KEMPER

November 2015

Investor Update

Caution Regarding Forward-looking Statements

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

Any or all forward-looking statements may turn out to be wrong, and, accordingly, Kemper cautions readers not to place undue reliance on such statements, which speak only as of the date of this presentation. Kemper bases these statements on current expectations and the current economic environment. They involve a number of risks and uncertainties that are difficult to predict. These statements are not guarantees of future performance; 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. Many such factors will be important in determining the Company's actual future results and financial condition. Kemper assumes no obligation to publicly correct or update any forward-looking statements as a result of events or developments subsequent to the date of this presentation. Kemper advises the reader to consult any further disclosures Kemper makes on related subjects in its filings with the SEC.

This presentation contains non-GAAP financial measures that the company believes are meaningful to investors. Non-GAAP financial measures are defined and reconciled to the most comparable GAAP financial measure at the end of this report.

All data in this presentation is as of and for the period ending September 30, 2015 unless otherwise stated.

Kemper Overview

Multi-line national insurer

- Provide private passenger and commercial auto, home and umbrella in 47 states
- Provide basic life, accident and health products in 48 states
- Multi-channel distribution network

Strong capital and liquidity

- $2.0B shareholders' equity
- 27% debt-to-capital ratio
- 90% of fixed maturity portfolio rated investment grade
- Insurance subs rated "Excellent" by A.M. Best[1]

History of opportunistic acquisitions & successful integrations

Experienced management team

[1]Alliance United Insurance Company is not rated

Our History

Began with a strong heritage; refined portfolio of companies over time

1990
Spun-off from Teledyne with operations in:
- Standard auto and home
- Non-standard auto
- Commercial liability and property
- Workers' compensation
- Home service life & health
- Major medical
- Worksite products
- Consumer finance

1995
Acquired Milwaukee Insurance Group (Personal and Commercial lines))

1998
Acquired Reliable Life (home service) and Reserve National (A&H)

1999
Acquired Valley Group (Nonstandard personal and commercial auto)

2000
- Launched Unitrin Direct (personal auto, renters)
- Sold Pyramid Life (major medical)

2002
Acquired rights to Kemper personal lines (auto, home and other personal)

2005
Consolidated L&H operations

2007
Acquired Merastar Insurance (direct and affinity; personal auto, home)

2008
- Acquired Primesco, Inc. (home service);
- Sold Unitrin Business Insurance (commercial lines)

2009
- Acquired Direct Response (direct-to-consumer personal auto)
- Wind down of Fireside Bank (consumer finance)

2011
Rebranded to Kemper Corporation from Unitrin, Inc.

2012
Ceased direct-to-consumer marketing at Kemper Direct; placed in run-off

2014
- Consolidated Preferred, Specialty and Direct into one P&C segment
- Expanded shared services

2015
Acquired Alliance United (Non-standard auto)

1990 — **2015**

Lines of Business

Property & Casualty Insurance $896MM[1] statutory surplus	Life & Health Insurance $438MM statutory surplus	Overall
Distribution: • Independent Agents • Employer-sponsored voluntary benefit programs	**Distribution:** • Captive home service agents • Independent agents/Brokers • Employer-sponsored voluntary benefit programs	• 30,000+ Independent Agents • 2,400 Employee Agents
Typical Customer: • Preferred—People with assets to protect; value the advice of agents • Nonstandard—Individuals ineligible for preferred or standard coverage	**Typical Customer:** • Life insurance for modest income consumers • Accident & Health for rural markets • Life and A&H for those at or near retirement age • A&H for employees of small to mid sized businesses	~6MM policies
Product Offerings: • Preferred & nonstandard personal auto • Nonstandard commercial auto • Homeowners and renters • Other personal insurance	**Product Offerings:** • Basic protection products • Life, limited benefit A&H, supplemental A&H, accident and contents	

[1]P&C includes $9MM from Capitol County Mutual Fire Insurance Company, an affiliated mutual insurance company owned by its policyholders.

P&C Businesses Offer Product and Distribution Diversity

Personal Auto

- Long-term recognized carrier in preferred & nonstandard markets
- Expanding nonstandard presence in California with Alliance United acquisition
- Preferred/Standard: award-winning claims service
- Nonstandard: claims handling meets unique market needs
- Sold in 47 states and D.C. through more than 20,000 independent agents
- Top premium states: CA, TX, NY & NC

Net Earned Premiums:
9M15 $731MM
2014 $831MM

Commercial Auto

- Focused on light artisan vehicles
- Characteristics similar to private passenger auto
- Customers tend to be owners of small businesses
- Sold in seven states through 2,800 independent insurance agents; strong, expandable regional presence
- Concentrated in two states (58% CA and 27% TX)

