have the right to enforce this Section, including any of its provisions, by injunction, specific performance, or other equitable relief, without having to post bond or prove actual damages, and without prejudice to any other rights and remedies that the Company and/or its Affiliates may have for a breach of this Section, including, without limitation, money damages. The Participant agrees and acknowledges that notwithstanding the arbitration provisions in this Agreement, the Company may elect to file and pursue claims which arise from or relate to the Participant's actual or threatened breaches of this Section in state or federal court of competent jurisdiction. The Participant shall be liable to pay all costs, including reasonable attorneys' and experts' fees and expenses, that the Company and/or its Affiliates may incur in enforcing or defending this Section, whether or not litigation is actually commenced and including litigation of any appeal taken or defended by the Company and/or its Affiliates where the Company and/or its Affiliates succeed in enforcing any provision of this Section.

(viii) Forfeiture and Repayment Provisions. Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement, the Participant agrees that during the Restricted Period (or the Enhanced Restricted Period, if/as applicable), if the Participant breaches any of the terms or conditions in this Section, then in addition to all rights and remedies available to the Company and/or its Affiliates at law and in equity, the Participant shall immediately forfeit any portion of the Award that has not otherwise been previously forfeited under the applicable terms of this Agreement and that has not yet been paid, exercised, settled, or vested. The Company and/or its Affiliates may also require repayment from the Participant of any and all of the compensatory value of the Award that the Participant received during the Restricted Period (or the Enhanced Restricted Period, as applicable), including without limitation the gross amount of any Common Stock

distribution or cash payment made to the Participant upon the vesting, distribution, exercise, or settlement of the Award and/or any consideration in excess of such gross amounts received by the Participant upon the sale or transfer of the Common Stock acquired through vesting, distribution, exercise or settlement of the Award. The Participant shall promptly pay the full amount due upon demand by the Company and/or its Affiliates, in the form of cash or shares of Common Stock at current Fair Market Value.

(ix) Waiver. The waiver of any breach of the terms of this Section shall not constitute the waiver of any other or further breach hereunder, whether or not of a like nature or kind. No waiver by the Company or any of its Affiliates of the breach of any term contained in a similar agreement between the Company and/or any of its Affiliates and any other employee or participant, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a waiver of the breach of any term of this Section. No waiver of any provision of this Section shall be valid unless in writing and signed by an authorized representative of the Company or one or more of its Affiliates.

(x) Interpretation. Any reference to "Section" or "subsection" in this Section 15 shall refer to this Section 15 or respective subsection.

16. **Arbitration**. In lieu of litigation by way of court or jury trial, any dispute or controversy arising hereunder shall be settled by arbitration, in accordance with the arbitration agreement currently in effect by separate agreement between the Participant and the Company or any of its Affiliates and which is incorporated herein by reference. In the event that such arbitration agreement is determined to be inapplicable or unenforceable or if no such arbitration agreement is then in effect, the parties mutually agree to arbitrate any dispute arising out of or related to this Agreement pursuant to the terms of this paragraph. The parties agree that this Agreement provides sufficient consideration for that obligation and the mutual promises to arbitrate also constitutes consideration for this agreement to arbitrate. The following terms and conditions shall apply to such arbitration hereunder. The arbitration shall be conducted before a single arbitrator in accordance with the Employment Arbitration Rules of the American Arbitration Association ("AAA Rules") then in effect, and shall be governed by the Federal Arbitration Act. Judgment may be entered on the award of the arbitrator in any court having jurisdiction. Unless provided otherwise in the arbitrator's award, each party will pay its own attorneys' fees and costs. To the extent required by law or the AAA Rules, all administrative costs of arbitration (including filing fees) and the fees of the arbitrator will be paid by the Company. The Participant and the Company waive the right for any dispute to be brought, heard, decided, or arbitrated as a class and/or collective action (or joinder or consolidation with claims of any other person), and the parties agree that, regardless of anything else in this arbitration provision or the AAA Rules, the interpretation, applicability, enforceability or formation of the class action waiver in this provision may only be determined by a court and not an arbitrator. Regardless of anything else in this Agreement, this arbitration provision may not be modified or terminated absent a writing signed by the Participant and the Company stating an intent to modify or terminate the arbitration provision.

17. **Governing Law**. Except as otherwise provided in the foregoing Section or an Appendix to this Agreement, this Agreement and any disputes hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without application of its conflicts of laws principles.

18. **Miscellaneous**. This Agreement, together with the Plan, is the entire agreement of the parties with respect to the PSUs granted hereby and may not be amended except in a writing signed by both the Company and the Participant or his or her Representative. If any

provision of this Agreement is deemed invalid, it shall be modified to the extent possible and minimally necessary to be enforceable, and, in any event, the remainder of this Agreement will be in full force and effect.

19. **Forfeiture and Clawback of Award.** Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement and as a condition to the receipt of this Award, the rights, payments and benefits with respect to this Award and any shares of Common Stock acquired pursuant to this Award are subject to reduction, cancellation, forfeiture, or recoupment by the Company if and to the extent permitted by Section 15.3 of the Plan, required in accordance with Company policy as in effect from time to time (“Forfeiture and Clawback Policy”), and/or as otherwise required by applicable law, rule or regulation of the Securities and Exchange Commission, or rule or listing requirement of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) as in effect from time to time (collectively with the Forfeiture and Clawback Policy, “Applicable Requirements”) in connection with an accounting restatement or under such other circumstances as specified in the Applicable Requirements. Any determination made and action taken under the Forfeiture and Clawback Policy shall be final, binding and conclusive.

ADDITIONAL PROVISIONS APPLICABLE ONLY TO EXECUTIVE OFFICERS OF THE COMPANY:

20. **Stock Holding Period.** The Participant agrees to hold the shares of Common Stock acquired upon the conversion of the PSUs for a minimum of 12 months following their Settlement Date. This holding period shall not apply to shares of Common Stock withheld by the Company to settle tax liabilities related to vesting and/or settlement, and as otherwise may be provided under the Company’s Stock Ownership Policy.

EXHIBIT A

Vesting Schedule Based on Relative TSR

A. Definition of Terms:

“Additional Shares” means any shares of Common Stock to be issued to the Participant on the Vesting Date in the event that the Company’s Relative TSR Percentile Rank exceeds the Target Performance Level.

“Award Agreement” means the Performance Share Unit Award Agreement to which this Exhibit is a part, pursuant to which an award of PSUs has been granted.

“Cause” is defined in Section 11(c) of the Award Agreement.

“Company’s Relative TSR Percentile Rank” means the Company’s TSR Percentile Rank relative to the companies in the Peer Group as certified by the Committee for the Performance Period.

“Disability” means that the Participant either: (A) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months and, with respect to a Participant who is an Employee, is receiving income replacement benefits for a period of not less than three months under an accident and health plan (*e.g.*, a long term disability plan) covering Employees of the Company or Affiliate that employs the Participant; or (B) is determined to be totally disabled by the Social Security Administration or Railroad Retirement Board.

“Grant Date” is defined in the first paragraph of the Award Agreement.

“Peer Group” means the peer group approved by the Committee which shall be the companies that comprised the S&P Supercomposite Insurance Index at the beginning of the Performance Period (other than the Company), adjusted as of the end of the Performance Period to remove any such companies which are no longer included in the S&P Supercomposite Insurance Index as of the last day of the Performance Period.

“Performance Period” means the three-year period starting on February 1 of the calendar year in which the Grant Date occurs (“Start Date”) and ending on the calendar day immediately preceding the three-year anniversary of the Start Date.

“Retirement Eligible” means that the Participant has either attained age 55 and completed 10 years of Service as an Employee or attained age 60 and completed five years of Service as an Employee.

“Separation from Service” has the meaning ascribed to such term in Section 409A.

“Service” means the period during which the Participant is an Employee, Director or a Third Party Service Provider; provided, however, that the Participant will not be deemed to be in service after the Company divests its control in the Affiliate for which the Participant is exclusively in Service, or if the Company’s control of such Affiliate otherwise ceases.

“Target Performance Level” means the Company’s Relative TSR Percentile Rank at the 50th percentile.

“Target Units” means one hundred percent (100%) of the total number of PSUs granted on the Grant Date, as specified in Section 1 of the Award Agreement.

“TSR” means Total Shareholder Return as determined by the Committee for the Performance Period.

“TSR Percentile Rank” means the percentile performance of the Company and each of the companies in the Peer Group based on the TSR for such company as determined by the Committee for the Performance Period.

“Vesting Date” means the date that the Committee certifies the Company’s Relative TSR Percentile Rank, except as otherwise provided in Section E below.

B. Determination of Vesting Date Events:

As soon as practicable following the end of the Performance Period, the Committee will determine the Company’s Relative TSR Percentile Rank in accordance with the methodology described in the next section below. The Company’s Relative TSR Percentile Rank will determine the number of Target Units that will vest or be forfeited on the Vesting Date, and the number of Additional Shares, if any, that will be issued to the Participant on the Vesting Date, as described below under “Vesting Determination.”

C. TSR Percentile Rank Calculation Methodology:

The Company’s Relative TSR Percentile Rank will be calculated in a two-step process. First, the TSR will be calculated for the Company and each company in the Peer Group. Then, the TSR Percentile Rank for the Company and each of the companies in the Peer Group will be determined. The TSR and the TSR Percentile Rank will be determined by the Committee in accordance with the formula and methods approved by the Committee, as described below.

Formula for Calculating TSR

For purposes of this Exhibit, the TSR for the Company and each of the companies comprising the Peer Group will be calculated as follows:

$$\frac{\text{Ending Stock Price} - \text{Beginning Stock Price} + \text{Dividends Reinvested on all Ex-Dividend Dates}}{\text{Beginning Stock Price}}$$

Share Price Averaging Period

The beginning and ending stock prices in the above formula for TSR will be calculated using a trailing average approach (*i.e.*, average of the closing stock prices for 20 consecutive trading days prior to the beginning and end of the Performance Period).

Reinvestment of Dividends and Other Adjustments

The above TSR formula assumes that dividends are paid and reinvested into additional shares of Common Stock on their ex-dividend dates. TSR will be adjusted for stock dividends, stock splits, spin-offs and other corporate changes having a similar effect.

Calculation of TSR Percentile Rank

The percentile performance for determining the TSR Percentile Rank will be measured using the Microsoft Excel function PERCENTRANK.

D. Vesting Determination:

Except as otherwise provided in Section E, the PSUs held by the Participant will vest, to the extent earned for the Performance Period, and Additional Shares, if any, will be issued to the Participant, on the Vesting Date only if the Participant has not had a Separation from Service prior to such date. Once the Company's Relative TSR Percentile Rank is determined by the Committee, the Company will confirm the number of Target Units that will vest or be forfeited on the Vesting Date, and the number of Additional Shares, if any, that will be issued to the Participant on the Vesting Date consistent with the following provisions:

- If the Company's Relative TSR Percentile Rank is at the Target Performance Level, 100% of the Target Units will vest on the Vesting Date. If the Company's Relative TSR Percentile Rank is above the Target Performance Level, Additional Shares will also be issued to the Participant on the Vesting Date. If the Company's Relative TSR Percentile Rank is less than the Target Performance Level, some or all of the Target Units will be forfeited.
- The number of the Target Units that will vest on the Vesting Date, and the number of any Additional Shares that will be issued to the Participant on the Vesting Date, will be determined in accordance with the table set forth below. Any Target Units that do not vest in accordance with the table will be forfeited on the Vesting Date.

