UNITRIN

News Release

Source: Unitrin, Inc.

Unitrin, Inc. Reports Solid Second Quarter Net Income of $37.8 Million

CHICAGO – (Business Wire)—August 2, 2010 – Unitrin, Inc. (NYSE: UTR – News) reported today net income of $37.8 million ($0.61 per unrestricted common share) for the three months ended June 30, 2010, compared to $41.9 million ($0.67 per unrestricted common share) for the same period in 2009. Net income from continuing operations was $37.5 million ($0.60 per unrestricted common share) for the three months ended June 30, 2010, compared to $39.5 million ($0.63 per unrestricted common share) for the same period in 2009.

Highlights

- **Second quarter 2010 pre-tax segment operating profit of $62.1 million, compared to $67.6 million for the second quarter of 2009.**
- **Book value per share increases to $33.40 as debt-to-total capitalization ratio declines to 21.4%.**
- **Common Stock Repurchase program resumed; 543,600 shares repurchased at a total cost of $14.0 million.**
- **Unitrin Direct reports operating profit of $0.9 million for the second quarter of 2010, compared to operating loss of $10.5 million for the second quarter of 2009.**
- **Fireside Bank reports operating profit of $4.6 million for the second quarter of 2010; exit plan favorably exceeding target and Tier 1 capital ratio increases to 26.4%.**

Don Southwell, Unitrin's Chairman, President and Chief Executive Officer, commented, "We are pleased to report good bottom line results for the fifth quarter in a row, despite the impact of unfavorable catastrophe and non-catastrophe weather this quarter. We are also pleased with the continued strengthening of our balance sheet and to now be in a position to repurchase our common stock."

"Our Career Agency, Kemper® and Unitrin Specialty segments all continue to report solid operating results and Unitrin Direct reported positive bottom line results for the fourth consecutive quarter. Earned premiums declined largely in line with our expectations as a result of the actions we took in 2009 and also due to the slow economy and the continuing soft property and casualty insurance market. Kemper® is now a registered service mark of Unitrin, Inc., a service mark we purchased in the second quarter of 2010."

Mr. Southwell also commented, "Our plan to exit the automobile finance business and fully return the capital that we have invested in Fireside Bank is going extremely well. Recoveries actually exceeded accounts charged-off in the second quarter. We expect that Fireside Bank will report positive results over the remaining course of the exit plan. We have increased our estimate of the amount of capital that will be returned to Unitrin to $250 million."

Total Revenues

Total revenues were $651.3 million for the second quarter of 2010, compared to $729.9 million for the second quarter of 2009. Total revenues decreased due primarily to lower earned premiums, lower automobile finance revenues and lower net investment income.

Earned premiums were $545.8 million and $594.5 million for the second quarters of 2010 and 2009, respectively, a decrease of $48.7 million. Earned premiums decreased in each of the segments comprising the Company's insurance operations due, in part, to planned reductions. Automobile finance revenues decreased by $20.7 million for the second quarter of 2010, compared to the same period in 2009, as Fireside Bank continued to execute its plan to exit the automobile finance business.

Net investment income decreased by $12.4 million for the second quarter of 2010, compared to the same period in 2009, due primarily to lower net investment income from investments in equity method limited liability investments.

Net realized gains on sales of investments were $2.9 million for the second quarter of 2010, compared to $4.4 million for the same period in 2009. Net impairment losses recognized in earnings were $4.9 million for the second quarter of 2010, compared to $9.6 million for the same period in 2009. (See the tables labeled "Net Realized Gains on Sales of Investments" and "Net Impairment Losses Recognized in Earnings" for additional information.) The Company cannot anticipate when or if net realized gains or losses on sales of investments may occur in the future.

Quarterly Segment Results

Unitrin is engaged, through its subsidiaries, in the property and casualty insurance, life insurance and automobile finance businesses. The Company conducts its continuing operations through five operating segments: Kemper, Unitrin Specialty, Unitrin Direct, Career Agency and Fireside Bank. Reserve National, now classified and reported as a discontinued operation, and Career Agency previously had comprised the Company's Life and Health Insurance segment.

Kemper

Operating profit in the Kemper segment decreased by $4.1 million for the second quarter of 2010, compared to the same period in 2009, due primarily to lower favorable loss and loss adjustment expenses ("LAE") reserve development and higher catastrophe losses (excluding development), partially offset by higher net investment income and lower insurance expenses.