Net Earned Premiums:
9M15 $41MM
2014 $55MM

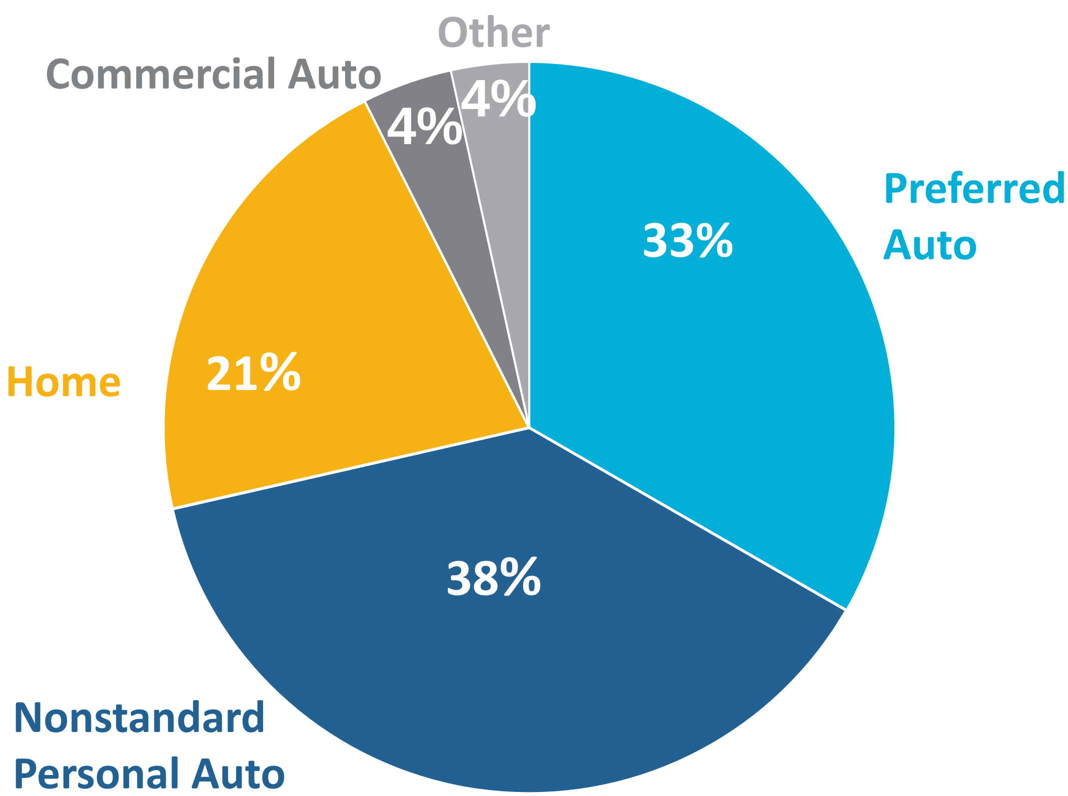
Home and Other Personal

- Often sold with auto as part of our Package Plus offering
- More than 50% of home policies are Package Plus
- Reduced exposures to catastrophe-prone areas in recent years
- Home can be sold with other personal insurance products such as umbrella and inland marine
- Limited earthquake exposures
- Top premium states: CA, NY, TX & NC

Net Earned Premiums:
9M15 $251MM
2014 $364MM

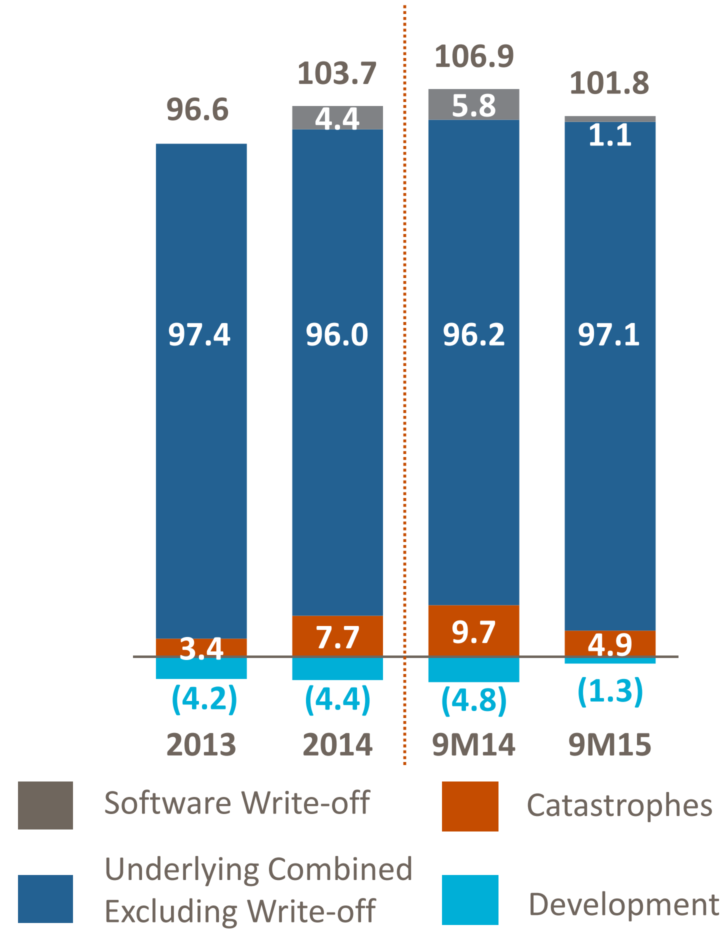
Kemper Property & Casualty Financial Highlights

Earned Premiums



9M15: $1,023MM
2014: $1,250MM

GAAP Combined Ratio

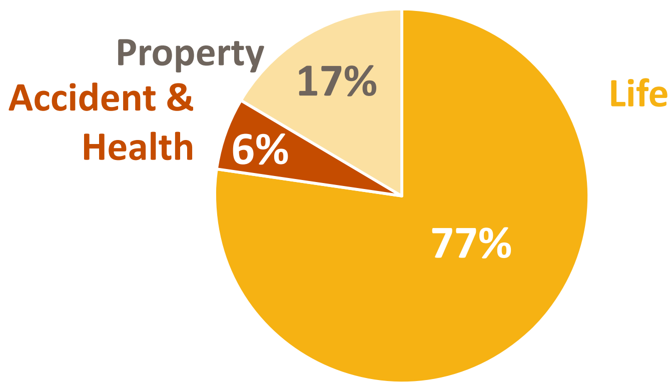


- Acquired Alliance United April 30, 2015; added $162 million of earned premiums YTD
- 2014 underlying combined ratio, excluding software write-off, improved 1.4 points
- Excluding Alliance United, 9M15 underlying loss & LAE ratio was essentially flat as higher frequency in nonstandard auto was offset by lower frequency in preferred auto

Life & Health Businesses—Stable Base + Growth Areas

Kemper Home Service Companies

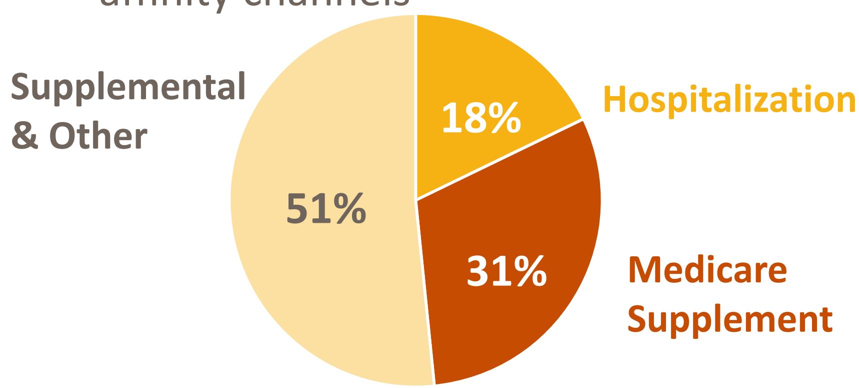
- 2,400 career agents in 25 states serving 5MM policies
- Low face amount protection for individuals and families
- Lead product: ordinary life insurance, including permanent & term insurance
- Limited sensitivity to interest rate or stock market volatility
- Simple products with stable cash flows
- No fixed or variable annuity exposure