If the Company's Relative TSR Percentile Rank for the Performance Period falls between the percentile levels specified in the first column of the table, the number of PSUs that will vest or Additional Shares that will be granted or forfeited on the Vesting Date shall equal the number corresponding to the percentage interpolated on a straight-line basis.

Company's Relative TSR Percentile Rank	Total PSUs to Vest (and/or Additional Shares to be Granted) on Vesting Date as Percentage of Target Units
90 th or Higher	200%
75 th	150%
50 th	100%
25 th	50%
Below 25 th	0%

E. Determination of Vesting in Case of Certain Terminations and Other Events:

Notwithstanding any contrary provisions of the Plan:

(1) Retirement Eligible. (a) Except as otherwise provided in Section (1)(b) or in another subsection of this Section E, if the Participant is Retirement Eligible, any PSUs that will vest and Additional Shares that will be issued on the Vesting Date will be based on the extent earned for the Performance Period as determined in accordance with the provisions of Sections A – D above, and then reduced pro-rata by multiplying any such PSUs and Additional Shares by a fraction, the numerator of which is the number of full months in the Performance Period during which the Participant was actively in Service, and the denominator of which is the total number of months in the Performance Period. A partial month worked shall be counted as a

full month if the Participant was actively working for 15 or more days in that month. All PSUs that do not vest in accordance with this provision shall be forfeited.

(b) If, on or prior to the last day of the Performance Period, the Participant is Retirement Eligible and either (i) becomes an employee of a competitor of the Company or any of its Affiliates or otherwise engages in any activity that is competitive with the Company or any of its Affiliates, as determined by the Committee in its sole discretion, or (ii) the Participant's Service is terminated, or is deemed to be terminated, for Cause, then any of the PSUs that are restricted on the date of such employment, activity or termination shall be forfeited to the Company. For purposes of the preceding sentence, a Participant's Service shall be deemed terminated for Cause if the Participant resigns or is terminated and the Committee determines in good faith, either before, at the time of, or after such termination, that one or more of the events or actions described in the definition of Cause in Section 11(c) of the Award Agreement existed as of the time of such termination.

(2) Termination on Death or Disability. The Vesting Date shall be the date of the Participant's death or Disability if the Participant dies or becomes Disabled prior to the three-year anniversary of the Grant Date: (i) while in Service; or (ii) after terminating Service if the Participant (A) was Retirement Eligible on the date of such termination of Service for a reason other than Cause, and (B) had not, at any time prior to the date of the Participant's death or Disability, become an employee of a competitor of the Company or any of its Affiliates or otherwise engaged in any activity that is competitive with the Company or any of its Affiliates, as determined by the Committee in its sole discretion. On such Vesting Date: (a) the Performance Period shall be deemed to have been completed; (b) a number of PSUs shall vest in an amount equal to the number of Target Units multiplied by a fraction, the numerator of which is the number of full months in the Performance Period during which the Participant was actively in Service, and the denominator of which is the total number of months in the original Performance Period (a partial month worked shall be counted as a full month if the Participant was actively in Service for 15 or more days in that month); (c) no Additional Shares shall be issued to the Participant; and (d) all PSUs that do not vest in accordance with this provision shall be forfeited.

(3) Termination on Divestiture. Except as otherwise provided below or in another subsection of this Section E, in the event that, prior to the three-year anniversary of the Grant Date, the Participant is no longer employed by the Company or an Affiliate as a result of the Company's divestiture of the business for which the Participant primarily performed services or its controlling interest in the Affiliate for which the Participant was exclusively in Service, or other cessation of the Company's control of such Affiliate, the following terms shall apply. Any PSUs that will vest and Additional Shares that will be issued on the Vesting Date will be based on the extent earned for the Performance Period as determined in accordance with the provisions of Sections A – D above, and then reduced pro-rata by multiplying the number of any such PSUs and Additional Shares by a fraction, the numerator of which is the number of full months in the Performance Period during which the Participant was actively in Service, and the denominator of which is the total number of months in the Performance Period. A partial month worked shall be counted as a full month if the Participant was actively working for 15 or more days in that month. All PSUs that do not vest in accordance with this provision shall be forfeited.

(4) Other Termination of Service. If the Participant ceases to be in Service prior to the Vesting Date (including, without limitation, by reason of a divestiture or cessation of control of an Affiliate), and is not Retirement Eligible or subject to a divestiture, under circumstances other than those set forth in the foregoing subsections (1) – (3) of this Section E or Section 11(b) of the Award Agreement, all unvested PSUs held by the Participant shall be forfeited to the

Company on the date of such cessation of Service, and no Additional Shares shall be issued to the Participant.

(5) Leave of Absence. In the event that the Participant is on an approved Leave of Absence (other than a short-term disability or Family and Medical Leave Act leave) at the end of the Performance Period or takes such a Leave of Absence at any time during the Performance Period, then the PSUs will vest, forfeit or be granted, as applicable, to the extent earned for the Performance Period, in an amount equal to the number of Target Units that would vest and the number of Additional Shares that would be issued in accordance with the provisions of Sections A – D above, if any, multiplied by a fraction, the numerator of which is the number of full months in the Performance Period during which the Participant was an active Employee not on such Leave of Absence and the denominator of which is the total number of months in the Performance Period.

F. Interpretations Related to Calculations and Determinations Related to Performance:

(1) Interpretations. The Committee shall have the reasonable discretion to interpret or construe ambiguous, unclear or implied terms applicable to this Agreement, and to make any findings of fact necessary to make a calculation or determination hereunder.

(2) Disagreements. A decision made in good faith by the Committee or the Company shall govern and be binding in the event of any dispute regarding a method of calculation of performance or a determination of vesting or forfeiture in connection with this Award.

(3) Method of Calculating Final Number of Vested or Forfeited PSUs.

The following methods shall apply in determining the number of PSUs that will vest or be forfeited and any Additional Shares that will be issued on the Vesting Date pursuant to Section D above. As a general rule, the determination for performance that falls between Percentile Rank points in the table in Section D above would be interpolated on a straight-line basis, as stated in Section D.

Specifically, the formula to be used to calculate the final number of PSUs that will vest or be forfeited and any Additional Shares that will be issued is as follows:

- For TSR performance between the 25th & 50th Percentile Ranks, the number of PSUs that will vest as a % of the total number of PSUs equals: $50\% + [(Actual\ Percentile\ Rank - 25)/50\%]\%$
- For TSR performance between the 50th & 75th Percentile Ranks, the number of PSUs that will vest and Additional Shares that will be issued as a % of the total number of PSUs equals: $100\% + [(Actual\ Percentile\ Rank - 50)/50\%]\%$
- For TSR performance between the 75th & 90th Percentile Ranks, the number of PSUs that will vest and Additional Shares that will be issued as a % of the total number of PSUs equals: $150\% + [(Actual\ Percentile\ Rank - 75)/30\%]\%$

Note that since the interval between the 75th & 90th Percentile Rank is shorter (15 percentiles) compared to the other quadrants (25 percentiles), the vesting result for this particular quadrant would be higher compared to the other quadrants.

(4) Rounding Conventions.

- Regarding rounding of TSRs, percentages for each company in the Peer Group shall be computed to two decimal points (i.e., XX.XX%).
- Regarding TSR Percentile Rank, the percentile rankings for each company in the Peer Group shall be rounded to the nearest percentage (e.g., 85% rather than 85.4166666%) before calculating the linearly interpolated payout, and the final payout percentage shall be rounded to the nearest percentage (e.g., 183% rather than 183.333333%).
- Target Units that will vest and any Additional Shares that will be issued from the application of the methods and formula set forth in the foregoing subsection F(3) and Section D above shall only be paid out in whole shares of Common Stock. Any fractional shares that would otherwise result from such application shall be rounded down to the nearest whole number of shares.

Appendix I (Employees Whose Primary Residences are Located in California)

If the Participant's primary residence is located in the State of California:

1. Sections 15(c)(i) and (c)(ii) of the foregoing Agreement shall be replaced with the following:

15(c)(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees to the extent that the Participant uses or misuses Confidential Information (as the term is defined in this Section) to so solicit and/or interfere. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, use or rely in any manner on any Confidential Information to directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i).

15(c)(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in its and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue or terminate Customer's patronage and/or

business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate.

2. Any claims relating to Section 15 of the Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

Kemper Corporation 2020 Omnibus Equity Plan

2022 GRANT OF RESTRICTED STOCK UNITS AWARD AGREEMENT

(Cliff-Vesting Form)

This 2022 GRANT OF RESTRICTED STOCK UNITS AWARD AGREEMENT (“Agreement”) is made as of this _____ day of _____, 2022 (“Grant Date”) between KEMPER CORPORATION, a Delaware corporation (“Company”), and «name» (“Participant”) for an Award of restricted stock units (“RSUs”), each representing the right to receive one share of the Company’s common stock (“Common Stock”) on the terms and conditions set forth in this Agreement.

SIGNATURES

As of the date set forth above, the parties have accepted the terms of this Agreement by signing this Agreement by an electronic signature, and each party agrees that such signature shall not be denied legal effect, validity or enforceability solely because it was submitted or executed electronically.

KEMPER CORPORATION **PARTICIPANT**

By: _____
«CEO Signature and Title» «name»

RECITALS

A. The Board of Directors of the Company (“Board”) has adopted the Kemper Corporation 2020 Omnibus Equity Plan (“Plan”), including all amendments to date, to be administered by the Compensation Committee of the Board or any subcommittee thereof, or any other committee designated by the Board to administer the Plan (“Committee”). Capitalized terms that are not defined herein shall be defined in accordance with the Plan.

B. The Plan authorizes the Committee to grant to selected Employees, Directors and Third-Party Service Providers awards of various types, including restricted stock units providing the right to receive shares of Common Stock under specified terms and conditions.

C. Pursuant to the Plan, the Committee has determined that it is in the best interest of the Company and its shareholders to grant an Award of RSUs to the Participant under the terms and conditions specified in this Agreement as an inducement to remain in the service of the Company and an incentive for increased effort during such service.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Grant.** The Company grants an aggregate of «shares» («shares») RSUs, which represent the Company’s unfunded and unsecured promise to issue shares of Common Stock, to the Participant, subject to the terms and conditions set forth in this Agreement. The RSUs shall not entitle the Participant to any rights of a shareholder of Common Stock and the Participant has no rights with respect to the Award other than rights as a general creditor of the Company.

