

KEMPER Corp
Form 424B5
April 27, 2018
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File No. 333-224144

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholders:

Kemper Corporation (*Kemper*) and Infinity Property and Casualty Corporation (*Infinity*) have entered into an Agreement and Plan of Merger, dated as of February 13, 2018 (as amended from time to time, the *Merger Agreement*), providing, among other things, that, upon the terms and subject to the conditions set forth in the Merger Agreement, a wholly owned subsidiary of Kemper will merge with and into Infinity, with Infinity surviving the Merger as a wholly owned subsidiary of Kemper (the *Merger*).

If the Merger is completed, each share of Infinity common stock, no par value per share (*Infinity common stock*), outstanding as of immediately prior to the effective time of the Merger (other than shares owned by Kemper or any of its wholly owned subsidiaries or Infinity or any of its subsidiaries and shares held by any holder of Infinity common stock who is entitled to demand and properly demands appraisal of such shares under Ohio law) will be cancelled and extinguished and automatically converted into, at the election of the holder of such share, subject to proration and adjustment as described in the Merger Agreement, either (i) mixed consideration consisting of \$51.60 in cash, without interest and subject to any required withholding of taxes, and 1.2019 shares of Kemper common stock, par value \$0.01 per share (*Kemper common stock*), (ii) cash consideration consisting of \$129.00, without interest and subject to any required withholding of taxes or (iii) stock consideration consisting of 2.0031 shares of Kemper common stock. Holders of Infinity common stock who do not make an election will receive the mixed consideration described in (i) above.

Based on the number of shares of Infinity common stock outstanding on April 20, 2018, the record date for the special meeting of Infinity shareholders (the *Infinity special meeting*), Kemper expects to issue or reserve for issuance approximately 13.2 million shares of Kemper common stock pursuant to the Merger Agreement (including shares of Kemper common stock issuable to Infinity shareholders and shares of Kemper common stock issuable pursuant to the vesting and/or conversion of Infinity's equity-based incentive awards). Based on this number and the number of shares of Kemper common stock outstanding on April 16, 2018, the record date for the annual meeting of Kemper stockholders (the *Kemper annual meeting*), upon the closing, pre-existing Kemper stockholders and former Infinity shareholders would own approximately 80% and 20% of the outstanding shares of Kemper common stock, respectively.

Kemper common stock is traded on the New York Stock Exchange (*NYSE*) under the trading symbol *KMPR*. On April 26, 2018, Kemper common stock closed at \$60.40 per share as reported by the NYSE.

Infinity common stock is traded on the NASDAQ Stock Market (*NASDAQ*) under the trading symbol IPCC. On April 26, 2018, Infinity common stock closed at \$123.05 per share as reported by the NASDAQ.

The closing is subject to certain conditions, including Kemper stockholders approving a proposal to approve the issuance of shares of Kemper common stock to Infinity shareholders in the Merger (the *share issuance proposal*) and Infinity shareholders approving a proposal to adopt the Merger Agreement (the *merger proposal*). Approval of the share issuance proposal by Kemper stockholders requires the affirmative vote of a majority of votes cast at the Kemper annual meeting with respect to the share issuance proposal, provided that a quorum is present. Approval of the merger proposal by Infinity shareholders requires the affirmative vote of shareholders entitled to exercise a majority of the voting power of Infinity.

At the Kemper annual meeting, Kemper stockholders will be asked to vote on (i) the share issuance proposal, (ii) a proposal to adjourn the Kemper annual meeting, for a period no longer than twenty (20) business days in the aggregate, for the absence of a quorum or to allow reasonable additional time to solicit proxies in favor of the share issuance proposal if there are insufficient votes at the time of the Kemper annual meeting or any adjournment or postponement thereof (the *Kemper meeting adjournment proposal*), (iii) a proposal to elect the director nominees named in this joint proxy statement/prospectus,

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(iv) a non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018, (v) a non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus and (vi) any other business as may be properly brought before the Kemper annual meeting.

The Kemper board of directors unanimously recommends that holders of Kemper common stock vote (i) FOR the share issuance proposal, (ii) FOR the Kemper meeting adjournment proposal, (iii) FOR the election of each of the director nominees named in this joint proxy statement/prospectus, (iv) FOR the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (v) FOR the non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus.

At the Infinity special meeting, Infinity shareholders will be asked to vote on (i) the merger proposal, (ii) a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to Infinity's named executive officers that is based on or otherwise relates to the Merger contemplated by the Merger Agreement (the *non-binding compensation advisory proposal*) and (iii) a proposal to adjourn the Infinity special meeting, for a period no longer than twenty (20) business days in the aggregate, for the absence of a quorum or to allow reasonable additional time to solicit proxies in favor of the merger proposal if there are insufficient votes at the time of the Infinity special meeting or any adjournment or postponement thereof (the *Infinity meeting adjournment proposal*).

The Infinity board of directors unanimously recommends that holders of Infinity common stock vote (i) FOR the merger proposal, (ii) FOR the non-binding compensation advisory proposal and (iii) FOR the Infinity meeting adjournment proposal.

The proposals are being presented to the Kemper stockholders and Infinity shareholders at the Kemper annual meeting and Infinity special meeting, respectively. The dates, times and places of the meetings are as follows:

For Kemper stockholders:

June 1, 2018, 8:00 a.m. local time,
The Kemper Building, 20th floor

One East Wacker Drive

Chicago, Illinois 60601

For Infinity shareholders:

June 1, 2018, 8:00 a.m. local time,
Infinity Property and Casualty Corporation

2201 4th Avenue North

Birmingham, Alabama 35203

Your vote is very important. Whether or not you plan to attend your company's meeting, please take the time to vote by completing and mailing the enclosed proxy card or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone.

This joint proxy statement/prospectus contains important information about Kemper, Infinity, the Merger Agreement, the proposed Merger, the Kemper annual meeting and the Infinity special meeting. We encourage you to read carefully this joint proxy statement/prospectus before voting, including the section entitled Risk Factors beginning on page 38.

We hope to see you at the Kemper annual meeting and Infinity special meeting, as the case may be, and look forward to a successful closing.

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By Order of the Kemper Board of Directors,

By Order of the Infinity Board of Directors,

Joseph P. Lacher, Jr.
President, Chief Executive Officer and Director
Kemper Corporation

James R. Gober
Executive Chairman
Infinity Property and Casualty Corporation

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Neither the Securities and Exchange Commission nor any state or provincial securities regulator has approved or disapproved of the Merger or the other transactions described in this joint proxy statement/prospectus or the securities to be issued pursuant to the Merger Agreement or determined if the information contained in this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated April 27, 2018, and is first being mailed to Kemper stockholders and Infinity shareholders on or about April 30, 2018.

ADDITIONAL INFORMATION

The accompanying document is the proxy statement of Infinity for the Infinity special meeting, the proxy statement of Kemper for the Kemper annual meeting and the prospectus of Kemper for the shares of its common stock to be issued in the Merger. The accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about Kemper and Infinity from documents that are not included in or delivered with the accompanying joint proxy statement/prospectus. You can obtain the documents that are incorporated by reference into the accompanying joint proxy statement/prospectus (other than certain exhibits or schedules to those documents), without charge, by requesting them in writing or by telephone from Kemper or Infinity at the following addresses and telephone numbers, or through the Securities and Exchange Commission website at www.sec.gov:

Kemper Corporation	Infinity Property and Casualty Corporation
One East Wacker Drive	2201 4th Avenue North
Chicago, Illinois 60601	Birmingham, Alabama 35203
Attention: Investor Relations	Attention: Investor Relations
Telephone: (312) 661-4930	Telephone: (205) 803-8186

In addition, if you have questions about the proposed Merger or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, please contact Innisfree M&A Incorporated, the proxy solicitor for Kemper, toll-free at (888) 750-5834 or collect at (212) 750-5833, or D.F. King & Co., Inc., the proxy solicitor for Infinity, toll-free at (800) 706-3274. You will not be charged for any of these documents that you request.

To obtain timely delivery of the documents, you must request them no later than five business days before the date of the Kemper annual meeting or Infinity special meeting, as applicable. Therefore, if you would like to request documents from Kemper, please do so by May 24, 2018 in order to receive them before the Kemper annual meeting. If you would like to request documents from Infinity, please do so by May 24, 2018, in order to receive them before the Infinity special meeting.

See **Where You Can Find More Information** beginning on page 279 of the accompanying joint proxy statement/prospectus for further information.

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 1, 2018

To the Stockholders of Kemper Corporation (*Kemper*):

Kemper will hold its annual meeting (the *Kemper annual meeting*) of stockholders at The Kemper Building, 20th Floor, One East Wacker Drive, Chicago, Illinois 60601 on June 1, 2018, at 8:00 a.m. local time, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of Kemper common stock, par value \$0.01 per share (*Kemper common stock*), pursuant to the Agreement and Plan of Merger, dated as of February 13, 2018, by and among Kemper, a wholly owned subsidiary of Kemper and Infinity Property and Casualty Corporation (the *share issuance proposal*).
2. To consider and vote upon a proposal to adjourn the Kemper annual meeting, for a period no longer than twenty (20) business days in the aggregate, for the absence of a quorum or to allow reasonable additional time to solicit proxies in favor of the share issuance proposal if there are insufficient votes at the time of the Kemper annual meeting or any adjournment or postponement thereof (the *Kemper meeting adjournment proposal*).
3. To elect ten director nominees to the Board of Directors of Kemper (the *Kemper Board*).
4. To consider and vote on a non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018.
5. To consider and vote on a non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus.
6. To consider and act upon such other business as may be properly brought before the Kemper annual meeting.

The Kemper Board has fixed April 16, 2018 as the record date for determining stockholders entitled to receive this notice and to vote at the Kemper annual meeting (the *Kemper record date*). Only Kemper stockholders of record at the close of business on the Kemper record date will be entitled to notice of, and to vote at, the Kemper annual meeting and any adjournments or postponements thereof. A list of registered Kemper stockholders entitled to vote at the Kemper annual meeting will be available for inspection during ordinary business hours at the executive offices of Kemper at One East Wacker Drive, Chicago, Illinois 60601 at least ten (10) days prior to the Kemper annual meeting.

The Kemper Board unanimously recommends that you vote (i) FOR the share issuance proposal, (ii) FOR the Kemper meeting adjournment proposal, (iii) FOR the election of each of the director nominees named in this joint proxy statement/prospectus, (iv) FOR the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (v) FOR the non-binding advisory proposal to approve the compensation of Kemper's named executive officers.

Your vote is very important. We cannot complete the merger described in this joint proxy statement/prospectus unless we receive the affirmative vote in favor of the share issuance proposal by the holders of at least a majority of the votes cast at the Kemper annual meeting, provided that a quorum is present. **Under the current rules and interpretive guidance of the New York Stock Exchange, if you abstain from voting with respect to the share issuance proposal, it will have the same effect as a vote AGAINST the share issuance proposal.** The failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of

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record or any other failure of a Kemper stockholder to vote will have no effect on the approval of the share issuance proposal.

It is important that your shares be represented and voted whether or not you plan to attend the Kemper annual meeting in person. Instructions regarding the different methods for voting your shares are provided under the section entitled Questions and Answers About the Kemper Annual Meeting and Infinity Special Meeting.

By Order of the Board of Directors,

C. Thomas Evans, Jr.
Secretary

April 27, 2018

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 1, 2018

To the Shareholders of Infinity Property and Casualty Corporation (*Infinity*):

Infinity will hold a special meeting (the *Infinity special meeting*) of holders of Infinity common stock, no par value per share (*Infinity common stock*) at Infinity Property and Casualty Corporation, located at 2201 4th Avenue North, Birmingham, Alabama 35203, on June 1, 2018, at 8:00 a.m. local time, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of February 13, 2018 (as amended from time to time, the *Merger Agreement*), by and among Kemper Corporation (*Kemper*), a wholly owned subsidiary of Kemper and Infinity (the *merger proposal*).
2. To consider and vote on a proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to Infinity's named executive officers that is based on or otherwise relates to the merger contemplated by the Merger Agreement (the *non-binding compensation advisory proposal*).
3. To consider and vote upon a proposal to adjourn the Infinity special meeting, for a period no longer than twenty (20) business days in the aggregate, for the absence of a quorum or to allow reasonable additional time to solicit proxies in favor of the merger proposal if there are insufficient votes at the time of the Infinity special meeting or any adjournment or postponement thereof (the *Infinity meeting adjournment proposal*).

The board of directors of Infinity (the *Infinity Board*) has fixed the close of business on April 20, 2018 as the record date for determining shareholders entitled to receive this notice and to vote at the Infinity special meeting (the *Infinity record date*). Only Infinity shareholders of record at the close of business on the Infinity record date will be entitled to notice of, and to vote at, the Infinity special meeting and any adjournments or postponements thereof. A list of registered Infinity shareholders entitled to vote at the Infinity special meeting will be available for inspection during ordinary business hours at the executive offices of Infinity at 2201 4th Avenue North, Birmingham, Alabama 35203 at least ten (10) days prior to the Infinity special meeting.

The Infinity Board unanimously recommends that holders of Infinity common stock vote FOR the merger proposal, FOR the non-binding compensation advisory proposal and FOR the Infinity meeting adjournment proposal.

Your vote is very important. We cannot complete the merger described in this joint proxy statement/prospectus unless the merger proposal receives the affirmative vote of Infinity shareholders entitled to exercise a majority of the voting power of Infinity. **If you abstain from voting, fail to give voting instructions to a bank, broker, trust or other nominee holder of record if you hold your shares in street name through such bank, broker, trust or other nominee holder of record, or if you otherwise fail to vote, it will have the same effect as voting AGAINST the merger proposal.** It is important that your shares be represented and voted whether or not you plan to attend the Infinity special meeting in person. Instructions regarding the different methods for voting your shares are provided

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under the section entitled Questions and Answers About the Kemper Annual Meeting and Infinity Special Meeting.

By Order of the Board of Directors,

James H. Romaker
Secretary

April 27, 2018

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains certain statements regarding intentions, beliefs and expectations or predictions for the future of Kemper Corporation (*Kemper*) and Infinity Property and Casualty Corporation (*Infinity*), and collectively with Kemper, *we*, *us*, and *our*), which are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the *Securities Act*), and Section 21E of the Securities Exchange Act of 1934, as amended (the *Exchange Act*). Forward-looking statements give expectations, intentions, beliefs or forecasts of future events or otherwise, and can be identified by the fact that they relate to future actions, performance or results rather than relating strictly to historical or current facts. 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, variations of such words and other words and expressions of similar meaning are intended to identify such forward-looking statements. However, the absence of such words or other words and expressions of similar meaning does not mean that a statement is not forward-looking.

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. Forward-looking statements involve a number of risks and uncertainties that are difficult to predict and are not guarantees or assurances of future performance. No assurances can be given that the results and financial condition contemplated in any forward-looking statements will be achieved or will be achieved in any particular timetable. In evaluating these forward-looking statements, you should consider carefully the risks described herein and in other reports that Kemper and Infinity file with the Securities and Exchange Commission (the *SEC*). See *Risk Factors* and *Where You Can Find More Information* beginning on page 279.

With respect to the proposed transaction and the combined company, the risks, uncertainties and other factors that could cause actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, forward-looking statements include, without limitation:

failure of the combined company to realize all of the anticipated benefits of the transactions contemplated by the Merger Agreement (as defined on page 3) at all or in the anticipated timeframe;

changes to the value of the Merger Consideration (as defined on page 14) to be received by Infinity shareholders pursuant to the Merger Agreement as a result of changes in the price of Kemper common stock;

failure of the combined company to manage its growth;

failure by the combined company to retain and motivate key employees and retain and recruit qualified employees in sufficient numbers;

legal proceedings that may be instituted against Kemper and Infinity following announcement of such proposed Merger (as defined on page 3);

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failure to receive regulatory clearances and approvals at all or within anticipated timeframes or the imposition by regulatory authorities of conditions that are not presently anticipated or that cannot be met;

the interests of certain directors and executive officers of Infinity being different from, or in addition to, the interests of Infinity shareholders;

the potential impairment of the goodwill and intangible assets that the combined company will record;

risks relating to the value of the shares of Kemper common stock (as defined on page 3) to be issued in the Merger;

effects on the market price of the common stock of the combined company of factors different from those affecting the market price for shares of Infinity common stock (as defined on page 4) or for shares of Kemper common stock;

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the effect of the Merger Agreement provisions that may discourage other companies from trying to acquire Infinity for a value greater than the Merger Consideration or from trying to acquire Kemper;

the significant transaction and integration costs that Kemper and Infinity will incur in connection with the proposed Merger;

the reduction of the percentage ownership interests of pre-existing Kemper stockholders due to the issuance of shares of Kemper common stock to Infinity shareholders pursuant to the Merger Agreement;

any failure to complete the proposed Merger could negatively impact the stock prices and future businesses and financial results of Kemper and Infinity;

any negative effects on the market price of Kemper common stock following the Merger if the Merger is not accretive and causes dilution to the combined company's earnings per share; and

other risks detailed from time to time in annual, quarterly and periodic reports filed by Kemper and Infinity with the SEC, whether or not related to the proposed Merger.

YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS, ALL OF WHICH SPEAK ONLY AS OF THE DATE OF THIS JOINT PROXY STATEMENT/PROSPECTUS. KEMPER AND INFINITY UNDERTAKE NO DUTY OR OBLIGATION TO UPDATE OR CORRECT ANY FORWARD-LOOKING STATEMENT AS A RESULT OF EVENTS, CHANGES, EFFECTS, STATES OF FACTS, CONDITIONS, CIRCUMSTANCES, OCCURRENCES OR DEVELOPMENTS SUBSEQUENT TO THE DATE OF THIS JOINT PROXY STATEMENT/PROSPECTUS, EXCEPT AS REQUIRED BY LAW.

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**QUESTIONS AND ANSWERS ABOUT THE KEMPER ANNUAL MEETING
AND INFINITY SPECIAL MEETING**

*The following are some questions that you, as a Kemper stockholder or an Infinity shareholder, may have regarding the annual meeting of Kemper stockholders (the **Kemper annual meeting**) or the special meeting of Infinity shareholders (the **Infinity special meeting**) and brief answers to those questions. For more detailed information about the matters discussed in these questions and answers, see *The Kemper Annual Meeting* and *The Infinity Special Meeting* beginning on pages 46 and 53 of this joint proxy statement/prospectus, respectively. Kemper and Infinity encourage you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the matters being considered at the Kemper annual meeting or the Infinity special meeting. Additional important information is also contained in the Annexes to, and in the documents incorporated by reference into, this joint proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 279 of this joint proxy statement/prospectus.*

Q: Why am I receiving this joint proxy statement/prospectus?

A: The Kemper board of directors (**Kemper Board**) and Infinity board of directors (**Infinity Board**) are using this joint proxy statement/prospectus to solicit proxies of Kemper stockholders and Infinity shareholders pursuant to the Agreement and Plan of Merger, dated as of February 13, 2018 (as amended from time to time, the **Merger Agreement**), by and among Kemper, a wholly owned subsidiary of Kemper and Infinity. The Merger Agreement provides, among other things, that, upon the terms and subject to the conditions set forth in the Merger Agreement, a wholly owned subsidiary of Kemper will merge with and into Infinity, with Infinity surviving the Merger as a wholly owned subsidiary of Kemper (the **Merger**). The Merger will be effective, after all of the conditions to the closing are satisfied or, to the extent permitted by law, waived, at the time a certificate of merger is duly filed with, and accepted by, the Secretary of State of the State of Ohio or at such later date and time as is agreed upon by Kemper and Infinity and specified in the certificate of merger (such completion or consummation of the Merger, the **closing** or the **effective time**).

In addition, this joint proxy statement/prospectus also serves as a proxy statement for other matters not related to the Merger to be voted on by Kemper stockholders at the Kemper annual meeting. See *The Kemper Annual Meeting* beginning on page 46.

This joint proxy statement/prospectus is also a prospectus for Infinity shareholders because, pursuant to the Merger Agreement, Kemper is offering shares of Kemper common stock, par value \$0.01 per share (**Kemper common stock**) to be issued in exchange for shares of Infinity common stock in the Merger, at the election of Infinity shareholders.

In order to complete the Merger, Kemper stockholders must approve the issuance of new shares of Kemper common stock pursuant to the Merger Agreement (i.e., approve the share issuance proposal as defined below) and Infinity shareholders must adopt the Merger Agreement (i.e., approve the merger proposal as defined below).

This joint proxy statement/prospectus contains important information about the Merger Agreement, the Merger, the Kemper annual meeting and the Infinity special meeting, and you should read it carefully. The enclosed voting materials allow you to vote your shares without attending the Kemper annual meeting or Infinity special meeting in person.

Your vote is important. We encourage you to vote as soon as possible.

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Q: What are Infinity shareholders entitled to receive in the Merger?

A: If the Merger is completed, each share of Infinity common stock, no par value per share (*Infinity common stock*), issued and outstanding as of immediately prior to the effective time (other than shares owned by Kemper or any of its wholly owned subsidiaries or Infinity or any of its subsidiaries and shares held by any holder of Infinity common stock who is entitled to demand and properly demands appraisal of such shares under Ohio law) will be cancelled and converted into, at the election of the holder of such share, subject to proration and adjustment, either (i) *Mixed Consideration* equal to 1.2019 shares of Kemper common stock and \$51.60 in cash, without interest and subject to any required withholding of taxes, (ii) *Cash Consideration* equal to \$129.00, without interest and subject to any required withholding of taxes, which consists of an amount of cash, without interest, consisting of (a) \$51.60 plus (b) the product of 1.2019 multiplied by \$64.40, which was the 20-trading day volume-weighted average price of Kemper common stock on the New York Stock Exchange (*NYSE*) as of February 12, 2018, the day prior to the date of media publications regarding the proposed Merger (the *Fixed Volume-Weighted Average Price*) or (iii) *Stock Consideration* equal to 2.0031 shares of Kemper common stock, consisting of the sum of (a) 1.2019 plus (y) 0.8012, which is the quotient (rounded to four decimal places) of \$51.60 divided by the Fixed Volume-Weighted Average Price (such sum, the *exchange ratio*). Holders of Infinity common stock who do not make an election will receive the Mixed Consideration. The shares of Kemper common stock issuable and cash payable upon conversion of shares of Infinity common stock in the Merger, and cash payable in lieu of the issuance of fractional shares of Kemper common stock, are referred to collectively as the *Merger Consideration*.

Q: When and where will the Kemper annual meeting and Infinity special meeting be held?

A: The Kemper annual meeting will take place on June 1, 2018, at 8:00 a.m. local time, at The Kemper Building, 20th floor, One East Wacker Drive, Chicago, Illinois, 60601.
The Infinity special meeting will take place on June 1, 2018, at 8:00 a.m. local time, at Infinity Property and Casualty Corporation, 2201 4th Avenue North, Birmingham, Alabama 35203.

Q: What are Kemper stockholders voting to approve in connection with the Merger and why is this approval necessary?