Net Earned Premiums: 9M15 $345MM
2014 $479MM

Reserve National

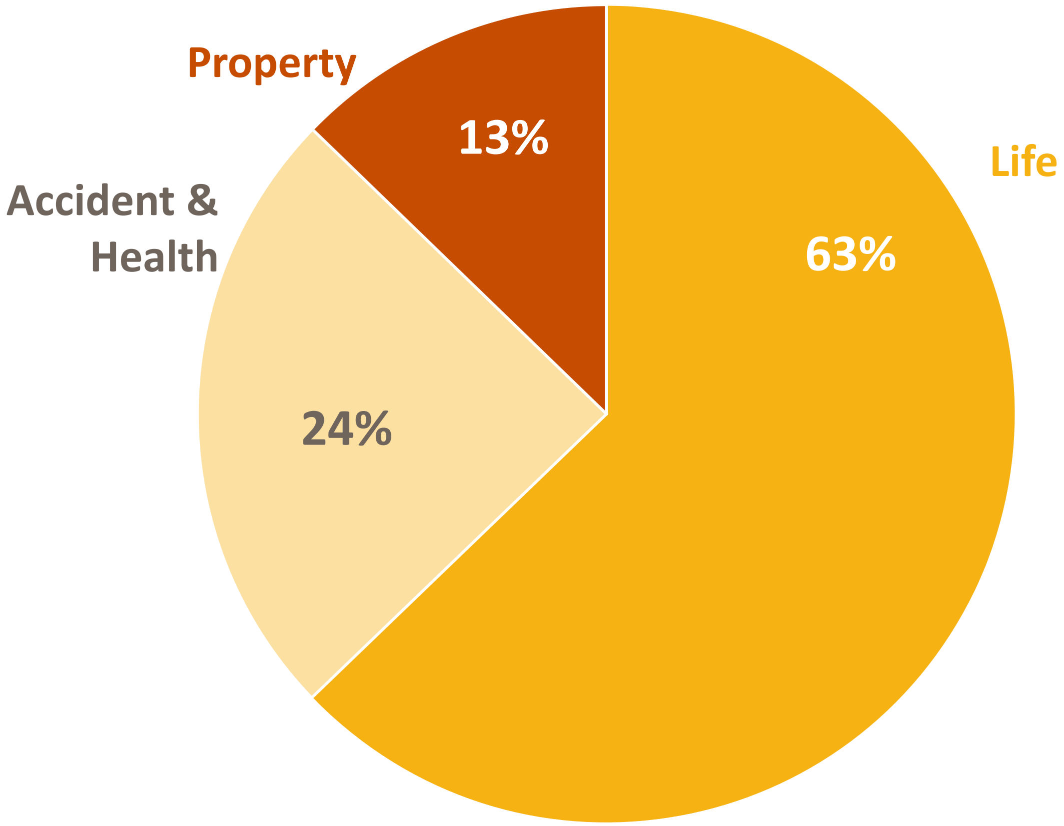
- 20,000+ independent agents
- Historically served rural markets:
  - Individuals, self-employed & employers
  - Licensed in 48 states
- Moving toward supplemental products
- Key growth initiatives and products
  - Kemper Senior Solutions: small face life and limited home health care for those at or near retirement age
  - Kemper Benefits: critical illness and accident insurance offered through worksite and affinity channels



Net Earned Premiums: 9M15 $100MM
2014 $134MM

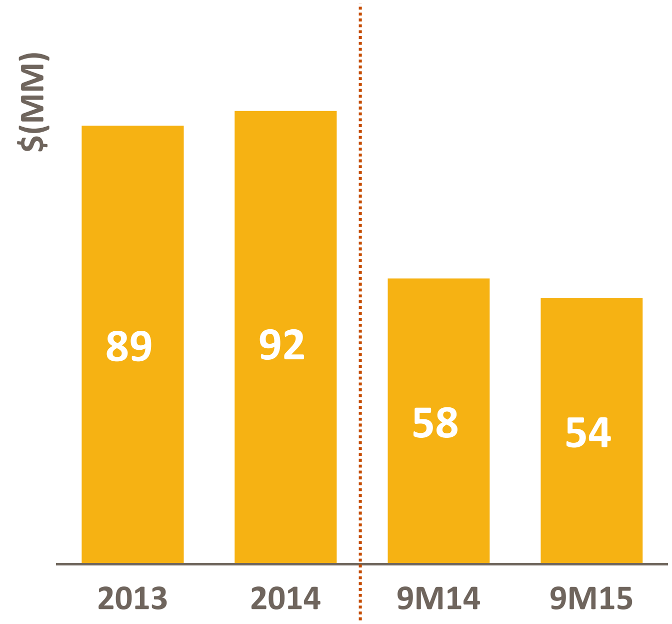
Kemper Life & Health Financial Highlights