2. **Governing Plan.** This Award is granted pursuant to the Plan, which is incorporated herein for all purposes. The Participant agrees to be bound by the terms and conditions of the Plan, which controls in case of any conflict with this Agreement, except as

otherwise provided for in the Plan. No amendment of the Plan shall adversely affect this Award in any material way without the written consent of the Participant.

3. **Restrictions on Transfer.** The RSUs shall be restricted during a period (“Restriction Period”) beginning on the Grant Date and expiring on the Settlement Date (as defined in Section 6 below). During the Restriction Period, neither this Agreement, the RSUs nor any rights and privileges granted hereby may be transferred, assigned, pledged or hypothecated in any way, whether by operation of the law or otherwise (any such disposition being referred to herein as a “Transfer”), except by will or the laws of descent and distribution. Without limiting the generality of the preceding sentence, no rights or privileges granted hereby may be Transferred during the Restriction Period to the spouse or former spouse of the Participant pursuant to any divorce proceedings, settlement or judgment, unless approved by the Committee. Any attempt to Transfer this Agreement, the RSUs or any other rights or privileges granted hereby contrary to the provisions hereof shall be null and void and of no force or effect, and the Company shall not recognize or give effect to any such Transfer on its books and records or recognize the person to whom such purported Transfer has been made as the legal or beneficial holder of such RSUs.

4. **Vesting and Forfeiture.**

(a) **Vesting.** To the extent not previously forfeited, the RSUs shall fully vest on the earliest to occur of the following (“Vesting Date”):

- (i) the second anniversary of the Grant Date, if the Participant continues in Service through such date;
- (ii) the date of the Participant’s death, if the Participant dies while in Service;
- (iii) the date of the Participant’s Disability, if the Participant becomes Disabled while in Service; or
- (iv) the date upon which vesting is accelerated in accordance with Section 11(b) or otherwise by the Committee in its discretion in accordance with the terms of the Plan.

(b) **Termination of Service.** On the date of the Participant’s cessation of Service, all unvested RSUs that do not vest upon such cessation of Service in accordance with this Agreement shall be forfeited to the Company. If the Participant’s Service is terminated, or is deemed to be terminated, for Cause, any outstanding portion of the RSUs held by the Participant (vested or unvested) shall be forfeited to the Company on the date of such termination of Service. For purposes of the preceding sentence, a Participant’s Service shall be deemed terminated for Cause if the Participant resigns or is terminated and the Committee determines in good faith, either before, at the time of, or after such termination, that one or more of the events or actions described in the definition of Cause below existed as of the time of such termination.

(c) **Certain Definitions.**

(i) “Cause” means any of the following: (1) the Participant’s theft or falsification of any Company or Affiliate documents, records or property; (2) the Participant’s improper use or disclosure of the Company’s or an Affiliate’s confidential or proprietary information in breach of the Company’s Essential Standards of Conduct or an applicable contractual or other obligation, or using such information for personal gain including, without limitation, by trading in Company securities on the basis of material, non-public information; (3) fraud,

misappropriation of or intentional material damage to the property or business of the Company or an Affiliate or other action by the Participant which has a material detrimental effect on the Company's or an Affiliate's reputation or business as determined by the Committee; (4) the Participant's material failure or inability to perform any reasonable assigned and lawful duties after written notice from the Company or Affiliate of such failure or inability, and such failure or inability is not cured by the Participant within ten (10) business days; (5) the Participant's conviction (including any plea of guilty or nolo contendere) of any felony or any criminal violation involving fraud, embezzlement, misappropriation, dishonesty, the misuse or misappropriation of money or other property or any other crime which has or would reasonably be expected to have an adverse effect on the business or reputation of the Company or an Affiliate or (6) a material breach by the Participant of the policies and procedures of the Company or an Affiliate, including, but not limited to, any breach of the Company's Essential Standards of Conduct and the requirements of Section 15 below.

(ii) "Disabled" or "Disability" means that the Participant either:

(A) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and, with respect to a Participant who is an Employee, is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan (*e.g.*, a long term disability plan) covering Employees of the Company or Affiliate that employs the Participant; or

(B) is determined to be totally disabled by the Social Security Administration or Railroad Retirement Board.

(iii) "Employer" means the Company or Affiliate by whom the Participant is employed, or to whom the Participant provides services.

(iv) "Good Reason" means any action taken by the Employer which results in a material negative change to the Participant in the employment relationship, such as the duties to be performed, the conditions under which such duties are to be performed or the compensation to be received for performing such services. A termination by the Participant shall not constitute termination for Good Reason unless the Participant shall first have delivered to the Employer written notice setting forth with specificity the occurrence deemed to give rise to a right to terminate for Good Reason (which notice must be given no later than ninety (90) days after the occurrence of such event), and there shall have passed a reasonable time (not less than thirty (30) days) within which the Employer may take action to correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by the Participant.

(v) "Service" means the period during which the Participant is an Employee, Director or Third Party Service Provider; provided, however, that the Participant will not be deemed to be in Service after the Company divests its control in the Affiliate for whom the Participant is exclusively in Service, or if the Company's control of such Affiliate otherwise ceases.

5. **Dividend Equivalents.** If a cash dividend is declared and paid by the Company with respect to the Common Stock during the Restriction Period, the Participant shall be eligible to receive a cash payment equal to the total cash dividend the Participant would have received had the RSUs been actual shares of Common Stock, provided that the Participant vests in the RSUs. Any such cash payment shall be made on the Settlement Date (as defined below) and it shall be subject to applicable tax withholding obligations as described in Section 8.

6. **Conversion of RSUs; Issuance of Common Stock.** Except as otherwise provided in Section 10, the Company shall cause one share of Common Stock to be issued, within the time period provided below, for each RSU that is vesting on the Vesting Date.

Any issuance of Common Stock shall be subject to applicable tax withholding obligations as described in Section 8 and shall be in book-entry form, registered in the Participant's name (or in the name of the Participant's Representative, as the case may be), in payment of whole RSUs. Any fractional shares of Common Stock that would otherwise be issued to the Participant shall instead be paid in the form of cash. Except as otherwise provided in Section 10, in no event shall the date that Common Stock is issued to the Participant ("Settlement Date") occur later than the first to occur of (a) March 15th following the calendar year in which the Vesting Date occurred, or (b) 90 days following the Vesting Date.

7. **Fair Market Value of Common Stock.** The fair market value ("Fair Market Value") of a share of Common Stock shall be determined for purposes of this Agreement by reference to the closing price of a share of Common Stock as reported by the New York Stock Exchange (or such other exchange on which the shares of Common Stock are primarily traded) for the applicable date or if no prices are reported for that day, the last preceding day on which such prices are reported (or, if for any reason no such price is available, the Fair Market Value shall be determined by the Company in its sole discretion in accordance with the Plan).

8. **Withholding of Taxes.** The Participant acknowledges that the vesting of the RSUs will result in the Participant being subject to payroll taxes upon the Vesting Date (if the Participant is an Employee or was an Employee on the Grant Date), except as otherwise determined by the Company and permitted by regulations issued under Section 3121(v)(2) of the Code, and that the issuance of Common Stock pursuant to Section 6 will result in the Participant being subject to income taxes upon the Settlement Date. Upon a required withholding date, the Company will deduct from the shares of Common Stock that are otherwise due to be delivered to the Participant shares of Common Stock having a Fair Market Value not in excess of the tax withholding requirements based on the maximum statutory withholding rates for the Participant for federal, state and local tax purposes (including the Participant's share of payroll or similar taxes) in the applicable jurisdiction, and the Participant shall remit to the Company in cash any and all applicable withholding taxes that exceed the amount available to the Company using shares with respect to which the Settlement Date has occurred.

9. **Section 409A.** The Company intends that the Award hereunder shall either be exempt from the application of, or compliant with, the requirements of Section 409A and this Agreement shall be interpreted and administered in accordance with such intent. In no event shall the Company and/or its Affiliates be liable for any tax, interest or penalties that may be imposed on the Participant (or the Participant's estate) under Section 409A.

10. **Shares to be Issued in Compliance with Federal Securities Laws and Other Rules.** No shares of Common Stock issuable in settlement of the RSUs shall be issued and delivered unless and until there shall have been full compliance with all applicable requirements of the Securities Act of 1933, as amended ("Act") (whether by registration or satisfaction of exemption conditions), all applicable listing requirements of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then

listed) and any other requirements of law or of any regulatory bodies having jurisdiction over such issuance and delivery. The Company shall use its best efforts and take all necessary or appropriate actions to ensure that such full compliance on the part of the Company is made. By signing this Agreement, the Participant represents and warrants that none of the shares to be acquired in settlement of the RSUs will be acquired with a view towards any sale, transfer or distribution of said shares in violation of the Act, and the rules and regulations promulgated thereunder, or any applicable "blue sky" laws, and that the Participant hereby agrees to indemnify the Company in the event of any violation by the Participant of such Act, rules, regulations or laws. The Company will use its best efforts to complete all actions necessary for such compliance so that settlement can occur within the period specified in Section 6; provided that if the Company reasonably anticipates that settlement within such period will cause a violation of applicable law, settlement may be delayed provided that settlement occurs at the earliest date at which the Company reasonably anticipates that such settlement will not cause a violation of applicable law, all in accordance with Treas. Reg. §1.409A-2(b)(7)(ii).

11. **Certain Adjustments; Change in Control.**

(a) If, during the term of this Agreement, there shall be any equity restructurings (within the meaning of FASB Accounting Standards Codification® Topic 718) that causes the per share value of a share of Common Stock to change, such as a stock dividend, stock split, spin off, rights offering, or recapitalization through a large, nonrecurring cash dividend, and similar matters, the Committee shall make or cause to be made an equitable adjustment to the number and kind of RSUs subject to the Award. If, during the term of this Agreement, there shall be any other changes in corporate capitalization, the Committee shall make or cause to be made an appropriate and equitable substitution, adjustment or treatment with respect to the RSUs in a manner consistent with Sections 4.3 and 21.2 of the Plan. The Committee's determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional RSUs shall be issued under the Plan on any such adjustment.

(b) In the event of a Change in Control as defined in Section 20.1(a) or (b) of the Plan, except as prohibited by applicable laws, rules, regulations or stock exchange requirements, if the Service of a Participant is terminated within the two (2)-year period following such Change in Control by the Company or an Affiliate for reasons other than Cause or by the Participant for Good Reason, any Restriction Period shall lapse and the RSUs shall immediately vest and be paid out or distributed without further restriction.

12. **Participation by Participant in Other Company Plans.** Nothing herein contained shall affect the right of the Participant to participate in and receive benefits under and in accordance with the then current provisions of any retirement plan or employee welfare benefit plan or program of the Company or of any Affiliate of the Company, subject in each case, to the terms and conditions of any such plan or program.

13. **Not an Employment or Service Contract.** Nothing herein contained shall be construed as an agreement by the Company or any of its Affiliates, expressed or implied, to employ or contract for the services of the Participant, to restrict the right of the Company or any of its Affiliates to discharge the Participant or cease contracting for the Participant's services or to modify, extend or otherwise affect in any manner whatsoever, the terms of any employment agreement or contract for services which may exist between the Participant and the Company or any of its Affiliates.

