

Source: Unitrin, Inc.

Unitrin, Inc. Reports Strong Fourth Quarter Results, Net Income Increases by Over \$75 Million

CHICAGO – (Business Wire)—February 1, 2010 – Unitrin, Inc. (NYSE: UTR – News) reported today net income of \$66.3 million (\$1.06 per unrestricted common share) for the fourth quarter of 2009, compared to a net loss of \$10.6 million (\$0.17 per unrestricted common share) for the fourth quarter of 2008, an improvement of \$76.9 million. Net income from continuing operations was \$66.1 million (\$1.06 per unrestricted common share) for the fourth quarter of 2009, compared to a net loss from continuing operations of \$26.1 million (\$0.42 per unrestricted common share) for the fourth quarter of 2008.

Highlights

- **Third consecutive quarter of strong and increasing operating and bottom-line results;**
- **Fourth quarter 2009 net income of \$66.3 million.**
- **Book value per share increases to \$30.75 as debt-to-total capitalization ratio declines to 22.6%.**
- **Fourth quarter 2009 segment operating profit of \$92.8 million, compared to \$21.2 million for the fourth quarter of 2008.**
- **Fireside Bank reports small profit for the quarter; exit plan on target and Tier 1 capital ratio increases to 21.3%.**
- **Unitrin Direct reports second consecutive profitable quarter.**

Don Southwell, Unitrin’s Chairman, President and Chief Executive Officer, commented, “We are very pleased with our strong fourth quarter operating and bottom line results and with the continued strengthening of our balance sheet. Operating results improved in each of our business segments compared to the prior year. Our plan to exit the automobile finance business and recover the capital that we have invested in Fireside Bank is going very well. Unitrin Direct reported positive segment operating profit for the second quarter in a row. While we plan to increase marketing spending slightly at Unitrin Direct in 2010, earned premiums will decline due to the rate and underwriting actions we have taken, but the Unitrin Direct bottom line should produce a positive full-year result. Our Life and Health Insurance, Kemper and Unitrin Specialty segments all continue to report strong operating results.”

Total Revenues

Total revenues were \$730.9 million for the fourth quarter of 2009, compared to \$624.7 million for the fourth quarter of 2008. Total revenues increased due primarily to higher net investment income, lower net impairment losses recognized in earnings, and higher net realized gains on sales of investments, partially offset by lower automobile finance revenues and lower earned premiums.

Earned premiums were \$600.5 million and \$604.9 million for the fourth quarters of 2009 and 2008, respectively, a decrease of \$4.4 million. Earned premiums decreased in the Life and Health Insurance, Kemper and Unitrin Specialty segments, partially offset by an increase in earned premiums in the Unitrin Direct segment. Automobile finance revenues decreased by \$20.6 million for the fourth quarter of 2009, compared to the same period in 2008, as Fireside Bank continued its plan to exit the automobile finance business.

Net investment income increased by \$66.1 million for the quarter ended December 31, 2009, compared to the same period in 2008, due primarily to higher investment income from investments in equity method limited liability investments. Net investment income from equity method limited liability investments increased due primarily to higher investment returns.

Net realized gains on sales of investments were \$7.0 million for the fourth quarter of 2009, compared to net realized losses on sales of investments of \$6.3 million for the same period in 2008. (See the “Net Realized Gains (Losses) on Sales of Investments” table below for additional information.) The Company cannot anticipate when or if similar net realized gains or losses on sales of investments may occur in the future.

Net impairment losses recognized in earnings were \$1.2 million for the fourth quarter of 2009, compared to \$54.0 million for the same period in 2008. (See the “Net Impairment Losses Recognized in Earnings” table below for additional information.) The Company cannot anticipate when or if similar net impairment losses may occur in the future.

Quarterly Segment Results

Unitrin is engaged, through its subsidiaries, in the property and casualty insurance, life and health insurance and automobile finance businesses. The Company conducts its continuing operations through five operating segments: Kemper, Unitrin Specialty, Unitrin Direct, Life and Health Insurance and Fireside Bank.

NOTE: The Company uses the registered trademark, “Kemper,” under license, for personal lines insurance only, from Lumbermens Mutual Casualty Company (“Lumbermens”), which is not affiliated with the Company. Lumbermens continues to use the name, “Kemper Insurance Companies,” in connection with its operations, which are distinct from, and not to be confused with, Unitrin’s Kemper business segment.