Earned premiums in the Kemper segment decreased by $12.4 million for the second quarter of 2010, compared to the same period in 2009, due primarily to lower volume, partially offset by higher average premium rates. Volume decreased due, in part, to increased competition and planned decreases related to certain initiatives implemented in 2009 to improve profitability and the return on required capital.

Unitrin Specialty

Operating profit in the Unitrin Specialty segment decreased by $3.3 million for the second quarter of 2010, compared to the same period in 2009, due primarily to the unfavorable impact of loss and LAE reserve development and higher catastrophe losses and LAE, partially offset by lower non-catastrophe incurred losses and LAE (excluding development) as a percentage of earned premiums. Loss and LAE reserve development had an adverse effect of $1.7 million for second quarter of 2010, compared to a favorable effect of $2.7 million for the same period in 2009. Catastrophe losses and LAE increased by $1.5 million for the second quarter of 2010 compared to the same period in 2009.

Earned premiums in the Unitrin Specialty segment decreased by $14.2 million for the second quarter of 2010, compared to the same period in 2009, due primarily to lower volume of personal automobile insurance and commercial automobile insurance, partially offset by higher average premium rates on personal automobile insurance.

Unitrin Direct

The Unitrin Direct segment reported an operating profit of $0.9 million for the second quarter of 2010, compared to an operating loss of $10.5 million for the same period in 2009. Operating results for the Unitrin Direct segment improved due primarily to lower incurred losses and LAE as a percentage of earned premiums and lower insurance expenses as a percentage of earned premiums.

Earned premiums in the Unitrin Direct segment decreased by $21.0 million for the second quarter of 2010, compared to the same period in 2009, due primarily to lower volume resulting largely from initiatives to improve profitability and insurance risk selection.

Career Agency

Operating profit in the Career Agency segment decreased by $13.8 million for the second quarter of 2010, compared to the same period in 2009, due primarily to lower net investment income, the impact of lower volume of insurance in force and higher losses and LAE on property insurance, partially offset by lower mortality expense on life insurance.

Earned premiums in the Career Agency segment decreased by $1.1 million for the second quarter of 2010, compared to the same period in 2009, due primarily to lower volume resulting from the strategy to reduce the segment's catastrophe exposure through the non-renewal of dwelling coverage in certain coastal areas and the continued run-off of dwelling coverage in all other markets.

Fireside Bank

Near the end of the first quarter of 2009, Fireside Bank began executing its plan to exit the automobile finance business and wind down its operations in an orderly fashion over the next several years.

The exit plan has favorably exceeded the Company's expectations for the first fifteen months of the plan. Since the Company announced its plan to exit the automobile finance business at the end of the first quarter of 2009, the Tier 1 capital to total average assets ratio at Fireside Bank has increased from 15.6% to a strong 26.4% at the end of the second quarter of 2010. Automobile loan receivables have declined steadily to $545.7 million at June 30, 2010 from $1,125.2 million at March 31, 2009, while certificates of deposits have declined to $512.7 million at June 30, 2010 from $1,054.4 million at March 31, 2009. The reserve for loan losses remains strong at 13.7% of loans outstanding. Cash and U.S. Treasury and Agency investments now represent 50.8% of certificates of deposits outstanding. The Company expects that the amount of automobile loan receivables and certificates of deposits outstanding will decline substantially in 2010 while the Fireside Bank segment reports positive bottom line results. (See the "Fireside Bank Exit Plan Key Metrics" table below for additional information.)

Fireside Bank reported operating profit of $4.6 million for the second quarter of 2010, compared to $0.3 million for the same period in 2009. Automobile finance revenues decreased by $20.7 million for the second quarter of 2010, compared to the same period in 2009, due to the lower levels of loans outstanding as a result of the exit plan.