14. **Death of the Participant.** In the event of the Participant's death prior to the Settlement Date, delivery of shares of Common Stock pursuant to Section 6 shall be made to the duly appointed and qualified executor or other personal representative of the Participant, to be distributed in accordance with the Participant's will or applicable intestacy law.

15. **Confidentiality, Non-Solicitation and Non-Disparagement.** The Participant agrees that the Award to the Participant under the terms and conditions specified in this Agreement is conditioned upon the Participant's compliance with the following confidentiality, non-solicitation and non-disparagement terms and conditions.

(a) **Definitions.** As used in this Section, the following terms have the meanings set forth below:

(i) "Confidential Information" means any and all confidential information, including without limitation any negotiations or agreements between the Company or its Affiliates and third parties, business and marketing plans and related materials, training materials, financial information, plans, executive summaries, capitalization tables, budgets, unpublished financial statements, costs, prices, licenses, employee, customer, supplier, shareholder, partner or investor lists and/or data, products, technology, know-how, business processes, business data, inventions, designs, patents, trademarks, copyrights, trade secrets, business models, notes, sketches, flow charts, formulas, blueprints and elements thereof, databases, compilations, and other intellectual property, whether written or otherwise. Some or all of the Confidential Information may also be entitled to protection as a "trade secret" under applicable state or federal law. Confidential Information does not include information that the Participant can prove was properly known to the Participant from sources permitted to disseminate the information prior to the Participant's employment by, or provision of services to, the Employer, or that has become publicly known and made generally available through no wrongful act of the Participant.

(ii) "Customer" means any customer of the Company or an Affiliate with which/whom the Participant had material communications, for which/whom the Participant performed any services, to which/whom the Participant sold any products, or about which/whom the Participant learned or had access to any Confidential Information, in each case during the twelve (12)-month period immediately preceding the Participant's termination of employment from, or provision of services to, the Employer (whether by Participant or the Employer and whether for any or no reason).

(iii) "Enhanced Restricted Period" means the twenty-four (24)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(iv) "Restricted Employee" means any person who was employed by the Company or an Affiliate and had Material Contact pursuant to the Participant's duties at any point during the period of twelve (12) months immediately preceding the Participant's last day of employment with the Employer. For purposes of this Section, "Material Contact" means interaction between the Participant and another employee of the Employer or an Affiliate: (A) with whom the Participant actually dealt or interacted; or (B) whose employment or dealings with the Employer or services for the Employer were directly or indirectly handled, coordinated, managed, or supervised by the Participant.

(v) "Restricted Period" means the twelve (12)-month period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason).

(b) Confidential Information.

(i) Protection of Confidential Information. At all times during the Participant's employment with, or provision of services to, the Employer, and at all times thereafter, the Participant agrees to: (A) hold the Confidential Information in strictest confidence, and not to directly or indirectly copy, distribute, disclose, divert, or disseminate, in whole or in part, any of such Confidential Information to any person, firm, corporation, association or other entity except (x) to authorized agents of the Employer who have a need to know such Confidential Information for the purpose for which it is disclosed, or (y) to other persons for the benefit of the Employer, in the course and scope of the Participant's employment with or service to the Employer; and (B) refrain from directly or indirectly using the Confidential Information other than as necessary and as authorized in the course and scope of the Participant's employment with, or provision of services to, the Employer. In the event the Participant receives a subpoena or other validly issued administrative or judicial order demanding production or disclosure of Confidential Information, the Participant shall promptly notify the Employer and provide a copy of such subpoena or order and tender to the Employer the defense of any such demand. The Participant may, if necessary, disclose Confidential Information in judicial proceedings relating to the enforcement of the Participant's rights or obligations under this Agreement; provided, however, that the Participant must first enter into an agreed protective order with the Employer protecting the confidentiality of the Confidential Information.

(ii) Notwithstanding the Participant's confidentiality and non-disclosure obligations under this Agreement or otherwise, as provided in the Federal Defend Trade Secret Act, the Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law, or to the Participant's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. The Participant understands and acknowledges that nothing in this Agreement prohibits the Participant from confidentially or otherwise communicating with or reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice or the Securities and Exchange Commission, or making other disclosures or statements that are protected under the whistleblower, collective bargaining, anti-discrimination and/or anti-retaliation provisions of federal or state law or regulation. The Participant understands that the Participant does not need prior authorization of the Employer to make any such reports or disclosures, and that the Participant is not required to notify the Employer that the Participant has made such reports or disclosures.

(c) Non-Solicitation.

(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers,

consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly, seek to recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i). Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(i) shall be replaced with those set forth in Appendix I of this Agreement.

(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in their and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not, directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue, or terminate Customer's or Key Business Partner's patronage and/or business relationship with the Company or an Affiliate; or (B) inviting, assisting, encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate. In addition to the foregoing restrictions, the Participant agrees that, during the Participant's employment with the Employer and during the Enhanced Restricted Period, the

Participant shall not be personally involved in the negotiation, competition for, solicitation or execution of any individual book roll over(s) or other book of business transfer arrangements involving the transfer of business away from the Company or an Affiliate. Notwithstanding the foregoing, if the Participant's primary residence is located in the State of California, the restrictions set forth in this subsection (c)(ii) shall be replaced with those set forth in Appendix I of this Agreement.

(d) Notification to New Employers. During the Restricted Period, the Participant shall notify any subsequent employer of the Participant's obligations under this Section prior to commencing employment. In addition, during the Restricted Period, the Participant shall provide the Employer and his/her prior manager at the Employer fourteen (14) days' advance written notice prior to becoming employed by, or retained to represent or provide services to, any person or entity or engaging in any business of any type or form, with such notice including the identity of the prospective employer or business, the specific division (if applicable) for which the Participant will be performing services, the title or position to be assumed by the Participant, the physical location of the position to be assumed by the Participant, and the responsibilities of the position to be assumed by the Participant. The Participant hereby authorizes the Company and/or any of its Affiliates, at their discretion, to contact the Participant's prospective or subsequent employers and inform them of this Section or any other policy or employment agreement between the Participant and the Company and/or its Affiliates that may be in effect at the termination of the Participant's employment with the Employer.

(e) Non-Disparagement. During the term of Participant's employment and for the two (2)-year period commencing on the day following the last day of the Participant's employment with the Employer (whether by Participant or the Employer and whether for any or no reason), the Participant shall not make or intentionally cause or direct others to make any written or oral statement that disparages or otherwise are slanderous, libelous, or defamatory towards the Company or its Affiliates, or their respective business relations. Without in any way limiting the scope or effect of the preceding sentence, the Participant specifically agrees, represents and warrants that the Participant shall not directly or indirectly disparage the Company's and/or its Affiliates': (i) officers, management, business practices, policies, procedures and/or operations, (ii) employees or other personnel, employment or other personnel-related decisions, staffing, and/or hiring or termination decisions, practices or other personnel-related activities or occurrences, and/or any other employment-related decisions, actions or practices by or relating to the Company or the Affiliates, or (iii) any other policies, procedures or matters concerning or relating to the Company, including but not limited to the Company's business, operations, employees, management, Customers, suppliers, activities, products, services or any other matter relating to the Company or its Affiliates; provided that this non-disparagement provision shall not prohibit any statement, reporting or other action this is permitted by subsection (b)(ii) of this Section. Moreover, unless permitted by applicable law, and subject to subsection (b)(ii) of this Section, the Participant shall not encourage or aid any person or entity in the pursuit of any cause of action, lawsuit or any other claim or dispute of any kind against the Company and/or its Affiliates.

(f) Consideration/Reasonableness of Restrictions.

(i) Consideration. The Participant agrees and acknowledges that the Participant has received valuable and adequate consideration in exchange for the restrictions in this Section, including but not limited to the Award to the Participant under the terms and conditions specified in this Agreement, offer of

employment or continued employment with the Employer, training and continued training, access to the Confidential Information, and access to the Customers and Key Business Partners.

(ii) Reasonableness of Restrictions. The Participant understands and acknowledges the importance of the relationships which the Company and its Affiliates have with their Employees, Customers and Key Business Partners, as well as how significant the maintenance of the Confidential Information is to the business and success of the Company and its Affiliates, and acknowledges the steps the Company and its Affiliates have taken, are taking and will continue to take to develop, preserve and protect these relationships and the Confidential Information. Accordingly, the Participant agrees that the scope and duration of the restrictions and limitations described in this Section are reasonable and necessary to protect the legitimate business interests of the Company and its Affiliates, and the Participant agrees and acknowledges that all restrictions and limitations relating to the period following the end of the Participant's employment or service with the Employer will apply regardless of the reason the Participant's employment or service ends. The Participant agrees and acknowledges that the enforcement of this Section will not in any way preclude the Participant from becoming gainfully employed or engaged as a contractor in such manner and to such extent as to provide the Participant with an adequate standard of living.

(iii) Participant's Notice to Consult An Attorney. The Company hereby advises the Participant to consult with an attorney (chosen by the Participant and at the Participant's cost) prior to signing this Agreement, including with respect to the non-solicitation provisions and other restrictive covenants contained in this Section. The Participant hereby acknowledges receipt of this notice by the Company.

(iv) Review Period. The Participant has at least fourteen (14) calendar days to review this Agreement before agreeing to its terms (although the Participant may elect to voluntarily sign it before the end of this review period).

(v) Tolling. Notwithstanding anything herein to the contrary, if the Participant breaches any of the non-solicitation restrictions in Section 15(c), then the Restricted Period (or the Enhanced Restricted Period, if applicable) shall be tolled (retroactive to the date such breach commenced) until such breach or violation has been duly cured.

(vi) Modification. If any provision or term in this Section is declared invalid or unenforceable by a court of competent jurisdiction, the invalid and unenforceable portion shall be reformed to the maximum time, activity-related restrictions and/or limitations permitted by applicable law, so as to be valid and enforceable. If any such provision cannot be made valid and enforceable, it shall be severed from this Agreement without affecting the remainder of this Agreement.

(vii) Breach/Remedies. Notwithstanding anything to the contrary in this Agreement, the Participant agrees and acknowledges that the breach of this Section would cause substantial loss to the goodwill of the Company and/or its Affiliates, and cause irreparable harm for which there is no adequate remedy at law. Further, because the Participant's employment with the Employer is personal and unique, because damages alone would not be an adequate remedy and because of the Participant's access to the Confidential Information, the

Company and/or its Affiliates shall have the right to enforce this Section, including any of its provisions, by injunction, specific performance, or other equitable relief, without having to post bond or prove actual damages, and without prejudice to any other rights and remedies that the Company and/or its Affiliates may have for a breach of this Section, including, without limitation, money damages. The Participant agrees and acknowledges that notwithstanding the arbitration provisions in this Agreement, the Company may elect to file and pursue claims which arise from or relate to the Participant's actual or threatened breaches of this Section in state or federal court of competent jurisdiction. The Participant shall be liable to pay all costs, including reasonable attorneys' and experts' fees and expenses, that the Company and/or its Affiliates may incur in enforcing or defending this Section, whether or not litigation is actually commenced and including litigation of any appeal taken or defended by the Company and/or its Affiliates where the Company and/or its Affiliates succeed in enforcing any provision of this Section.