The increase in net investment income in each of the operating segments described below is largely attributable to net investment losses from investments in Equity Method Limited Liability Investments in the fourth quarter of 2008 compared to gains from those same investments in the fourth quarter of 2009.

Kemper

Earned premiums in the Kemper segment decreased by \$5.6 million for the fourth quarter of 2009, compared to the same period in 2008, due primarily to lower volume in automobile insurance. Operating profit in the Kemper segment increased by \$4.9 million for the fourth quarter of 2009, compared to the same period in 2008, due primarily to \$16.7 million of higher investment income and \$7.1 million of lower insurance expenses, partially offset by \$13.3 million of higher incurred losses and loss adjustment expenses (“LAE”). Kemper’s incurred losses and LAE increased due primarily to higher catastrophe and storm losses and a lower level of favorable reserve development.

Unitrin Specialty

Earned premiums in the Unitrin Specialty segment decreased by \$2.6 million for the fourth quarter of 2009, compared to the same period in 2008, due primarily to lower volume of commercial automobile insurance, partially offset by higher volume of personal automobile insurance. Operating profit in the Unitrin Specialty segment increased by \$13.5 million for the fourth quarter of 2009, compared to the same period in 2008, due primarily to higher net investment income and lower losses and LAE as a percentage of earned premiums. Losses and LAE as a percentage of earned premiums decreased due primarily to lower frequency and, to a lesser extent, lower severity of losses on commercial automobile insurance, and lower frequency of losses on personal automobile insurance.

Unitrin Direct

Earned premiums in the Unitrin Direct segment increased by \$10.0 million for the fourth quarter of 2009, compared to the same period in 2008, due primarily to the impact of the Direct Response acquisition, partially offset by lower volume of insurance. The Unitrin Direct segment reported operating profit of \$5.8 million for the fourth quarter of 2009, compared to an operating loss of \$15.9 million for the same period of 2008. Operating results for the Unitrin Direct segment improved by \$21.7 million due primarily to lower incurred losses and LAE as a percentage of earned premiums, higher net investment income, lower marketing expenses and an operating profit of \$4.4 million related to the Direct Response acquisition.

Life and Health Insurance

Earned premiums in the Life and Health Insurance segment decreased by \$6.2 million for the fourth quarter of 2009, compared to the same period in 2008, due primarily to lower volume, partially offset by higher average premium rates and lower cost of catastrophe reinsurance coverage.

Operating profit in the Life and Health Insurance segment increased by \$30.3 million for the fourth quarter of 2009, compared to the same period in 2008, due primarily to higher net investment income.

Fireside Bank

As previously announced, on March 24, 2009, Fireside Bank suspended all new lending activity and ceased opening new certificate of deposit accounts as part of a plan to exit the automobile finance business. The exit plan envisions an orderly wind-down of Fireside Bank's operations over the next several years. Fireside Bank continues to collect outstanding loan balances and make interest payments and redemptions on outstanding certificates of deposits in the ordinary course of business.

The exit plan thus far has favorably exceeded the Company's expectations. Management is confident that the Company will recover, over the next several years, the approximately \$230 million of capital invested in Fireside Bank. Since the Company announced the plan to exit the automobile finance business at the end of the first quarter, the Tier One Capital ratio at Fireside Bank has increased to a solid 21.3% at the end of 2009. Loan receivables have declined steadily from \$1,125 million, down to \$744 million at the end of 2009. The reserve for loan losses remains strong at 11.2% of loans outstanding. Cash and U.S Treasury and Agency investments now represent 31.4% of certificates of deposits outstanding. For 2010, the Company expects that the amount of automobile loan receivables and certificates of deposits outstanding will decline substantially, and Fireside Bank will report approximately break-even bottom line results.

Automobile finance revenues decreased by \$20.6 million for the fourth quarter of 2009, compared to the same period in 2008, due to the lower levels of loans outstanding as a result of the exit plan. Fireside Bank reported operating profit of \$3.1 million for the fourth quarter of 2009, compared to \$1.9 million for the same period in 2008.