Earned Premiums



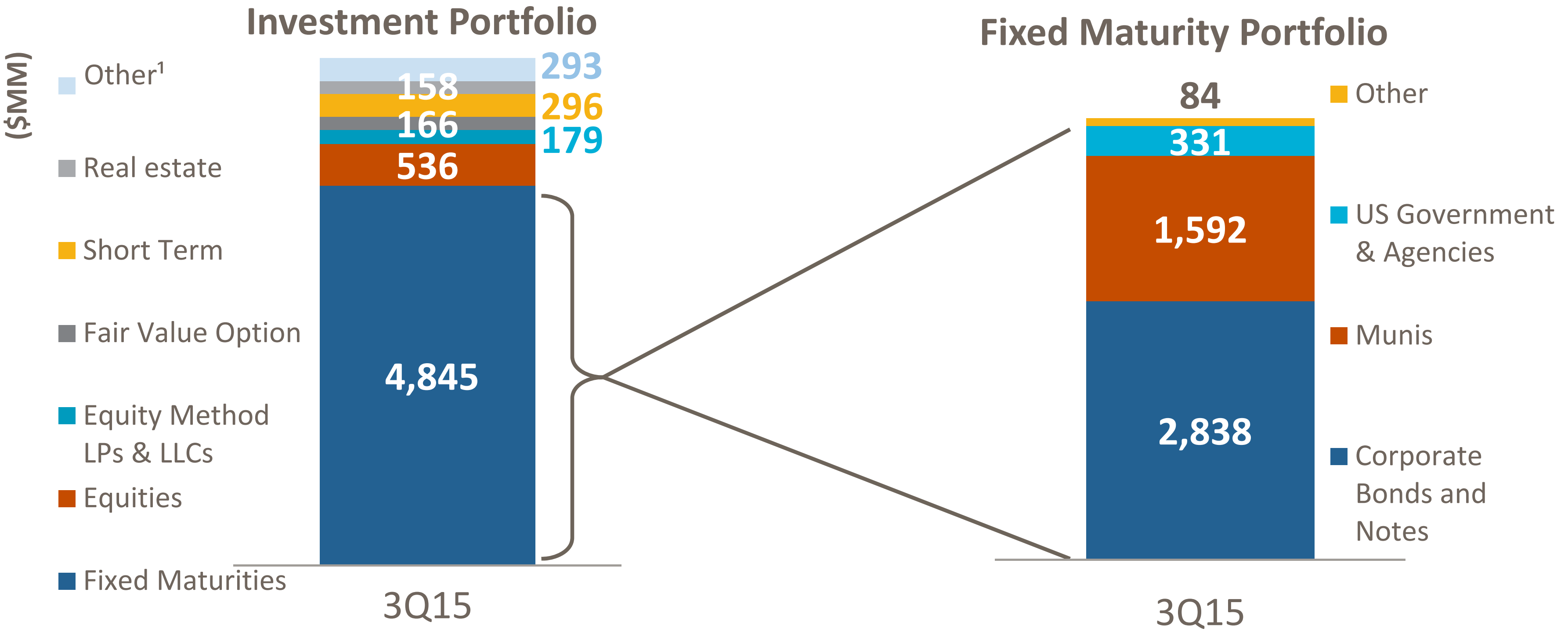
9M15: $445MM
2014: $613MM

Net Operating Income



- Stable earned premiums and cash flows provide diversification for our P&C operations
- Low interest rate environment continues to pressure earnings
- 9M15 results include $5MM adjustment to deferred premium reserves

Kemper Investment Portfolio Overview



Total Investments: $6,473MM

- Total return investment strategy with an emphasis on yield
- No direct exposure to:
  - Securities lending
  - Credit or other derivatives
- Minimal exposure to foreign sovereign governments
- Centralized investment function

[1] Includes $287MM policyholder loans and $6MM other investments

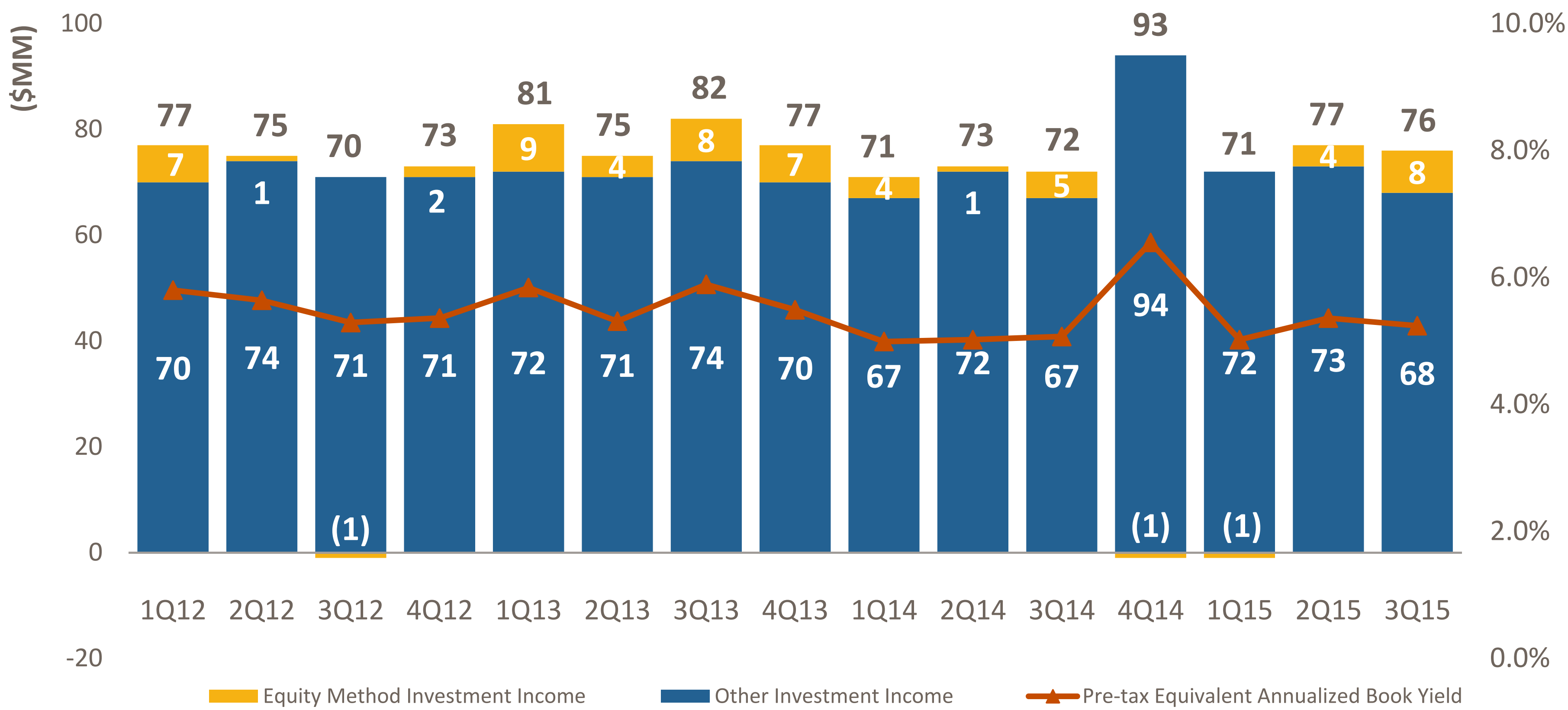
Total Fixed Maturities: $4,845MM

Unrealized Gain: $349MM

- Primarily high grade municipal, corporate and agency bonds; 90% investment grade
- ~30% of fixed maturities held in states and political subdivisions (munis); maximum exposure in any one state is 1.7% of total investments
- Average duration is 6.6 years
- Pre-tax annualized book yield of 5.2% in 9M15