(viii) Forfeiture and Repayment Provisions. Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement, the Participant agrees that during the Restricted Period (or the Enhanced Restricted Period, if/as applicable), if the Participant breaches any of the terms or conditions in this Section, then in addition to all rights and remedies available to the Company and/or its Affiliates at law and in equity, the Participant shall immediately forfeit any portion of the Award that has not otherwise been previously forfeited under the applicable terms of this Agreement and that has not yet been paid, exercised, settled, or vested. The Company and/or its Affiliates may also require repayment from the Participant of any and all of the compensatory value of the Award that the Participant received during the Restricted Period (or the Enhanced Restricted Period, as applicable), including without limitation the gross amount of any Common Stock distribution or cash payment made to the Participant upon the vesting, distribution, exercise, or settlement of the Award and/or any consideration in excess of such gross amounts received by the Participant upon the sale or transfer of the Common Stock acquired through vesting, distribution, exercise or settlement of the Award. The Participant shall promptly pay the full amount due upon demand by the Company and/or its Affiliates in the form of cash or shares of Common Stock at current Fair Market Value.

(ix) Waiver. The waiver of any breach of the terms of this Section shall not constitute the waiver of any other or further breach hereunder, whether or not of a like nature or kind. No waiver by the Company or any of its Affiliates of the breach of any term contained in a similar agreement between the Company and/or any of its Affiliates and any other employee or participant, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a waiver of the breach of any term of this Section. No waiver of any provision of this Section shall be valid unless in writing and signed by an authorized representative of the Company or one or more of its Affiliates.

(x) Interpretation. Any reference to "Section" or "subsection" in this Section 15 shall refer to this Section 15 or respective subsection.

16. Arbitration. In lieu of litigation by way of court or jury trial, any dispute or controversy arising hereunder shall be settled by arbitration, in accordance with the arbitration agreement currently in effect by separate agreement between the Participant and the Company or any of its Affiliates and which is incorporated herein by reference. In the event that such arbitration agreement is determined to be inapplicable or unenforceable or if no such

arbitration agreement is then in effect, the parties mutually agree to arbitrate any dispute arising out of or related to this Agreement pursuant to the terms of this paragraph. The parties agree that this Agreement provides sufficient consideration for that obligation and the mutual promises to arbitrate also constitutes consideration for this agreement to arbitrate. The following terms and conditions shall apply to such arbitration hereunder. The arbitration shall be conducted before a single arbitrator in accordance with the Employment Arbitration Rules of the American Arbitration Association (“AAA Rules”) then in effect, and shall be governed by the Federal Arbitration Act. Judgment may be entered on the award of the arbitrator in any court having jurisdiction. Unless provided otherwise in the arbitrator’s award, each party will pay its own attorneys’ fees and costs. To the extent required by law or the AAA Rules, all administrative costs of arbitration (including filing fees) and the fees of the arbitrator will be paid by the Company. The Participant and the Company waive the right for any dispute to be brought, heard, decided, or arbitrated as a class and/or collective action (or joinder or consolidation with claims of any other person), and the parties agree that, regardless of anything else in this arbitration provision or the AAA Rules, the interpretation, applicability, enforceability or formation of the class action waiver in this provision may only be determined by a court and not an arbitrator. Regardless of anything else in this Agreement, this arbitration provision may not be modified or terminated absent a writing signed by the Participant and the Company stating an intent to modify or terminate the arbitration provision.

17. **Governing Law.** Except as otherwise provided in the foregoing Section or an Appendix to this Agreement, this Agreement and any disputes hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without application of its conflicts of laws principles.

18. **Miscellaneous.** This Agreement, together with the Plan, is the entire agreement of the parties with respect to the RSUs granted hereby and may not be amended except in a writing signed by both the Company and the Participant or his or her Representative. If any provision of this Agreement is deemed invalid, it shall be modified to the extent possible and minimally necessary to be enforceable, and, in any event, the remainder of this Agreement will be in full force and effect.

19. **Forfeiture and Clawback of Award.** Notwithstanding the terms regarding vesting and forfeiture or any other provision set forth in this Agreement and as a condition to the receipt of this Award, the rights, payments and benefits with respect to this Award and any shares of Common Stock acquired pursuant to this Award are subject to reduction, cancellation, forfeiture, or recoupment by the Company if and to the extent permitted by Section 15.3 of the Plan, required in accordance with Company policy as in effect from time to time (“Forfeiture and Clawback Policy”), and/or as otherwise required by applicable law, rule or regulation of the Securities and Exchange Commission, or rule or listing requirement of the New York Stock Exchange (or such other exchange(s) or market(s) on which shares of the same class are then listed) as in effect from time to time (collectively with the Forfeiture and Clawback Policy, “Applicable Requirements”) in connection with an accounting restatement or under such other circumstances as specified in the Applicable Requirements. Any determination made and action taken under the Forfeiture and Clawback Policy shall be final, binding and conclusive.

Appendix I (Employees Whose Primary Residences are Located in California)

If the Participant's primary residence is located in the State of California:

1. Sections 15(c)(i) and (c)(ii) of the foregoing Agreement shall be replaced with the following:

15(c)(i) Non-Solicitation of Employees. The Participant agrees and acknowledges that the Company and its Affiliates sustain their operations and the goodwill of the Customers and other business relations through its employees. The Company and its Affiliates have made significant investment in their employees and their ability to establish and maintain relationships with one another and with their Customers, agents, brokers, vendors, suppliers, consultants, partners and/or other business relations in order to further the Company's and its Affiliates' legitimate business interests and operations and to cultivate goodwill. The Participant further agrees and acknowledges that the Company's and its Affiliates' loss of their employees could adversely affect the Company's and its Affiliates' operations and jeopardize the goodwill that has been established through these employees, and that the Company and its Affiliates therefore have a legitimate interest in preventing the solicitation of its employees and/or the interference with the relationships between the Company and its Affiliates and their employees to the extent that the Participant uses or misuses Confidential Information (as the term is defined in this Section) to so solicit and/or interfere. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly recruit or solicit, attempt to influence or assist, participate in or promote the solicitation of, or otherwise attempt to interfere with or adversely affect the employment of any Restricted Employees. Without limiting the foregoing restriction, during the Restricted Period, the Participant shall not, on behalf of the Participant or any other person or entity, use or rely in any manner on any Confidential Information to directly or indirectly hire, employ or engage any Restricted Employee in any capacity that interferes with such Restricted Employee's employment with or engagement by the Company and its Affiliates and shall not engage in the aforesaid conduct through a third party for the purpose of colluding to avoid the restrictions of this subsection(c)(i).

15(c)(ii) Non-Solicitation of Business. The Participant agrees and acknowledges that by virtue of the Participant's employment with, or service to, the Employer, the Participant has developed or will develop relationships with and/or had or will have access to Confidential Information about Customers and agents, brokers and similar key business partners ("Key Business Partners") and is, therefore, capable of significantly and adversely impacting existing relationships that the Company or an Affiliate has with them. The Participant further agrees and acknowledges that the Company and/or its Affiliates have invested in its and the Participant's relationship with Customers and Key Business Partners and the goodwill that has been developed with them; therefore, the Company and/or its Affiliates have a legitimate business interest in protecting these relationships against solicitation and/or interference by the Participant for a reasonable period of time after the Participant's employment with, or provision of services to, the Employer ends. Accordingly, during the Participant's employment with the Employer and during the Restricted Period, the Participant shall not use or rely in any manner on any Confidential Information to directly or indirectly initiate, contact or engage in any contact or communication, of any kind whatsoever, that has the purpose or effect of: (A) inviting, assisting, encouraging or requesting any Customer or Key Business Partner to (1) transfer the Participant's business from the Company or an Affiliate to the Participant, the Participant's subsequent employer or any other third party, or (2) otherwise diminish, divert, discontinue or terminate Customer's patronage and/or business relationship with the Company or an Affiliate; or (B) inviting, assisting,

encouraging or requesting any Customer to purchase any products or services from the Participant, the Participant's subsequent employer or any other third party that are or may be competitive with the products or services of the Company or an Affiliate, or use any products or services of the Participant, the Participant's subsequent employer or of any other third party that are or may be competitive with the products or services of the Company or an Affiliate.

2. Any claims relating to Section 15 of the Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

May 2, 2022

Kemper Corporation
200 East Randolph Street, Suite 3300
Chicago, Illinois 60601

Dear Sirs/Madams:

At your request, we have read the description included in your Quarterly Report on Form 10-Q to the Securities and Exchange Commission for the quarter ended March 31, 2022, of the facts relating to including anticipated net investment income in premium deficiency assessments performed for the property & casualty segments. We believe, on the basis of the facts so set forth and other information furnished to us by appropriate officials of Kemper Corporation, that the accounting change described in your Form 10-Q is to an alternative accounting principle that is preferable under the circumstances.

We have not audited any consolidated financial statements of Kemper Corporation and its subsidiaries as of any date or for any period subsequent to December 31, 2021. Therefore, we are unable to express, and we do not express, an opinion on the facts set forth in the above-mentioned Form 10-Q, on the related information furnished to us by officials of the Company, or on the financial position, results of operations, or cash flows of the Company and its subsidiaries as of any date or for any period subsequent to December 31, 2021.

Yours truly,

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois



Kemper

Insider Trading Policy – Executive Version

Kemper is a publicly traded entity, so it is important for all employees to understand the laws and our policy prohibiting insider trading.

1. Policy Statement/Scope

It is the policy of Kemper Corporation (“Kemper”) and its subsidiaries (collectively with Kemper, the “Company”) to comply strictly with the federal securities laws, including prohibitions against insider trading, and to require all employees and directors of the Company to do the same. This Policy applies to *you*, as an employee or director of the Company. You should be aware that violations of the securities laws may result in personal exposure to lawsuits, civil enforcement actions by regulators, or even criminal proceedings, and may damage the reputation of the Company. *Violations of this Insider Trading Policy (“Policy”) may also lead to discipline by the Company up to and including termination of employment.*

2. Definitions

When used in this Policy, the terms below shall have the meanings indicated.

“Family Member” means your spouse, child, stepchild, grandchild, parent, stepparent, grandparent, sibling or in-law who shares your household or whose transactions are directed by you or subject to your influence or control, and anyone else who shares your household.

“Kemper Securities” means: (a) Kemper common stock; (b) exchange-traded put and call options on Kemper common stock; (c) interests in the Kemper Common Stock Fund of the Kemper 401(k) Retirement Plan; and (d) all other debt, equity or derivative securities issued by Kemper.

