



KEMPER CORPORATION

DIRECTOR INDEPENDENCE STANDARDS

The Corporate Governance Guidelines of Kemper Corporation (the “Company”) require that a majority of the Board of Directors (“Board”) and all members of certain Board Committees meet the criteria for independence under the New York Stock Exchange (“NYSE”) rules and applicable law. Under the NYSE rules, no director will qualify as independent unless the Board affirmatively determines that the director has no material relationship with the Company. To assist in its determination of director independence, the Board has adopted the following categorical standards.

- I. A director is not independent for purposes of his or her service as a member of:
 - (a) the Board if the director or his or her immediate family member has or had a relationship with the Company that falls within the scope of Section 303A.02(b) of the NYSE rules; or
 - (b) a particular Board Committee if a finding of independence would be inconsistent with any rule of the NYSE or Securities and Exchange Commission (“SEC”) that applies to the director’s service on such Committee, including SEC Rule 10a-3(b).

- II. The following interests shall be deemed categorically immaterial relationships between a director and the Company to the extent consistent with any applicable NYSE or SEC rule:
 - (a) service by the director as an executive officer, director, trustee or in a similar capacity, of a charitable organization to which the Company made contributions during any of the previous three fiscal years which did not exceed \$120,000;
 - (b) a direct or indirect material interest of the director, or of an immediate family member of the director, currently or during the last fiscal year, in any Transaction, or currently proposed Transaction to which the Company was, is or will be a party, in which the amount involved does not exceed \$120,000;
 - (c) the relationship of the director, or an immediate family member of the director, as an insurance policyholder in the ordinary course of business of a subsidiary of the Company, including payments made by either party in connection with insurance premiums or claims, so long as the policy is written and administered on terms no more favorable to the director or immediate family member than those applicable to policies with non-affiliated third parties or those generally available to employees of the Company; and

(d) the director's receipt of office space, administrative support and/or compensation (such as payments made under a deferred compensation, pension or other retirement plan) from an entity with a current or former relationship with the Company, if received by the director solely in connection with prior service and which is not contingent on future or continuing service to such entity.

III. For purposes of these Director Independence Standards:

(a) The "Company" includes Kemper Corporation and its subsidiaries and affiliates;

(b) An "immediate family member" includes a person's child, stepchild, parent, stepparent, spouse, sibling, mother and father-in-law, son and daughter-in-law, brother and sister-in-law, and anyone (other than a tenant or employee) who shares such person's household; and

(c) "Transaction" includes, but is not limited to, any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships.

As of February 2010