Investment Portfolio Metrics

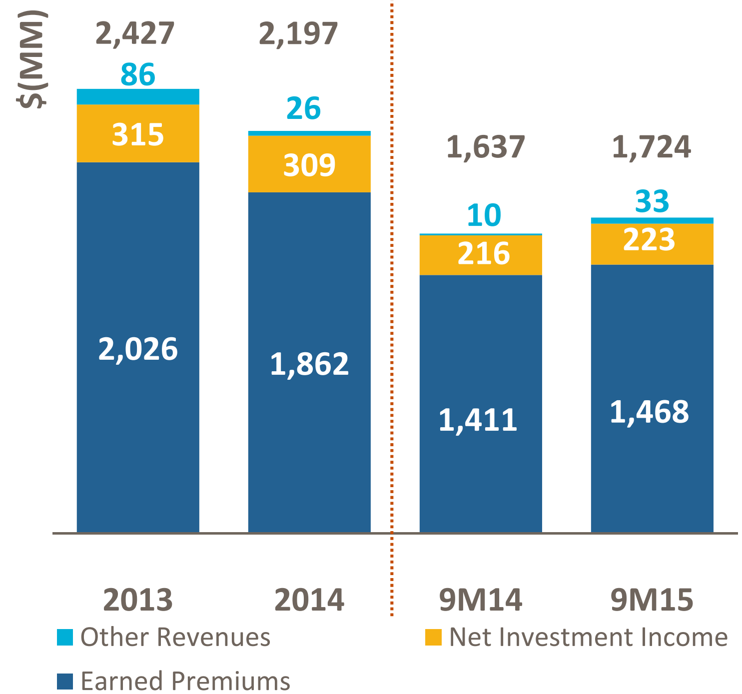
Total net investment income and yield



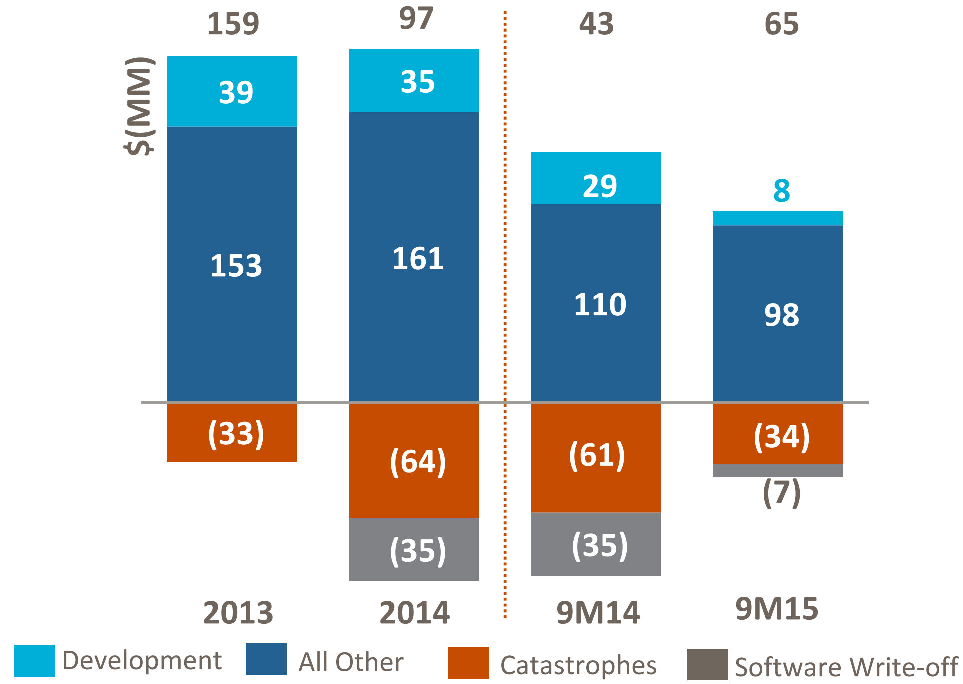
- Relatively stable income and yield; $22MM special dividend received 4Q14
- Equity method investments provide above average yields but come with volatility
- Portfolio is well positioned over the medium term