A: Kemper stockholders are voting on a proposal to approve the issuance of shares of Kemper common stock pursuant to the Merger Agreement (the *share issuance proposal*). The approval by Kemper stockholders of the share issuance proposal is required by the rules and regulations of the NYSE, and is a condition to the closing. Based on the number of shares of Infinity common stock expected to be outstanding and Infinity equity awards expected to be vested or converted pursuant to the Merger Agreement as of the effective time, Kemper expects to issue up to approximately 13.2 million shares of Kemper common stock in the Merger.

Kemper stockholders are also voting on a proposal to adjourn the Kemper annual meeting, for a period no longer than twenty (20) business days in the aggregate, for the absence of a quorum or to allow reasonable additional time to solicit proxies in favor of the share issuance proposal if there are insufficient votes at the time of the Kemper annual meeting or any adjournment or postponement thereof to approve the share issuance proposal (the *Kemper meeting adjournment proposal*). The approval by Kemper stockholders of the Kemper meeting adjournment proposal is not a

condition to the closing.

Q: What other proposals will be presented to Kemper stockholders at the Kemper annual meeting?

A: In addition to the share issuance proposal and Kemper meeting adjournment proposal, Kemper stockholders are voting on the following at the Kemper annual meeting:

a proposal to elect the ten director nominees named in this joint proxy statement/prospectus (the *Nominees*) in the section entitled Proposal 3: Election of Directors beginning on page 68;

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a non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018; and

a non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus.

See The Kemper Annual Meeting beginning on page 46.

Q: What are Infinity shareholders voting to approve at the Infinity special meeting and why is this approval necessary?

A: Infinity shareholders are voting on a proposal to approve the adoption of the Merger Agreement (the *merger proposal*). The approval by Infinity shareholders of the merger proposal is required under Ohio law and Infinity's Amended and Restated Articles of Incorporation, dated as of May 21, 2007 (the *Infinity Articles*), and is a condition to the closing.

Under Section 14A of the Exchange Act, which was enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (*Dodd-Frank*), Infinity is required to provide its shareholders the opportunity to vote to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to Infinity's named executive officers that is based on or otherwise relates to the Merger contemplated by the Merger Agreement. Accordingly, Infinity shareholders are being provided with the opportunity to cast an advisory vote on such payments. The approval by Infinity shareholders of this proposal (the *non-binding compensation advisory proposal*) is not a condition to the closing.

Infinity shareholders are also voting on a proposal to adjourn the Infinity special meeting, for a period no longer than twenty (20) business days in the aggregate, for the absence of a quorum or to allow reasonable additional time to solicit proxies in favor of the merger proposal if there are insufficient votes at the time of the Infinity special meeting or any adjournment or postponement thereof (the *Infinity meeting adjournment proposal*). The approval by Infinity shareholders of the Infinity meeting adjournment proposal is not a condition to the closing.

Q: Why are the Infinity shareholders being asked to consider and vote on the non-binding compensation advisory proposal?

A: The Securities and Exchange Commission (the *SEC*) has adopted rules that require Infinity to seek an advisory, non-binding vote on matters deemed to relate to golden parachute compensation. The non-binding compensation advisory proposal relates to certain golden parachute compensation that will or may be paid by Infinity to its named executive officers as a result of or in connection with the Merger.

Q: What will happen if the non-binding compensation advisory proposal is not approved at the Infinity special meeting?

- A. Approval of the non-binding compensation advisory proposal with respect to certain golden parachute compensation is not a condition to closing. Accordingly, Infinity shareholders may vote against the golden parachute compensation proposal but still vote in favor of the merger proposal. The non-binding compensation advisory proposal vote is an advisory, non-binding vote. If the Merger is completed, the golden parachute compensation described in the non-binding compensation advisory proposal may be paid to Infinity's named executive officers to the extent payable in accordance with the terms of their respective compensation agreements and contractual arrangements, even if Infinity shareholders do not approve the non-binding compensation advisory proposal.

Q: Who can attend and vote at the Kemper annual meeting and Infinity special meeting?

- A: The Kemper Board has fixed April 16, 2018 as the record date (the *Kemper record date*) for determining stockholders entitled to receive notice of, and to vote at, the Kemper annual meeting or any adjournments or

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postponements thereof. Only stockholders of record at the close of business on the Kemper record date for the Kemper annual meeting will be entitled to notice of, and to vote at, the Kemper annual meeting and any adjournments or postponements thereof. As of the Kemper record date, there were 51,536,698 shares of Kemper common stock outstanding and entitled to vote at the Kemper annual meeting, held by approximately 3,400 holders of record. Each holder of Kemper common stock is entitled to one vote for each share of Kemper common stock owned as of the Kemper record date. Please note that participants in the Kemper Corporation 401(k) and Retirement Plan (the **401(k) and Retirement Plan**) cannot vote shares of Kemper common stock held through the 401(k) and Retirement Plan in person at the Kemper annual meeting.

The Infinity Board has fixed April 20, 2018 as the record date (the **Infinity record date**) for determining shareholders entitled to receive notice of and to vote at the Infinity special meeting or any adjournments or postponements thereof. Only shareholders of record at the close of business on the Infinity record date for the Infinity special meeting will be entitled to notice of, and to vote at, the Infinity special meeting and any adjournments or postponements thereof. As of the Infinity record date, there were 10,941,936 shares of Infinity common stock outstanding and entitled to vote at the Infinity special meeting, held by approximately 60 holders of record. Each holder of Infinity common stock is entitled to one vote for each share of Infinity common stock owned as of the Infinity record date.

Q: What vote of Kemper stockholders is required to approve each of the proposals at the Kemper annual meeting?

A: With respect to the election of directors at the Kemper annual meeting, provided a quorum is present, each Nominee will be elected to the Kemper Board by the affirmative vote of a majority of votes cast, meaning that the number of shares voted **FOR** a Nominee exceeds the number of shares voted **AGAINST** a Nominee. Abstentions and broker non-votes are not considered votes cast **FOR** or **AGAINST** the election of Nominees, and will have no effect on the election of Nominees. If a Nominee who is an incumbent director of the Kemper Board receives a greater number of votes **AGAINST** his or her election than votes **FOR** such election, such director must promptly tender his or her resignation to the Kemper Board following certification of the vote with respect to the election of directors.

With respect to (i) the share issuance proposal, (ii) the Kemper meeting adjournment proposal, (iii) the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (iv) the non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus, the affirmative vote of a majority of the votes cast with respect to each proposal will approve such proposal, provided a quorum is present.

Q: How does the Kemper Board recommend that Kemper stockholders vote on each of the proposals at the Kemper annual meeting?

A: The Kemper Board unanimously recommends that Kemper stockholders vote (i) **FOR** the share issuance proposal, (ii) **FOR** the Kemper meeting adjournment proposal, (iii) **FOR** the election of each of the Nominees, (iv) **FOR** the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (v) **FOR** the non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus.

- Q. What will happen if the non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus, is not approved at the Kemper annual meeting?**
- A. The vote by Kemper stockholders on the non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus, is advisory. The

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result of the vote is therefore non-binding on Kemper, the Kemper Board or the Compensation Committee (as described on page 76). However, Kemper's Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements and in evaluating Kemper's executive compensation program.

Q: What vote of Infinity shareholders is required to approve (i) the merger proposal, (ii) the non-binding compensation advisory proposal and (iii) the Infinity meeting adjournment proposal?

A: The approval by Infinity shareholders of the merger proposal requires the affirmative vote of Infinity shareholders entitled to exercise a majority of the voting power of Infinity. The approval of the non-binding compensation advisory proposal and the approval of the Infinity meeting adjournment proposal require, in each case, the affirmative vote of a majority of votes cast on the proposal at the Infinity special meeting, provided that a quorum is present.

Q: How does the Infinity Board recommend that Infinity shareholders vote on each of the proposals at the Infinity special meeting?

A: The Infinity Board unanimously recommends that Infinity shareholders vote (i) **FOR** the merger proposal, (ii) **FOR** the non-binding compensation advisory proposal and (iii) **FOR** the Infinity meeting adjournment proposal.

Q: What should Kemper stockholders and Infinity shareholders do now in order to vote on the proposals being considered at the Kemper annual meeting and Infinity special meeting?

A: Holders of Kemper common stock as of the Kemper record date and holders of Infinity common stock as of the Infinity record date may vote now by proxy by:

completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage-paid envelope;

calling the toll-free number specified on the enclosed proxy card; or

accessing the Internet website specified on the enclosed proxy card.

Both Kemper and Infinity strongly encourage their stockholders and shareholders of record, respectively, to vote using the enclosed proxy card.

If you hold Kemper common stock or Infinity common stock in street name, which means your shares are held of record by a bank, broker, trust or other nominee holder of record, you must provide the record holder of your shares with instructions on how to vote your shares. Please refer to the voting instruction card used by your bank, broker, trust or other nominee holder of record to see if you may submit voting instructions using the Internet or by telephone.

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Holders of Kemper common stock or Infinity common stock may also vote in person by attending the Kemper annual meeting or Infinity special meeting, as applicable. If you plan to attend the Kemper annual meeting or Infinity special meeting and wish to vote in person, you will be given a ballot at the applicable meeting. Please note, however, that if your shares are held in street name and you wish to vote in person at your company's meeting, you must bring a legal proxy, executed in your favor, from the record holder of the shares authorizing you to vote at the meeting. For additional information, see [The Kemper Annual Meeting](#) and [The Infinity Special Meeting](#) beginning on pages 46 and 53 of this joint proxy statement/prospectus, respectively.

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Whether or not you plan to attend the Kemper annual meeting or Infinity special meeting, you are encouraged to vote your shares by proxy as described in this joint proxy statement/prospectus.

Q: How can I vote the shares of Kemper common stock I hold through the 401(k) and Retirement Plan?

A: Participants in the 401(k) and Retirement Plan, who receive this joint proxy statement/prospectus in their capacity as holders of Kemper common stock through the 401(k) and Retirement Plan, are entitled to vote by one of the following methods:

Complete, sign and date the proxy card and return it by 1:00 a.m. Central Daylight Time on Wednesday, May 30, 2018 (the **401(k) Deadline**);

Call the toll-free number on the proxy card and follow the recorded instructions by the 401(k) Deadline;

Access the proxy voting website identified on the proxy card and follow the instructions by the 401(k) Deadline.

If voting instructions for shares held pursuant to the 401(k) and Retirement Plan are provided prior to the 401(k) Deadline, the plan trustee will confidentially vote such shares in accordance with the voting instructions. In accordance with the terms of the 401(k) and Retirement Plan, if voting instructions for shares held pursuant to the 401(k) and Retirement Plan are not provided prior to the 401(k) Deadline, the plan trustee will vote such shares in the same proportion as all other shares voted in accordance with timely voting instructions provided to the trustee by all other plan participants.

Q: What will happen if I abstain from voting, fail to vote or do not direct how to vote on my proxy?

A: For purposes of the Kemper stockholder proposals:

Approval of the share issuance proposal. Approval of the share issuance proposal requires the affirmative vote of a majority of the votes cast at the Kemper annual meeting with respect to such proposal, provided that a quorum is present. Under the current rules and interpretive guidance of the NYSE, votes cast on the share issuance proposal consist of votes FOR or against, as well as elections to abstain from voting on the share issuance. As a result, a Kemper stockholder's election to abstain from voting on the share issuance proposal will have the same effect as a vote **AGAINST** the approval of the share issuance proposal. The failure of a Kemper stockholder who holds his, hers or its shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the approval of the share issuance proposal because these failures to vote are not considered votes cast.

Election of Nominees to the Kemper Board. Each Nominee will be elected to the Kemper Board by the affirmative vote of a majority of votes cast at the Kemper annual meeting, provided that a quorum is present. As a result, a Nominee will be elected to the Kemper Board if the number of shares voted FOR such Nominee exceeds the number of shares voted AGAINST such Nominee. For purposes of the election of Nominees to the Kemper Board, a Kemper stockholder's election to abstain from voting, the failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the election of Nominees.

Approval of all other proposals at the Kemper annual meeting. Approval of each of (i) the Kemper meeting adjournment proposal, (ii) the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (iii) the

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non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as disclosed in this joint proxy statement/prospectus, requires the affirmative vote of a majority of the votes cast at the Kemper annual meeting with respect to such proposal, provided that a quorum is present. For purposes of these proposals, votes cast means votes FOR or AGAINST the proposal. As a result, a Kemper stockholder's election to abstain from voting, the failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the approval of each of these proposals at the Kemper annual meeting.

All properly submitted proxies received by Kemper before the Kemper annual meeting that are not revoked or changed prior to being exercised at the Kemper annual meeting will be voted at the Kemper annual meeting in accordance with the instructions indicated on the proxies or, if no instructions were provided, (i) FOR the share issuance proposal, (ii) FOR the Kemper meeting adjournment proposal, (iii) FOR the election of each of the Nominees, (iv) FOR the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (v) FOR the non-binding advisory proposal to approve the compensation of Kemper's named executive officers.

For purposes of the Infinity shareholder proposals:

Approval of the merger proposal. Approval of the merger proposal requires the affirmative vote of Infinity shareholders entitled to exercise a majority of the voting power of Infinity. Accordingly, an Infinity shareholder's abstention from voting, the failure of an Infinity shareholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record, or any other failure of an Infinity shareholder to vote will have the same effect as a vote **AGAINST** this proposal.

Approval of the non-binding compensation advisory proposal. Approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of the votes cast at the Infinity special meeting with respect to such proposal, provided that a quorum is present. Accordingly, an Infinity shareholder's abstention from voting, the failure of an Infinity shareholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of an Infinity shareholder to vote will have no effect on the approval of the non-binding compensation advisory proposal as these failures to vote are not considered votes cast with respect to the non-binding compensation advisory proposal.

Approval of the Infinity meeting adjournment proposal. Approval of the Infinity meeting adjournment proposal requires the affirmative vote of a majority of the votes cast at the Infinity special meeting with respect to such proposal, provided that a quorum is present. Accordingly, an Infinity shareholder's abstention from voting, the failure of an Infinity shareholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of an Infinity shareholder to vote will have no effect on the approval of the Infinity meeting adjournment proposal. In addition, even if a quorum is not present at the special meeting, the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy or by use of communications equipment at the Infinity special meeting may adjourn the meeting to another place, date or time. In this case, an abstention from voting will

have the same effect as a vote **AGAINST** the proposal to adjourn the meeting due to an absence of a quorum.

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All properly submitted proxies received by Infinity before the Infinity special meeting that are not revoked or changed prior to being exercised at the Infinity special meeting will be voted at the Infinity special meeting in accordance with the instructions indicated on the proxies or, if no instructions were provided, FOR the merger proposal, FOR the non-binding compensation advisory proposal and FOR the Infinity meeting adjournment proposal.

Under the applicable stock exchange rules, matters subject to a stockholder vote are classified as routine or non-routine. In the case of non-routine matters, a bank, broker, trust or other nominee holder of record may not vote shares held in street name for which they have not received instructions from the beneficial owner (referred to as broker non-votes), whereas they may vote those shares in their discretion in the case of any routine matter. The non-binding advisory proposal submitted to Kemper stockholders to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 is a routine matter. All other proposals submitted to Kemper stockholders and Infinity shareholders are non-routine matters. **Accordingly, shares of Kemper common stock or Infinity common stock held in street name by a bank, broker, trust or other nominee holder of record will NOT be voted by such bank, broker, trust or other nominee holder of record on any of the proposals with respect to non-routine matters unless the beneficial owner of such shares has properly instructed such bank, broker, trust or other nominee holder of record how to vote.**

Q: Can I change or revoke my vote after I have delivered my proxy?

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at the Kemper annual meeting or Infinity special meeting by:

signing and delivering a new, valid proxy bearing a later date and, if it is a written proxy, signed and delivered to the attention of your company's Corporate Secretary;

delivering a signed written notice of revocation to the Corporate Secretary of your company at:

Kemper Corporation
One East Wacker Drive
Chicago, Illinois 60601
Attention: Corporate Secretary

Infinity Property and Casualty Corporation
2201 4th Avenue North
Birmingham, Alabama 35203
Attention: Corporate Secretary

calling the toll-free telephone number, or accessing the proxy voting website, identified on the proxy card and re-voting any time prior to 10:59 p.m., Central Daylight Time, on the last business day preceding the applicable special meeting; or

attending the special meeting and voting in person, although your attendance alone will not revoke your proxy.

If your shares are held through the 401(k) and Retirement Plan, you can change your vote by:

delivering another signed proxy card with a later date anytime prior to the 401(k) Deadline;

calling the toll-free telephone number, or accessing the proxy voting website, identified on the proxy card and re-voting any time prior to the 401(k) Deadline.

If your shares are held in a street name account, you must contact your bank, broker, trust or other nominee to change your vote.

Q: What should Kemper stockholders or Infinity shareholders do if they receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your

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shares of Kemper common stock or Infinity common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are both a Kemper stockholder and an Infinity shareholder, you will receive one or more separate proxy cards or voting instruction cards for each company. In each case, please complete, sign, date and return each proxy card that you receive to ensure that all of your shares are voted.

Q: Who will tabulate the votes for the Kemper annual meeting and Infinity special meeting, and how will Kemper stockholders and Infinity shareholders find out the voting results after the respective meetings?

A: Representatives of Broadridge Financial Solutions, Inc. (*Broadridge*) will tabulate the votes and act as inspectors of election at the Kemper annual meeting and American Stock Transfer & Trust Company, LLC (*AST*) will tabulate the votes and act as inspectors of election at the Infinity special meeting. Kemper and Infinity will each report the voting results in a Current Report on Form 8-K that will be filed with the SEC within four business days after the vote taken at the Kemper annual meeting and the vote taken at the Infinity special meeting.

Q: If I am a Kemper stockholder or other interested party, how can I communicate with the Kemper Board?

A: Kemper stockholders and other interested parties may communicate with the Kemper Board, or with the non-management directors of the Kemper Board as a group, by calling the Kemper Corporate Responsibility Hotline at 888.695.3359 or by submitting a report or inquiry online at *MyComplianceReport.com* (enter access code KEMP). The hotline and the online reporting function are managed by an independent company, and reports can be made anonymously or confidentially. Communications will be directed to the chair of Kemper's Nominating and Corporate Governance Committee (described on page 59 of this joint proxy statement/prospectus) if addressed to the non-management or independent directors as a group.

Q: If I am an Infinity shareholder, how do I make an election for the type of Merger Consideration that I prefer to receive?

A: Each holder of shares of Infinity common stock as of the close of business on the Infinity record date (other than shares owned by Kemper or any of its wholly owned subsidiaries or Infinity or any of its subsidiaries and shares held by any holder of Infinity common stock who is entitled to demand and properly demands appraisal of such shares under Ohio law) will be mailed a form of election (*Form of Election*). These materials will be mailed concurrently with this joint proxy statement/prospectus. Each such Infinity shareholder should specify in the Form of Election (i) the number of shares of Infinity common stock for which such shareholder elects to have exchanged for the Mixed Consideration, (ii) the number of shares of Infinity common stock for which such shareholder elects to receive the Cash Consideration and (iii) the number of shares of Infinity common stock for which such shareholder elects to have exchanged for the Stock Consideration. Any Infinity shareholder who does not make an election will be deemed to have made an election to receive the Mixed Consideration. The consideration to be paid to Infinity shareholders electing to receive only Cash Consideration or Stock Consideration is subject, pursuant to the terms of the Merger Agreement, to automatic proration to ensure that the total amount of cash paid and the total number of shares of Kemper common stock issued in the Merger is

approximately the same as what would be paid and issued if all Infinity shareholders were to receive the Mixed Consideration. No fractional shares of Kemper common stock will be issued in the Merger, and Infinity shareholders will receive cash in lieu of any fractional shares of Kemper common stock. The election will have been properly made only if the exchange agent has received at its designated office by 5:00 p.m., New York City, New York time, on the date that is ten (10) business days preceding the closing date (the ***Election Deadline***) a Form of Election properly completed and signed and accompanied by (x) in the case of shares of Infinity common stock

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represented by stock certificates, certificates representing shares of Infinity common stock, duly endorsed in blank or otherwise in form acceptable for transfer on the books of Infinity or (y) in the case of book-entry shares held by holders of Infinity common stock, any documentation required by the procedures set forth in the Form of Election.

Q: When can Infinity shareholders expect to receive the Merger Consideration?

A: If you hold physical stock certificates of Infinity common stock (other than shares owned by Kemper or any of its wholly owned subsidiaries or Infinity or any of its subsidiaries and shares held by any holder of Infinity common stock who is entitled to demand and properly demands appraisal of such shares under Ohio law) and you do not make an election to receive the Cash Consideration, Stock Consideration or Mixed Consideration by delivering to the exchange agent by the Election Deadline a properly completed Form of Election and your share certificates, you will be sent a letter of transmittal as soon as reasonably practicable after the closing, describing how you may exchange your shares of Infinity common stock for the Mixed Consideration, and the exchange agent will forward you the cash and the Kemper common stock in book entry form (or applicable evidence of ownership) to which you are entitled, including cash in lieu of fractional shares of Kemper common stock, if any, after receiving the proper documentation from you.

If you hold your shares of Infinity common stock in book-entry form, after the closing, you need only to deliver the Form of Election for your shares to automatically be exchanged for the applicable Merger Consideration, including cash in lieu of fractional shares of Kemper common stock, if any.

Q: If I am an Infinity shareholder, will I receive the Merger Consideration that I request on the Form of Election?

A: Not necessarily. The aggregate amount of cash and the aggregate number of shares of Kemper common stock to be paid and issued, respectively, to Infinity shareholders pursuant to the Merger Agreement are fixed. Each share of Infinity common stock with respect to which an Infinity shareholder makes an election to receive the Mixed Consideration, and each share of Infinity common stock held by an Infinity shareholder who fails to make any valid election with respect to such stockholder's shares of Infinity common stock, will receive \$51.60 in cash and 1.2019 shares of Kemper common stock (subject to adjustment for any reclassification, stock split, recapitalization or other similar transaction with respect to shares of Kemper common stock). However, if the elections of all Infinity shareholders electing to receive solely the Cash Consideration or the Mixed Consideration (including all Infinity shareholders who fail to make a valid election with respect to their shares of Infinity common stock) result in an oversubscription or undersubscription of the aggregate amount of cash available to be paid by Kemper to Infinity shareholders as Merger Consideration, the aggregate amount of cash payable by Kemper in the Merger will not be increased or decreased. Similarly, if the elections of all Infinity shareholders electing to receive solely the Stock Consideration or the Mixed Consideration (including all Infinity shareholders who fail to make a valid election with respect to their shares of Infinity common stock) result in an oversubscription or undersubscription of the aggregate number of shares of Kemper common stock available to be issued by Kemper to Infinity shareholders as Merger Consideration, the aggregate number of shares of Kemper common stock to be issued by Kemper in the Merger will not be increased or decreased. Rather, in each such case, the exchange agent will allocate between cash and Kemper common stock in the manner described in The Merger Agreement Merger Consideration Cash Consideration and The Merger Agreement Merger

Consideration Stock Consideration beginning on pages 179 and 180, respectively, to ensure that the total amount of cash paid and the total number of shares of Kemper common stock issued in the Merger is the same as what would be paid and issued if all Infinity shareholders were to receive the Mixed Consideration. Accordingly, there is no assurance that an Infinity shareholder that has made a valid election to receive solely Cash Consideration or solely Stock Consideration will receive the form of consideration elected with respect to the shares of Infinity common stock held by such shareholder.