Information is “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy or sell Kemper Securities (as defined above). Examples of information that would usually be material include: (a) quarterly and annual earnings; (b) changes in the dividend rate; (c) changes in or extensions of the Company’s stock repurchase program; (d) pending discussions about mergers, acquisitions or the sale of an operating company or block of business; (e) plans by Kemper to issue stock or debt instruments in the public markets; (f) changes in the Company’s ratings by credit rating agencies and/or A.M. Best Co., Inc.; (g) a material cybersecurity incident, and (h) plans to introduce significant new products or lines of business, or the discontinuation of such products or lines of business. *This list is not exhaustive; other types of information may be material at any given time depending on the circumstances.*

“Nonpublic” refers to information that has not become Publicly Available as defined in this Policy.

“Publicly Available” means that the information has been disclosed in a manner reasonably designed to achieve effective, broad and non-exclusionary distribution to the public and sufficient time has elapsed to enable the investing public to absorb the information. *As a general rule, information should not be considered Publicly Available until the beginning of the second Trading Day after the disclosure date.* Examples of common disclosure methods include



(a) Kemper's issuance of a press release, (b) filing of a report with the SEC, or (c) conducting an investor conference call that was previously announced and is accessible in real time by the public. (Note that SEC filings are effective on the "Filing Date" shown in the EDGAR system on the SEC website.)

"Related Entity" means any entity controlled by you or your Family Members (whether individually or together), or over which you or they exercise investment power, including:

- A corporation or similar entity that you or your Family Members control
- A partnership in which you or a Family Member are a general partner; or
- A trust of which you or a Family Member are a trustee or over which you or they otherwise have or share investment power.

"SEC" refers to the Securities and Exchange Commission.

"Trading Day" means a day that the New York Stock Exchange is open for trading.

3. Trading Restrictions for Kemper Securities

Whenever You Possess Material Nonpublic Information. Any time that you possess material Nonpublic information about the Company, you must refrain from transacting in Kemper Securities unless and until such information becomes Publicly Available. For purposes of this policy, "transactions" shall include all arrangements in or relating to Kemper Securities, including, without limitation, market purchases, market sales, gifts, derivative securities and other contractual arrangements regarding Kemper Securities. Further, you may not pass along any such information to other individuals except for business purposes on a strictly need-to-know basis, and you must instruct any such recipient to maintain the information in confidence and to refrain from trading in Kemper Securities until the information is Publicly Available.

Blackouts. From time to time you might become subject to a trading blackout imposed by the Company to reduce the chance of an unlawful trade in Kemper Securities or even the appearance of an unlawful trade. If you are notified of a blackout by the Company, you are prohibited from engaging in transactions in or relating to Kemper Securities during the blackout period, and from disclosing the existence of the blackout (other than a quarterly earnings blackout) to others except on a need-to-know basis in accordance with the preceding paragraph. The applicable period for any Company-imposed blackout will be determined by the Company and may extend beyond the time that information related to the event triggering the blackout would first be deemed "Publicly Available" under this Policy.

Exceptions to Trading Restrictions. The restrictions on transacting when you possess material Nonpublic information or during a blackout do not apply to, acquisitions of Kemper common stock through *pre-existing* elections of dividend reinvestments under the Kemper ESOP Fund of the Kemper 401(k) Retirement Plan or direct stock purchases or dividend reinvestments under the Computershare Investment Plan.

4. Trading in the Securities of Other Companies

Acquisition Candidates or Buyers. Any time you are aware that the Company is considering the acquisition of all or part of another publicly-traded company ("target company"), or the



divestiture of one of Kemper's operating companies or business units to a publicly-traded buyer ("buyer"), you must refrain from trading in the securities of the target company or buyer, as the case may be, unless and until specifically approved in advance by the Corporate Legal Department.

Trading in the Securities of Current and Prospective Business Partners. Without first obtaining approval from the Corporate Legal Department, you should not buy or sell securities in another publicly-traded company if you have derived Nonpublic information about that company through your employment or service, or if you are aware that a significant business transaction between that company and Kemper or one of its subsidiaries is being considered or has occurred, and such information is not yet Publicly Available.

Maintaining Information in Confidence. You may not pass along Nonpublic information of the type described above to other individuals except on a strictly need-to-know basis for business purposes, and you must instruct any such recipient to maintain the information in confidence and to refrain from trading in such other company's securities until the information is Publicly Available.

5. **Compliance by Family Members and Related Entities**

You are responsible for ensuring compliance with this Policy by your Family Members and your and their Related Entities. Therefore, you should make them aware of the need to always consult with you before engaging in any Kemper Securities transactions.

6. **Individual Responsibility; Consultation with Legal Department**

It is your individual responsibility to determine whether you are in possession of material Nonpublic information before engaging in a transaction involving Kemper Securities. You should refrain from making judgment calls on whether a particular purchase or sale of securities would be consistent with Company policy or the law, and should consider in advance how enforcement authorities or other third parties might view a particular transaction in hindsight. You should always seek advance clearance from the Corporate Legal Department of any transaction in question and any investment idea derived from information learned through your employment or service with the Company. However, any pre-clearance by the Company does not constitute legal advice and will not relieve you of your legal obligations or insulate you from any liability under applicable securities laws.

7. **Additional Restrictions for Directors, Officers and Other Designated Employees**

Kemper directors and officers and other designated employees are provided with supplemental policy provisions imposing additional restrictions on transactions related to Kemper Securities.



Executive Version - Additional Provisions:

8. Restrictions on Exercises of Stock Options and Stock Appreciation Rights

During a blackout period of which you have been notified by the Company, you may not exercise a Stock Option ("Stock Option") or Stock Appreciation Rights ("SARs") granted by the Company. This prohibition applies to all forms of exercise **except** those made pursuant to a properly qualified, adopted and submitted 10b5-1 Plan. Outside of a blackout period, you may not exercise a Stock Option or SAR while in possession of material Nonpublic information about the Company. This prohibition applies to all forms of exercise.

9. Transactions under 10b5-1 Plans

The restrictions in Section 3 above do not apply to any transaction under a properly qualified, adopted and submitted 10b5-1 Plan. A "10b5-1 Plan" is a written trading plan adopted in good faith by an individual in compliance with SEC Rule 10b5-1, that adheres to the guidelines set forth in Addendum 2 hereto and that was approved in advance by Kemper's General Counsel. Unless otherwise specifically approved by Kemper's General Counsel, all 10b5-1 Plans maintained by Kemper employees will be established with the affiliated broker-dealer of Kemper's equity plan administrator.

Any modification to or termination of a 10b5-1 Plan must be reported to Kemper's General Counsel within one business day of such modification or termination. Trades made pursuant to a 10b5-1 Plan by executive officers and directors must still be reported to Kemper's General Counsel.

10. Hedging and Pledging Prohibition

Hedging. You are prohibited from engaging in transactions involving the purchase of financial instruments designed to hedge or offset any decrease in the market value of Kemper Securities. Such instruments involve mechanisms that may permit you to continue to own the Kemper Securities, but without the full risks of ownership. When that occurs, you may no longer have the same objectives as Kemper's other shareholders. Examples of prohibited instruments include, but are not limited to, prepaid variable forward contracts, equity swaps, put and call options, collars and exchange funds.

Pledging. You are prohibited from entering an arrangement that involves pledging or providing Kemper Securities as security, whether under a stockbroker margin account, bank loan, line of credit or other financing arrangement.

11. Pre-Clearance Requirements

The mandatory pre-clearance procedures described on the Addendum to this Executive Version apply to all transactions in Kemper stock by Kemper directors and executive officers and any other "Applicable Individuals" as defined on Addendum 1.



Additional Provisions Applicable Only to Kemper Directors and Executive Officers:

12. Section 16 Reporting, Short-Swing Profits, Rule 144

Kemper directors and officers who have been designated “Section 16 Officers” must comply with the reporting obligations of Section 16 of the Securities Exchange Act of 1934 and the related Kemper Section 16 Compliance Procedures. These obligations are detailed in the separate *Section 16 Procedures* document provided by the Corporate Legal Department. If you are a Section 16 Officer and are considering a transaction in Kemper Securities, please reach out the Corporate Legal Department for additional information regarding the potential reporting requirements.

13. Prohibition on Short Sales

The federal securities laws prohibit a short sale of Kemper common stock by directors and Section 16 Officers in many cases. In order to avoid an unlawful trade or the appearance of such a trade, directors and Section 16 Officers should not engage in any type of short sale of Kemper stock. A “short sale” means any sale in the market of Kemper common stock that has been borrowed by a stockbroker from a third party on your behalf, regardless of whether you already own other Kemper shares. Please note that a stockbroker-assisted cashless exercise of a Stock Option does not violate federal law or this Policy if the stockbroker complies with Regulation T of the Federal Reserve Board. The Company urges you to use stockbrokers with sophistication and experience in handling cashless option exercises and Regulation T compliance. It is the responsibility of you and your stockbroker to assure compliance with Regulation T and all questions about this subject should be directed to your stockbroker.

14. Trading During 401(k) Blackout Periods

Blackout Period Restriction. From time to time, Kemper may impose a blackout period with respect to its 401(k) Retirement Plan to allow for such things as account reconciliations in connection with a change in the Plan’s administrator, during which time Plan participants’ accounts are frozen temporarily and they are prevented from selling Kemper common stock in their ESOP accounts. Section 306(a) of the Sarbanes- Oxley Act of 2002 prohibits Kemper’s directors and executive officers from buying or selling Kemper stock in many cases during such a 401(k) blackout period. As a matter of policy, in order to avoid an unlawful trade (or the appearance of such a trade), Kemper prohibits all purchases and sales of Kemper Securities and all Stock Options and SAR exercises by Kemper’s directors and executive officers during such a blackout period.

Exceptions. The restrictions in this section do not apply to transactions within the scope of the Exceptions to Trading Restrictions set forth in Section 3 above or under a properly qualified, adopted and submitted 10b5-1 Plan.



ADDENDUM 1

To Insider Trading Policy – Executive Version

Mandatory Pre-Clearance Procedures

Each Kemper director, executive officer and other *Applicable Individual* is required to seek pre-clearance from one of the *Gatekeepers* before engaging, and before any *Family Member* or any *Related Entity* may engage, in any transaction involving *Kemper Securities*, including a *Stock Option* or *SAR* exercise, a gift, a contribution to a trust, or any other transfer. (*Italicized terms are defined below or in the Policy above*). A request for pre-clearance should be submitted as early as possible in advance of a proposed transaction.

Kemper employees must request pre-clearance by submitting an email to “PreclearanceRequest@kemper.com.”

All pre-clearance requests must include:

- (1) the nature of the transaction to be approved;
- (2) the relevant details of the person and account involved (e.g., your sole account, joint account, IRA, Family Member or Related Entity account, etc.);
- (3) the expected timing of the transaction;
- (4) disclosure of whether you possess any material Nonpublic company information; and
- (5) *For Section 16 Filers Only*: if the transaction involves a market purchase or sale, whether you completed an opposite-way market transaction in the prior six months.

Once a preclearance request is submitted, the Gatekeeper will take the steps deemed necessary to determine whether the transaction may proceed and, if so, assist in complying with the reporting requirements. If approved, the pre-clearance remains valid for two business days following the request unless specifically approved for a longer or shorter duration. If the proposed transaction has not been completed within that time, a new pre-clearance approval is required. In addition, be mindful of Kemper’s policies and procedures relating to “blackout” periods that may affect transactions that have been cleared but not yet completed.