Consolidated results for the three months and years ended December 31, 2009 and 2008 are as follows:

(Dollars and Shares in Millions, Except Per Share Amounts)	Three Months Ended		Year Ended	
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Revenues:				
Earned Premiums	\$ 600.5	\$ 604.9	\$ 2,455.5	\$ 2,376.6
Automobile Finance Revenues	36.1	56.7	178.5	242.3
Net Investment Income	88.0	21.9	322.7	212.9
Other Income	0.5	1.5	2.5	4.1
Net Realized Gains (Losses) on Sales of Investments	7.0	(6.3)	24.6	59.2
Other-than-temporary Impairment Losses:				
Total Other-than-temporary Impairment Losses	(0.7)	(54.0)	(50.6)	(152.9)
Portion of Losses Recognized in Other Comprehensive Income	(0.5)	-	0.2	-
Net Impairment Losses Recognized in Earnings	<u>(1.2)</u>	<u>(54.0)</u>	<u>(50.4)</u>	<u>(152.9)</u>
Total Revenues	<u>730.9</u>	<u>624.7</u>	<u>2,933.4</u>	<u>2,742.2</u>
Expenses:				
Policyholders' Benefits and Incurred				
Losses and Loss Adjustment Expenses	411.2	412.0	1,739.5	1,765.2
Insurance Expenses	177.5	190.6	721.2	736.5
Automobile Finance Expenses	24.6	32.8	136.2	204.1
Interest Expense on Certificates of Deposits	8.9	13.8	43.5	58.7
Goodwill	-	9.2	1.5	9.2
Interest and Other Expenses	14.4	12.2	61.9	58.5
Total Expenses	<u>636.6</u>	<u>670.6</u>	<u>2,703.8</u>	<u>2,832.2</u>
Income (Loss) from Continuing Operations before				
Income Taxes and Equity in Net Income (Loss) of Investee	94.3	(45.9)	229.6	(90.0)
Income Tax Benefit (Expense)	<u>(28.3)</u>	<u>18.3</u>	<u>(66.4)</u>	<u>46.2</u>
Income (Loss) from Continuing Operations before				
Equity in Net Income (Loss) of Investee	66.0	(27.6)	163.2	(43.8)
Equity in Net Income (Loss) of Investee	0.1	1.5	(1.0)	5.8
Income (Loss) from Continuing Operations	<u>66.1</u>	<u>(26.1)</u>	<u>162.2</u>	<u>(38.0)</u>
Discontinued Operations:				
Income from Discontinued				
Operations before Income Taxes	0.3	23.3	4.0	18.2
Income Tax Expense	<u>(0.1)</u>	<u>(7.8)</u>	<u>(1.5)</u>	<u>(9.8)</u>
Income from Discontinued Operations	<u>0.2</u>	<u>15.5</u>	<u>2.5</u>	<u>8.4</u>
Net Income (Loss)	<u>\$ 66.3</u>	<u>\$ (10.6)</u>	<u>\$ 164.7</u>	<u>\$ (29.6)</u>
Income (Loss) from Continuing Operations Per Unrestricted Share:				
Basic	<u>\$ 1.06</u>	<u>\$ (0.42)</u>	<u>\$ 2.60</u>	<u>\$ (0.60)</u>
Diluted	<u>\$ 1.06</u>	<u>\$ (0.42)</u>	<u>\$ 2.60</u>	<u>\$ (0.60)</u>
Net Income (Loss) Per Unrestricted Share:				
Basic	<u>\$ 1.06</u>	<u>\$ (0.17)</u>	<u>\$ 2.64</u>	<u>\$ (0.47)</u>
Diluted	<u>\$ 1.06</u>	<u>\$ (0.17)</u>	<u>\$ 2.64</u>	<u>\$ (0.47)</u>
Dividends Paid to Shareholders (per share)	<u>\$ 0.20</u>	<u>\$ 0.47</u>	<u>\$ 1.07</u>	<u>\$ 1.88</u>

Business segment revenues for the three months and years ended December 31, 2009 and 2008 are as follows:

(Dollars in Millions)	Three Months Ended		Year Ended	
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Revenues:				
Segment Revenues:				
Kemper:				
Earned Premiums	\$ 230.9	\$ 236.5	\$ 931.8	\$ 930.7
Net Investment Income (Loss)	13.4	(3.3)	42.1	19.1
Other Income	0.1	0.1	0.4	0.5
Total Kemper	244.4	233.3	974.3	950.3
Unitrin Specialty:				
Earned Premiums	128.6	131.2	527.5	494.0
Net Investment Income (Loss)	6.6	(1.5)	20.8	8.6
Other Income	0.2	0.1	0.4	0.2
Total Unitrin Specialty	135.4	129.8	548.7	502.8
Unitrin Direct:				
Earned Premiums	80.9	70.9	345.6	290.5
Net Investment Income (Loss)	5.9	(0.8)	18.5	4.6
Other Income	0.2	0.1	0.9	0.4
Total Unitrin Direct	87.0	70.2	365.0	295.5
Life and Health Insurance:				
Earned Premiums	160.1	166.3	650.6	661.4
Net Investment Income	57.9	27.0	225.3	162.1
Other Income	-	0.2	0.7	1.1
Total Life and Health Insurance	218.0	193.5	876.6	824.6
Fireside Bank:				
Interest, Loan Fees and Earned Discounts	35.6	55.7	175.0	237.4
Other Automobile Finance Revenues	0.5	1.0	3.5	4.9
Automobile Finance Revenues	36.1	56.7	178.5	242.3
Net Investment Income	0.5	1.0	2.8	4.5
Total Fireside Bank	36.6	57.7	181.3	246.8
Total Segment Revenues	721.4	684.5	2,945.9	2,820.0
Unallocated Dividend Income	0.2	0.7	1.3	10.8
Net Realized Gains (Losses) on Sales of Investments	7.0	(6.3)	24.6	59.2
Net Impairment Losses Recognized in Earnings	(1.2)	(54.0)	(50.4)	(152.9)
Other	3.5	(0.2)	12.0	5.1
Total Revenues	\$ 730.9	\$ 624.7	\$ 2,933.4	\$ 2,742.2

Business segment operating profit (loss) for the three months and years ended December 31, 2009 and 2008 is as follows:

(Dollars in Millions)	Three Months Ended		Year Ended	
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Segment Operating Profit (Loss):				
Kemper	\$ 25.1	\$ 20.2	\$ 86.2	\$ 7.6
Unitrin Specialty	9.2	(4.3)	30.5	10.2
Unitrin Direct	5.8	(15.9)	(12.6)	(52.5)
Life and Health Insurance	49.6	19.3	168.5	79.3
Fireside Bank	3.1	1.9	1.6	(25.3)
Total Segment Operating Profit	92.8	21.2	274.2	19.3
Unallocated Dividend Income	0.2	0.7	1.3	10.8
Net Realized Gains (Losses) on Sales of Investments	7.0	(6.3)	24.6	59.2
Net Impairment Losses Recognized in Earnings	(1.2)	(54.0)	(50.4)	(152.9)
Other Expense, Net	(4.5)	(7.5)	(20.1)	(26.4)
Income (Loss) from Continuing Operations before Income Taxes and Equity in Net Income (Loss) of Investee	\$ 94.3	\$ (45.9)	\$ 229.6	\$ (90.0)

Business segment net income (loss) for the three months and years ended December 31, 2009 and 2008 is as follows:

(Dollars in Millions)	Three Months Ended		Year Ended	
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Segment Net Income (Loss):				
Kemper	\$ 18.0	\$ 15.2	\$ 63.7	\$ 13.4
Unitrin Specialty	6.7	(2.2)	23.5	10.1
Unitrin Direct	4.4	(9.8)	(5.3)	(32.0)
Life and Health Insurance	34.4	13.7	112.1	51.8
Fireside Bank	2.0	(1.8)	(5.3)	(22.3)
Total Segment Net Income	65.5	15.1	188.7	21.0
Net Income (Loss) From:				
Unallocated Dividend Income	0.1	0.7	1.1	9.5
Net Realized Gains (Losses) on Sales of Investments	4.5	(4.6)	16.0	38.0
Net Impairment Losses Recognized in Earnings	(0.8)	(34.7)	(32.8)	(99.0)
Other Expense, Net	(3.3)	(4.1)	(9.8)	(13.3)
Income (Loss) from Continuing Operations Before Equity in Net Income (Loss) of Investee	66.0	(27.6)	163.2	(43.8)
Equity in Net Income (Loss) of Investee	0.1	1.5	(1.0)	5.8
Income (Loss) from Continuing Operations	\$ 66.1	\$ (26.1)	\$ 162.2	\$ (38.0)

The components of Net Realized Gains (Losses) on Sales of Investments for the three months and years ended December 31, 2009 and 2008 are as follows:

(Dollars in Millions)	Three Months Ended		Year Ended	
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Fixed Maturities:				
Gains on Sales	\$ 5.5	\$ 0.2	\$ 12.8	\$ 4.8
Losses on Sales	(2.4)	(1.6)	(2.7)	(6.8)
Equity Securities:				
Gains on Sales	3.8	44.7	13.6	121.0
Losses on Sales	-	(48.8)	-	(59.2)
Real Estate:				
Gains on Sales	-	-	-	1.5
Other Investments:				
Gains on Sales	-	0.1	-	0.1
Losses on Sales	-	(0.1)	(0.1)	(0.2)
Trading Securities Net Gains (Losses)	0.1	(0.8)	1.0	(2.0)
Net Realized Gains (Losses) on Sales of Investments	<u>\$ 7.0</u>	<u>\$ (6.3)</u>	<u>\$ 24.6</u>	<u>\$ 59.2</u>