Consolidated results for the three and six months ended June 30, 2010 and 2009 are as follows:

(Dollars in Millions, Except Per Share Amounts)	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Revenues:				
Earned Premiums	$ 545.8	$ 594.5	$ 1,095.5	$ 1,175.7
Automobile Finance Revenues	26.7	47.4	57.3	100.3
Net Investment Income	80.5	92.9	160.0	138.6
Other Income	0.3	0.3	0.6	0.5
Net Realized Gains on Sales of Investments	2.9	4.4	7.4	5.2
Other-than-temporary Impairment Losses:				
Total Other-than-temporary Impairment Losses	(4.1)	(10.2)	(10.3)	(35.2)
Portion of Losses Recognized in Other Comprehensive Income	(0.8)	0.6	2.2	0.6
Net Impairment Losses Recognized in Earnings	(4.9)	(9.6)	(8.1)	(34.6)
Total Revenues	651.3	729.9	1,312.7	1,385.7
Expenses:				
Policyholders' Benefits and Incurred Losses and Loss Adjustment Expenses	398.0	433.2	791.3	850.9
Insurance Expenses	159.4	173.9	317.7	347.6
Automobile Finance Expenses	15.2	36.0	33.6	82.4
Interest Expense on Certificates of Deposits	7.4	11.9	15.3	24.5
Interest and Other Expenses	17.4	18.3	33.8	33.5
Total Expenses	597.4	673.3	1,191.7	1,338.9
Income from Continuing Operations before Income Taxes and Equity in Net Income (Loss) of Investee	53.9	56.6	121.0	46.8
Income Tax Expense	(15.9)	(15.8)	(35.4)	(14.7)
Income from Continuing Operations before Equity in Net Income (Loss) of Investee	38.0	40.8	85.6	32.1
Equity in Net Income (Loss) of Investee	(0.5)	(1.3)	0.2	(0.1)
Income from Continuing Operations	37.5	39.5	85.8	32.0
Discontinued Operations:				
Income from Discontinued Operations before Income Taxes	0.4	3.8	0.3	6.9
Income Tax Expense	(0.1)	(1.4)	(0.1)	(2.6)
Income from Discontinued Operations	0.3	2.4	0.2	4.3
Net Income	$ 37.8	$ 41.9	$ 86.0	$ 36.3
Income from Continuing Operations Per Unrestricted Share:				
Basic	$ 0.60	$ 0.63	$ 1.38	$ 0.51
Diluted	$ 0.60	$ 0.63	$ 1.38	$ 0.51
Basic Net Income Per Unrestricted Share:				
Basic	$ 0.61	$ 0.67	$ 1.38	$ 0.58
Diluted	$ 0.61	$ 0.67	$ 1.38	$ 0.58
Dividends Paid to Shareholders (per share)	$ 0.22	$ 0.20	$ 0.44	$ 0.67

Business segment revenues for the three and six months ended June 30, 2010 and 2009 are as follows:

(Dollars in Millions)	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Revenues:				
Segment Revenues:				
Kemper:				
Earned Premiums	$ 222.9	$ 235.3	$ 445.3	$ 466.2
Net Investment Income	13.9	12.5	26.3	14.8
Other Income	0.1	0.1	0.2	0.2
Total Kemper	236.9	247.9	471.8	481.2
Unitrin Specialty:				
Earned Premiums	120.5	134.7	242.9	267.3
Net Investment Income	6.7	6.3	12.8	7.4
Other Income	0.1	0.1	0.3	0.1
Total Unitrin Specialty	127.3	141.1	256.0	274.8
Unitrin Direct:				
Earned Premiums	73.0	94.0	149.0	176.6
Net Investment Income	5.9	5.6	11.2	6.4
Other Income	0.1	0.1	0.1	0.1
Total Unitrin Direct	79.0	99.7	160.3	183.1
Career Agency:				
Earned Premiums	129.4	130.5	258.3	265.6
Net Investment Income	50.0	63.8	102.0	103.7
Other Income	-	-	-	0.1
Total Career Agency	179.4	194.3	360.3	369.4
Fireside Bank:				
Interest, Loan Fees and Earned Discounts	26.3	46.4	56.5	98.2
Other Automobile Finance Revenues	0.4	1.0	0.8	2.1
Automobile Finance Revenues	26.7	47.4	57.3	100.3
Net Investment Income	0.5	0.8	1.0	1.7
Total Fireside Bank	27.2	48.2	58.3	102.0
Total Segment Revenues	649.8	731.2	1,306.7	1,410.5
Unallocated Dividend Income	0.2	0.4	0.3	0.7
Net Realized Gains on Sales of Investments	2.9	4.4	7.4	5.2
Net Impairment Losses Recognized in Earnings	(4.9)	(9.6)	(8.1)	(34.6)
Other	3.3	3.5	6.4	3.9
Total Revenues	$ 651.3	$ 729.9	$ 1,312.7	$ 1,385.7