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For detailed illustrations of the potential proration and adjustment of the Cash Consideration and Stock Consideration for those Infinity shareholders electing to receive solely Cash Consideration or solely Stock Consideration, see The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations beginning on page 180.

Q: If I am an Infinity shareholder, what is the deadline for making an election?

A: Your election, to be properly made, must be received by Computer Share Trust Company, N.A., the exchange agent for the Merger (the *exchange agent*) at its designated office by the Election Deadline, which is 5:00 p.m. New York City, New York, time on the date that is ten (10) business days preceding the closing. Kemper and Infinity will publicly announce the anticipated Election Deadline at least three (3) business days before the anticipated Election Deadline.

Q: If I am an Infinity shareholder, what happens if I do not send a Form of Election or it is not received by the Election Deadline?

A: If the exchange agent does not receive a properly completed Form of Election from you at or prior to the Election Deadline, then you will be deemed to have elected to receive Mixed Consideration with respect to your shares of Infinity common stock. You bear the risk of delivery of the Form of Election (including the risk of loss of any certificates representing shares of Infinity common stock) to the exchange agent.

Q: If I am an Infinity shareholder, can I change my election after the Form of Election has been submitted?

A: Yes. You may revoke your election at or prior to the Election Deadline by submitting a written notice of revocation to the exchange agent. Revocations must specify the name in which your shares are registered on the share transfer books of Infinity and any other information that the exchange agent may request. If you wish to submit a new election, you must do so in accordance with the election procedures described in this joint proxy statement/prospectus and the Form of Election. If you instructed a bank, broker, trust or other nominee holder of record to submit an election for your shares, you must follow directions from your bank, broker, trust or other nominee holder of record for changing those instructions. The notice of revocation must be received by the exchange agent at or prior to the Election Deadline in order for the revocation to be valid.

Q: If I am an Infinity shareholder, may I transfer shares of Infinity common stock after making an election?

A: Yes, but only if you revoke your election or the Merger Agreement is terminated. Once you properly make an election with respect to any shares of Infinity common stock, you will be unable to sell or otherwise transfer those shares, unless you properly revoke your election or the Merger Agreement is terminated.

Q: If I am an Infinity shareholder, may I transfer shares of Infinity common stock before the Infinity special meeting?

A: Yes. The Infinity record date is earlier than the Infinity special meeting and the date that the Merger is expected to be completed. If you transfer your shares of Infinity common stock after the Infinity record date but before the Infinity special meeting, you will retain your right to vote at the Infinity special meeting, but you will have transferred the right to receive the Mixed Consideration, Cash Consideration or Stock Consideration, each of which may only be received if you hold your shares through the closing.

Q: Who can help answer my questions?

A: If you have any questions about the Kemper annual meeting, the Infinity special meeting, the Merger or how to submit your proxy, or, for Infinity shareholders, how to complete your Form of Election, or if you need

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additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact the proxy solicitors listed below.

If you are a Kemper stockholder, please contact Innisfree M&A Incorporated, Kemper's proxy solicitor:

501 Madison Avenue, 20th floor

New York, New York 10022

Kemper stockholders may call toll free: (888) 750-5834

Banks and brokers may call collect: (212) 750-5833

If you are an Infinity shareholder, please contact D.F. King & Co., Inc., Infinity's proxy solicitor:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

Toll-free: (800) 706-3274

Banks and Brokers: (212) 269-5550

Email: IPCC@dfking.com

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SUMMARY

*This summary highlights certain information in this joint proxy statement/prospectus, but does not contain all of the information that may be important to you. You should read carefully this entire joint proxy statement/prospectus and the attached Annexes and the other documents to which this joint proxy statement/prospectus refers you for a more complete description of the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger and the issuance of shares of Kemper common stock pursuant to the Merger Agreement. In addition, you are encouraged to read carefully the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about Kemper and Infinity that has been filed with the SEC. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled *Where You Can Find More Information* beginning on page 279.*

Information about the Companies

Kemper (see page 229)

Kemper is a diversified insurance holding company, with subsidiaries that provide automobile, homeowners, life, health, and other insurance products to individuals and businesses. The principal executive offices of Kemper are located at One East Wacker Drive, Chicago, Illinois 60601, and its telephone number is (312) 661-4600.

Kemper is a holding company incorporated under the laws of the State of Delaware in 1990, with equity securities traded on the NYSE. On August 25, 2011, Kemper adopted its current name and changed its NYSE ticker symbol to KMPR. Prior to the name change, Kemper was known as Unitrin, Inc. and traded under the NYSE ticker symbol UTR.

Kemper is engaged, through its subsidiaries, in the property and casualty insurance and life and health insurance businesses. Kemper conducts its operations through two operating segments: Property & Casualty Insurance and Life & Health Insurance. Kemper conducts its operations solely in the United States.

Kemper's subsidiaries employ approximately 5,550 full-time associates supporting their operations, of which approximately 1,850 are employed in its Property & Casualty Insurance segment, approximately 3,200 are employed in the Life & Health Insurance segment and the remainder are employed in various corporate and other staff and shared functions.

For additional information regarding Kemper, please refer to its Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC and incorporated by reference into this joint proxy statement/prospectus, as well as Kemper's other filings with the SEC. See *Where You Can Find More Information* beginning on page 279.

Merger Sub (see page 229)

Vulcan Sub, Inc. (***Merger Sub***) is a direct wholly owned subsidiary of Kemper and was formed solely for the purpose of consummating the Merger. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the transactions contemplated by the Merger Agreement. The principal executive offices of Merger Sub are located at One East Wacker Drive, Chicago, Illinois 60601, and its telephone number is (312) 661-4600.

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Infinity (see page 230)

Infinity was incorporated under the laws of the State of Ohio on September 16, 2002. Infinity is a holding company that provides insurance, through its subsidiaries, for personal auto with a concentration on non-standard risks, commercial auto and classic collectors. Infinity's headquarters are located at 2201 4th Avenue North, Birmingham, Alabama. Infinity employed approximately 2,300 people at December 31, 2017. Infinity's common stock is traded on the NASDAQ under the symbol IPCC.

Infinity offers personal and commercial auto insurance primarily in four key states: Arizona, California, Florida and Texas. Infinity's target customers are urban and Hispanic drivers. This narrow geographic and demographic focus allows Infinity to concentrate its efforts and resources on providing competitively priced products to underserved segments while generating adequate returns for its shareholders.

For additional information regarding Infinity, please refer to its Annual Report on Form 10-K for the year ended December 31, 2017 (as amended on Form 10-K/A) as filed with the SEC and incorporated by reference into this joint proxy statement/prospectus, as well as Infinity's other filings with the SEC. See [Where You Can Find More Information](#) beginning on page 279.

The Merger (see page 122)

Kemper, Merger Sub and Infinity have entered into the Merger Agreement, a copy of which is attached as [Annex A](#) to this joint proxy statement/prospectus. Upon the terms and subject to the conditions set forth in the Merger Agreement and in accordance with applicable law, Merger Sub will merge with and into Infinity, with Infinity surviving the Merger as a wholly owned subsidiary of Kemper. Upon the closing, Infinity common stock will no longer be publicly traded on NASDAQ. You are encouraged to read carefully the Merger Agreement in its entirety because it is the legal document that governs the Merger. Kemper and Infinity currently expect that the Merger will be completed during the third quarter of 2018, subject to the satisfaction or waiver of applicable conditions to the closing, including the receipt of certain regulatory approvals including approvals from insurance regulators. Following the Merger, Kemper and Infinity are referred to as the *combined company*.

Merger Consideration (see page 178)

Under the terms of the Merger Agreement, as of the effective time, each share of Infinity common stock issued and outstanding as of immediately prior to the effective time (other than shares owned by Kemper or any of its wholly owned subsidiaries or Infinity or any of its subsidiaries and shares held by any holder of Infinity common stock who is entitled to demand and properly demands appraisal of such shares under Ohio law) will be cancelled and convert into, at the election of the holder thereof, the right to receive either the Mixed Consideration, Cash Consideration or Stock Consideration, in each case as described below, subject to the automatic proration and adjustment procedures described under [The Merger Agreement Merger Consideration Cash Consideration](#) beginning on page 179, [The Merger Agreement Merger Consideration Stock Consideration](#) beginning on page 180 and [The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations](#) beginning on page 180.

The consideration to be paid to Infinity shareholders electing to receive only Cash Consideration or Stock Consideration is subject, pursuant to the terms of the Merger Agreement, to automatic proration and adjustment, as applicable, to ensure that the total amount of cash paid and the total number of shares of Kemper common stock issued in the Merger is approximately the same as what would be paid and issued if all Infinity shareholders were to receive the Mixed Consideration. Accordingly, the total number of shares of Kemper common stock to be issued and the total amount of cash to be paid by Kemper as part of the Merger Consideration will not change from what was

agreed to in the Merger Agreement (other than for adjustment in

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the event that there is any change in the outstanding shares or classes of capital stock of Kemper or Infinity as a result of any reclassification, stock split (including a reverse stock split), recapitalization, split-up, combination, exchange or readjustment of shares or other similar transaction, or any stock dividend or stock distribution that is declared thereon. However, since the market price of Kemper common stock will fluctuate, the total value of the Mixed Consideration and the value of the Stock Consideration may increase or decrease between the date of the Merger Agreement and the effective time. Accordingly, the value of the actual per share consideration to be paid to Infinity shareholders cannot be determined until after the effective time. No fractional shares of Kemper common stock will be issued in the Merger, and Infinity shareholders will receive cash in lieu of any fractional shares of Kemper common stock.

Mixed Consideration

The Merger Agreement provides that each share of Infinity common stock with respect to which an Infinity shareholder makes a valid election to receive a fixed combination of cash and Kemper common stock, and each share for which an Infinity shareholder fails to make any election with respect to such shareholder's shares of Infinity common stock, will be converted into the right to receive the combination of (i) \$51.60 in cash and (ii) 1.2019 shares of Kemper common stock.

Cash Consideration

The Merger Agreement provides that each share of Infinity common stock with respect to which an Infinity shareholder makes a valid election to receive cash will be converted into the right to receive an amount of cash equal to \$129.00, without interest and subject to any required withholding of taxes, subject to the automatic proration and adjustment procedures described under The Merger Agreement Merger Consideration Cash Consideration beginning on page 179 and The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations beginning on page 180.

Stock Consideration

The Merger Agreement provides that each share of Infinity common stock with respect to which an Infinity shareholder makes a valid election to receive Kemper common stock will convert into the right to receive 2.0031 shares of Kemper common stock, subject to the automatic proration and adjustment procedures described under The Merger Agreement Merger Consideration Stock Consideration beginning on page 180 and The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations beginning on page 180.

Treatment of Infinity Equity Awards in the Merger (see page 172)

Pursuant to the Merger Agreement, at the effective time:

Infinity performance share awards

Each award of Infinity performance share units with respect to Infinity common stock granted under an Infinity stock plan that is outstanding and unvested immediately prior to the effective time (***Infinity performance share awards***) will vest with respect to the target number of shares of Infinity common stock subject to such Infinity performance share award (the ***target share amount***) and will be converted into shares of Kemper common stock (provided that any such shares of Kemper common stock held after payment of required withholding taxes may not be sold or transferred prior to the first anniversary of the date of the closing), with the number of shares of Kemper common stock subject to each Infinity performance share award determined by multiplying such target share amount by 2.0031.

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Director Restricted Shares

Each award of restricted shares of Infinity common stock granted under any Infinity stock plan that is outstanding and unvested immediately prior to the effective time (*Infinity restricted shares*) and held by a non-employee member of the Infinity Board (*Director Restricted Shares*) will vest in full and be eligible to receive the Merger Consideration

Rollover RSUs

Each award of Infinity restricted shares (other than the Director Restricted Shares) will be cancelled without any acceleration of vesting and in exchange Kemper will grant, as soon as practicable following the closing, a number of restricted stock units with respect to Kemper common stock determined by multiplying the number of cancelled Infinity restricted shares by 2.0031 (*Rollover RSUs*) with such Rollover RSUs vesting in accordance with any applicable award or other agreement between the recipient of such Rollover RSUs and Kemper (or an affiliate thereof).

Ownership of Kemper After the Merger

Based on the number of shares of common stock of Infinity outstanding on the Infinity record date, Kemper expects to issue or reserve for issuance approximately 13.2 million shares of Kemper common stock in connection with the Merger (including shares of Kemper common stock issuable to Infinity shareholders and shares of Kemper common stock issuable pursuant to certain Infinity equity-based awards). Based on this number and the number of shares of Kemper common stock outstanding on the Kemper record date, upon the closing, pre-existing Kemper stockholders and former Infinity shareholders would own approximately 80% and 20% of the outstanding shares of Kemper common stock, respectively, immediately following the closing. The Merger will have no effect on the number of shares of Kemper common stock owned by existing Kemper stockholders.

Share Ownership of Kemper's and Infinity's Directors and Executive Officers

At the close of business on the Kemper record date, directors and executive officers of Kemper and their affiliates owned and were entitled to vote approximately 604,738 shares of Kemper common stock, collectively representing approximately 1.2% of the shares of Kemper common stock outstanding on that date. Approval of the share issuance proposal by Kemper stockholders requires the affirmative vote of a majority of votes cast at the Kemper annual meeting with respect to the share issuance proposal, provided that a quorum is present. On February 13, 2018, all of Kemper's directors and then-employed named executive officers entered into Voting and Support Agreements with Infinity (*Kemper Voting and Support Agreements*) pursuant to which, among other things and subject to certain exceptions, each director and named executive officer agreed to vote or cause to be voted any shares of Kemper common stock of which they are the beneficial or record owner in favor of the share issuance proposal. Kemper currently expects that Kemper's executive officers not party to the Kemper Voting and Support Agreements will vote in favor of the share issuance proposal, although they are under no obligation to do so. See *The Voting and Support Agreements* Kemper Voting and Support Agreements beginning on page . A form of the Kemper Voting and Support Agreement is attached as Annex B to this joint proxy statement/prospectus.

At the close of business on the Infinity record date, directors and executive officers of Infinity and their affiliates owned and were entitled to vote approximately 314,379 shares of Infinity common stock, collectively representing 2.9% of the shares of Infinity common stock outstanding on that date. Approval of the merger proposal by Infinity shareholders requires the affirmative vote of shareholders entitled to exercise a majority of the voting power of Infinity. On February 13, 2018, all of Infinity's directors and then-employed named executive officers entered into Voting and Support Agreements with Kemper (the *Infinity Voting and Support Agreements*) pursuant to which,

among other things and subject to certain exceptions, each director and named

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executive officer agreed to vote or cause to be voted any shares of Infinity common stock of which they are the beneficial or record owner in favor of the merger proposal. Infinity currently expects that Infinity's executive officers not party to the Infinity Voting and Support Agreements will vote in favor of the merger proposal, although they are under no obligation to do so. See *The Voting and Support Agreements* Infinity Voting and Support Agreements beginning on page 224. A form of the Infinity Voting and Support Agreement is attached as Annex C to this joint proxy statement/prospectus.

Recommendation of the Kemper Board and Its Reasons for the Merger (see page 139).

After careful consideration, on February 13, 2018 the Kemper Board unanimously adopted resolutions approving the Merger Agreement and the consummation of the transactions contemplated by the Merger Agreement and the share issuance, including the Merger, upon the terms and subject to the conditions set forth in the Merger Agreement. **The Kemper Board unanimously recommends that Kemper stockholders vote FOR the share issuance proposal and FOR the Kemper meeting adjournment proposal at the Kemper annual meeting.**

For a summary of the factors considered by the Kemper Board in reaching its decision to approve the Merger Agreement and the consummation of the transactions contemplated thereby, as well as the Kemper Board's reasons for, and certain risks related to, the Merger, see *The Merger Recommendation of the Kemper Board and Its Reasons for the Merger* beginning on page 139.

Recommendation of the Infinity Board and Its Reasons for the Merger (see page 143)

After careful consideration, on February 13, 2018, the Infinity Board unanimously adopted the Merger Agreement and approved the consummation of the transactions contemplated by the Merger Agreement, including the Merger, upon the terms and subject to the conditions set forth in the Merger Agreement. **The Infinity Board unanimously recommends that Infinity shareholders vote FOR the merger proposal, FOR the non-binding compensation advisory proposal and FOR the Infinity meeting adjournment proposal at the Infinity special meeting.**

For a summary of the factors considered by the Infinity Board in reaching its decision to adopt the Merger Agreement and approve the consummation of the transactions contemplated by the Merger Agreement, including the Merger, as well as the Infinity Board's reasons for, and certain risks related to, the Merger, see *The Merger Recommendation of the Infinity Board and Its Reasons for the Merger* beginning on page 143.

Opinion of Kemper's Financial Advisor (see page 146)

At a meeting of the Kemper Board held on February 13, 2018, Goldman Sachs & Co. LLC (*Goldman Sachs*) delivered to the Kemper Board its oral opinion, subsequently confirmed in writing, that, as of February 13, 2018, and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the aggregate Merger Consideration to be paid by Kemper for all of the issued and outstanding shares of Infinity common stock pursuant to the Merger Agreement was fair from a financial point of view to Kemper.

The full text of Goldman Sachs' written opinion, dated February 13, 2018, which sets forth the assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached as Annex D and is incorporated by reference into this joint proxy statement/prospectus. A summary of Goldman Sachs' opinion is set forth in this joint proxy statement/prospectus in the section entitled *The Merger Opinion of Kemper's Financial Advisor*

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beginning on page 143 and is qualified in its entirety by reference to the full text of Goldman Sachs' written opinion. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the Kemper Board in connection with its consideration of the proposed Merger and the opinion does not constitute a recommendation as to how any holder of shares of Kemper common stock should vote with respect to the share issuance proposal or any other matter.

Pursuant to an engagement letter between Kemper and Goldman Sachs, Kemper has agreed to pay Goldman Sachs for its services in connection with the transactions an aggregate fee of \$13 million, all of which is contingent upon the closing.

Opinion of Infinity's Financial Advisor (see page 156)

At the February 12, 2018 meeting of the Infinity Board, Deutsche Bank Securities Inc. (*Deutsche Bank*), financial advisor to Infinity, rendered its oral opinion to the Infinity Board, confirmed by delivery of a written opinion dated February 13, 2018, to the effect that as of the date of such opinion, and based upon and subject to the assumptions, limitations, qualifications and conditions described in Deutsche Bank's opinion, the Merger Consideration was fair, from a financial point of view, to the holders of Infinity common stock (excluding Kemper and its affiliates). Deutsche Bank did not express any opinion as to the proration and election procedures in the Merger Agreement.

The full text of Deutsche Bank's written opinion, dated February 13, 2018, which sets forth the assumptions made, procedures followed, matters considered and limitations, qualifications and conditions on the review undertaken in connection with the opinion, is attached as Annex E and is incorporated by reference into this joint proxy statement/prospectus. A summary of Deutsche Bank's opinion is set forth in this joint proxy statement/prospectus in the section entitled **The Merger Opinion of Infinity's Financial Advisor beginning on page 156 and is qualified in its entirety by reference to the full text of the opinion. Deutsche Bank's opinion was addressed to, and for the use and benefit of, the Infinity Board in connection with and for the purpose of its evaluation of the Merger. Deutsche Bank did not express an opinion, and Deutsche Bank's opinion did not constitute a recommendation, as to how any holder of Infinity common stock should vote or act with respect to the Merger or any other matter, including whether any such holder should elect to receive the Mixed Consideration, the Cash Consideration or the Stock Consideration. Deutsche Bank's opinion was limited to the fairness of the Merger Consideration, from a financial point of view, to the holders of Infinity common stock (excluding Kemper and its affiliates) as of the date of the opinion. The opinion did not address any other terms of the Merger or the Merger Agreement. Nor did the opinion address the terms of any other agreement entered into or to be entered into in connection with the Merger. Deutsche Bank expressed no opinion as to the merits of the underlying decision by Infinity to engage in the Merger or the relative merits of the Merger as compared to any alternative transactions or business strategies.**

Pursuant to an engagement letter between Infinity and Deutsche Bank, dated December 21, 2017, Infinity has agreed to pay Deutsche Bank a transaction fee equal to 1% of the value of the aggregate consideration (as defined in the engagement letter), which equaled approximately \$13 million as of March 29, 2018, for its services as financial advisor to Infinity in connection with the Merger, of which \$1.0 million became payable upon the delivery of Deutsche Bank's opinion and the remainder of which is contingent upon the closing.

Interests of Infinity's Directors and Executive Officers in the Merger (see page 172)

When considering the Infinity recommendation, Infinity shareholders should be aware that directors and executive officers of Infinity have certain interests in the Merger that may be different from or in addition to the interests of Infinity shareholders generally. The Infinity Board was aware of these interests and considered them, among other

things, in evaluating and negotiating the Merger Agreement and the Merger.

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These interests include the following:

Infinity executive officers and directors hold outstanding shares of Infinity common stock, which will be treated like all other shares of Infinity common stock in the Merger. See *Ownership of Infinity Common Stock* beginning on page 234.

Pursuant to the terms of certain letter agreements entered into between Kemper and each of Glen N. Godwin, Samuel J. Simon and Robert H. Bateman, Messrs. Godwin, Simon and Bateman will continue to be employed pursuant to the terms of their respective employment agreements, and the term of each such executive's employment agreement shall be extended for a period of two (2) years following the closing.

The letter agreements also provide that each of Messrs. Godwin, Simon and Bateman will be entitled to receive a retention bonus equal to the cash severance benefit that he would have received under his current employment agreement with Infinity if his employment had been terminated by Infinity immediately prior to the expiration of the term (as extended by the letter agreements) for a reason other than cause, subject generally to the executive remaining in continuous employment with the combined company through the extended term.

The letter agreements also provide that Kemper will, as soon as practicable after the closing, grant each of Messrs. Godwin, Simon and Bateman a special award of time-based restricted stock units having a grant date value equal to \$1,000,000. The special grant will vest in full at the expiration of the applicable term, provided generally that the executive remains in continuous employment with the combined company through such date.

In connection with the Merger, the Infinity Board approved the extension of Mr. Gober's employment for a period commencing March 1, 2018 through the effective time of the Merger. During such period, Mr. Gober will be paid a salary at a rate of \$287,500 per annum, payable in accordance with Infinity's normal payroll practices. Mr. Gober will not be entitled to any other compensation in respect of such period.

In connection with the Merger, the Infinity Board established the Term Sheet Committee (as described on page 126 of this joint proxy statement/prospectus), which included Samuel J. Weinhoff serving as Chairman of the committee and Victor T. Adamo, Richard J. Bielen, Teresa A. Canida and James L. Weidner serving as the remaining members of the Term Sheet Committee. As compensation for the Term Sheet Committee's services throughout the negotiation of the Merger Agreement, the Nominating and Corporate Governance Committee of the Infinity Board approved a payment to Mr. Weinhoff of \$25,000 and to each other member of the Term Sheet Committee of \$20,000, to be paid in April 2018.

Certain directors and officers of Infinity will have rights to indemnification from Kemper after the effective time. See *The Merger Agreement Interests of Infinity's Directors and Executive Officers in the Merger* beginning on page 172.