Kemper Corporation Consolidated Financial Highlights

Total Revenues



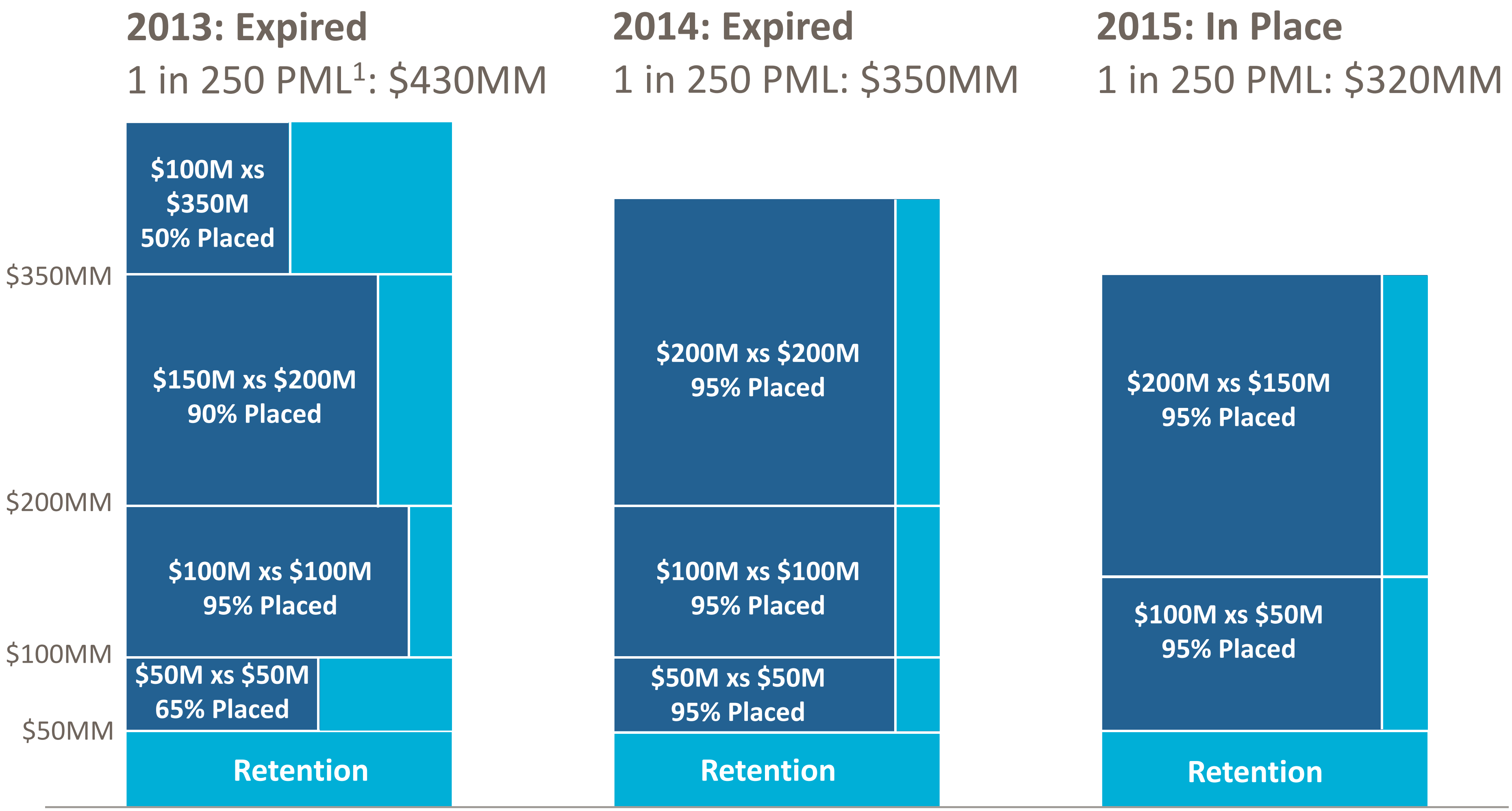
Consolidated Net Operating Income



Net Operating EPS[1] Details ($)	2013	2014	9M14	9M15
Catastrophes	(0.58)	(1.19)	(1.12)	(0.65)
Prior Year Reserve Development	0.68	0.64	0.54	0.16
Equity Method Investments	0.30	0.11	0.12	0.15
Software Write-off	-	(0.66)	(0.65)	(0.14)
All Other	2.38	2.89	1.90	1.74
Total	**2.78**	**1.79**	**0.79**	**1.26**

[1] Consolidated net operating income per diluted share

Catastrophe Risk Management



Total Cost $23.6 MM | **Total Cost $17.7 MM** | **Total Cost $14.5MM**

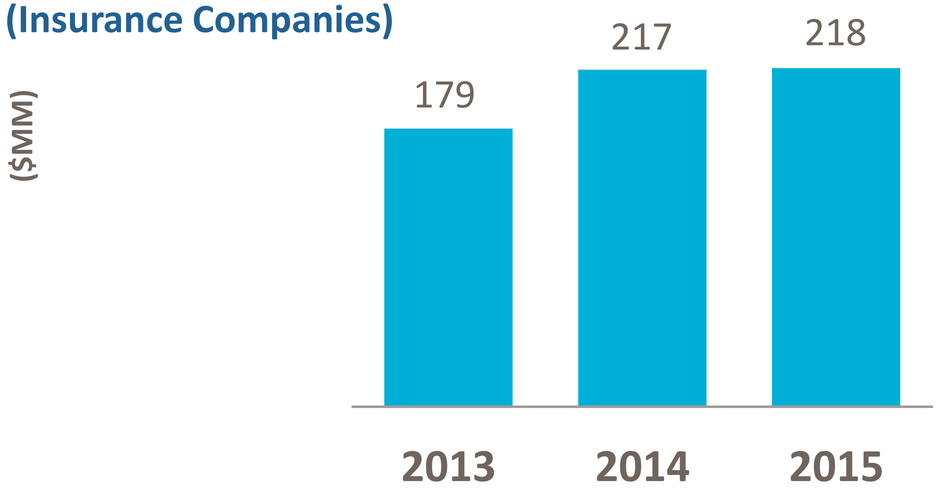
- PML's came down as we moved away from the coast and reduced concentrations
- Increased reinsurance coverage within the layers & locked in a multi-year agreement

[1] Probable Maximum Loss

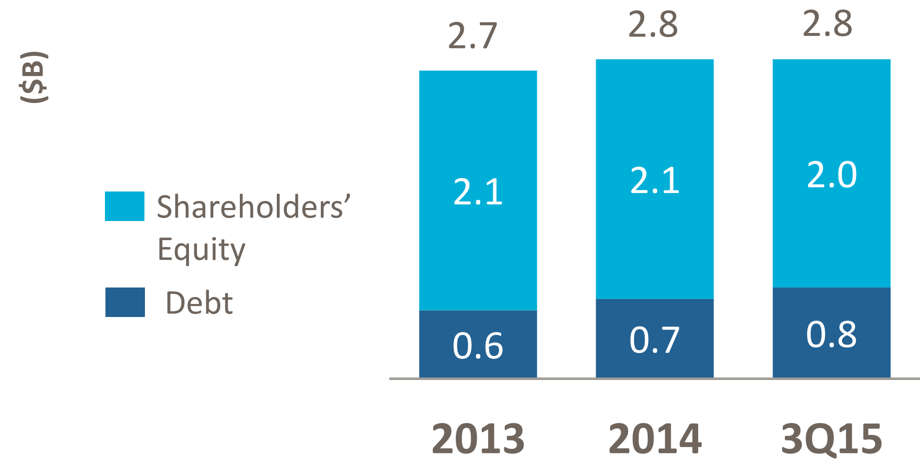
Liquidity & Capital Overview

Max ordinary dividend capacity[1]