Business segment operating profit (loss) for the three and six months ended June 30, 2010 and 2009 is as follows:

(Dollars in Millions)	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Segment Operating Profit (Loss):				
Kemper	$ 17.6	$ 21.7	$ 36.9	$ 34.7
Unitrin Specialty	7.5	10.8	15.0	10.8
Unitrin Direct	0.9	(10.5)	(0.2)	(19.0)
Career Agency	31.5	45.3	73.4	67.2
Fireside Bank	4.6	0.3	9.4	(4.9)
Total Segment Operating Profit	62.1	67.6	134.5	88.8
Unallocated Dividend Income	0.2	0.4	0.3	0.7
Net Realized Gains on Sales of Investments	2.9	4.4	7.4	5.2
Net Impairment Losses Recognized in Earnings	(4.9)	(9.6)	(8.1)	(34.6)
Other Expense, Net	(6.4)	(6.2)	(13.1)	(13.3)
Income from Continuing Operations before Income Taxes and Equity in Net Income (Loss) of Investee	$ 53.9	$ 56.6	$ 121.0	$ 46.8

Business segment net income for the three and six months ended June 30, 2010 and 2009 is as follows:

(Dollars in Millions)	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Segment Net Income (Loss):				
Kemper	$ 13.5	$ 16.1	$ 28.1	$ 26.5
Unitrin Specialty	6.0	8.0	11.8	9.0
Unitrin Direct	0.4	(6.1)	0.5	(11.0)
Career Agency	20.2	29.4	47.5	43.5
Fireside Bank	2.7	0.2	5.7	(9.7)
Total Segment Net Income	42.8	47.6	93.6	58.3
Net Income (Loss) From:				
Unallocated Dividend Income	0.1	0.3	0.2	0.6
Net Realized Gains on Sales of Investments	1.9	3.0	4.8	3.5
Net Impairment Losses Recognized in Earnings	(3.2)	(6.4)	(5.3)	(22.6)
Other Expense, Net	(3.6)	(3.7)	(7.7)	(7.7)
Income from Continuing Operations before Equity in Net Income (Loss) of Investee	38.0	40.8	85.6	32.1
Equity in Net Income (Loss) of Investee	(0.5)	(1.3)	0.2	(0.1)
Income from Continuing Operations	$ 37.5	$ 39.5	$ 85.8	$ 32.0

The components of Net Realized Gains on Sales of Investments for the three and six months ended June 30, 2010 and 2009 are as follows:

	Three Months Ended		Six Months Ended	
(Dollars in Millions)	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Fixed Maturities:				
Gains on Sales	$ 2.3	$ 3.0	$ 4.8	$ 3.4
Losses on Sales	-	(0.1)	-	(0.1)
Equity Securities:				
Gains on Sales	0.3	1.0	2.0	1.5
Investee:				
Gains on Sales	0.8	-	0.8	-
Other Investments:				
Losses on Sales	(0.1)	-	(0.1)	-
Trading Securities Net Gains (Losses)	(0.4)	0.5	(0.1)	0.4
Net Realized Gains on Sales of Investments	$ 2.9	$ 4.4	$ 7.4	$ 5.2

The components of Net Impairment Losses Recognized in Earnings for the three and six months ended June 30, 2010 and 2009 are as follows:

	Three Months Ended		Six Months Ended	
(Dollars in Millions)	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Fixed Maturities	$ (4.6)	$ (5.0)	$ (7.8)	$ (26.6)
Equity Securities	(0.3)	(4.6)	(0.3)	(8.0)
Net Impairment Losses Recognized in Earnings	$ (4.9)	$ (9.6)	$ (8.1)	$ (34.6)

Fireside Bank Exit Plan Key Metrics

Key metrics for the Fireside Bank exit plan are set forth in the table below, which compares the status of the plan at the end of the second quarter of 2010, with the end of 2009 and with the plan's approximate inception date.