The Infinity Board was aware of these interests and considered them, among other matters, in adopting the Merger Agreement and in determining to recommend that Infinity shareholders adopt the Merger Agreement. See The Merger Interests of Infinity's Directors and Executive Officers in the Merger, beginning on page 172 for additional information about these interests.

Board of Directors of Kemper after the Merger (see page 177)

In connection with the Merger, Kemper has agreed to take all actions necessary to cause, as of the effective time, the election as a member of the Kemper Board of one individual who is serving as a director of the Infinity Board as of February 13, 2018 or immediately prior to the closing. The decision as to which individual will be so

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elected by the Kemper Board shall be in the sole discretion of Kemper and shall comply with the policies of the Kemper Board's Nominating and Corporate Governance Committee, Kemper's corporate governance guidelines, applicable laws and the NYSE's rules and regulations.

Information about the current Kemper and Infinity directors and executive officers can be found in the documents listed under the heading "Where You Can Find More Information" beginning on page 279.

Listing of Kemper Common Stock and Delisting and Deregistration of Infinity Common Stock (see page 172)

Application will be made to have the shares of Kemper common stock to be issued in the Merger approved for listing on NYSE, subject to official notice of issuance, where Kemper common stock currently is traded under the symbol **KMPR**. If the Merger is completed, Infinity common stock will be delisted from the NASDAQ Stock Market LLC (the **NASDAQ**) and will be deregistered under the Exchange Act. As a result, Infinity will no longer be publicly traded or file periodic reports with the SEC.

Dissenting Rights of Infinity Shareholders (see page 187)

Under Ohio law, if the merger proposal is approved by the Infinity shareholders, any holder of shares of Infinity common stock who does not vote in favor of approving the merger proposal may be entitled to seek relief as a dissenting shareholder under Section 1701.85 of the Ohio General Corporation Law (the **OGCL**), which includes the right to seek appraisal of the fair cash value of such holder's shares as determined by the Court of Common Pleas of Hamilton County, Ohio, but only if such shareholder complies with the procedures of Ohio law applicable to the exercise of the rights of a dissenting shareholder, including by delivering to Infinity a written demand with the information required by Section 1701.85(A)(4) of the OGCL before the vote on the merger proposal. The appraised fair cash value of Infinity common stock could be more, the same as or less than the Merger Consideration. See "The Merger Agreement - Dissenting Rights of Infinity Shareholders" and "Appraisal and Dissenters' Rights" beginning on pages 187 and 226, respectively.

SECTION 1701.85 OF THE OGCL, GOVERNING THE RIGHTS OF DISSENTING INFINITY SHAREHOLDERS, IS ATTACHED IN ITS ENTIRETY AS ANNEX F TO THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY INFINITY SHAREHOLDER WHO WISHES TO EXERCISE THE RIGHTS OF A DISSENTING SHAREHOLDER OR WHO WISHES TO PRESERVE THE RIGHT TO DO SO SHOULD REVIEW ANNEX F CAREFULLY AND SHOULD CONSULT SUCH SHAREHOLDER'S LEGAL ADVISOR, AS FAILURE TO TIMELY COMPLY WITH THE PROCEDURES SET FORTH IN SECTION 1701.85 OF THE OGCL WILL RESULT IN THE LOSS OF THOSE RIGHTS.

Merely not voting for the Merger will not preserve the right of Infinity shareholders to seek an appraisal of their shares of Infinity common stock under Ohio law because a submitted proxy not marked **AGAINST** or **ABSTAIN** will be voted **FOR** the merger proposal, **FOR** the non-binding compensation advisory proposal and **FOR** the Infinity meeting adjournment proposal. Accordingly, the submission of a proxy not marked **AGAINST** or **ABSTAIN** will result in the waiver of appraisal rights. Infinity shareholders who wish to exercise their appraisal rights and hold shares in the name of a bank, broker, trust or other nominee holder of record must instruct their bank, broker, trust or other nominee holder of record to take the steps necessary to enable them to demand appraisal for their shares.

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Conditions to Completion of the Merger (see page 188)

The respective obligations of Kemper, Merger Sub and Infinity to effect the Merger are subject to the satisfaction or waiver of the following conditions at or prior to the closing:

the affirmative vote of a majority of the votes cast at the Kemper annual meeting with respect to the share issuance proposal;

the affirmative vote of Infinity shareholders entitled to exercise a majority of the voting power of Infinity in favor of the merger proposal;

the approval for listing on the NYSE, subject to official notice of issuance, of the shares of Kemper common stock to be issued to Infinity shareholders in the Merger;

the expiration or termination of any applicable waiting period (or extensions thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the *HSR Act*);

the receipt of authorizations, consents, orders, declarations or approvals of, notifications to or filings or registrations with, or terminations or expirations of waiting periods imposed by, certain insurance regulators, and other governmental entities, the failure of which to be obtained or made or occur would reasonably be likely to have, individually or in the aggregate, a material adverse effect (as described on page 190 of this joint proxy statement/prospectus) with respect to Kemper after giving effect to the Merger;

the absence of any temporary restraining order, preliminary or permanent injunction or other order issued by a court of competent jurisdiction or other legal restraint or prohibition preventing the closing;

the declaration by the SEC of the effectiveness under the Securities Act of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part and the absence of any stop order or proceedings initiated (and not withdrawn) by the SEC for that purpose;

in the case of Kemper's and Merger Sub's obligation to effect the Merger, the satisfaction of certain employee retention requirements;

in the case of Kemper's and Merger Sub's obligation to effect the Merger, no proper exercise of appraisal rights under Ohio law by Infinity shareholders holding more than 10% of the outstanding shares of Infinity common stock;

in the case of Kemper's and Merger Sub's obligation to effect the Merger, the absence of any pending action commenced by certain governmental entities wherein a judgment, individually or in the aggregate with other such judgments, would reasonably be expected to prevent the closing or impose or require a materially burdensome condition (as defined on page 24 of this joint proxy statement/prospectus);

in the case of Kemper's and Merger Sub's obligation to effect the Merger, the absence of certain approvals under applicable insurance laws imposing or requiring a materially burdensome condition;

in the case of each party's obligation to effect the Merger, the absence of a material adverse effect with respect to the other party and its subsidiaries since the date of the Merger Agreement;

in the case of each party's obligation to effect the Merger, subject to certain materiality exceptions, the accuracy of the representations and warranties made by the other party, and the receipt of a certificate from an executive officer of the other party to that effect; and

in the case of each party's obligation to effect the Merger, compliance by the other party in all material respects with such party's respective covenants under the Merger Agreement, and the receipt of a certificate from an executive officer of the other party to that effect.

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The conditions set forth in the Merger Agreement may be waived by Kemper or Infinity, in whole or in part, to the extent permitted by applicable law. For a more detailed discussion of these matters, see The Merger Agreement Conditions to Completion of the Merger beginning on page 188. The condition that the expiration or termination of any applicable waiting period (or extension thereof) under the HSR Act has been satisfied, as early termination of the waiting period was granted on March 12, 2018.

Regulatory Approvals; Materially Burdensome Condition (see page 164)

Kemper and Infinity have agreed to use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable law to consummate the transactions contemplated by the Merger Agreement including, subject to certain limitations, (i) obtaining all necessary actions or non-actions, waivers, consents, qualifications and approvals from governmental entities (including under the HSR Act and applicable insurance regulatory laws), (ii) obtaining all necessary consents, qualifications and approvals from non-governmental third parties, (iii) defending any lawsuits or other legal proceedings challenging the Merger Agreement or the consummation of the transactions contemplated by the Merger Agreement, including seeking to have any stay or temporary restraining order entered by any governmental entity vacated or reversed (but excluding any lawsuits or legal proceedings brought by or against any applicable state insurance regulator) and (iv) executing and delivering any additional documents or instruments necessary to consummate the Merger Agreement and transactions contemplated thereby. On February 28, 2018, Kemper and Infinity each filed a notification and report form under the HSR Act with the Federal Trade Commission (*FTC*) and the U.S. Department of Justice (*DOJ*). Early termination of the waiting period under the HSR Act was granted by the FTC on March 12, 2018.

Notwithstanding the foregoing, none of Kemper or any of its subsidiaries will be obligated to, and neither Infinity nor any of its subsidiaries will, without the prior written consent of Kemper, consent to, take or refrain from taking, or offer or commit or consent to take or refrain from taking (i) any action that involves (A) making any divestiture or disposition of any portion of any business or assets, (B) licensing any portion of any business or assets, (C) accepting or entering any consent decree or hold separate order or (D) placing any assets in trust, in each case by Kemper, Infinity or any their respective subsidiaries or affiliates, in each case except for such actions related to de minimis assets (with such assets measured on a scale relative to Infinity and its subsidiaries, taken as a whole), (ii) any action that involves (A) accepting or entering into any operational restriction or restriction on the payment or declaration of dividends, (B) making any capital commitment or capital guaranty or (C) entering into any capital support agreement, statement of support, guarantee, keep well or other similar capital maintenance undertaking to maintain a minimum risk-based capital level or rating, in each case with respect to, or in connection with, Kemper, Infinity or their respective subsidiaries or affiliates which, in each case and together with any other such action, would or would reasonably be expected to detract from the benefits reasonably expected to be derived by Kemper and its subsidiaries as a result of the Merger (with such benefits measured on a scale relative to Infinity and its subsidiaries, taken as a whole and to include Kemper's ability to operate its business after giving effect to the Merger), or (iii) any action that would reasonably be expected to have a material adverse effect with respect to either Kemper or Infinity, after giving effect to the Merger (with such materiality measured on a scale relative to Infinity and its subsidiaries, taken as a whole), in each case of the immediately foregoing clauses (i), (ii) and (iii), whether before or after the closing (any such action, a *materially burdensome condition*). See The Merger Agreement Conditions to Completion of the Merger and The Merger Agreement Efforts to Complete the Merger beginning on pages 188 and 201, respectively.

Financing (see page 210)

Kemper currently anticipates borrowing under its available credit facilities and/or incurring indebtedness under an unsecured bank loan to fund a portion of the cash payable in connection with the Merger Consideration.

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Prior to the effective time or the termination of the Merger Agreement, as the case may be, at Kemper's sole expense, Infinity has agreed to, and has agreed to cause each of its subsidiaries to, use its reasonable best efforts to provide, or cause to be provided by its and their respective personnel and representatives, to Kemper such cooperation reasonably requested by Kemper in connection with the arrangement of any debt financing obtained to fund the Merger Consideration. See The Merger Agreement Financing beginning on page 210.

Infinity Acquisition Proposals (see page 191)

Subject to certain exceptions, the Merger Agreement precludes Infinity, its directors and officers and their respective other representatives from, among other things, soliciting, initiating or knowingly encouraging or knowingly inducing or facilitating the making, submission or announcement of any inquiries or the making of any proposal or offer constituting or related to an Infinity acquisition proposal (as described on page 193 of this joint proxy statement/prospectus). Notwithstanding such restrictions, the Merger Agreement provides that, at any time prior to Infinity shareholders approving the merger proposal, provided that Infinity and its subsidiaries have complied with their non-solicitation restrictions, the Infinity Board may, upon receiving an Infinity acquisition proposal that did not result from a breach of the Merger Agreement and determining in good faith (after consultation with Infinity's outside legal counsel and outside financial advisor) that such Infinity acquisition proposal constitutes an Infinity superior proposal (as described on page 194 of this joint proxy statement/prospectus), make an Infinity adverse recommendation change (as described on page 193 of this joint proxy statement/prospectus) and may cause Infinity to terminate the Merger Agreement and concurrently enter into a binding definitive agreement to effect such Infinity superior proposal if Infinity has taken certain actions (as described under The Merger Agreement Infinity Acquisition Proposals and The Merger Agreement Special Meeting of Infinity Shareholders; Recommendation of the Infinity Board beginning on pages 191 and 197, respectively).

Kemper Acquisition Proposals (see page 194)

Subject to certain exceptions, the Merger Agreement precludes Kemper, its directors and officers and their respective other representatives from, among other things, soliciting, initiating or knowingly encouraging or knowingly inducing or facilitating the making, submission or announcement of any inquiries or the making of any proposal or offer constituting or related to a Kemper acquisition proposal (as described on page 196 of this joint proxy statement/prospectus). Notwithstanding such restrictions, the Merger Agreement provides that, at any time prior to Kemper stockholders approving the share issuance proposal, provided that Kemper and its subsidiaries have complied with their non-solicitation restrictions, the Kemper Board may, upon receiving a Kemper acquisition proposal that did not result from a breach of the Merger Agreement and determining in good faith (after consultation with Kemper's outside legal counsel and outside financial advisor) that such Kemper acquisition proposal constitutes a Kemper superior proposal (as described on page 196 of this joint proxy statement/prospectus), make a Kemper adverse recommendation change (as described on page 196 of this joint proxy statement/prospectus) and may cause Kemper to terminate the Merger Agreement and concurrently enter into a binding definitive agreement to effect such Kemper superior proposal if Kemper has taken certain actions (as described under The Merger Agreement Kemper Acquisition Proposals and The Merger Agreement Annual Meeting of Kemper Stockholders; Recommendation of the Kemper Board beginning on pages 194 and 199, respectively).

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Termination of the Merger Agreement (see page 216)

Termination by Kemper or Infinity

The Merger Agreement may be terminated and the Merger may be abandoned prior to the effective time by the mutual written consent of Kemper and Infinity. Moreover, either Kemper or Infinity may terminate the Merger Agreement at any time prior to the effective time if:

any court of competent jurisdiction or other government entity has issued a judgment, order, injunction, rule or decree, or taken any other action, restraining, enjoining or otherwise prohibiting or making illegal the closing or any of the other transactions contemplated by the Merger Agreement and such judgment, order, injunction, rule, decree or other action has become final and nonappealable (provided that the right to terminate the Merger Agreement for this reason will not be available to any party that has failed to (i) use its reasonable best efforts to contest, resolve or lift, as applicable, such judgment, order, injunction, rule, decree or other action and (ii) comply with its obligations described in The Merger Agreement Efforts to Complete the Merger beginning on page 201 in all material respects as its relates to such governmental entity);

the Infinity special meeting (including any adjournment or postponement thereof) was held to obtain the approval of the merger proposal and concluded without obtaining such approval (provided that Infinity may not terminate the Merger Agreement for this reason if Infinity has not complied with its obligations under the Merger Agreement with respect to not soliciting Infinity acquisition proposals and the holding of the Infinity special meeting);

the Kemper annual meeting (including any adjournment or postponement thereof) was held to obtain the approval of the share issuance proposal and concluded without obtaining such approval (provided that Kemper may not terminate the Merger Agreement for this reason if Kemper has not complied with its obligations under the Merger Agreement with respect to not soliciting Kemper acquisition proposals and the holding of the Kemper annual meeting); or

the effective time has not occurred on or before November 13, 2018 (or, if extended pursuant to the Merger Agreement, February 13, 2019) (the *outside date*) (provided, that neither Kemper nor Infinity has the right to terminate the Merger Agreement for this reason if the failure to consummate the Merger by such date results from the material breach or failure to perform by Kemper or Merger Sub (in the case of termination by Kemper) or Infinity (in the case of termination by Infinity) of any of its representations, warranties, covenants or agreements contained in the Merger Agreement). See The Merger Agreement Termination of the Merger Agreement beginning on page 216.

Termination by Kemper

Kemper may terminate the Merger Agreement as follows:

if Infinity breaches or fails to perform in any material respect any of its representations, warranties, covenants or agreements contained in the Merger Agreement, which breach or failure to perform (i) would give rise to the failure of the applicable conditions precedent to Kemper's obligation to complete the Merger and (ii) cannot be or has not been cured within the lesser of (A) thirty (30) days after the giving by Kemper of written notice to Infinity of such breach or failure to perform (such notice to describe such breach or failure to perform in reasonable detail) and (B) the number of days remaining until the outside date, provided that Kemper will not have the right to terminate the Merger Agreement for this reason if Kemper or Merger Sub is then in material breach of any of its representations, warranties, obligations or agreements under the Merger Agreement;

if, prior to Infinity shareholders approving the merger proposal, the Infinity Board or any committee thereof has (i) effected or permitted an Infinity adverse recommendation change (whether or not

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permitted to do so under the terms of the Merger Agreement), (ii) adopted, approved, endorsed, declared advisable or recommended to Infinity shareholders an Infinity acquisition proposal other than the Merger, (iii) failed to publicly reaffirm the Infinity recommendation within five business days following receipt of a written request by Kemper to provide such reaffirmation after an Infinity acquisition proposal has been publicly disclosed or has become publicly known, (iv) failed to include in this joint proxy statement/prospectus the Infinity recommendation or included in this joint proxy statement/prospectus any proposal to vote upon or consider any Infinity acquisition proposal other than the Merger or (v) failed to recommend against a competing tender offer or exchange offer for 15% or more of the outstanding capital stock of Infinity within ten (10) business days after commencement of such offer (including by taking no position with respect to the acceptance of such tender offer or exchange offer by its shareholders);

if Infinity breaches in any material respect any of its obligations with respect to not soliciting Infinity acquisition proposals; or

if, prior to Kemper stockholders approving the share issuance proposal, Kemper terminates the Merger Agreement in order to enter into a definitive agreement to effect a Kemper superior proposal, so long as Kemper has complied with its obligations with respect to not soliciting Kemper acquisition proposals in all material respects and enters into such definitive agreement concurrently with the termination of the Merger Agreement and pays the termination fee (described below) in accordance with the procedures and within the time periods set forth in the Merger Agreement. See The Merger Agreement Termination of the Merger Agreement and The Merger Agreement Reimbursement of Fees and Expenses beginning on pages 216 and 218, respectively.

Termination by Infinity

Infinity may terminate the Merger Agreement as follows:

if Kemper or Merger Sub breaches or fails to perform in any material respect any of its respective representations, warranties, covenants or agreements contained in the Merger Agreement, which breach or failure to perform (i) would give rise to the failure of the applicable conditions precedent to Infinity's obligation to complete the Merger and (ii) cannot be or has not been cured within the lesser of (A) thirty (30) days after the giving by Infinity of written notice to Kemper of such breach or failure to perform (such notice to describe such breach or failure to perform in reasonable detail) and (B) the number of days remaining until the outside date, provided that Infinity will not have the right to terminate the Merger Agreement for this reason if Infinity is then in material breach of any of its representations, warranties, obligations or agreements under the Merger Agreement;

if, prior to Kemper stockholders approving the share issuance proposal, the Kemper Board or any committee thereof has (i) effected or permitted a Kemper adverse recommendation change (whether or not permitted to do so under the terms of the Merger Agreement), (ii) adopted, approved, endorsed, declared advisable or recommended to Kemper stockholders a Kemper acquisition proposal, (iii) failed to publicly reaffirm the Kemper recommendation within five business days following receipt of a written request by Infinity to provide such reaffirmation after a Kemper acquisition proposal has been publicly disclosed or has become publicly known, (iv) failed to include in this joint proxy statement/prospectus the Kemper recommendation

or included in this joint proxy statement/prospectus any proposal to vote upon or consider any Kemper acquisition proposal or (v) failed to recommend against a competing tender offer or exchange offer for 15% or more of the outstanding capital stock of Kemper within five business days after commencement of such offer (including by taking no position with respect to the acceptance of such tender offer or exchange offer by its stockholders);

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if Kemper breaches in any material respect any of its obligations with respect to not soliciting Kemper acquisition proposals; or

if, prior to Infinity shareholders approving the merger proposal, Infinity terminates the Merger Agreement in order to enter into a definitive agreement to effect an Infinity superior proposal, so long as Infinity has complied with its obligations with respect to not soliciting Infinity acquisition proposals in all material respects and enters into such definitive agreement concurrently with the termination of the Merger Agreement, and pays the termination fee (described below) in accordance with the procedures and within the time periods set forth in the Merger Agreement. See *The Merger Agreement Termination of the Merger Agreement* and *The Merger Agreement Reimbursement of Fees and Expenses* beginning on pages 216 and 218, respectively.

Reimbursement of Fees and Expenses (see page 218)

Kemper must pay Infinity a termination fee of \$49,598,810 if the Merger Agreement is terminated under certain specified circumstances, including (i) following a failure by Infinity or Kemper to obtain the requisite stockholder approvals, if in certain circumstances, Kemper enters into a transaction with respect to a Kemper acquisition proposal concurrently with or within twelve (12) months of such termination, or (ii) if Infinity terminates the Merger Agreement following a Kemper adverse recommendation change.

Infinity must pay Kemper a termination fee of \$49,598,810 if the Merger Agreement is terminated under certain specified circumstances, including (i) following a failure by Kemper or Infinity to obtain the requisite stockholder approvals, if in certain circumstances, Infinity enters into a transaction with respect to an Infinity acquisition proposal concurrently with or within 12 months of such termination, or (ii) if Kemper terminates the Merger Agreement following an Infinity adverse recommendation change.

If the Merger Agreement is terminated under certain circumstances, including if Kemper or Infinity fail to obtain the requisite stockholder or shareholder approvals, Kemper or Infinity may be required to reimburse the other party for its expenses incurred in connection with the Merger in an aggregate amount not to exceed \$14,171,089.

Material U.S. Federal Income Tax Consequences (see page 166)

For U.S. holders (as described on page 167 of this joint proxy statement/prospectus), the receipt of the Merger Consideration in exchange for shares of Infinity common stock pursuant to the Merger will be a taxable transaction for U.S. federal income tax purposes. Infinity shareholders should consult their tax advisors regarding the particular tax consequences of the exchange of shares of Infinity common stock for the Merger Consideration pursuant to the Merger in light of their particular circumstances (including the application and effect of any state, local or foreign income and other tax laws). See *Material U.S. Federal Income Tax Consequences* beginning on page 166.

Accounting Treatment (see page 171)

Kemper will account for the acquisition of shares of Infinity common stock through the Merger under the acquisition method of accounting for business combinations. In determining the acquirer for accounting purposes, Kemper considered the factors required under Financial Accounting Standards Board Accounting Standards Codification 805, *Business Combinations* (**ASC 805**) and determined that Kemper will be considered the acquirer of Infinity for accounting purposes. Accordingly, Kemper's cost to acquire all issued and outstanding shares of Infinity common stock will be allocated to Infinity's acquired assets, liabilities and non-controlling interests based upon their estimated fair values. The allocation of the purchase price is preliminary and is dependent upon estimates of certain valuations

that are subject to change.

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Risk Factors (see page 38)

In evaluating the Merger, the Merger Agreement or the issuance of shares of Kemper common stock pursuant to the Merger Agreement, you should read carefully this joint proxy statement/prospectus and especially consider the factors discussed in the section entitled **Risk Factors** beginning on page 38.

Kemper's Dividend Policy

Kemper has historically paid quarterly dividends and intends to continue paying regular quarterly dividends to its stockholders. However, any decision to pay dividends on its common stock will be at the discretion of the Kemper Board, which may determine not to declare dividends at all or at a reduced amount. As a holding company with no significant business operations of its own, Kemper relies on dividends from its insurance subsidiaries to meet its obligations and pay dividends to its stockholders, and such insurance subsidiaries are subject to significant regulatory restrictions under state insurance laws and regulations that limit their ability to declare and pay dividends. See **The Merger Kemper's Dividend Policy** on page 164.