(Insurance Companies)



Stable capital profile



Dividends paid to Kemper Corporation ($MM)			
Insurance subs[2]	95	217	285
Remaining planned			30

Risk-Based Capital (%)		
Life & Health	425	420
Property & Casualty	350	335

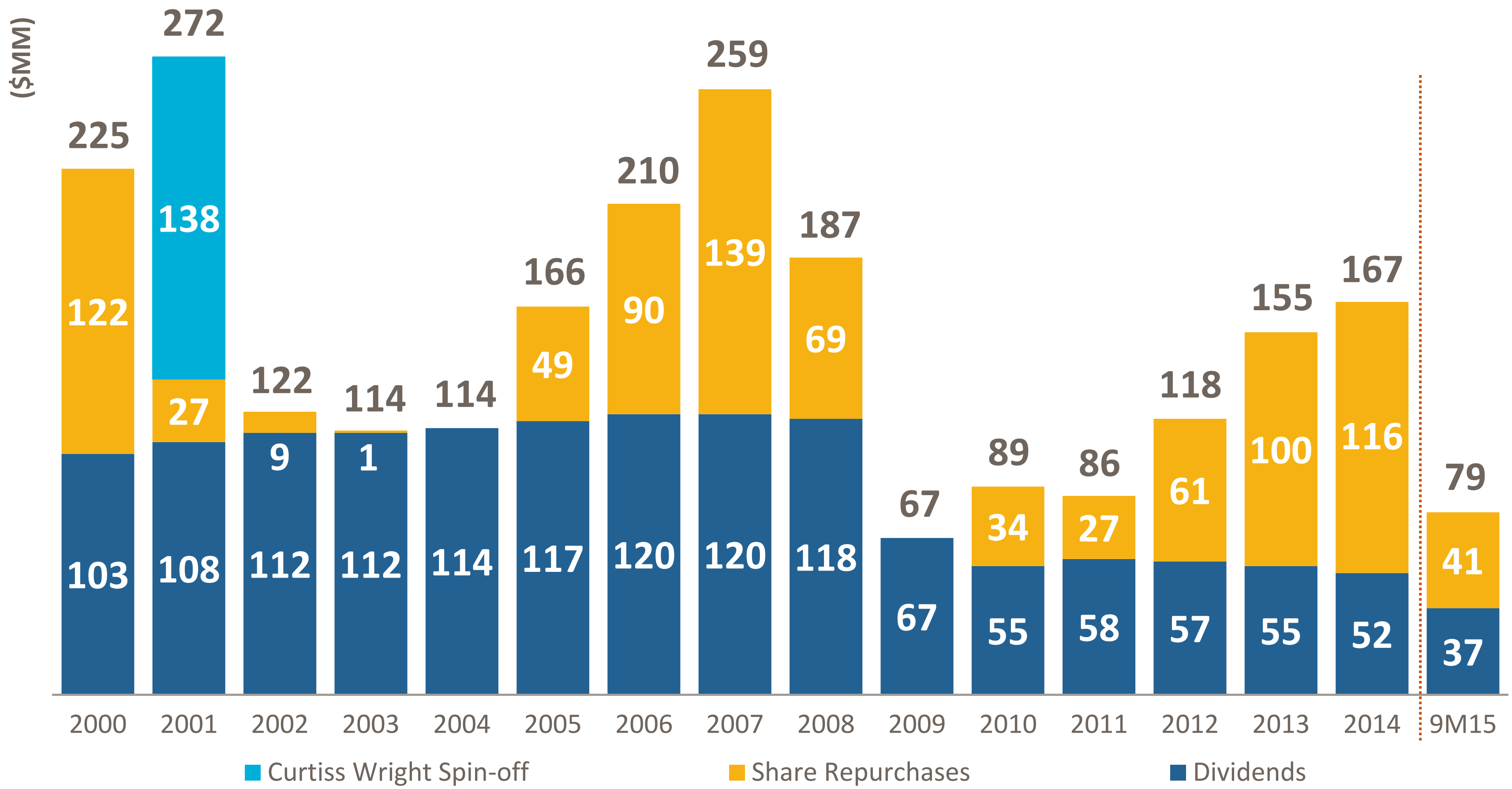
Key Metrics			
Debt to Total Capital	23%	26%	27%
Undrawn Parent Credit Facility (PCF) ($MM)	225	225	225
Allowed Sub. Borrowings from FHLB[3] under PCF ($MM)	250	250	500

[1] Calculated as the greater of 10% of insurance statutory surplus or insurance statutory net income from the prior year
[2] Includes $192 million extraordinary dividend from P&C in 2Q15 and $50 million was paid in October 2015.
[3] Federal Home Loan Bank

Capital Deployment Priorities

1. **Fund profitable organic growth**—improve margins in all lines
2. **Strategic acquisitions:**
   - Bolt-on standard & preferred opportunities
   - Geographic expansion of non-standard auto
   - Leverage scale in life operations
3. **Return capital to shareholders:**
   - Maintain competitive dividends
   - Repurchase shares
     - $116MM repurchased in 2014; $41MM in 9M15
     - $300MM program ($250MM remaining); no expiration date

Capital Returned to Shareholders



- Strong history of returning capital to shareholders
- Despite reducing dividend during financial crisis, remained at competitive level
- Repurchased shares opportunistically

Note: components may not sum to totals due to rounding

The Case for Kemper

Multi-line national insurer with diverse products, multi-channel distribution and experienced management team