(Dollars in Millions)	June 30, 2010	Dec. 31, 2009	Mar. 31, 2009
Net Automobile Loan Receivables Outstanding	$ 545.7	$ 744.1	$ 1,125.2
Loans 30 or more days delinquent:			
Dollars	$ 34.7	$ 76.1	$ 103.4
As a percentage of Reserve for Loan Losses	46.4%	91.4%	91.0%
Reserve for Loan Losses:			
Dollars	$ 74.8	$ 83.3	$ 113.6
As a percentage of Net Automobile Receivables Outstanding	13.7%	11.2%	10.1%
Cash and U.S. Treasury and Agency Investments	$ 260.6	$ 214.0	$ 204.7
Certificates of Deposits:			
Maturing in One Year or Less	$ 220.1	$ 245.4	$ 425.3
Maturing in More than One Year	292.6	437.0	629.1
Total	$ 512.7	$ 682.4	$ 1,054.4
Cash and U.S. Treasury and Agency Investments as a percentage of Certificates of Deposits	50.8%	31.4%	19.4%
Total Capital	$ 239.8	$ 233.4	$ 229.6
Tier 1 Capital	$ 208.9	$ 201.2	$ 207.2
Tier 1 Capital to Total Average Assets	26.4%	21.3%	15.6%
Tier 1 Capital to Net Automobile Loan Receivables Outstanding	38.3%	27.0%	18.4%

Unitrin, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Dollars in millions, except per share amounts)

	June 30, 2010	Dec. 31, 2009
Assets:		
Investments:		
Fixed Maturities at Fair Value (Amortized Cost: 2010 - $4,353.0; 2009 - $4,413.2)	$ 4,654.6	$ 4,561.4
Equity Securities at Fair Value (Cost: 2010 - $214.1; 2009 - $184.4)	229.0	195.4
Investee (Intermec) at Cost Plus Cumulative Undistributed Comprehensive Income (Fair Value: 2010 - $127.1; 2009 - $162.8)	91.8	98.4
Short-term Investments at Cost which Approximates Fair Value	383.7	397.0
Other Investments	789.3	771.6
Total Investments	6,148.4	6,023.8
Cash	97.9	143.7
Automobile Loan Receivables at Cost and Net of Reserve for Loan Losses (Fair Value: 2010 - $476.1; 2009 - $666.2)	470.9	660.8
Other Receivables	610.3	642.0
Deferred Policy Acquisition Costs	518.6	521.1
Goodwill	311.8	331.8
Current and Deferred Income Taxes	51.5	107.6
Other Assets	154.5	142.7
Assets of Discontinued Operations	144.0	-
Total Assets	$ 8,507.9	$ 8,573.5
Liabilities and Shareholders’ Equity:		
Insurance Reserves:		
Life and Health	$ 3,014.6	$ 3,028.0
Property and Casualty	1,149.5	1,211.3
Total Insurance Reserves	4,164.1	4,239.3
Certificates of Deposits at Cost (Fair Value: 2010 - $537.0; 2009 - $717.9)	512.7	682.4
Unearned Premiums	677.7	724.9
Liabilities for Unrecognized Tax Benefits	10.8	11.7
Notes Payable at Amortized Cost (Fair Value: 2010 - $565.5; 2009 - $534.2)	561.8	561.4
Accrued Expenses and Other Liabilities	449.0	436.2
Liabilities of Discontinued Operations	63.6	-
Total Liabilities	6,439.7	6,655.9
Shareholders’ Equity:		
Common Stock, $0.10 par value, 100 Million Shares Authorized; 61,924,608 Shares Issued and Outstanding at June 30, 2010 and 62,357,016 Shares Issued and Outstanding at December 31, 2009	6.2	6.2
Paid-in Capital	761.1	765.9
Retained Earnings	1,137.9	1,086.7
Accumulated Other Comprehensive Income	163.0	58.8
Total Shareholders’ Equity	2,068.2	1,917.6
Total Liabilities and Shareholders’ Equity	$ 8,507.9	$ 8,573.5

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This press release may contain or incorporate by reference information that includes or is based on forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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” and other words and terms of similar meaning in connection with a discussion of future operating financial performance or financial condition. 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, readers are cautioned not to place undue reliance on such statements, which speak only as of the date of this press release. These statements are based 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.