It remains your individual responsibility to determine whether you are in possession of material Nonpublic information before engaging in a transaction involving Kemper Securities, and any pre-clearance by a Gatekeeper does not constitute legal advice and will not relieve you of your legal obligations or insulate you from any liability under applicable securities laws. In addition, you are responsible for advising Family Members and any Related Entities of the need to always consult with you before engaging in any Kemper Securities transaction.

For purposes of these Pre-Clearance Procedures:

“Applicable Individuals” means the Company’s directors, executive officers, all employees in Compensation Grades 50 and above and any other individuals designated as such by the Company from time to time.

“Gatekeepers” means Kemper’s General Counsel and Chief Financial Officer. A Gatekeeper may not pre-clear his or her own transactions.



ADDENDUM 2

To Insider Trading Policy – Executive Version

Guidelines for Rule 10b5-1 Trading Plans

Capitalized terms not defined herein have the meanings ascribed to them in the Insider Trading Policy

To be effective, a 10b5-1 Plan must:

1. Include representations certifying that (a) you are not aware of material nonpublic information at the time of adoption and (b) you are entering into the plan in good faith, and not as part of a plan or scheme to shield trades that would otherwise be considered violations of the insider trading laws;
 2. Specify the beginning and end dates for the 10b5-1 Plan;
 3. Specify either (a) the amount and price of the Kemper Securities to be purchased or sold and the dates for such purchases or sales or (b) a formula that determines the amount and price of the Kemper Securities to be purchased or sold and the dates for such purchases or sales;
 4. Be established only during a period of time where you not in a blackout period (referred herein as an “Open Window Period”) and when you are not otherwise subject to a blackout period;
 5. Be put in place only at a broker acceptable to Kemper’s General Counsel. Unless otherwise approved by the General Counsel, plans established by Kemper employees will be maintained with the broker-dealer affiliated with Kemper’s equity stock plan administrator;
 6. Be reviewed by Kemper’s General Counsel before the 10b5-1 Plan is put in place;
 7. Be subsequently modified only during an Open Window Period and with approval from Kemper General Counsel;
 8. If modified, meet all requirements of a newly adopted plan, as if adopted on the date of modification;
 9. If terminated before the end of its term and a new plan is put into place, be implemented only during a Window Period unless an exception is otherwise approved in advance by Kemper’s General Counsel;
 10. Comply with the following “cooling-off” periods:
 - a. For Kemper’s directors and Section 16 officers, provide that no trade under a 10b5-1 Plan may occur until the later of (i) 90 days after the adoption of the plan or (ii) two business days after the filing of Kemper’s Form 10-Q (or Form 10-K for any plan executed during the fourth fiscal quarter) for the fiscal quarter in which the plan was adopted, up to a maximum of 120 days after adoption of the plan; or
-



b. For other insiders, provide that no trade may occur until 30 days after adoption of the 10b5-1 Plan;

11. Be the sole outstanding 10b5-1 Plan for such insider, unless an exception is approved in advance by Kemper's General Counsel, after evaluating whether any such additional plan would be permitted by Rule 10b5-1; and

12. Be, if such 10b5-1 Plan is a single-trade plan, the sole single-trade plan within any consecutive 12- month period.

Additionally, the Company requires that you act in good faith with respect to the 10b5-1 Plan for the entire duration of the plan.



Kemper Insider Trading Policy – ESOC Version

Kemper is a publicly traded entity, so it is important for all employees to understand the laws and our policy prohibiting insider trading.

1. Policy Statement/Scope

It is the policy of Kemper Corporation (“Kemper”) and its subsidiaries (collectively with Kemper, the “Company”) to comply strictly with the federal securities laws, including prohibitions against insider trading, and to require all employees and directors of the Company to do the same. This Policy applies to *you*, as an employee or director of the Company. You should be aware that violations of the securities laws may result in personal exposure to lawsuits, civil enforcement actions by regulators, or even criminal proceedings, and may damage the reputation of the Company. *Violations of this Insider Trading Policy (“Policy”) may also lead to discipline by the Company up to and including termination of employment.*

2. Definitions

When used in this Policy, the terms below shall have the meanings indicated.

“Family Member” means your spouse, child, stepchild, grandchild, parent, stepparent, grandparent, sibling or in-law who shares your household or whose transactions are directed by you or subject to your influence or control, and anyone else who shares your household.

“Kemper Securities” means: (a) Kemper common stock; (b) exchange-traded put and call options on Kemper common stock; (c) interests in the Kemper Common Stock Fund of the Kemper 401(k) Retirement Plan; and (d) all other debt, equity or derivative securities issued by Kemper.

Information is “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy or sell Kemper Securities (as defined above). Examples of information that would usually be material include: (a) quarterly and annual earnings; (b) changes in the dividend rate; (c) changes in or extensions of the Company’s stock repurchase program; (d) pending discussions about mergers, acquisitions or the sale of an operating company or block of business; (e) plans by Kemper to issue stock or debt instruments in the public markets; (f) changes in the Company’s ratings by credit rating agencies and/or A.M. Best Co., Inc.; (g) a material cybersecurity incident, and (h) plans to introduce significant new products or lines of business, or the discontinuation of such products or lines of business. *This list is not exhaustive; other types of information may be material at any given time depending on the circumstances.*

“Nonpublic” refers to information that has not become Publicly Available as defined in this Policy.

“Publicly Available” means that the information has been disclosed in a manner reasonably designed to achieve effective, broad and non-exclusionary distribution to the public and sufficient time has elapsed to enable the investing public to absorb the information. *As a general rule, information should not be considered Publicly Available until the beginning of the second Trading Day after the disclosure date.* Examples of common disclosure methods include (a) Kemper’s issuance of a press release, (b) filing of a report with the SEC, or (c) conducting an investor conference call that was previously announced and is accessible in real time by the



public. (Note that SEC filings are effective on the “Filing Date” shown in the EDGAR system on the SEC website.)

“Related Entity” means any entity controlled by you or your Family Members (whether individually or together), or over which you or they exercise investment power, including:

- A corporation or similar entity that you or your Family Members control
- A partnership in which you or a Family Member are a general partner; or
- A trust of which you or a Family Member are a trustee or over which you or they otherwise have or share investment power.

“SEC” refers to the Securities and Exchange Commission.

“Trading Day” means a day that the New York Stock Exchange is open for trading.

3. Trading Restrictions for Kemper Securities

Whenever You Possess Material Nonpublic Information. Any time that you possess material Nonpublic information about the Company, you must refrain from transacting in Kemper Securities unless and until such information becomes Publicly Available. For purposes of this policy, “transactions” shall include all arrangements in or relating to Kemper Securities, including, without limitation, market purchases, market sales, gifts, derivative securities and other contractual arrangements regarding Kemper Securities. Further, you may not pass along any such information to other individuals except for business purposes on a strictly need-to-know basis, and you must instruct any such recipient to maintain the information in confidence and to refrain from trading in Kemper Securities until the information is Publicly Available.

Blackouts. From time to time you might become subject to a trading blackout imposed by the Company to reduce the chance of an unlawful trade in Kemper Securities or even the appearance of an unlawful trade. If you are notified of a blackout by the Company, you are prohibited from engaging in transactions in or relating to Kemper Securities during the blackout period, and from disclosing the existence of the blackout (other than a quarterly earnings blackout) to others except on a need-to-know basis in accordance with the preceding paragraph. The applicable period for any Company-imposed blackout will be determined by the Company and may extend beyond the time that information related to the event triggering the blackout would first be deemed “Publicly Available” under this Policy.

Exceptions to Trading Restrictions. The restrictions on transacting when you possess material Nonpublic information or during a blackout do not apply to, acquisitions of Kemper common stock through *pre-existing* elections of dividend reinvestments under the Kemper ESOP Fund of the Kemper 401(k) Retirement Plan or direct stock purchases or dividend reinvestments under the Computershare Investment Plan.

4. Trading in the Securities of Other Companies

Acquisition Candidates or Buyers. Any time you are aware that the Company is considering the acquisition of all or part of another publicly-traded company (“target company”), or the divestiture of one of Kemper’s operating companies or business units to a publicly-traded buyer (“buyer”), you must refrain from trading in the securities of the target company or buyer, as the case may be, unless and until specifically approved in advance by the Corporate Legal Department.



Trading in the Securities of Current and Prospective Business Partners. Without first obtaining approval from the Corporate Legal Department, you should not buy or sell securities in another publicly-traded company if you have derived Nonpublic information about that company through your employment or service, or if you are aware that a significant business transaction between that company and Kemper or one of its subsidiaries is being considered or has occurred, and such information is not yet Publicly Available.

Maintaining Information in Confidence. You may not pass along Nonpublic information of the type described above to other individuals except on a strictly need-to-know basis for business purposes, and you must instruct any such recipient to maintain the information in confidence and to refrain from trading in such other company's securities until the information is Publicly Available.

5. Compliance by Family Members and Related Entities

You are responsible for ensuring compliance with this Policy by your Family Members and your and their Related Entities. Therefore, you should make them aware of the need to always consult with you before engaging in any Kemper Securities transactions.

6. Individual Responsibility; Consultation with Legal Department

It is your individual responsibility to determine whether you are in possession of material Nonpublic information before engaging in a transaction involving Kemper Securities. You should refrain from making judgment calls on whether a particular purchase or sale of securities would be consistent with Company policy or the law, and should consider in advance how enforcement authorities or other third parties might view a particular transaction in hindsight. You should always seek advance clearance from the Corporate Legal Department of any transaction in question and any investment idea derived from information learned through your employment or service with the Company. However, any pre-clearance by the Company does not constitute legal advice and will not relieve you of your legal obligations or insulate you from any liability under applicable securities laws.

7. Additional Restrictions for Directors, Officers and Other Designated Employees

Kemper directors and officers and other designated employees are provided with supplemental policy provisions imposing additional restrictions on transactions related to Kemper Securities.