The components of Net Impairment Losses Recognized in Earnings for the three months and years ended December 31, 2009 and 2008 are as follows:

(Dollars in Millions)	Three Months Ended		Year Ended	
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Fixed Maturities	\$ (0.4)	\$ (42.7)	\$ (41.6)	\$ (65.9)
Equity Securities	(0.8)	(7.6)	(8.8)	(83.3)
Other Investments	-	(3.7)	-	(3.7)
Net Impairment Losses Recognized in Earnings	<u>\$ (1.2)</u>	<u>\$ (54.0)</u>	<u>\$ (50.4)</u>	<u>\$ (152.9)</u>

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

	<u>Dec. 31,</u> <u>2009</u>	<u>Dec. 31,</u> <u>2008</u>
Assets:		
Investments:		
Fixed Maturities at Fair Value (Amortized Cost: 2009 - \$4,413.2; 2008 - \$4,174.4)	\$ 4,561.4	\$ 4,135.9
Equity Securities at Fair Value (Cost: 2009 - \$184.4; 2008 - \$255.4)	195.4	221.8
Investee (Intermec) at Cost Plus Cumulative Undistributed Earnings (Fair Value: 2009 - \$162.8; 2008 - \$168.1)	98.4	102.2
Short-term Investments at Cost which Approximates Fair Value	397.0	548.6
Other	771.6	714.9
Total Investments	<u>6,023.8</u>	<u>5,723.4</u>
Cash	143.7	184.2
Automobile Loan Receivables (Fair Value: 2009 - \$666.2; 2008 - \$1,099.6)	660.8	1,078.6
Other Receivables	642.0	686.5
Deferred Policy Acquisition Costs	521.1	489.2
Goodwill	331.8	334.6
Current and Deferred Income Taxes	107.6	201.4
Other Assets	142.7	120.9
Total Assets	<u>\$ 8,573.5</u>	<u>\$ 8,818.8</u>
Liabilities and Shareholders' Equity:		
Insurance Reserves:		
Life and Health	\$ 3,028.0	\$ 2,972.6
Property and Casualty	1,211.3	1,268.7
Total Insurance Reserves	<u>4,239.3</u>	<u>4,241.3</u>
Certificates of Deposits at Cost (Fair Value: 2009 - \$717.9; 2008 - \$1,148.7)	682.4	1,110.8
Unearned Premiums	724.9	733.5
Liabilities for Income Taxes	11.7	68.2
Notes Payable at Amortized Cost (Fair Value: 2009 - \$534.2; 2008 - \$433.9)	561.4	560.8
Accrued Expenses and Other Liabilities	436.2	455.6
Total Liabilities	<u>6,655.9</u>	<u>7,170.2</u>
Shareholders' Equity:		
Common Stock, \$0.10 par value, 100 Million Shares Authorized; 62,357,016 Shares Issued and Outstanding at December 31, 2009 and 62,314,503 Shares Issued and Outstanding at December 31, 2008	6.2	6.2
Paid-in Capital	765.9	764.7
Retained Earnings	1,086.7	985.8
Accumulated Other Comprehensive Income (Loss)	58.8	(108.1)
Total Shareholders' Equity	<u>1,917.6</u>	<u>1,648.6</u>
Total Liabilities and Shareholders' Equity	<u>\$ 8,573.5</u>	<u>\$ 8,818.8</u>

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. 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. 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.

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. (“A.M. Best”);
- 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, American health care reform, financial services regulatory reform, 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;
- 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 the Company makes on related subjects in filings made with the SEC.

Unitrin is a diversified insurance holding company, with subsidiaries that provide life, health, 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
- Unitrin's **Career Agency Companies**, which specialize 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 Annual Report on Form 10-K for the year ended December 31, 2009, is available by visiting its website (www.unitrin.com).

Unitrin plans to issue a news release discussing its first quarter results and file its quarterly report on Form 10-Q after the market closes on Monday, May 3, 2010.

Unitrin, Inc.

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KEYWORD: ILLINOIS

INDUSTRY KEYWORD: INSURANCE BANKING EARNINGS