Among the general factors that could cause actual results and financial condition to differ materially from estimated results and financial condition are:

- The incidence, frequency, and severity of catastrophes occurring in any particular reporting period or geographic concentration, including natural disasters, pandemics and terrorist attacks or other man-made events;
- The number and severity of insurance claims (including those associated with catastrophe losses) and their impact on the adequacy of loss reserves;
- Changes in facts and circumstances affecting assumptions used in determining loss and LAE reserves;
- The impact of inflation on insurance claims, including, but not limited to, the effects attributed to scarcity of resources available to rebuild damaged structures, including labor and materials and the amount of salvage value recovered for damaged property;
- Changes in the pricing or availability of reinsurance, or in the financial condition of reinsurers and amounts recoverable therefrom;
- Orders, interpretations or other actions by regulators that impact the reporting, adjustment and payment of claims;
- The impact of residual market assessments and assessments for insurance industry insolvencies;
- Changes in industry trends and significant industry developments;
- Uncertainties related to regulatory approval of insurance rates, policy forms, license applications and similar matters;

- Developments related to insurance policy claims and coverage issues including, but not limited to, interpretations or decisions by courts or regulators that may govern or influence insurance policy coverage issues arising with respect to losses incurred in connection with hurricanes and other catastrophes;
- Changes in ratings by credit rating agencies including A.M. Best Co., Inc.;
- Adverse outcomes in litigation or other legal or regulatory proceedings involving Unitrin or its subsidiaries or affiliates;
- Regulatory, accounting or tax changes that may affect the cost of, or demand for, the Company's products or services;
- Governmental actions, including, but not limited to, implementation of the provisions of the Patient Protection and Affordable Care Act, the Health Care and Education Reconciliation Act of 2010 and the Dodd-Frank Act, new laws or regulations or court decisions interpreting existing laws and regulations or policy provisions;
- Changes in distribution channels, methods or costs resulting from changes in laws or regulations, lawsuits or market forces;
- Changes in laws or regulations governing or affecting the regulatory status of industrial banks, such as Fireside Bank, and their parent companies, including minimum capital requirements and restrictions on the non-financial activities and equity investments of companies that acquire control of industrial banks;
- Changes in the estimated rates of automobile loan receivables net charge-off used to estimate Fireside Bank's reserve for loan losses, including, but not limited to, changes in general economic conditions, unemployment rates and the impact of changes in the value of collateral held;
- The degree of success in effecting an orderly wind-down of the operations of Fireside Bank and the recovery of Unitrin's investment in Fireside Bank;
- The degree of success in identifying a buyer for Reserve National and effecting a sale that results in a complete recovery of goodwill associated with Reserve National;
- Changes in general economic conditions, including performance of financial markets, interest rates, unemployment rates and fluctuating values of particular investments held by the Company;
- The level of success and costs expended in realizing economies of scale and implementing significant business consolidations and technology initiatives;
- Heightened competition, including, with respect to pricing, entry of new competitors and the development of new products by new and existing competitors;
- Increased costs and risks related to data security;
- Absolute and relative performance of the Company's products or services; and
- Other risks and uncertainties described from time to time in Unitrin's filings with the U.S. Securities and Exchange Commission ("SEC").

No assurances can be given that the results contemplated in any forward-looking statements will be achieved or will be achieved in any particular timetable. The Company 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 press release. The reader is advised, however, to consult any further disclosures Unitrin makes on related subjects in its filings made with the SEC.

Unitrin is a diversified insurance holding company, with subsidiaries that principally provide life, auto, homeowners and other insurance products for individuals and small businesses.

Unitrin's principal businesses are:

- **Kemper**, which provides auto, homeowners and other insurance products to individuals through a network of independent agents,
- **Unitrin Direct**, which markets auto and homeowners insurance to consumers via direct mail, the Internet and employer-sponsored employee benefit programs and other affinity relationships,
- **Unitrin Specialty**, which provides auto insurance through a network of independent agents and brokers to individuals and small businesses which have had difficulty procuring insurance through traditional channels, usually due to adverse driving records or claim or credit histories, and
- **Career Agency**, which specializes in the sale of life insurance products to persons of modest incomes through a network of employee agents.

Additional information about Unitrin, including a copy of its Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, is available by visiting its website (www.unitrin.com).

Unitrin plans to issue a news release discussing its third quarter results and file its quarterly report on Form 10-Q after the market closes on Monday, November 1, 2010.

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