Subsidiaries of KEMPER CORPORATION

Subsidiaries of Kemper Corporation, with their states of incorporation in parentheses, are as follows:

1. Accelerate Insurance Network, LLC (Illinois)
 2. Access Insurance Agency of Arizona, LLC (Arizona)
 3. Access Insurance Agency of Indiana, LLC (Indiana)
 4. Access Insurance Agency of Nevada, LLC (Nevada)
 5. Access Insurance Agency of South Carolina, LLC (South Carolina)
 6. Agencia de Seguros de Acceso, LLC (Texas)
 7. Alliance United Insurance Company (California)
 8. Alliance United Insurance Services, LLC (California)
 9. Alpha Property & Casualty Insurance Company (Wisconsin)
 10. American Access Casualty Company (Illinois)
 11. American Access Holdings, LLC (Delaware)
 12. Capitol County Mutual Fire Insurance Company (Texas)*
 13. Casualty Underwriters, Inc. (Georgia)
 14. Charter Indemnity Company (Texas)
 15. Coronado Medical Center, LLC (Delaware)
 16. Cranberry Holdings, Inc. (Delaware)
 17. Direct Response Corporation (Delaware)
 18. Family Security Funerals Company (Texas)
 19. Financial Indemnity Company (Illinois)
 20. Foothills Corporate, LLC (Delaware)
 21. Illinois Vehicle Insurance Agency, LLC (Illinois)
 22. Infinity Agency of Texas, Inc. (Texas)
 23. Infinity Assurance Insurance Company (Ohio)
 24. Infinity Auto Insurance Company (Ohio)
 25. Infinity Casualty Insurance Company (Ohio)
 26. Infinity County Mutual Insurance Company (Texas)*
 27. Infinity Financial Centers, LLC (Delaware)
 28. Infinity Indemnity Insurance Company (Indiana)
 29. Infinity Insurance Agency, Inc. (Alabama)
 30. Infinity Insurance Company (Indiana)
 31. Infinity Preferred Insurance Company (Ohio)
 32. Infinity Property and Casualty Corporation (Ohio)
 33. Infinity Safeguard Insurance Company (Ohio)
 34. Infinity Select Insurance Company (Indiana)
 35. Infinity Standard Insurance Company (Indiana)
 36. KAHG LLC (Illinois)
 37. Kemper Bermuda Ltd. (Bermuda)
 38. Kemper Center, LLC (Delaware)
 39. Kemper Corporate Services, Inc. (Illinois)
 40. Kemper Financial Indemnity Company (Illinois)
 41. Kemper General Agency, Inc. (Texas)
 42. Kemper Independence Insurance Company (Illinois)
 43. Kemper Management LLC (Illinois)
 44. Kemper Personal Insurance General Agency, Inc. (Texas)
 45. Kemper Properties, LLC (Delaware)
 46. Kemper Reciprocal (Illinois)
 47. Leader Group, Inc. (Ohio)
 48. Leader Managing General Agency, Inc. (Texas)
 49. Merastar Industries LLC (Delaware)
 50. Merastar Insurance Company (Illinois)
 51. Mutual Savings Fire Insurance Company (Alabama)
 52. Mutual Savings Life Insurance Company (Alabama)
 53. NCM Management Corporation (Delaware)
 54. Newins Insurance Agency Holdings, LLC (Illinois)
 55. Newins Real Estate Holdings, LLC (Illinois)
 56. North Scottsdale Gateway, LLC (Delaware)
 57. Old Reliable Casualty Company (Missouri)*
 58. Randolph Investments Fund, LLC (Delaware)
 59. Response Insurance Company (Illinois)
 60. Response Worldwide Direct Auto Insurance Company (Illinois)
 61. Response Worldwide Insurance Company (Illinois)
 62. Security One Agency LLC (Illinois)
 63. Skyline Esplanade 6, LLC (Delaware)
 64. Skyline Esplanade 7, LLC (Delaware)
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65. Skyline Esplanade 9, LLC (Delaware)
66. Summergate Corporate Center, LLC (Delaware)
67. The Infinity Group, Inc. (Indiana)
68. The Kemper Foundation (Illinois)**
69. The Reliable Life Insurance Company (Missouri)
70. Trinity Universal Insurance Company (Texas)
71. Union National Fire Insurance Company (Louisiana)
72. Union National Life Insurance Company (Louisiana)
73. United Casualty Insurance Company of America (Illinois)
74. United Insurance Company of America (Illinois)
75. Unitrin Advantage Insurance Company (New York)
76. Unitrin Auto and Home Insurance Company (New York)
77. Unitrin County Mutual Insurance Company (Texas)*
78. Unitrin Direct Insurance Company (Illinois)
79. Unitrin Direct Property & Casualty Company (Illinois)
80. Unitrin Preferred Insurance Company (New York)
81. Unitrin Safeguard Insurance Company (Wisconsin)
82. Valley Property & Casualty Insurance Company (Oregon)
83. Warner Insurance Company (Illinois)

* May be deemed to be an affiliate pursuant to Rule 1-02 of SEC Regulation S-X.

** Not-for-profit corporation

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-269730 on Form S-3 and Registration Statement Nos. 333-287033, 333-279041, 333-271619, 33-58300, 333-86935, 333-76076, 333-173877, 333-231180 and 333-238016 on Form S-8 of our report dated February 11, 2026, relating to the financial statements of Kemper Corporation and the effectiveness of Kemper Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte & Touche LLP
Chicago, Illinois
February 11, 2026

CERTIFICATIONS

I, C. Thomas Evans, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Kemper Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2026

/s/ C. THOMAS EVANS, JR.

C. Thomas Evans, Jr.

Interim Chief Executive Officer, Secretary and General Counsel

CERTIFICATIONS

I, Bradley T. Camden, certify that:

1. I have reviewed this annual report on Form 10-K of Kemper Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2026

/s/ BRADLEY T. CAMDEN

Bradley T. Camden
Executive Vice President and Chief Financial Officer

**Certification of CEO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of Kemper Corporation (the “Company”) for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), C. Thomas Evans, Jr., as Interim Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ C. THOMAS EVANS, JR.

Name: C. Thomas Evans, Jr.
Title: Interim Chief Executive Officer, Secretary and General Counsel
Date: February 11, 2026

**Certification of CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of Kemper Corporation (the “Company”) for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Bradley T. Camden, as Executive Vice President and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ BRADLEY T. CAMDEN

Name: Bradley T. Camden
Title: Executive Vice President and Chief Financial Officer
Date: February 11, 2026

KEMPER CORPORATION
POLICY ON RECOUPMENT OF INCENTIVE COMPENSATION

I. Introduction

The Human Resources and Compensation Committee ("Committee") of the Board of Directors ("Board") of Kemper Corporation ("Company") has adopted this Policy on Recoupment of Incentive Compensation ("Policy"), which provides for the recoupment of compensation in certain circumstances in the event of a restatement of financial results by the Company. This Policy shall be interpreted to comply with the requirements of United States Securities and Exchange Commission ("SEC") rules and New York Stock Exchange ("NYSE") listing standards implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") and, to the extent this Policy is any manner deemed inconsistent with such rules, this Policy shall be treated as retroactively amended to be compliant with such rules.

II. Administration

This Policy shall be administered by the Committee. Any determinations made by the Committee shall be final and binding on all affected individuals. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy, in all cases consistent with the Dodd-Frank Act. The Board or Committee may amend this Policy from time to time in its discretion.

III. Covered Executives

This Policy applies to any current or former "executive officer," within the meaning of Rule 10D-1 under the Securities Exchange Act of 1934, as amended, who was employed by the Company or a subsidiary of the Company (each such individual, an "Executive"). This Policy shall be binding and enforceable against all Executives and their beneficiaries, executors, administrators, and other legal representatives.

IV. Recoupment Upon Financial Restatement

This Policy shall only apply in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period ("Financial Restatement").

V. No-Fault Recovery

Recoupment under this Policy shall be required regardless of whether the Executive or any other person was at fault or responsible for accounting errors that contributed to the need for the Financial Restatement or engaged in any misconduct.

VI. Incentive-Based Compensation

This Policy applies to all "Incentive-Based Compensation," which is defined as compensation granted, earned or vested based wholly or in part upon the attainment of any financial reporting measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measures, whether or not presented within the Company's financial statements or included in a filing with the SEC,

Adopted August 2023

including stock price and total shareholder return (“TSR”). Compensation subject to recovery under this Policy includes but is not limited to performance-based cash, stock, options or other equity-based awards paid or granted to the Executive. Compensation that is granted, vests or is earned based solely upon the occurrence of non-financial events, such as base salary, restricted stock or options with time-based vesting, or a bonus awarded solely at the discretion of the Board or Committee and not based on the attainment of any financial measure is not subject to this Policy.

VII. Erroneously Awarded Compensation

Incentive-Based Compensation is considered to have been received by an Executive in the fiscal year during which the applicable financial reporting measure was attained or purportedly attained, regardless of when the payment or grant of such Incentive-Based Compensation occurs (“Received”). The amount of Incentive-Based Compensation subject to the Policy is the amount of Incentive-Based Compensation Received that exceeds the amount of Incentive Based-Compensation that otherwise would have been Received had it been determined based on the restated amounts and shall be computed without regard to any taxes paid (“Erroneously Awarded Compensation”).

For Incentive-Based Compensation based on stock price or TSR, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, then the Committee shall determine the amount to be recovered based on a reasonable estimate of the effect of the Financial Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received and the Company shall document the determination of that reasonable estimate and provide it to the NYSE.

VIII. Recovery

The Incentive-Based Compensation subject to recoupment is the Incentive-Based Compensation Received during the three completed fiscal years (provided that a transition period between the last day of the Company’s previous fiscal year and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year) immediately preceding the date that the Company is required to prepare a Financial Restatement, provided that the person served as an Executive at any time during the performance period applicable to the Incentive-Based Compensation in question (“Recovery Period”).

The date on which the Company is required to prepare a Financial Restatement is the earlier to occur of (A) the date the Board or a Board committee (or authorized officers of the Company if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement or (B) the date a court, regulator, or other legally authorized body directs the Company to prepare a Financial Restatement. Notwithstanding the foregoing, the Policy shall only apply if the Incentive-Based Compensation is Received (1) while the Company has a class of securities listed on a national securities exchange or national securities association and (2) on or after the Effective Date, as defined below.

The Company shall recover reasonably promptly any Erroneously Awarded Compensation except to the extent that any of the three conditions in Section X apply. The Company may use any legal or equitable remedies that are available to the Company to recoup any Erroneously Awarded Compensation, including but not limited to by collecting from the Executive a cash payment or shares of Company common stock or by forfeiting any amounts that the Company owes to the Executive.

IX. No Indemnification

The Company shall not pay or indemnify any Executive for, or pay or reimburse the premium for any insurance policy to cover, any expenses or losses incurred by such Executive under this Policy.

X. Exceptions

The Committee (or a majority of independent directors serving on the Board) may determine not to seek recovery from an Executive in whole or part to the extent it determines in its sole discretion that such recovery would be impracticable because (A) the direct expense paid to a third party to assist in enforcing recovery would exceed the recoverable amount (after having made a reasonable attempt to recover the Erroneously Awarded Compensation and providing corresponding documentation of such attempt to the NYSE), (B) recovery would violate the home country law that was adopted prior to November 28, 2022, as determined by an opinion of counsel licensed in the applicable jurisdiction that is acceptable to and provided to the NYSE, or (C) recovery would likely cause the Company's 401(k) plan or any other tax-qualified retirement plan to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

XI. Other Remedies Not Precluded

The exercise by the Committee of any rights pursuant to this Policy shall be without prejudice to any other rights or remedies that the Company, the Board or the Committee may have with respect to any Executive subject to this Policy.

XII. Effective Date

This Policy has been adopted by the Committee, effective as of October 2, 2023 ("Effective Date") and shall apply to any Incentive-Based Compensation that is Received by an Executive on or after the Effective Date.

Adopted August 2023