Comparison of Rights of Kemper Stockholders and Infinity Shareholders (see page 241)

The rights of the Kemper stockholders are governed by Kemper's Restated Certificate of Incorporation, dated as of August 6, 2014 (the ***Kemper Charter***) and Amended and Restated Bylaws, effective August 6, 2014 (the ***Kemper Bylaws***) as well as the Delaware General Corporation Law (***DGCL***). The rights of the Infinity shareholders are governed by Infinity's Amended and Restated Articles of Incorporation, dated as of May 21, 2007 (the ***Infinity Articles***) and Regulations, as amended and restated as of August 1, 2017, (the ***Infinity Regulations***) as well as the OGCL. Following the closing, the rights of the Infinity shareholders will be governed by the Kemper Charter and the Kemper Bylaws, as well as the DGCL, and the former Infinity shareholders will have the same rights as Kemper stockholders. However, because the Kemper Charter and Kemper Bylaws are different from the Infinity Articles and Infinity Regulations, and the DGCL is different from the OGCL, the rights of Infinity shareholders will differ in some respects from the rights afforded to them prior to the Merger. Certain of these differences are described in detail under **Comparison of Rights of Kemper Stockholders and Infinity Shareholders** beginning on page 241.

Expenses (see page 222)

Generally, all fees and expenses incurred in connection with the Merger, the Merger Agreement and the transactions contemplated by the Merger Agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus.

The Kemper Annual Meeting (see page 46)

The Kemper annual meeting will be held at 8:00 a.m. local time, on Friday, June 1, 2018, at The Kemper Building, 20th floor, One East Wacker Drive, Chicago, Illinois 60601. Holders of Kemper common stock on the Kemper record date will be entitled to vote at the Kemper annual meeting. In addition to the share issuance proposal and Kemper meeting adjournment proposal, Kemper stockholders will be asked at the Kemper annual meeting:

To elect the Nominees to the Kemper Board;

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To consider and vote on a non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018; and

To consider and vote on a non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus.

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The Kemper Board unanimously recommends that Kemper stockholders vote (i) FOR the share issuance proposal, (ii) FOR the Kemper meeting adjournment proposal, (iii) FOR the election of each of the Nominees, (iv) FOR the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (v) FOR the non-binding advisory proposal to approve the compensation of Kemper's named executive officers.

Table of Contents**Selected Historical Consolidated Financial Data of Kemper**

The following tables set forth the selected historical consolidated financial data of Kemper and its subsidiaries. The selected consolidated financial data as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 have been derived from Kemper's audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 31, 2017 (as amended on Form 10-K/A, filed with the SEC on April 23, 2018), which are incorporated by reference into this joint proxy statement/prospectus. The selected consolidated financial data as of December 31, 2015, 2014 and 2013 and for the years ended December 31, 2014 and 2013 have been derived from Kemper's audited consolidated financial statements and related notes for such years, which have not been incorporated by reference into this joint proxy statement/prospectus. Historical results are not necessarily indicative of the results that may be expected for any future period.

This selected historical consolidated financial data should be read in conjunction with Kemper's audited consolidated financial statements, the notes related thereto and the related Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017. See [Where You Can Find More Information](#) beginning on page 279.

(Dollars in Millions, Except for Per Share Amounts)	2017	2016	2015	2014	2013
FOR THE YEAR					
Earned Premiums	\$ 2,350.0	\$ 2,220.0	\$ 2,009.6	\$ 1,862.2	\$ 2,025.8
Net Investment Income	327.2	298.3	302.6	309.1	314.7
Other Income	4.0	3.2	3.7	1.4	0.8
Net Realized Gains on Sales of Investments	56.5	33.1	52.1	39.1	99.1
Net Impairment Losses Recognized in Earnings	(14.3)	(32.7)	(27.2)	(15.2)	(13.9)
Total Revenues	\$ 2,723.4	\$ 2,521.9	\$ 2,340.8	\$ 2,196.6	\$ 2,426.5
Income from Continuing Operations	\$ 119.9	\$ 12.7	\$ 80.2	\$ 112.6	\$ 214.5
Income from Discontinued Operations	1.0	4.1	5.5	1.9	3.2
Net Income	\$ 120.9	\$ 16.8	\$ 85.7	\$ 114.5	\$ 217.7
Per Unrestricted Share:					
Income from Continuing Operations	\$ 2.32	\$ 0.25	\$ 1.55	\$ 2.08	\$ 3.75
Income from Discontinued Operations	0.02	0.08	0.10	0.04	0.06
Net Income	\$ 2.34	\$ 0.33	\$ 1.65	\$ 2.12	\$ 3.81
Per Unrestricted Share Assuming Dilution:					
Income from Continuing Operations	\$ 2.31	\$ 0.25	\$ 1.55	\$ 2.08	\$ 3.74
Income from Discontinued Operations	0.02	0.08	0.10	0.04	0.06
Net Income	\$ 2.33	\$ 0.33	\$ 1.65	\$ 2.12	\$ 3.80
Dividends Paid to Shareholders Per Share	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96

AT YEAR END

Total Assets	\$ 8,376.2	\$ 8,210.5	\$ 8,036.1	\$ 7,833.4	\$ 7,656.4
Insurance Reserves	\$ 4,537.8	\$ 4,406.7	\$ 4,203.8	\$ 4,007.6	\$ 4,061.0
Unearned Premiums	653.9	618.7	613.1	536.9	598.9
Long-term Debt, Current and Non-current	592.3	751.6	750.6	752.1	606.9
All Other Liabilities	476.6	458.3	476.2	446.1	338.1
Total Liabilities	6,260.6	6,235.3	6,043.7	5,742.7	5,604.9
Shareholders' Equity	2,115.6	1,975.2	1,992.4	2,090.7	2,051.5
Total Liabilities and Shareholders' Equity	\$ 8,376.2	\$ 8,210.5	\$ 8,036.1	\$ 7,833.4	\$ 7,656.4
Book Value Per Share	\$ 41.11	\$ 38.52	\$ 38.82	\$ 39.88	\$ 36.86

Table of Contents**Selected Historical Consolidated Financial Data of Infinity**

The following tables set forth the selected historical consolidated financial data of Infinity and its subsidiaries. The selected consolidated financial data as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015 have been derived from Infinity's audited consolidated financial statements and related notes contained in its Annual Report on Form 10-K for the year ended December 31, 2017, which are incorporated by reference into this joint proxy statement/prospectus. The summary selected consolidated financial data as of December 31, 2015, 2014 and 2013 and for the years ended December 31, 2014 and 2013 have been derived from Infinity's audited consolidated financial statements and related notes for such years, which have not been incorporated by reference into this joint proxy statement/prospectus. Historical results are not necessarily indicative of the results that may be expected for any future period.

This selected historical consolidated financial data should be read in conjunction with Infinity's audited consolidated financial statements, the notes related thereto and the related Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Infinity's Annual Report on Form 10-K for the year ended December 31, 2017 (as amended on Form 10-K/A, filed with the SEC on April 23, 2018). See Where You Can Find More Information beginning on page 279.

(Dollars in Millions, Except for Per Share Amounts)	2017	2016	2015	2014	2013
Gross written premium	\$ 1,397.3	\$ 1,401.4	\$ 1,387.9	\$ 1,360.9	\$ 1,339.8
Gross written premium growth	(0.3)%	1.0%	2.0%	1.6%	6.8%
Net written premium	1,386.9	1,392.5	1,373.3	1,347.6	1,329.9
Net earned premium	1,371.3	1,391.7	1,346.6	1,325.9	1,302.5
Total revenues	1,518.0	1,538.7	1,484.0	1,461.7	1,443.2
Loss & LAE ratio	76.8%	78.8%	76.9%	75.5%	78.1%
Underwriting ratio	18.3%	17.9%	18.7%	19.6%	19.9%
Combined ratio	95.2%	96.7%	95.6%	95.1%	98.0%
Net earnings	\$ 45.4	\$ 43.1	\$ 51.5	\$ 57.2	\$ 32.6
Net earnings per diluted share	\$ 4.10	\$ 3.88	\$ 4.51	\$ 4.95	\$ 2.80
Return on average common shareholders' equity	6.4%	6.2%	7.4%	8.4%	5.0%
Cash and investments	\$ 1,647.2	\$ 1,576.5	\$ 1,538.5	\$ 1,611.6	\$ 1,582.2
Total assets	2,473.4	2,402.6	2,385.1	2,383.0	2,315.3
Unpaid losses and LAE	715.1	685.5	670.0	668.2	646.6
Unearned premium	627.6	614.3	616.6	589.3	566.0
Long-term debt	273.8	273.6	273.4	273.2	273.0
Total liabilities	1,753.1	1,703.4	1,697.5	1,685.3	1,658.5
Total shareholders' equity	720.3	699.2	687.6	697.7	656.8
Cash dividends per common share	\$ 2.32	\$ 2.08	\$ 1.72	\$ 1.44	\$ 1.20
Common shares outstanding	10,935	11,044	11,151	11,483	11,504
Book value per common share	\$ 65.87	\$ 63.31	\$ 61.66	\$ 60.75	\$ 57.09
Ratios:					
Debt to total capital	27.6%	28.2%	28.6%	28.3%	29.5%
Interest coverage	6.7	5.4	6.3	6.9	4.2

Table of Contents**Selected Unaudited Pro Forma Condensed Combined Financial Information**

The following selected unaudited pro forma condensed combined statement of income data for the year ended December 31, 2017 is presented as if the Merger had occurred on January 1, 2017. The following selected unaudited pro forma condensed combined balance sheet data as of December 31, 2017 is presented as if the Merger had occurred on December 31, 2017.

The summary selected unaudited pro forma condensed combined financial data is based on the historical financial statements of Kemper and Infinity after giving effect to the Merger and the assumptions and adjustments as discussed in the section entitled Kemper Corporation and Infinity Property and Casualty Corporation Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 255, including assumptions relating to the allocation of the consideration paid for Infinity based on preliminary estimates of the fair value of the assets acquired and liabilities assumed and may be revised. There can be no assurance that such revisions will not result in material changes to the information presented. This selected unaudited pro forma condensed combined financial information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of Kemper or Infinity would have been had the Merger and related transactions been completed at the beginning of the period or on the date indicated, nor are they necessarily indicative of any future operating results or financial position. Kemper and Infinity may have performed differently had they been combined during the periods presented. The following should be read in connection with the section of this joint proxy statement/prospectus entitled Kemper Corporation and Infinity Property and Casualty Corporation Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 255 and other information included in or incorporated by reference into this joint proxy statement/prospectus.

Unaudited Pro Forma Condensed Combined Statement of Income Information

	For the Year Ended Dec. 31, 2017
<u>(Dollars in Millions)</u>	
Earned Premiums	\$ 3,721.3
Net Investment Income	360.7
Other Income	5.4
Net Realized Gains on Sales of Investments	61.8
Net Impairment Losses Recognized in Earnings	(17.4)
Total Revenues	\$ 4,131.8
Income from Continuing Operations	\$ 139.8
Income from Discontinued Operations	1.0
Net Income	\$ 140.8

Table of Contents**Unaudited Pro Forma Condensed Combined Balance Sheet Data**

<u>(Dollars in Millions)</u>	As of Dec. 31, 2017
Total Assets	\$ 11,387.4
Insurance Reserves	\$ 5,240.9
Unearned Premiums	1,281.5
Long-term Debt, Current and Non-current	1,310.1
All Other Liabilities	694.7
Total Liabilities	8,527.2
Shareholders' Equity	2,860.2
Total Liabilities and Shareholders' Equity	\$ 11,387.4

Table of Contents**Comparative Historical and Unaudited Pro Forma Combined Per Share Information**

Presented below are Kemper's and Infinity's historical per share information as of and for the year ended December 31, 2017, and pro forma combined per share information as of and for the year ended December 31, 2017. The unaudited pro forma combined per share information for the year ended December 31, 2017 is presented as if the Merger had occurred on January 1, 2017. The unaudited pro forma combined book value per common share is presented as if the Merger had occurred on December 31, 2017.

The unaudited pro forma combined per share information is based on the historical financial statements of Kemper and Infinity and certain assumptions and adjustments as discussed in the section entitled "Kemper Corporation and Infinity Property and Casualty Corporation Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 255, including assumptions relating to the allocation of the consideration paid for Infinity based on preliminary estimates of the fair values of the assets acquired and liabilities assumed and may be revised. There can be no assurance that such revisions will not result in material changes to the information presented. This unaudited pro forma combined per share information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of Kemper or Infinity would have been had the Merger and related transactions been completed at the beginning of the period or on the date indicated, nor are they necessarily indicative of any future operating results or financial position. Kemper and Infinity may have performed differently had they been combined during the period presented. The following should be read in connection with the section of this joint proxy statement/prospectus entitled "Kemper Corporation and Infinity Property and Casualty Corporation Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 255 and other information included in or incorporated by reference into this joint proxy statement/prospectus.

	Kemper Historical	Infinity Historical	Unaudited Pro Forma Combined	Per Equivalent Infinity Share (1)
As of/for the year ended December 31, 2017:				
Income per Share from Continuing Operations (Basic)	\$ 2.32	\$ 4.13	\$ 2.15	\$ 2.57
Income per Share from Continuing Operations (Diluted)	\$ 2.31	\$ 4.10	\$ 2.14	\$ 2.57
Cash Dividends Declared per Share	\$ 0.96	\$ 2.32	\$ 0.96	\$ 1.15
Book Value	\$ 41.11	\$ 65.87	\$ 44.22(2)	\$ 53.15

- (1) Pro forma per equivalent Infinity share information is calculated based on pro forma combined information multiplied by the exchange ratio of 1.2019.
- (2) Pro forma book value per share of the combined company is calculated by dividing total pro forma shareholders equity by the pro forma number of common shares outstanding at the end of the period.

Table of Contents**Comparative Per Share Market Price Data and Dividend Information**

Kemper common stock trades on the NYSE under the symbol KMPR. Infinity common stock trades on NASDAQ under the symbol IPCC. The table below sets forth, for the periods indicated, cash dividends paid per share of Kemper and Infinity common stock and the range of high and low per share sales prices for Kemper and Infinity common stock as reported on the NYSE and NASDAQ, respectively. For current price information, you should consult publicly available sources.

	Kemper Common Stock		
	High	Low	Dividends Paid
For the quarterly period ended:			
March 31, 2015	\$ 40.13	\$ 34.31	\$ 0.24
June 30, 2015	\$ 40.12	\$ 35.06	\$ 0.24
September 30, 2015	\$ 40.28	\$ 34.08	\$ 0.24
December 31, 2015	\$ 41.65	\$ 34.43	\$ 0.24
For the quarterly period ended:			
March 31, 2016	\$ 36.73	\$ 23.51	\$ 0.24
June 30, 2016	\$ 33.20	\$ 28.42	\$ 0.24
September 30, 2016	\$ 39.52	\$ 30.87	\$ 0.24
December 31, 2016	\$ 45.95	\$ 35.30	\$ 0.24
For the quarterly period ended:			
March 31, 2017	\$ 45.85	\$ 38.35	\$ 0.24
June 30, 2017	\$ 42.10	\$ 36.55	\$ 0.24
September 30, 2017	\$ 53.05	\$ 36.35	\$ 0.24
December 31, 2017	\$ 71.52	\$ 52.85	\$ 0.24

	Infinity Common Stock		
	High	Low	Dividends Paid
For the quarterly period ended:			
March 31, 2015	\$ 87.89	\$ 69.87	\$ 0.43
June 30, 2015	\$ 83.03	\$ 70.21	\$ 0.43
September 30, 2015	\$ 82.57	\$ 73.90	\$ 0.43
December 31, 2015	\$ 87.61	\$ 78.41	\$ 0.43
For the quarterly period ended:			
March 31, 2016	\$ 84.10	\$ 73.26	\$ 0.52
June 30, 2016	\$ 86.79	\$ 73.92	\$ 0.52
September 30, 2016	\$ 86.74	\$ 76.37	\$ 0.52
December 31, 2016	\$ 90.50	\$ 73.80	\$ 0.52
For the quarterly period ended:			
March 31, 2017	\$ 99.55	\$ 84.60	\$ 0.58
June 30, 2017	\$ 101.70	\$ 90.75	\$ 0.58
September 30, 2017	\$ 100.70	\$ 83.00	\$ 0.58
December 31, 2017	\$ 110.63	\$ 86.45	\$ 0.58

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The following table presents the last reported sale price of a share of Kemper common stock, as reported on the NYSE, the last reported sale price of a share of Infinity common stock, as reported on NASDAQ, and the equivalent value of Infinity common stock per share, in each case, on February 12, 2018, the day prior to the date of media publications regarding the proposed Merger, and on April 26, 2018, the last trading day prior to the printing of this joint proxy statement/prospectus for which it was practicable to include this information.

Date	Kemper Common Stock	Infinity Common Stock	Infinity Common Stock Equivalent Per Share (1)
February 12, 2018	\$ 57.75	\$ 97.05	\$ 121.01
April 26, 2018	\$ 60.40	\$ 123.05	\$ 124.19

- (1) Calculated by multiplying the last reported sale price of Kemper common stock by 1.2019 and adding \$51.60 in cash, as Mixed Consideration provided pursuant to the Merger Agreement. See The Merger Agreement Merger Consideration beginning on page 178.

The market value of the shares of Kemper common stock to be issued in exchange for shares of Infinity common stock upon the closing, if applicable, will not be known at the time Infinity shareholders vote on the merger proposal or at the time Kemper stockholders vote on the share issuance proposal. The exchange ratio is fixed and will not be adjusted for changes in the stock prices of either company before the Merger is completed.

The above tables show historical stock price comparisons and the equivalent value of the Merger Consideration per share of Infinity common stock at certain specified dates. Because the market prices of Kemper common stock and Infinity common stock will likely fluctuate prior to the Merger, these comparisons may not provide meaningful information to Kemper stockholders in determining whether to approve the share issuance proposal, or to Infinity shareholders in determining whether to approve the merger proposal. Kemper stockholders and Infinity shareholders are encouraged to obtain current market quotations for Kemper common stock and Infinity common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus in considering whether to approve the proposals before them. See Where You Can Find More Information beginning on page 279.

As of April 16, 2018, Kemper had 51,536,698 shares of its common stock outstanding, and there were approximately 3,400 holders of record of Kemper common stock.

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RISK FACTORS

*The combined company will be faced with a market environment that cannot be predicted and that involves significant risks, many of which will be beyond its control. In addition to the other information contained in this joint proxy statement/prospectus, you should consider carefully the material risks described below before deciding whether to vote for the proposals to be considered at the Kemper annual meeting and Infinity special meeting. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the heading **Cautionary Statement Concerning Forward-Looking Statements**. See also **Where You Can Find More Information** on page 279.*

Risks Relating to the Merger and the Combined Company

The combined company may not realize all of the anticipated benefits of the transactions contemplated by the Merger Agreement or such benefits may take longer to realize than expected.

The success of the Merger will depend, in part, on the combined company's ability to realize the anticipated benefits from combining the businesses of Kemper and Infinity as further described in **The Merger Recommendation of the Kemper Board and Its Reasons for the Merger** and **The Merger Recommendation of the Infinity Board and Its Reasons for the Merger**. The combined company's ability to realize the anticipated benefits of the Merger will depend, to a large extent, on the ability of Kemper to integrate the businesses of Infinity with Kemper. The combination of two independent companies is a complex, costly and time-consuming process. As a result, the combined company will be required to devote significant management attention and resources to integrating the business practices and operations of Kemper and Infinity. The integration process may disrupt the business of either or both of the companies and, if implemented ineffectively, could preclude realization of the full benefits expected by Kemper and Infinity. The failure of the combined company to meet the challenges involved in integrating successfully the operations of Kemper and Infinity or otherwise to realize the anticipated benefits of the transactions could cause an interruption of, or a loss of momentum in, the activities and business operations of the combined company and could seriously harm its results of operations. In addition, the overall integration of the two companies may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of agent relationships and diversion of management's attention, and may cause the combined company's stock price to decline. The difficulties of combining the operations of the companies include, among others:

unforeseen expenses or delays associated with the integration or the Merger;

managing a significantly larger company;

the potential diversion of management focus and resources from other strategic opportunities and from operational matters, and potential disruption associated with the Merger;

maintaining employee morale and retaining key management and other employees;

integrating two unique business cultures, which may prove to be incompatible;

the possibility of faulty assumptions underlying expectations regarding the integration process;

consolidating corporate and administrative infrastructures and eliminating duplicative operations;

coordinating geographically separate organizations;

unanticipated changes in applicable laws and regulations;

managing tax costs or inefficiencies associated with integrating the operations of the combined company;
and

making any necessary modifications to internal financial control standards to comply with the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder.

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Many of these factors will be outside of the combined company's control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact the combined company's business, financial condition and results of operations. In addition, even if the operations of Kemper and Infinity are integrated successfully, the combined company may not realize the full benefits of the transactions, including the synergies, cost savings or growth opportunities that the combined company expects. These benefits may not be achieved within the anticipated time frame, or at all. As a result, Kemper and Infinity cannot assure you that the combination of Infinity with Kemper will result in the realization of the full benefits anticipated from the transactions contemplated by the Merger Agreement.

The price of Kemper common stock might decline prior to the closing, which would decrease the value of the Merger Consideration to be received by Infinity shareholders pursuant to the Merger Agreement. Further, at the Kemper annual meeting and Infinity special meeting, Kemper stockholders and Infinity shareholders will not know the exact value of Kemper common stock that will be issued pursuant to the Merger Agreement.

The market price of Kemper common stock at the time the Merger is completed might increase or decrease significantly from the price on the date of the Merger Agreement or from the price on the date of the Kemper annual meeting and Infinity special meeting. On February 12, 2018, the day prior to the date of media publications regarding the proposed Merger, Kemper common stock closed at \$57.75 per share as reported on the NYSE. From February 13, 2018, through April 23, 2018, the trading price of Kemper common stock ranged from a closing high of \$59.20 per share to a closing low of \$53.55 per share on the NYSE.

Upon the closing, Infinity shareholders will be entitled to receive for each share of Infinity common stock that they own, at the election of each shareholder, consideration in the form of a combination of Kemper common stock and cash, only cash or only Kemper common stock. The proportion of the consideration payable to holders of Infinity common stock in Kemper common stock is fixed and will not be adjusted for changes in the stock prices of either company before the Merger is consummated. As a result, any changes in the market price of Kemper common stock will have a corresponding effect on the market value of the Mixed Consideration and Stock Consideration. Neither party, however, has a right to terminate the Merger Agreement based upon changes in the market price of Kemper or Infinity common stock.

Kemper and Infinity are working to complete the transactions as promptly as practicable. Kemper currently expects that the Merger will be completed during the third quarter of 2018, subject to the satisfaction or waiver of the conditions to the closing. Because the date when the transactions are completed will be later than the date of the Kemper annual meeting and Infinity special meeting, Kemper stockholders and Infinity shareholders will not know the exact value of the Kemper common stock that will be issued pursuant to the Merger Agreement at the time they vote on the share issuance proposal, in the case of Kemper stockholders, or on the merger proposal, in the case of Infinity shareholders. As a result, if the market price of Kemper common stock upon the closing is lower than the market price on the date of the Infinity special meeting, the market value of the Mixed Consideration and Stock Consideration received by Infinity shareholders pursuant to the Merger Agreement will be lower than the market value of the Mixed Consideration and Stock Consideration at the time of the vote by the Infinity shareholders. Moreover, during the period between the Kemper annual meeting and Infinity special meeting and the closing, events, conditions or circumstances could arise that could have a material impact or effect on Kemper, Infinity or the industries in which they operate.