Conservative balance sheet with strong liquidity

History of creating shareholder value

KEMPER

Appendix

Consolidated Statements of Income

Kemper Corporation & Subsidiaries

($MM)	NIne Months Ended 3Q14	3Q15	Change	Comments
Revenues:				
Earned Premiums:				
Property & Casualty	$ 950	$ 1,023	7.7%	Alliance United acquisition on April 30th
Life & Health	461	445	-3.5%	$8 million adjustment for deferred
Net Investment Income	216	223	3.2%	premium reserves
Other Income	1	2	NM	
Net Realized Investment Gains	9	31	244.4%	Higher gains on sales of equity securities
Total Revenues	**1,637**	**1,724**	5.3%	
Expenses:				
Incurred Losses and LAE:				
Property & Casualty	693	764	10.2%	Alliance United acquisition on April 30th
Life & Health	283	288	1.8%	
Insurance Expenses	472	468	-0.8%	
Write-offs of Long-lived Assets	55	11	-80.0%	
Loss from Early Extinguishment of Debt	-	9	100.0%	Retired debt maturing in Nov.
Interest and Other Expenses	67	82	22.4%	Higher interest and retirement benefits
Total Expenses	**1,570**	**1,622**	3.3%	
Income Tax Expense	(18)	(23)	NM	
Net Income from Continuing Ops.	**$ 49**	**$ 79**	61.2%	
Total Net Income	**$ 49**	**$ 81**	65.3%	

Consolidated Balance Sheets

Kemper Corporation & Subsidiaries

($MM)	2014	3Q15	Change	Comments
Assets:				
Cash and Investments:				
Fixed Maturities at Fair Value	$ 4,778	$ 4,845	1.4%	
Equity Securities	632	536	-15.2%	Portfolio allocation and tax planning
Equity Method LLC/LP	185	179	-3.2%	
Fair Value Option Investments	53	166	213.2%	Additional capital at Parent Company
Other Investments	450	451	0.2%	
Cash & Short-term Inv.	418	443	6.0%	
Total Cash & Investments	6,516	6,620	1.6%	
Receivables from Policyholders	295	348	18.0%	Acquisition of Alliance United
Other Receivables	187	199	6.4%	
Deferred Acquisition Costs	303	326	7.6%	
Goodwill	312	323	3.5%	Acquisition of Alliance United
Other Assets	220	260	18.2%	Acquisition of Alliance United
Total Assets	**$ 7,833**	**$ 8,076**	**3.1%**	
Liabilities & Shareholders' Equity:				
Insurance Reserves	$ 4,007	$ 4,181	4.3%	Acquisition of Alliance United
Unearned Premiums	537	629	17.1%	Acquisition of Alliance United
Debt	752	750	-0.3%	
Other Liabilities	446	491	10.1%	Acquisition of Alliance United
Total Liabilities	5,742	6,051	5.4%	
Shareholders' Equity	2,091	2,025	-3.2%	
Total Liabilities & Shareholders' Equity	**$ 7,833**	**$ 8,076**	**3.1%**	

Non-GAAP Financial Measures

Underlying Combined Ratio The discussion for the Property & Casualty Insurance segment uses the non-GAAP financial measures of (i) Underlying Losses and LAE and (ii) Underlying Combined Ratio. Underlying Losses and LAE (also referred to 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 (including write-offs of long-lived assets) 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 (including write-offs of long-lived assets) Ratio. The Company believes Underlying Losses and LAE and the Underlying Combined Ratio are useful to investors and are used by management to reveal the trends in the Company's Property & Casualty Insurance business that may be obscured by catastrophe losses and prior year reserve development.

The components of the Underlying Combined Ratio and a reconciliation of the Underlying Combined Ratio to the GAAP combined ratio is presented below:

Underlying Combined Ratio	2013	2014	9M14	9M15
Current Year Non-catastrophe Losses and LAE Ratio	70.4%	67.7%	68.1%	71.1%
Insurance Expense Ratio, Excluding Write-off of Long-lived Asset	27.0%	28.3%	28.1%	26.0%
Impact on Ratio from Write-off of Long-lived Asset	0.0%	4.4%	5.8%	1.1%
Underlying Combined Ratio	97.4%	100.4%	102.0%	98.2%
Non-GAAP Measure Reconciliation				
Underlying Combined Ratio	97.4%	100.4%	102.0%	98.2%
Current Year Catastrophe Losses and LAE Ratio	3.4%	7.7%	9.7%	4.9%
Prior Years Non-catastrophe Losses and LAE Ratio	-3.3%	-3.1%	-3.2%	-0.7%
Prior Years Catastrophe Losses and LAE Ratio	-0.9%	-1.3%	-1.6%	-0.6%
Combined Ratio as Reported	96.6%	103.7%	106.9%	101.8%

[1] Accounting principles generally accepted in the United States

Non-GAAP Financial Measures - Continued

Consolidated Net Operating Income is an after-tax, non-GAAP financial measure computed by excluding from income from continuing operations the after-tax impact of 1) net realized gains on sales of investments, 2) net impairment losses recognized in earnings related to investments, 3) loss from early extinguishment of debt and 4) significant non-recurring or infrequent items that may not be indicative of ongoing operations. Significant nonrecurring items are excluded when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years and (b) there has been no similar charge or gain within the prior two years. The most directly comparable GAAP financial measure is income from continuing operations.

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

Dollars in Millions	2013	2014	9M14	9M15
Consolidated Net Operating Income	$ 159.2	$ 97.1	$ 43.2	$ 65.1
Net Income (Loss) From:				
Net Realized Gains on Sales of Investments	64.4	25.4	11.8	27.8
Net Impairment Losses Recognized in Earnings	(9.1)	(9.9)	(5.7)	(8.1)
Loss from Early Extinguishment of Debt	-	-	-	(5.9)
Income from Continuing Operations	$ 214.5	$ 112.6	$ 49.3	$ 78.9

Diluted Net Operating EPS is a non-GAAP financial measure, that is computed by dividing Consolidated Net Operating Income by the weighted-average unrestricted shares and equivalent shares outstanding assuming dilution. The most directly comparable GAAP financial measure is income from continuing operations per unrestricted share - diluted.

A reconciliation of Diluted Net Operating EPS to Income from Continuing Operations Per Unrestricted Share – Diluted is presented below:

	2013	2014	9M14	9M15
Diluted Net Operating EPS	$ 2.78	$ 1.79	$ 0.79	$ 1.26
Diluted Earnings Per Share From:				
Net Realized Gains on Sales of Investments	1.12	0.47	0.21	0.53
Net Impairment Losses Recognized in Earnings	(0.16)	(0.18)	(0.10)	(0.16)
Loss from Early Extinguishment of Debt	-	-	-	(0.11)
Income from Continuing Operations Per Unrestricted Share - Diluted	$ 3.74	$ 2.08	$ 0.90	$ 1.52