

Kemper Corporation's Acquisition of Infinity Property and Casualty Corporation on July 2, 2018

Consult Your Tax Advisor

The information contained herein includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Merger (as defined below) on the tax basis of the common shares of Kemper Corporation ("Kemper") issued in connection with the Merger.

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. Former holders of Infinity common stock are urged to consult their tax advisors regarding the particular tax consequences of the Merger, including the applicability of federal, state, local and foreign tax laws.

We urge you to read Kemper's Registration Statement on Form S-4, which includes a definitive joint proxy statement of Kemper and Infinity Property and Casualty Corporation ("Infinity") (FEIN: 03-0483872) and a definitive prospectus of Kemper (the "Proxy Statement"), filed with the Securities and Exchange Commission (the "SEC") on April 27, 2018 in connection with the Merger, and available through the website maintained by the SEC at www.sec.gov.

Q. When did the transaction close?

A. On July 2, 2018, pursuant to the previously announced Agreement and Plan of Merger, dated as of February 13, 2018 (the "Merger Agreement"), by and among Kemper, a wholly owned subsidiary of Kemper and Infinity, Kemper completed the merger of its wholly owned subsidiary with and into Infinity, with Infinity continuing as the surviving entity and as a wholly owned subsidiary of Kemper ("Merger").

Q. What consideration will I receive in connection with the Merger?

A. As a result of the Merger, based upon the valid elections made prior to 5:00 p.m., Eastern Time, on June 18, 2018 (the "Election Deadline"), former holders of Infinity common stock are entitled to receive the following:

- Those electing to receive the mixed consideration are entitled to receive 1.2019 shares of Kemper common stock and \$51.60 in cash, without interest, for each share of Infinity common stock with respect to which such election was made;
- Those electing to receive the cash consideration are entitled to receive \$129.00 in cash, without interest, for each share of Infinity common stock with respect to which such election was made;
- Those electing to receive the stock consideration are entitled to receive 1.2332 shares of Kemper common stock and \$49.58 in cash, without interest, for each share of Infinity common stock with respect to which such election was made; and
- Those holders that did not make a valid election prior to the Election Deadline were deemed to have elected to receive the mixed consideration and are entitled to receive 1.2019 shares of Kemper common stock and \$51.60 in cash, without interest, for each share of Infinity common stock held immediately prior to the completion of the Merger.

Q. Will I be taxed on the Kemper stock that I received in the Merger?

A. Former holders of Infinity common stock should consult their tax advisors as to the particular tax consequences to them of the transaction, including the effects of U.S. federal, state and local tax laws and foreign tax laws.

The receipt of the per share merger consideration described above will be a taxable event for U.S. federal income tax purposes. Generally, a taxable U.S. holder will recognize gain or loss equal to the difference between (i) the sum of cash and the fair market value of Kemper shares received and (ii) the holder's adjusted tax basis in the Infinity shares exchanged in connection with the Merger. For further information, see the section of the Proxy Statement entitled "Material U.S. Federal Income Tax Consequences" starting on page 166.

Q. What is the fair market value of a share of Kemper common stock received as part of the consideration in the Merger?

A. U.S. federal income tax law does not specify how to determine fair market value for these purposes and shareholders should consult with their own tax advisors. For its own accounting purposes, Kemper intends to use the lowest price at which its stock traded on July 2, 2018, which is \$74.525. However, shareholders may wish to consider another approach for tax purposes, such as the closing price on July 2, 2018, which is \$75.75.