If the combined company is unable to manage its growth, its business and financial results could suffer.

The combined company's future financial results will depend in part on its ability to profitably manage its core businesses, including any growth that the combined company may be able to achieve. Over the past several years,

each of Kemper and Infinity has engaged in the identification of, and competition for, growth and expansion opportunities. In order to achieve those initiatives, the combined company will need to, among other things, recruit, train, retain and effectively manage employees and expand its operations and financial control

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systems. If the combined company is unable to manage its businesses effectively and profitably, its business and financial results could suffer.

To be successful, the combined company must retain and motivate key employees, including those experienced with post-acquisition integration, and failure to do so could seriously harm the combined company.

The success of the combined company following the Merger largely depends on the skills, experience and continued efforts of management and other key personnel for each of Kemper and Infinity. As a result, to be successful, the combined company must retain and motivate executives and other key employees. Certain specified management employees of Infinity have executed retention letters with Kemper to continue their employment for a period of two (2) years following the Merger. However, certain key managers and functional area employees will continue to be at-will employees following the Merger and there is no assurance that these individuals will remain with the combined company. If these personnel were to leave, the combined company may experience increased difficulty in managing the ongoing business operations and integrating the businesses and may not be able to adequately replace such personnel, which could have a material adverse effect on the combined company's overall business, results of operations and financial condition. Additionally, the combined company's failure to retain key managers and employees will result in the roles and responsibilities of such managers and employees to be filled either by existing or new personnel, which may require the combined company to devote time and resources to identifying, hiring and integrating replacements for the departed managers and employees that could otherwise be used to integrate the businesses of Kemper and Infinity or otherwise pursue business opportunities. There can be no assurance that the combined company will be able to retain and motivate its employees in the same manner as Kemper and Infinity.

Kemper and Infinity may be targets of securities class action and derivative lawsuits which could result in substantial costs and may delay or prevent the Merger from being completed.

Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into merger agreements. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on Kemper's and Infinity's respective liquidity and financial condition. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting the closing, then that injunction may delay or prevent the Merger from being consummated, which may adversely affect Kemper's and Infinity's respective business, financial position and results of operation. Currently, neither Kemper nor Infinity is aware of any securities class action lawsuits or derivative lawsuits having been filed in connection with the Merger.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that cannot be met.

Before the transactions contemplated by the Merger Agreement, including the Merger, may be completed, various clearances, approvals and declarations of non-disapproval must be obtained from certain regulatory and governmental authorities as described in "The Merger Regulatory Approvals" beginning on page 164. These regulatory and governmental entities may impose conditions on the granting of such approvals. Such conditions and the process of obtaining regulatory approvals could have the effect of delaying the closing or of imposing additional costs or limitations on the combined company following the Merger. The regulatory approvals may not be received at all, may not be received in a timely fashion and may contain conditions on the closing. However, if any such conditions impose a materially burdensome condition, Kemper and Merger Sub will not be obligated to complete the Merger. In addition, the respective obligations of each of Kemper, Merger Sub and Infinity to complete the Merger are conditioned on the receipt of certain regulatory approvals or waiver by the other party of such condition.

Table of Contents***Certain directors and executive officers of Infinity have interests in the Merger that are different from, or in addition to, the interests of Infinity shareholders.***

Certain directors and executive officers of Infinity have interests in the Merger that are in addition to their interests as Infinity shareholders generally. For executive officers, these interests include, but are not limited to, continued employment with the combined company and the treatment in the Merger of Infinity performance share awards, Director Restricted Shares and Infinity restricted shares held by certain directors and executive officers, as applicable (including accelerated vesting of the Infinity performance share awards and Director Restricted Shares, each immediately upon the effective time). At the request of Kemper, three (3) executive officers of Infinity have also entered into retention letter agreements with Kemper pursuant to which each such executive has indicated his intent to enter into employment with Kemper following the closing in exchange for the compensation specified in his respective retention letter agreement. In addition, one individual who was serving on the Infinity Board as of February 13, 2018 or immediately prior to the effective time, with such individual being selected by Kemper in its sole discretion, will become a director of the combined company. The Infinity Board was aware of these interests and considered them, among other matters, in approving the Merger Agreement and in determining to recommend that Infinity shareholders adopt the merger proposal. See The Merger Interests of Infinity's Directors and Executive Officers in the Merger on page 172.

The combined company will record goodwill and intangible assets that could become impaired and adversely affect its results of operations and financial condition.

Accounting standards in the United States require that one party to the Merger be identified as the acquirer. In accordance with these standards, the Merger will be accounted for as an acquisition of Infinity by Kemper and will follow the acquisition method of accounting for business combinations. The assets and liabilities of Infinity will be consolidated with those of Kemper. The excess of the purchase price over the fair values of Infinity's assets and liabilities, if any, will be recorded as goodwill. The unaudited pro forma condensed combined balance sheet as of December 31, 2017 reflects \$511.8 million of goodwill and \$349.9 million of intangible assets resulting from the Merger, which are based on Kemper management's preliminary fair value estimates and are subject to change, including due to fluctuations in the market value of Kemper common stock as discussed in Note 5 to the Kemper Corporation and Infinity Property and Casualty Corporation Unaudited Pro Forma Condensed Combined Financial Statements.

The combined company will be required to assess goodwill and intangible assets for impairment at least annually. In the future the combined company may take charges against earnings resulting from impairment. Any determination requiring the write off of a significant portion of the combined company's goodwill or other intangible assets could adversely affect the combined company's results of operations and financial condition.

The market price of the common stock of the combined company may be affected by factors different from those affecting the market price for shares of Infinity common stock or for shares of Kemper common stock.

Upon the closing, holders of Infinity common stock will become holders of Kemper common stock. Kemper's business differs from that of Infinity, and the business of the combined company will differ from that of Kemper. Accordingly, the results of operations for the combined company will be affected by factors different from those currently affecting the results of operations of Infinity and may be affected by factors different from those currently affecting the results of operations of Kemper. For a discussion of the businesses of Kemper and of certain factors to consider in connection with those businesses, see the section entitled Information About Kemper and Merger Sub and the documents incorporated by reference in this joint proxy statement/prospectus and referred to in the section entitled Where You Can Find More Information. For a discussion of the businesses of Infinity and of certain factors to consider in

connection with those businesses, see the section entitled Information About Infinity. See also the section entitled Summary Comparative Per Share Market Price Data and Dividend Information for additional information on the market value of shares of Kemper common stock and Infinity common stock.

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The issuance of shares of Kemper common stock to Infinity shareholders pursuant to the Infinity Merger Agreement will reduce the percentage ownership interests of Kemper's pre-existing stockholders. Based on the number of shares of common stock of Infinity outstanding on the Infinity record date, Kemper expects to issue or reserve for issuance approximately 13.2 million shares of Kemper common stock in connection with the Merger (including shares of Kemper common stock issuable to Infinity shareholders and shares issuable pursuant to certain of Infinity's equity-based awards). Based on this number and the number of shares of Kemper common stock outstanding on the Kemper record date, upon the closing, pre-existing Kemper stockholders and former Infinity shareholders would own approximately 80% and 20% of the outstanding shares of Kemper common stock, respectively, immediately following the closing. The Merger will have no effect on the number of shares of Kemper common stock owned by existing Kemper stockholders. The issuance of approximately 13.2 million shares of Kemper common stock to Infinity shareholders and holders of equity-based incentive awards will cause a significant reduction in the relative percentage interests of current Kemper stockholders in earnings, voting, liquidation value and book and market value. See Summary Ownership of Kemper After the Merger.

Infinity shareholders may receive a form or combination of consideration different from what they elect.

While each holder of Infinity common stock may elect to receive, in connection with the Merger, the Mixed Consideration, Cash Consideration or Stock Consideration, the total amount of cash and the total number of shares of Kemper common stock available for all Infinity shareholders will be fixed. Accordingly, depending on the elections made by other Infinity shareholders, even if a holder of Infinity common stock elects to receive all cash in connection with the Merger, such holder may ultimately receive a portion of the consideration in Kemper common stock and if a holder of Infinity common stock elects to receive all Kemper common stock in connection with the Merger, such holder may receive a portion of the Merger Consideration in cash. See The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations for more information. If a holder of Infinity common stock does not submit a properly completed and signed Form of Election to the exchange agent by the Election Deadline, then such stockholder will have no control over the type of Merger Consideration such stockholder may receive and will receive Mixed Consideration consisting of both cash and Kemper common stock. No fractional shares of Kemper common stock will be issued in the Merger, and all Infinity shareholders, regardless of their election, will receive cash in lieu of any fractional shares of Kemper common stock.

If you deliver shares of Infinity common stock to make an election, you will not be able to sell those shares unless you revoke your election prior to the Election Deadline.

If you are a holder of Infinity common stock and want to elect to receive the Cash Consideration or Stock Consideration in exchange for your shares, you must deliver to the exchange agent by the Election Deadline a properly completed Form of Election. Following the delivery of a completed Form of Election, you will not be able to transfer such shares unless you revoke your election before the Election Deadline by providing written notice to the exchange agent. If you do not revoke your election before the Election Deadline, you will not be able to liquidate your investment in Infinity common stock for any reason until you receive the Merger Consideration.

The opinions of Kemper's and Infinity's financial advisors will not reflect changes in circumstances between the original signing of the Merger Agreement on February 13, 2018 and the closing.

Kemper and Infinity each received opinions from their respective financial advisors as of February 13, 2018 and do not expect to receive updated fairness opinions prior to the closing. Changes in the operations and prospects of Kemper or Infinity, general market and economic conditions and other factors that may be beyond the control of Kemper or Infinity, and on which Kemper's and Infinity's financial advisor's opinions were based, may significantly alter the value of Kemper or the prices of the shares of Infinity's common stock or Kemper common stock by the time

the Mergers are completed. The opinions do not speak as of the time the Merger will be completed or as of any date other than the date of such opinions. Because Kemper's and Infinity's financial

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advisors will not be updating their opinions, which were issued in connection with the signing of the Merger Agreement, the opinions will not address the fairness of the Merger Consideration from a financial point of view at the time the Mergers are completed. The Kemper Board's recommendation that Kemper stockholders vote **FOR** the share issuance proposal and the Infinity Board's recommendation that Infinity shareholders vote **FOR** the merger proposal, however, are current as of the date of this joint proxy statement/prospectus. For a description of the opinions that Infinity and Kemper received from their respective financial advisors, please refer to The Merger Opinion of Kemper's Financial Advisors and The Merger Opinion of Infinity's Financial Advisor.

The Merger Agreement contains provisions that may discourage other companies from trying to acquire Infinity for greater Merger Consideration or from trying to acquire Kemper.

The Merger Agreement contains provisions that may discourage a third party from submitting a business combination proposal to Infinity, both during the pendency of the proposed Merger with Kemper as well as afterward should the Merger with Kemper not be consummated, that might result in greater value to Infinity shareholders than the Merger with Kemper. These Merger Agreement provisions include a general prohibition on Infinity from soliciting, or, subject to certain exceptions, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions. In addition, Infinity may be required to pay Kemper a termination fee in certain circumstances involving acquisition proposals for competing transactions. For further information, please see The Merger Agreement Infinity Acquisition Proposals, The Merger Agreement Termination of the Merger Agreement and The Merger Agreement Reimbursement of Fees and Expenses.

The Merger Agreement also contains provisions that may discourage a third party from submitting a business combination proposal to Kemper, both during the pendency of the proposed Merger with Infinity as well as afterward and should the Merger with Infinity not be consummated, that might result in greater value to Kemper stockholders than the Merger. These Merger Agreement provisions include a general prohibition on Kemper from soliciting, or, subject to certain exceptions, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions. In addition, Kemper may be required to pay Infinity a termination fee in certain circumstances involving acquisition proposals for competing transactions. For further information, please see The Merger Agreement Infinity Acquisition Proposals, The Merger Agreement Termination of the Merger Agreement and The Merger Agreement Reimbursement of Fees and Expenses.

Failure to complete the Merger could negatively impact the stock prices and future businesses and financial results of Kemper and Infinity.

If the Merger is not completed, the ongoing businesses of Kemper and Infinity may be adversely affected and Kemper and Infinity will be subject to several risks and consequences, including the following:

Infinity may be required, under certain circumstances, to pay Kemper a termination fee of \$49,598,810 or reimburse Kemper's documented fees and expenses up to \$14,171,089 under the Merger Agreement;

Kemper may be required, under certain circumstances, to pay Infinity a termination fee of \$49,598,810 or reimburse Infinity's documented fees and expenses up to \$14,171,089 under the Merger Agreement;

Kemper and Infinity will be required to pay certain costs relating to the Merger, whether or not the Merger is completed, such as such as legal, accounting and other costs incurred in connection with the Merger;

under the Merger Agreement, each of Kemper and Infinity is subject to certain restrictions on the conduct of its business prior to completing the Merger that may adversely affect its ability to execute certain of its business strategies; and

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matters relating to the Merger may require substantial time and resources by Kemper and Infinity, including time and resources devoted to planning integration activities, which could otherwise have been devoted to other opportunities that may have been beneficial to Kemper and Infinity as independent companies.

In addition, if the Merger is not completed, Kemper and Infinity may experience negative reactions from the financial markets and from their respective agents, policyholders, employees and business partners. Kemper and Infinity also could be subject to litigation related to any failure to complete the Merger or to enforcement proceedings commenced against Kemper or Infinity to perform their respective obligations under the Merger Agreement. If the Merger is not completed, Kemper and Infinity cannot assure their stockholders and shareholders, respectively, that the risks described above will not materialize and will not materially adversely affect the business, financial results and stock prices of Kemper and Infinity.

The shares of Kemper common stock to be received by Infinity shareholders as a result of the Merger will have different rights than shares of Infinity common stock.

Following the closing, Infinity shareholders receiving the Stock Consideration will become Kemper stockholders and their rights will be governed by the Kemper Charter, the Kemper Bylaws and the DGCL. The rights associated with Kemper common stock are different from the rights associated with Infinity common stock. See [Comparison of Rights of Kemper Stockholders and Infinity Shareholders](#) beginning on page 241 for a discussion of the different rights associated with Kemper common stock and Infinity common stock.

Kemper and Infinity will incur significant transaction and integration costs in connection with the Merger.

Kemper and Infinity expect to incur a number of costs associated with completing the Merger and integrating the operations of the two companies. The substantial majority of these costs will be non-recurring expenses resulting from the Merger and will consist of transaction costs related to the Merger, including costs to compensate financial advisors for their services, facilities and systems consolidation and integration costs and employment related costs. Additional unanticipated costs may be incurred in the integration of the businesses of Kemper and Infinity. Although Kemper and Infinity expect that the elimination of redundant costs, as well as the realization of other efficiencies related to the integration of the businesses, will offset incremental transaction and Merger-related costs over time, this net benefit may not be achieved in the near term, or at all.

The announcement and pendency of the Merger may adversely affect Kemper's and Infinity's business, financial condition and results of operations.

The announcement and pendency of the business combination may cause disruptions and create uncertainty surrounding Kemper's and Infinity's business, which could negatively affect certain relationships with agents, employees, policyholders and business partners, regardless of whether the Merger is consummated.

The unaudited prospective financial information included in this joint proxy statement/prospectus may not prove to be accurate and is not necessarily indicative of current values or future performance.

The unaudited prospective financial information of Kemper and Infinity contained in this joint proxy statement/prospectus involves risks, uncertainties and assumptions and is not a guarantee of future performance. The assumptions used in preparing the unaudited prospective financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the proposed transactions. Neither Kemper nor Infinity can provide any assurance that the results indicated in Kemper's or Infinity's unaudited prospective financial information will be realized or that Kemper's or Infinity's future financial results will not materially vary from the unaudited prospective financial information. See [Certain Unaudited Prospective Financial](#)

Information. See Kemper Corporation and Infinity Property and Casualty Corporation Unaudited Pro Forma Condensed Combined Financial Statements.

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Kemper currently anticipates that the Merger will be accretive to Kemper's earnings per share in 2019, excluding Value of Business Acquired (*VOBA*) and one-time items, and is expected to be accretive to Kemper's earnings per share in 2020 by more than 10%, excluding restructuring and one-time items. This expectation is based on preliminary estimates, which may materially change. The combined company could also encounter additional transaction and integration-related costs or other factors such as the failure to realize all of the benefits anticipated in the Merger. All of these factors could cause dilution to the combined company's earnings per share or decrease or delay the expected accretive effect of the Merger and cause a decrease in the price of the combined company's common stock.

Risks Relating to Kemper

Kemper is, and will continue to be, subject to the risks described in Part I, Item 1A in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#) beginning on page 279.

Risks Relating to Infinity

Infinity is, and will continue to be, subject to the risks described in Part I, Item 1A in Infinity's Annual Report on Form 10-K for the year ended December 31, 2017 (as amended on Form 10-K/A, filed with the SEC on April 23, 2018), as filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#) beginning on page 279.

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THE KEMPER ANNUAL MEETING

General

The Kemper Board is furnishing this joint proxy statement/prospectus to solicit proxies to be voted at the Kemper annual meeting. The joint proxy statement/prospectus summary below highlights information contained elsewhere in this joint proxy statement/prospectus. Please read the entire joint proxy statement/prospectus carefully before voting as it provides Kemper stockholders with important information they need to know to be able to vote, or instruct their bank, broker, trust or other nominee to vote, at the Kemper annual meeting.

Annual Meeting of Kemper Stockholders

Date: June 1, 2018

Time: 8:00 a.m. local time

Location: The Kemper Building, 20th floor, One East Wacker Drive, Chicago, Illinois 60601.

Voting Matters and Board Recommendations

1. To consider and vote upon the share issuance proposal;
2. To consider and vote upon the Kemper meeting adjournment proposal;
3. To elect the Nominees to the Kemper Board;
4. To consider and vote on a non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018;
5. To consider and vote on a non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus; and
6. To consider and act upon such other business as may be properly brought before the Kemper annual meeting.

Recommendation of the Kemper Board

After careful consideration, on February 13, 2018, the Kemper Board unanimously adopted resolutions approving the Merger Agreement and the consummation of the transactions contemplated by the Merger Agreement, upon the terms and subject to the conditions set forth in the Merger Agreement.

The Kemper Board unanimously recommends that Kemper stockholders vote (i) FOR the share issuance proposal, (ii) FOR the Kemper meeting adjournment proposal, (iii) FOR the election of each of the Nominees, (iv) FOR the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (v) FOR the non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus.

For a summary of the factors considered by the Kemper Board in reaching its decision to approve the Merger Agreement and the consummation of the transactions contemplated thereby, as well as the Kemper Board's reasons for approving, and certain risks related to, the Merger, see The Merger Recommendation of the Kemper Board and Its Reasons for the Merger.

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Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of Kemper common stock at the close of business on April 16, 2018 (the *Kemper record date*), will be entitled to notice of, and to vote at, the Kemper annual meeting. At the close of business on the Kemper record date, there were 51,536,698 shares of Kemper common stock issued and outstanding. Accordingly, 51,536,698 shares of Kemper common stock are eligible to be voted at the Kemper annual meeting. Each holder of Kemper common stock is entitled to one vote for each share of Kemper common stock owned as of the Kemper record date.

A list of Kemper's registered shareholders as of the close of business on April 16, 2018 will be available for inspection at the Kemper annual meeting and for a period of ten (10) days prior to June 1, 2018 during ordinary business hours at Kemper's executive offices located at One East Wacker Drive, Chicago, Illinois 60601.

Vote Required; Quorum; Adjournment

The holders of a majority of the voting power of all of the shares of Kemper common stock issued and outstanding and entitled to vote at the Kemper annual meeting, present in person or represented by proxy, shall constitute a quorum for the Kemper annual meeting. A quorum must be present before stockholders can vote on any of the proposals at the Kemper annual meeting. All shares of Kemper common stock represented at the Kemper annual meeting, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum. The Chairman of the Kemper annual meeting is entitled to adjourn the meeting to another place, date or time whether or not a quorum is present.

Vote required to approve the share issuance proposal. Approval of the share issuance proposal requires the affirmative vote of a majority of the votes cast at the Kemper annual meeting with respect to the share issuance proposal, provided that a quorum is present. Under the current rules and interpretive guidance of the NYSE, votes cast on the share issuance proposal consist of votes FOR or AGAINST as well as elections to abstain from voting on the share issuance proposal. As a result, a Kemper stockholder's election to abstain from voting on the share issuance proposal will have the same effect as a vote AGAINST the approval of this proposal. The failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the approval of the share issuance proposal because these failures to vote are not considered votes cast.

Vote required to elect of Nominees to the Kemper Board. Each Nominee will be elected to the Kemper Board by the affirmative vote of a majority of votes cast at the Kemper annual meeting, provided that a quorum is present. As a result, a Nominee will be elected to the Kemper Board if the number of shares voted FOR such Nominee exceeds the number of shares voted AGAINST such Nominee. For purposes of the election of Nominees to the Kemper Board, a Kemper stockholder's election to abstain from voting, the failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the election of Nominees.

Vote required to approve of all other proposals at the Kemper annual meeting. Approval of each of (i) the Kemper meeting adjournment proposal, (ii) the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (iii) the non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as disclosed in this joint proxy statement/prospectus, requires the affirmative vote of a majority of the votes cast at the Kemper annual meeting with respect to such proposal, provided that a quorum is present. For purposes of these proposals, votes cast means votes

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FOR or AGAINST each proposal. As a result, a Kemper stockholder's election to abstain from voting, the failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting

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instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the approval of the Kemper meeting adjournment proposal and the non-binding advisory proposal to approve the compensation of Kemper's named executive officers at the Kemper annual meeting. However, because the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 is a routine matter, Kemper does not expect there to be any broker non-votes with respect to this proposal as banks, brokers, trusts or other nominee holders of record are permitted to vote in their discretion without receiving instructions from beneficial holders of Kemper common stock.

If a quorum is not present at the Kemper annual meeting, or if there are not sufficient votes in favor of the share issuance proposal, Kemper expects that the Kemper annual meeting will be adjourned to solicit additional proxies by the Chairman of the Kemper annual meeting or, subject to approval of the Kemper meeting adjournment proposal by the affirmative vote of the majority of votes cast at the Kemper annual meeting, by the Kemper stockholders. At any subsequent reconvening of the Kemper annual meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Kemper annual meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Voting by Kemper's Directors and Executive Officers

As of the Kemper record date for the Kemper annual meeting, the directors, named executive officers and executive officers of Kemper as a group owned and were entitled to vote approximately 604,738 shares of Kemper common stock, or approximately 1.2% of the issued and outstanding shares of Kemper common stock on that date. On February 13, 2018, all of Kemper's directors and then-employed named executive officers entered into Voting and Support Agreements with Infinity, pursuant to which such directors and named executive officers have agreed to vote or cause to be voted any shares of Kemper common stock for which they are the beneficial or record owners for the approval of the share issuance proposal and against any competing proposal or other proposal, action or transaction that would reasonably be expected to in any manner impede, frustrate, prevent or nullify the issuance of shares of Kemper common stock pursuant to the Merger Agreement or the Merger.

Accordingly, Kemper currently expects that each of its directors and named executive officers entitled to vote at the Kemper annual meeting and party to the Voting and Support Agreements with Infinity will vote their shares of Kemper common stock **FOR** the share issuance proposal and **FOR** the Kemper meeting adjournment proposal.

Voting; Proxies; Revocation

Holders of Kemper common stock as of the Kemper record date may vote by proxy or in person at the Kemper annual meeting. Votes cast by proxy or in person at the Kemper annual meeting will be tabulated and certified by Broadridge, which shall serve as the inspector of election for the Kemper annual meeting.

Voting in Person

Kemper stockholders who plan to attend the Kemper annual meeting and who own shares of Kemper common stock in their own name on the Kemper record date may vote in person at the Kemper annual meeting by written ballot or by delivering a signed proxy card. Kemper stockholders who hold their shares through the Kemper Corporation 401(k) and Retirement Plan as set forth below (the ***401(k) and Retirement Plan***) must vote such shares by the 401(k) Deadline (as defined below) and, accordingly, may not vote such shares in person at the Kemper annual meeting. Kemper stockholders who hold their shares in street name, which means such shares are held in the name of a bank, broker, trust or other nominee holder of record, must present written evidence at the Kemper annual meeting from the institution holding such shares indicating that such Kemper stockholder was the beneficial owner of the shares held in

street name on the Kemper record date and is

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authorized to vote such shares in person. This written evidence is generally called a Legal Proxy and should be submitted to Kemper's Secretary, C. Thomas Evans, Jr., prior to the commencement of the Kemper annual meeting.

Voting by Proxy; Voting Shares of Kemper Common Stock held through the 401(k) and Retirement Plan by Proxy

The vote of each Kemper stockholder is very important. Accordingly, holders of Kemper common stock as of the Kemper record date should vote by proxy by:

completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage-paid envelope;

calling the toll-free number specified on the enclosed proxy card and following the recorded instructions to vote at any time prior to 10:59 p.m., Central Daylight Time, on the last business day preceding the Kemper annual meeting; or

accessing the proxy voting website identified on the enclosed proxy card and following the instructions to vote at any time prior to 10:59 p.m., Central Daylight Time, on the last business day preceding the Kemper annual meeting.

Kemper stockholders should submit their proxy even if they plan to attend the Kemper annual meeting. Kemper stockholders can change their vote at the Kemper annual meeting. Voting instructions are included on the enclosed proxy card. If a Kemper stockholder properly submits a proxy to Kemper in time to vote, one of the individuals named as a proxy in such Kemper stockholder's proxy will vote the shares as such Kemper stockholder has directed.

The method of voting by proxy differs for shares held as a record holder and shares held in street name. If a Kemper stockholder holds shares of Kemper common stock in street name, the Kemper stockholder will receive instructions from such stockholder's bank, broker, trust or other nominee holder of record that the Kemper stockholder must follow in order to vote such stockholder's shares. Such bank, broker, trust or other nominee may allow such Kemper stockholder to deliver voting instructions over the Internet, by telephone or by mail.

Unless Kemper stockholders give their banks, brokers, trusts or other nominee holders of record instructions on how to vote their shares of Kemper common stock, their banks, brokers, trusts and other nominees will not be able to vote their shares on either of the proposals at the Kemper annual meeting.

All properly executed proxies that are received prior to the Kemper annual meeting and that are not revoked will be voted at the Kemper annual meeting according to the instructions indicated on the proxies or, if no instructions are indicated, they will be voted (i) FOR the share issuance proposal, (ii) FOR the Kemper meeting adjournment proposal, (iii) FOR the election of each of the Nominees, (iv) FOR the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 and (v) FOR the non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement/prospectus.

Holders of Kemper common stock through the 401(k) and Retirement Plan should vote by proxy by:

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completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage-paid envelope by 1:00 am Central Daylight Time on Wednesday, May 30, 2018, (the **401(k) Deadline**);

calling the toll-free number specified on the enclosed proxy card and following the recorded instructions by the 401(k) Deadline; or

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accessing the proxy voting website identified on the enclosed proxy card and following the instructions by the 401(k) Deadline.

If voting instructions for shares held pursuant to the 401(k) and Retirement Plan are provided prior to the 401(k) Deadline, the plan trustee will confidentially vote such shares in accordance with the voting instructions. In accordance with the terms of the 401(k) and Retirement Plan, if voting instructions for shares held pursuant to the 401(k) and Retirement Plan are not provided prior to the 401(k) Deadline, the plan trustee will vote such shares in the same proportion as all other shares voted in accordance with timely voting instructions provided to the trustee by all other plan participants.

Revocation of Proxy

A Kemper stockholder and any holder of shares of Kemper common stock through the 401(k) and Retirement Plan may revoke a proxy or change the voting instructions by taking any of the following actions:

Shares held as a registered Kemper stockholder:

delivering another signed proxy card with a later date anytime prior to the commencement of the Kemper annual meeting;

notifying Kemper's Secretary, C. Thomas Evans, Jr., in writing prior the commencement of the Kemper annual meeting that such stockholder has revoked its proxy;

signing and delivering a new proxy, relating to the same shares of Kemper common stock and bearing a later date;

calling the toll-free telephone number, or accessing the proxy voting website, identified on the proxy card and re-voting any time prior to 10:59 p.m. Central Daylight Time on the last business day preceding the Kemper annual meeting; or

attending the Kemper annual meeting and delivering a new, signed proxy card or ballot to one of the ushers when requested to do so, although attendance at the Kemper annual meeting will not, by itself, revoke a proxy.

Shares of Kemper common stock held through the 401(k) and Retirement Plan:

delivering another signed proxy card with a later date anytime prior to 401(k) Deadline; or

calling the toll-free telephone number, or accessing the proxy voting website, identified on the proxy card and re-voting any time prior to the 401(k) Deadline.

If a Kemper stockholder's shares are held in street name, such stockholder should contact the institution holding such stockholder's shares to determine the procedures, if any, for revoking or changing such stockholder's voting instructions.

Written notices of revocation and other communications with respect to the revocation of Kemper proxies with respect to shares held of record should be addressed to:

Kemper Corporation

One East Wacker Drive

Chicago, Illinois 60601

Attention: Secretary

Abstentions and Broker Non-Votes

An abstention, which occurs when a stockholder attends a meeting, either in person or by proxy, but abstains from voting, will have the same effect as a vote **AGAINST** the share issuance approval. However, an

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abstention will not affect the results of the vote on any of the other proposals submitted to Kemper stockholders at the Kemper annual meeting.

Under the applicable stock exchange rules, matters subject to stockholder vote are classified as routine or non-routine. In the case of non-routine matters, a bank, broker, trust or other nominee holder of record may not vote shares held in street name for which they have not received instructions from the beneficial owner (referred to as broker non-votes), whereas they may vote those shares in their discretion in the case of any routine matter. The non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 is a routine matter. All other proposals submitted to Kemper stockholders, including (i) the share issuance proposal, (ii) the Kemper meeting adjournment proposal, (iii) the election of the Nominees to the Kemper Board and (iv) the non-binding advisory proposal to approve the compensation of Kemper's named executive officers, as described in this joint proxy statement prospectus, are non-routine matters. **Accordingly, shares of Kemper common stock held in street name by a bank, broker, trust or other nominee holder of record will NOT be voted by such bank, broker, trust or other nominee holder of record on any of the proposals with respect to non-routine matters unless the beneficial owner of such shares has properly instructed such bank, broker, trust or other nominee holder of record how to vote.**

The failure of a Kemper stockholder to vote or to instruct such stockholder's bank, broker, or other nominee holder of record to vote if such stockholder's shares are held in street name will not affect the results of any of the proposals submitted to Kemper stockholders at the Kemper annual meeting, other than the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018.

Proxy Solicitation

Kemper has retained the services of Innisfree M&A Incorporated (*Innisfree*) to aid in the solicitation of proxies and will pay Innisfree a base fee of \$30,000 for these services, plus its related costs and expenses. Kemper will bear the total expense of soliciting proxies from Kemper stockholders, except that Infinity and Kemper have each agreed to share equally all expenses incurred in connection with the filing, printing and mailing of this joint proxy statement/prospectus and the related proxy materials. In addition to the amounts paid to Innisfree and the amounts paid for the solicitation of proxies by mail, Kemper will reimburse banks, brokerage firms and others for their expenses in forwarding proxy solicitation materials. Although the principal distribution of proxy materials will be through the Internet, solicitation of proxies will also be made by mail. Additional proxy solicitation may be made by telephone or other direct communication with certain stockholders or their representatives by Kemper's directors, officers and employees, who will receive no additional compensation for such solicitation.

Householding

Any Kemper stockholder that shares an address with another Kemper stockholder and received multiple copies of this joint proxy statement/prospectus may contact Kemper as described below and request that a single copy be sent to the stockholder's address for future deliveries of Kemper communications. This is commonly referred to as householding. If a Kemper stockholder's joint proxy statement/prospectus was householded but such stockholder prefers to receive separate copies of the joint proxy statement/prospectus, additional copies may be requested by contacting Kemper as follows:

contact Kemper Investor Relations by telephone at 312.661.4930, or by e-mail at investors@kemper.com; or

write to Kemper Investor Relations at One East Wacker Drive, Chicago, Illinois 60601, Attention: Investor Relations.

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Other Business; Adjournments

Kemper does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus will be brought before stockholders at the Kemper annual meeting. However, if matters are properly presented at the Kemper annual meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters. The Chairman of the Kemper annual meeting is entitled to adjourn the meeting to another place, date or time, whether or not a quorum is present.

Assistance

If a Kemper stockholder needs assistance in completing such stockholder's proxy card or has questions regarding the Kemper annual meeting, such stockholder should contact Innisfree, which is assisting Kemper with the solicitation of proxies, at (888) 750-5834 (toll-free) or (212) 750-5833 (collect).

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THE INFINITY SPECIAL MEETING

General

The Infinity Board is furnishing this joint proxy statement/prospectus to solicit proxies to be voted at Infinity's special meeting. The joint proxy statement/prospectus summary below highlights information contained elsewhere in this joint proxy statement/prospectus. Please read the entire joint proxy statement/prospectus carefully before voting as it provides Infinity shareholders with important information they need to know to be able to vote, or instruct their bank, broker, trust or other nominee to vote, at the Infinity special meeting.

Special Meeting of Infinity Shareholders

Date: June 1, 2018

Time: 8:00 am local time

Location: Infinity Property and Casualty Corporation, 2201 4th Avenue, North Birmingham, Alabama 35203.

Voting Matters and Board Recommendations

1. To consider and vote upon the merger proposal; and
2. To consider and vote upon the non-binding compensation advisory proposal; and
3. To consider and vote upon the Infinity meeting adjournment proposal.

Pursuant to the Infinity Regulations, the business to be transacted at the Infinity special meeting shall be limited to the proposals set forth in the notice to the Infinity shareholders provided with this joint proxy statement/prospectus.

Recommendation of the Infinity Board

After careful consideration, on February 13, 2018, the Infinity Board unanimously adopted resolutions approving the Merger Agreement and the consummation of the transactions contemplated by the Merger Agreement, upon the terms and subject to the conditions set forth in the Merger Agreement. **The Infinity Board unanimously recommends that Infinity shareholders vote for FOR the merger proposal, FOR the non-binding compensation advisory proposal, and FOR the Infinity meeting adjournment proposal at the Infinity special meeting.**

For a summary of the factors considered by the Infinity Board in reaching its decision to approve the Merger Agreement and the transactions contemplated thereby, as well as the Infinity Board's reasons for approving, and certain risks related to, the Merger, see "The Merger Recommendation of the Infinity Board and Its Reasons for the Merger" beginning on page 143.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of Infinity common stock at the close of business on April 20, 2018 (the *Infinity record date*), will be entitled to notice of, and to vote at, the Infinity special meeting. At the close of business on the Infinity record date, there were 10,941,936 shares of Infinity common stock issued and outstanding. Accordingly, 10,941,936 shares of Infinity common stock are eligible to be voted at the Infinity special meeting. Each holder of Infinity common stock is

entitled to one vote for each share of Infinity common stock owned as of the Infinity record date.

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A list of Infinity's registered shareholders as of the close of business on April 20, 2018 will be available for inspection at the Infinity special meeting and for a period of ten (10) days prior to June 1, 2018 during ordinary business hours at Infinity's executive offices located at 2201 4th Avenue North, Birmingham, Alabama 35203.

Vote Required; Quorum; Adjournment

The holders of a majority of the voting power of all of the shares of Infinity common stock issued and outstanding and entitled to vote at the Infinity special meeting, present in person or represented by proxy or by use of communications equipment, shall constitute a quorum for the Infinity special meeting. A quorum must be present before a vote can be taken on (i) the merger proposal, (ii) the non-binding compensation advisory proposal and (iii) the Infinity meeting adjournment proposal.

Vote required to approve the merger proposal. Approval of the merger proposal requires the affirmative vote of Infinity shareholders entitled to exercise a majority of the voting power of Infinity. Accordingly, an Infinity shareholder's abstention from voting, the failure of an Infinity shareholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record, or any other failure of an Infinity shareholder to vote will have the same effect as a vote **AGAINST** the merger proposal.

Vote required to approve the non-binding compensation advisory proposal. Approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of the votes cast at the Infinity special meeting with respect to the non-binding compensation advisory proposal, provided that a quorum is present. For purposes of the non-binding compensation advisory proposal, votes cast means votes FOR or AGAINST the proposal. As a result, an Infinity shareholder's election to abstain from voting, the failure of an Infinity shareholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of an Infinity shareholder to vote will have no effect on the approval of the non-binding compensation advisory proposal.

Vote required to approve the Infinity meeting adjournment proposal. Approval of the Infinity meeting adjournment proposal requires the affirmative vote of a majority of the votes cast at the Infinity special meeting with respect to the meeting adjournment proposal, provided that a quorum is present. For purposes of the Infinity meeting adjournment proposal, votes cast means votes FOR or AGAINST the proposal. As a result, an Infinity shareholder's election to abstain from voting, the failure of an Infinity shareholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of an Infinity shareholder to vote will have no effect on the approval of the Infinity meeting adjournment proposal. In addition, even if a quorum is not present at the Infinity special meeting, the affirmative vote of shares representing a majority of the voting power of the shares present in person or represented by proxy or by use of communications equipment at the Infinity special meeting may adjourn the meeting to another place, date or time. In this case, an abstention from voting will have the same effect as a vote **AGAINST** the proposal to adjourn the meeting due to an absence of a quorum.

Voting by Infinity's Directors and Executive Officers

As of the Infinity record date for the Infinity special meeting, the directors, named executive officers and executive officers of Infinity and their affiliates as a group owned and were entitled to vote approximately 314,379 shares of Infinity common stock, or approximately 2.9% of the issued and outstanding shares of Infinity common stock on that date. On February 13, 2018, all of Infinity's directors and then-employed named executive officers entered into Voting and Support Agreements with Kemper, pursuant to which such directors and named executive officers have agreed to

vote or cause to be voted any shares of Infinity common stock for which they are the beneficial or record owners for the approval of the merger proposal and against any competing proposal or other proposal, action or transaction that would reasonably be expected to in any manner impede, frustrate, prevent or nullify the approval of the Merger pursuant to the Merger Agreement.

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Accordingly, Infinity currently expects that each of its directors and named executive officers entitled to vote at the Infinity special meeting and party to the Voting and Support Agreements with Kemper will vote their shares of Infinity common stock **FOR** the merger proposal, **FOR** the non-binding compensation advisory proposal and **FOR** the Infinity meeting adjournment proposal.

Voting; Proxies; Revocation

Holders of Infinity common stock as of the Infinity record date may vote by proxy or in person at the Infinity special meeting. Votes cast by proxy or in person at the Infinity special meeting will be tabulated and certified by AST, which shall serve as the inspector of election for the Infinity special meeting.

Voting in Person

Infinity shareholders who plan to attend the Infinity special meeting and who own shares of Infinity common stock in their own name on the Infinity record date may vote in person at the Infinity special meeting by written ballot or by delivering a signed proxy card. Infinity shareholders who hold their shares in street name, which means such shares are held in the name of a bank, broker, trust or other nominee holder of record, must present written evidence at the Infinity special meeting from the institution holding such shares indicating that such Infinity shareholder was the beneficial owner of the shares held in street name on the Infinity record date and is authorized to vote such shares in person. This written evidence is generally called a Legal Proxy and should be submitted to Infinity's Secretary, James H. Romaker, prior to the commencement of the Infinity special meeting.

Voting by Proxy

The vote of each Infinity shareholder is very important. Accordingly, holders of Infinity common stock as of the Infinity record date should vote by proxy by:

completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage-paid envelope;

calling the toll-free number specified on the enclosed proxy card and following the recorded instructions to vote at any time prior to 10:59 p.m., Central Daylight Time, on the last business day preceding the Infinity special meeting; or

accessing the proxy voting website identified on the enclosed proxy card and following the instructions to vote at any time prior to 10:59 p.m., Central Daylight Time, on the last business day preceding the Infinity special meeting.

Infinity shareholders should submit their proxy even if they plan to attend the Infinity special meeting. Infinity shareholders can change their vote at the Infinity special meeting. Voting instructions are included on the enclosed proxy card. If an Infinity shareholder properly submits a proxy to Infinity in time to vote, one of the individuals named as a proxy in such Infinity shareholder's proxy will vote the shares as such Infinity shareholder has directed.

The method of voting by proxy differs for shares held as a record holder and shares held in street name. If an Infinity shareholder holds shares of Infinity common stock in street name, the Infinity shareholder will receive instructions

from such shareholder's bank, broker, trust or other nominee that the Infinity shareholder must follow in order to vote such shareholder's shares. Such bank, broker, trust or other nominee may allow such Infinity shareholder to deliver voting instructions over the Internet, by telephone or by mail.

Unless Infinity shareholders give their banks, brokers, trusts or other nominee holders of record instructions on how to vote their shares of Infinity common stock, their banks, brokers, trusts and other nominees will not be able to vote their shares on either of the proposals at the Infinity special meeting.

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All properly executed proxies that are received prior to the Infinity special meeting and that are not revoked will be voted at the Infinity special meeting according to the instructions indicated on the proxies or, if no instructions are indicated, they will be voted FOR the merger proposal, FOR the non-binding compensation advisory and FOR the Infinity meeting adjournment proposal.

Revocation of Proxy

An Infinity shareholder may revoke a proxy or change the voting instructions by taking any of the following actions:

delivering another signed proxy card with a later date anytime prior to the commencement of the Infinity special meeting;

notifying Infinity's Secretary, James H. Romaker, in writing prior the commencement of the Infinity special meeting that such shareholder has revoked its proxy;

signing and delivering a new proxy, relating to the same shares of Infinity common stock and bearing a later date;

calling the toll-free telephone number, or accessing the proxy voting website, identified on the proxy card and re-voting any time prior to 10:59 p.m. Central Daylight Time on the last business day preceding the Infinity special meeting; or

attending the Infinity special meeting and delivering a new, signed proxy card or ballot to one of the ushers when requested to do so, although attendance at the Infinity special meeting will not, by itself, revoke a proxy.

If an Infinity shareholder's shares are held in street name, such shareholder should contact the institution holding such shareholder's shares to determine the procedures, if any, for revoking or changing such shareholder's voting instructions.

Written notices of revocation and other communications with respect to the revocation of Infinity proxies with respect to shares held of record should be addressed to:

Infinity Property and Casualty Corporation

2201 4th Avenue North

Birmingham, Alabama 35203

Attention: Corporate Secretary

Abstentions and Broker Non-Votes

An abstention, which occurs when a shareholder attends a meeting, either in person or by proxy, but abstains from voting, will have the same effect as a vote AGAINST the merger proposal, but will have no effect on the non-binding compensation advisory proposal and the Infinity meeting adjournment proposal.

Under applicable stock exchange rules, the merger proposal, the non-binding compensation advisory proposal and the Infinity meeting adjournment proposal are non-routine matters, so there can be no broker non-votes at the special meeting. A broker non-vote occurs when shares held by a bank, broker, trust or other nominee holder of record are represented at a meeting, but the bank, broker, trust or other nominee holder of record has not received voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares on a particular proposal. Accordingly, shares of Infinity common stock held in street name by a bank, broker, trust or other nominee holder of record will NOT be voted by such bank, broker, trust or other nominee holder of record on any of the proposals, and such shares will NOT be counted in determining the presence of a quorum at the Infinity special meeting, unless the holder of such shares has properly instructed such bank, broker, trust or other nominee holder of record how to vote.

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The failure of an Infinity shareholder to vote or to instruct such shareholder's bank, broker, or other nominee holder of record to vote if such shareholder's shares are held in street name will have the same effect as a vote **AGAINST** the merger proposal, but not affect the results of the non-binding compensation advisory proposal or the Infinity meeting adjournment proposal.

Proxy Solicitation

Infinity has retained the services of D.F. King & Co., Inc. (***DF King***) to aid in the solicitation of proxies and will pay DF King a base fee of \$20,000 for these services, plus its related costs and expenses. Infinity will bear the total expense of soliciting proxies from Infinity shareholders, except that Infinity and Kemper have each agreed to share equally all expenses incurred in connection with the filing, printing and mailing of this joint proxy statement/prospectus and the related proxy materials. In addition to the amounts paid to DF King and the amounts paid for the solicitation of proxies by mail, Infinity will reimburse banks, brokerage firms and others for their expenses in forwarding proxy solicitation materials. Although the principal distribution of proxy materials will be through the Internet, solicitation of proxies will also be made by mail. Additional proxy solicitation may be made by telephone or other direct communication with certain shareholders or their representatives by Infinity's directors, officers and employees, who will receive no additional compensation for such solicitation.

Householding

Any Infinity shareholder that shares an address with another Infinity shareholder and received multiple copies of this joint proxy statement/prospectus may contact Infinity as described above and request that a single copy be sent to the shareholder's address for future deliveries of Infinity communications. This is commonly referred to as householding. If an Infinity shareholder's joint proxy statement/prospectus was householded but such shareholder prefers to receive separate copies of the joint proxy statement/prospectus, additional copies may be requested by contacting Infinity's Secretary to request additional copies.

Other Business; Adjournments

No business other than the merger proposal, the non-binding compensation advisory proposal and the Infinity meeting adjournment proposal shall be conducted at the Infinity special meeting.

Assistance

If an Infinity shareholder needs assistance in completing such shareholder's proxy card or has questions regarding the Infinity special meeting, such shareholder should contact DF King, which is assisting Infinity with the solicitation of proxies, at (800) 706-3274 (toll-free) or (212) 269-5550 (bank/brokers).

Table of Contents**KEMPER CORPORATE GOVERNANCE****Meetings and Committees of the Board of Directors**

The four principal standing committees of the Kemper Board include: (i) the Audit Committee; (ii) the Compensation Committee; (iii) the Investment Committee; and (iv) the Nominating and Corporate Governance Committee. The Kemper Board has adopted written charters for each of the committees. These documents are available on Kemper's website at *kemper.com* under *Governance* and/or by mail at no cost upon request to Kemper at One East Wacker Drive, Chicago, Illinois 60601, Attention: Investor Relations.

Under Kemper's *Corporate Governance Guidelines* and *Policy on Director Attendance at Annual Meetings*, directors of the Kemper Board are expected to attend the following types of meetings: (i) Kemper's annual stockholder meetings; (ii) Kemper Board meetings; and (iii) Kemper Board committee meetings for the committees on which they serve, unless unavoidable obligations or other circumstances prevent their attendance. Each incumbent director attended at least 83 percent of the 2017 meetings of the Kemper Board and Kemper Board committees on which he or she served. The non-employee and independent members of the Kemper Board meet regularly in executive sessions. In addition, each of the directors who was a member of the Board on the date of the 2017 annual meeting of Kemper stockholders attended such meeting.

The following table shows the current membership (*M*) and chair (*C*) of the Kemper Board and each of the four principal Kemper Board committees, the number of Kemper Board and Kemper Board committee meetings held in 2017 and actions taken by unanimous written consent in lieu of meetings:

Name	Board	Audit Committee	Compensation Committee	Investment Committee	NCG Committee
George N. Cochran	M	C		M	
Kathleen M. Cronin	M	M	C		M
Douglas G. Geoga	M	M	M		
Thomas M. Goldstein	M	M	M	M	
Lacy M. Johnson	M		M		M
Robert J. Joyce	C	M			M
Joseph P. Lacher, Jr.	M			M	
Christopher B. Sarofim	M			C	
David P. Storch	M		M		C
Susan D. Whiting	M	M	M		
Meetings Held	5	6	4	3	4
Actions Taken by Written Consent			1		

The following is a brief description of the functions of the four principal Kemper Board committees:

Audit Committee

The Audit Committee of the Kemper Board (the *Audit Committee*) assists the Kemper Board in fulfilling its oversight responsibilities with respect to the:

integrity of Kemper's financial statements;

Kemper's compliance with legal and regulatory requirements;

independent registered public accountant's qualifications, independence and performance; and

performance of Kemper's internal audit function.

The Audit Committee is a standing committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. Under its charter, the Audit Committee is responsible for the appointment, compensation,

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retention and oversight of Kemper's independent registered public accountant, including prior approval of the audit engagement fees and terms. The Audit Committee is also responsible for, among other matters, reviewing and discussing with management Kemper's financial statements and disclosures, internal controls, internal audit function, and major risk exposures and steps taken by management to monitor and control such exposures, including its enterprise risk management (*ERM*) structure and program.

The Kemper Board has determined that each member of the Audit Committee is independent and financially literate in accordance with the NYSE Listed Company Manual (*NYSE Listing Standards*) and meets the independence requirements for audit committee membership under the rules of the SEC. In addition, the Kemper Board has determined that Mr. Cochran, the Audit Committee chair, is qualified as an audit committee financial expert under the SEC rules.

Compensation Committee

The Compensation Committee of the Kemper Board (the *Compensation Committee*) assists the Kemper Board in fulfilling its responsibilities relating to:

reviewing and approving corporate goals and objectives relevant to the compensation of Kemper's Chief Executive Officer (the *CEO*) and evaluating the CEO's performance and compensation in light of such goals and objectives;

overseeing the compensation of Kemper's executive officers and other members of senior management as may be designated by the Compensation Committee from time to time;

reviewing and approving Kemper's incentive compensation and equity-based compensation plans;

reviewing and approving the material terms of any employment agreements or severance or change-in-control arrangements involving any of Kemper's executive officers; and

reviewing and making recommendations to the Kemper Board on non-employee director compensation.

The Kemper Board has determined that each member of the Compensation Committee is independent in accordance with the NYSE Listing Standards. Additional information about the Compensation Committee's governance is provided below in the section entitled "Discussion Of Kemper Compensation Committee Governance" beginning on page 79.

Investment Committee

The Investment Committee of the Kemper Board (the *Investment Committee*) oversees Kemper's investment objectives and policies and reviews the performance of Kemper's investment portfolio on a consolidated basis. The Investment Committee is also responsible for reviewing and approving the policies and objectives for Kemper's investment activities that are established and maintained by Kemper's Chief Investment Officer.

NCG Committee

The Nominating and Corporate Governance Committee of the Kemper Board (the *NCG Committee*) assists the Board in fulfilling its responsibilities with respect to:

identifying potential candidates qualified to become Kemper Board members and recommending director nominees to the Kemper Board in connection with each annual meeting of stockholders;

developing and assessing principles and guidelines for corporate governance, executive succession, business conduct and ethics;

leading the Kemper Board in its annual review of the performance of the Kemper Board and Kemper Board committees; and

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recommending to the Kemper Board director nominees, chairs for each Kemper Board committee and a Kemper Board member to serve as Chairman of the Kemper Board.

The Kemper Board has determined that each member of the NCG Committee is independent in accordance with the NYSE Listing Standards.

Corporate Governance

The *Corporate Governance Guidelines, Code of Business Conduct and Ethics*, charters for Kemper Board committees and other corporate governance information can be found on Kemper's website at www.kemper.com under Governance. Copies of these documents may also be obtained free of charge by request to Kemper at One East Wacker Drive, Chicago, Illinois 60601, Attention: Investor Relations.

Selection of Board Nominees

In accordance with its charter, the NCG Committee recommends a slate of director nominees for election each year at the annual meeting of Kemper stockholders. As needed to fill actual or anticipated vacancies on the Kemper Board, the NCG Committee screens and interviews candidates, and conducts inquiries into each candidate's background, qualifications and independence in accordance with the NYSE Listing Standards and SEC rules. The NCG Committee may, in its discretion, retain recruiters to identify and evaluate director candidates.

Kemper will also consider director recommendations by stockholders that are made in writing, addressed to Kemper's Secretary, and include: (i) the candidate's name, address and telephone number; (ii) a brief biographical description of the candidate, including his or her occupation for the last five years and a statement of the qualifications of the candidate to serve as director; and (iii) the candidate's signed consent to serve as a director if elected and to be named in Kemper's proxy materials as a director nominee. The NCG Committee will consider stockholder recommendations using the same standards it uses to assess all other candidates for director.

The NCG Committee evaluates potential nominees for director against the following standards that were previously adopted by the Kemper Board, as well as other attributes and skill sets considered desirable or necessary to address particular needs from time to time:

the highest ethical standards and integrity;

willingness and ability to devote sufficient time to the work of the Kemper Board;

willingness and ability to represent the interests of stockholders as a whole rather than those of special interest groups;

no conflicts of interest that would interfere with performance as a director;

a reputation for working constructively with others;

a history of achievement at a high level in business or the professions that reflects superior standards; and

qualities that contribute to the Kemper Board's diversity.

The primary focus in recruitment and nomination of directors has been on skills and experience. Other than as noted in the last bullet point above, the NCG Committee does not have a specific policy or requirement with regard to its consideration of diversity in identifying director nominees, nor has it attempted to define or limit the concept of diversity to any particular set of characteristics. The NCG Committee and the Kemper Board believe that the Kemper Board should be comprised of members with complementary and diverse skills and experience which, collectively, contribute breadth of perspective and enable the Kemper Board to be an effective overseer of a publicly-traded insurance organization.

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Related Person Transactions

The Kemper Board has adopted a written policy for the review, approval and ratification of transactions involving Kemper and related persons (directors, executive officers, stockholders owning 5 percent or more of Kemper common stock, or immediate family members of any of the foregoing) (the ***Policy on Related Person Transactions***). The Policy on Related Person Transactions covers any related person transaction unless it involves: (i) a transaction generally available to all employees of Kemper; (ii) less than \$120,000 in the aggregate; or (iii) a relationship as an insurance policyholder entered and maintained in the ordinary course of business of a subsidiary of Kemper on terms no more favorable to the related person than those applicable to non-affiliated third parties or those generally available to employees of Kemper. Covered related person transactions must be approved or ratified by the NCG Committee. In addition, approval under the Policy on Related Person Transactions is required before Kemper can make charitable contributions exceeding \$120,000 in the aggregate in any fiscal year to a charitable organization for which a related person serves as an executive officer, director, trustee or in a similar capacity.

Upon learning of a proposed or existing related person transaction requiring review under the Policy on Related Person Transactions, management is required to submit the matter for consideration to the NCG Committee, which will review the transaction and make a determination as to whether it is consistent with the best interests of Kemper and its stockholders. In its review, the NCG Committee considers the facts and circumstances it deems significant and relevant to the particular transaction, including such factors as the related person's relationship to Kemper and interest in the transaction, the value of the transaction and any reasonable alternatives, and the potential impact of the transaction on Kemper, the related person and other applicable parties. No director who is on the NCG Committee will participate in the review or approval under the Policy on Related Person Transactions of a transaction involving such director or a member of his or her immediate family.

In accordance with the Policy on Related Person Transactions, the NCG Committee has reviewed certain transactions with Kemper involving Fayez Sarofim & Co. (***FS&C***), a registered investment advisory firm. Christopher Sarofim, a member of the Kemper Board, is Vice Chairman and a member of the board of directors of FS&C. Fayez Sarofim, Chairman of the Board, Chief Executive Officer, a director and the majority shareholder of FS&C, was a member of the Kemper Board until his retirement on May 1, 2013, and is the beneficial owner of more than 5 percent of the issued and outstanding shares of Kemper common stock. Pursuant to an agreement entered into between FS&C and Kemper's tax-qualified defined benefit pension plan (the ***Pension Plan***), FS&C provides investment management services with respect to certain Pension Plan funds. At December 31, 2017, the Pension Plan had \$171.8 million in assets managed by FS&C. Under the agreement, FS&C is entitled to fees calculated and payable quarterly based on the fair market value of the assets under management. During 2017, the Pension Plan incurred investment expenses of \$0.9 million under the agreement. The agreement governing these services may be terminated by either party at any time on 30 days advance written notice. Kemper believes that the services described above have been provided on terms no less favorable to Kemper than could have been negotiated with non-affiliated third parties.

Director Independence

The Kemper Board has adopted categorical standards (the ***Director Independence Standards***) to assist in its determination of director independence as required by Section 303A of the NYSE Listing Standards and applicable SEC rules. The Director Independence Standards are posted under Governance on Kemper's website at www.kemper.com. Under the Director Independence Standards, a director is not independent for purposes of his or her service on the Kemper Board or a particular Kemper Board committee unless the director and his or her immediate family members meet all independence requirements applicable to such service under the NYSE Listing Standards and SEC rules. The Director Independence Standards incorporate by reference certain relationships listed in the NYSE and SEC independence rules. In addition, the Director Independence Standards define four specific types of

relationships as categorically immaterial. Two of these types of relationships involve an organization or entity that either received charitable contributions from Kemper or engaged in transactions with Kemper, in either case to the extent the annual amounts involved did not exceed \$120,000. The other two

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types of relationships are: (i) status as an insurance policyholder of a Kemper subsidiary in the ordinary course of business of the subsidiary on terms no more favorable to the director than those applicable to policies with unaffiliated third parties or those generally available to Kemper employees; and (ii) the receipt by a director of administrative support or retirement compensation for prior service from a former employer of such director that has a business relationship with Kemper. The Kemper Board believes that these specified types of relationships would not affect or influence Kemper's business relationships or create a direct or indirect material interest in Kemper's business transactions on the part of a director.

In connection with its annual independence assessment of the individuals recommended by the NCG Committee as nominees for election to the Kemper Board at the Kemper annual meeting, the Kemper Board considered the applicable independence rules and the factual information derived from the questionnaires and affirmations completed by the individual directors and other available information. The Kemper Board affirmatively determined that, under the NYSE Listing Standards, applicable SEC rules and the Director Independence Standards, Ms. Cronin and Mr. Whiting and Messrs. Cochran, Geoga, Goldstein, Johnson, Joyce and Storch are each independent directors with no material relationships with Kemper and, as a result, that a majority of the members of the Kemper Board are independent.

Compensation Committee Interlocks and Insider Participation

The Kemper Board has determined that each member of the Compensation Committee is independent in accordance with the NYSE Listing Standards. The Compensation Committee consists of Ms. Cronin and Mr. Whiting and Messrs. Geoga, Goldstein, Johnson and Storch. None of these individuals is a current or former officer or employee of Kemper or any of its subsidiaries, and none of these individuals had a relationship with Kemper during 2017 that required disclosure by Kemper under the SEC rules on transactions with related persons. No executive officer of Kemper has served as a director or member of the compensation committee or other board committee of another entity that had an executive officer who served on the Compensation Committee or the Kemper Board.

Board Leadership and Role in Risk Oversight

The Kemper Board Leadership Structure

The current Kemper Board structure includes a Chairman of the Kemper Board and four principal board committees. The Audit Committee, Compensation Committee and NCG Committee are comprised entirely of independent directors; the Investment Committee is comprised of two independent directors, another non-employee director and the CEO.

The Kemper Board has no set policy on whether the offices of the Chairman of the Kemper Board and CEO should be held by the same person and believes the combination or separation of these offices should be determined by the circumstances of Kemper and the composition of the Kemper Board. Until November 2015, the Chairman and CEO positions were held by the same individual, a structure that served Kemper well under its leadership at the time. The Chairman of the Kemper Board now serves as the primary liaison between non-employee directors and the CEO, although all non-employee directors are encouraged to communicate freely with the CEO and other members of management at any time. In addition, the Chairman of the Kemper Board sets agendas for, and presides over, Kemper Board meetings and the executive sessions of non-employee directors.

Kemper believes that its leadership structure is appropriate for Kemper given the role of the Chairman and current membership of the Kemper Board. In addition to the leadership provided by the Chairman and general oversight of Kemper provided by the full Kemper Board, all non-employee and independent directors meet regularly in executive

session, and significant functions are provided by the key Kemper Board committees and the independent outside advisors those committees use in their discretion.

Table of Contents*The Kemper Board's Role in Risk Oversight*

The Kemper Board plays an active role in the oversight of risk assessment and management at various levels of the Kemper Board's leadership structure. The Kemper Board and Kemper Board committee meetings provide the directors with regular opportunities to discuss key matters and raise questions with management, auditors and any consultants retained by the Kemper Board or its committees. The Kemper Board is regularly informed by members of Kemper's executive and operational management about a wide range of matters that could pose significant risks to Kemper. These include, for example, strategic plans, corporate transactions, and significant operational projects and developments. In addition, Kemper Board committees have the opportunity to evaluate areas of potential risk on issues pertinent to their particular functional responsibilities.

The Audit Committee has oversight responsibilities pertaining to a number of matters that involve potential risk to Kemper, most notably, Kemper's financial reporting and internal controls, ERM functions, the internal audit function, matters reported through Kemper's Corporate Responsibility Hotline, guidelines and policies regarding financial risk assessment and management, and the performance of Kemper's independent auditors. In carrying out these responsibilities, the Audit Committee reviews, for example, Kemper's quarterly and annual financial statements and related SEC disclosures and auditor's reports and communications, ERM structure and program, major risk exposures (including risks associated with catastrophe losses) and management assessments and controls, and internal audit plans and significant findings. In addition, the Audit Committee receives regular updates on Kemper's information security program, cybersecurity risks and related developments. The Compensation Committee has oversight responsibilities pertaining to Kemper's executive compensation and equity-based compensation programs. In carrying out these responsibilities, the Compensation Committee reviews compensation risk assessments, performance metrics and results under Kemper's cash incentive and equity-based compensation plans and levels of ownership of Kemper common stock by its executives.

Director Compensation*2017 Annual Kemper non-Employee Director Compensation Program*

The following table shows the 2017 non-employee director compensation program:

Board/Committee/Position	Annual Chair Retainer (\$)	Annual Non-Chair Retainer (\$)	Meeting Attendance Fee (\$)⁽¹⁾	Deferred Stock Unit Award (\$)
Kemper Board	155,000	60,000	1,500	110,000 ⁽²⁾
Audit Committee	33,000	15,000	2,000	
Compensation Committee	15,000	8,000		
Investment Committee	15,000	10,000	3,000	
NCG Committee	15,000	7,000		

- (1) Effective in the second quarter of 2017, meeting attendance fees were eliminated. For the first quarter of 2017, this fee was paid for each Kemper Board meeting and each Kemper Board committee meeting attended on a day when the full Kemper Board did not meet.

(2) An annual deferred stock unit (*DSU*) award covering shares of Kemper common stock with a grant date value of \$110,000 is automatically granted at the conclusion of each annual meeting of Kemper stockholders to each non-employee director under Kemper's 2011 Omnibus Equity Plan (the *Kemper Plan*). The non-employee directors are eligible to defer up to 100 percent of the fees earned for service on the Kemper Board and Kemper Board committees under the Kemper Corporation Nonqualified Deferred Compensation Plan (*Deferred Compensation Plan*). See Executive Officer Compensation and Benefits Deferred Compensation Plan beginning on page 109.

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The DSUs granted to non-employee directors give the holder the right to receive one share of Kemper common stock for each DSU issued and are fully vested on the date of grant. Holders of DSUs are entitled to receive dividend equivalents in cash in the amount and at the time that dividends would have been payable if the DSUs were shares of Kemper common stock. Conversion of the DSUs into shares of Kemper common stock is deferred until the date the holder's service on the Kemper Board terminates.

All directors on the Kemper Board are entitled to reimbursement for travel expenses incurred in attending Kemper Board and Kemper Board committee meetings and other Kemper business. Each of Kemper's directors, including any director who is also a member of management, is a party to an indemnification and expense advancement agreement with Kemper, as permitted by the Delaware General Corporation Law. The provisions of these agreements are substantially the same as the indemnification provisions applicable to the directors under the Kemper Charter and Kemper Bylaws, except that the agreements may not be amended or terminated without the written consent of the respective director.

Effective in the second quarter of 2018, the Kemper Board increased the annual retainer for the Chairman of the Kemper Board to \$165,000.

Director Compensation Table

The following table shows the compensation earned by directors on the Kemper Board in 2017 based on the annual non-employee director compensation program in effect for 2017. The specific amount of fees earned and awards granted differs for individual directors based on the particular committees on which they sit, the dates they joined or departed from the Kemper Board and specific Kemper Board committees, and the variable fee structure for each committee and committee chairs compared to non-chair members.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash(\$) (1)	Deferred Stock Unit Awards(\$) (2)	All Other Compensation(\$) (3)	Total(\$)
George N. Cochran	101,750	110,000	4,877	216,627
Kathleen M. Cronin	93,000	110,000	4,877	207,877
Douglas G. Geoga	79,500	110,000	5,837	195,337
Thomas M. Goldstein	92,500	110,000	2,074	204,574
Lacy M. Johnson	69,750	110,000	2,074	181,824
Robert J. Joyce	173,000	110,000	5,837	288,837
Christopher B. Sarofim	73,250	110,000	5,837	189,087
David P. Storch	78,250	110,000	5,837	194,087
Susan D. Whiting	34,283			34,283

(1) Fees shown were earned for service on the Kemper Board and/or Kemper Board committees and include any amounts deferred at the election of an individual Kemper Board member under the Deferred Compensation Plan. For more information about the Deferred Compensation Plan, see Executive Officer Compensation and Benefits Deferred Compensation Plan beginning on page 109.

(2)

The amounts shown represent the aggregate grant date fair values of the annual DSU awards granted to the designated directors on May 3, 2017. Ms. Whiting was not a member of the Kemper Board until August 2017 and so was not eligible for a DSU award in 2017. The grant date fair values for the annual DSU awards were based on the grant date closing price (\$38.20) per share of Kemper common stock. For a discussion of valuation assumptions, see Note 10, Long-term Equity-based Compensation, to the Consolidated Financial Statements included in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017, incorporated by reference into this joint proxy statement/prospectus.

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For each non-employee director, the following table shows the total number of outstanding stock option shares and DSUs held as of December 31, 2017:

Name	Outstanding Option Shares as of 12/31/17(#)	Outstanding Deferred Stock Units as of 12/31/17(#)
George N. Cochran	9,179	5,800
Kathleen M. Cronin	8,000	5,800
Douglas G. Geoga	33,965	6,800
Thomas M. Goldstein		2,880
Lacy M. Johnson		2,880
Robert J. Joyce	17,179	6,800
Christopher B. Sarofim	16,000	6,800
David P. Storch	29,179	6,800
Susan D. Whiting		

(3) The amounts shown represent the amounts paid as dividend equivalents in connection with outstanding DSUs.

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KEMPER PROPOSAL 1: SHARE ISSUANCE PROPOSAL

As discussed elsewhere in this joint proxy statement/prospectus, Kemper stockholders will consider and vote on a proposal to approve the issuance of shares of Kemper common stock pursuant to the Merger Agreement (the *share issuance proposal*).

Kemper common stock is listed on the NYSE, and, as such, Kemper is subject to the rules and regulations of the NYSE, including NYSE Listed Company Manual Section 312.03(c). In order to comply with the rules and regulations of the NYSE and to satisfy conditions under the Merger Agreement, Kemper stockholders are being asked to approve the share issuance proposal.

The Kemper Board unanimously recommends that Kemper stockholders vote **FOR** the share issuance proposal.

If a Kemper stockholder returns a properly executed proxy card, but does not indicate instructions on such stockholder's proxy card, such stockholder's shares of Kemper common stock represented by such proxy card will be voted **FOR** the share issuance proposal.

The approval by Kemper stockholders of the share issuance proposal requires the affirmative vote of a majority of the votes cast on such proposal, provided that a quorum is present.

Under the current rules and interpretive guidance of the NYSE, a Kemper stockholder's election to abstain from voting on the share issuance proposal will have the same effect as a vote **AGAINST** the approval of this proposal. However, the failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the approval of the share issuance proposal because these failures to vote are not considered votes cast.

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KEMPER PROPOSAL 2: MEETING ADJOURNMENT PROPOSAL

Kemper stockholders may be asked to vote on a proposal to adjourn the Kemper annual meeting to a later date or time, but for no longer than twenty (20) business days in the aggregate, for the absence of a quorum or to allow reasonable additional time to solicit proxies in favor of the share issuance proposal if there are insufficient votes at the time of the Kemper annual meeting to approve the share issuance proposal (the *Kemper meeting adjournment proposal*).

The Kemper Board unanimously recommends that Kemper stockholders vote **FOR** the Kemper meeting adjournment proposal.

If a Kemper stockholder returns a properly executed proxy card, but does not indicate instructions on such stockholder's proxy card, such stockholder's shares of Kemper common stock represented by such proxy card will be voted **FOR** the Kemper meeting adjournment proposal.

The approval by Kemper stockholders of the Kemper meeting adjournment proposal requires the affirmative vote of the majority of the votes cast on such proposal, provided that a quorum is present. The approval by Kemper stockholders of the Kemper meeting adjournment proposal is not a condition to the closing.

A Kemper stockholder's election to abstain from voting, the failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the approval of this proposal.

The Chairman of the Kemper annual meeting is entitled to adjourn the meeting to another place, date or time if a quorum is not present. At any subsequent reconvening of the Kemper annual meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Kemper annual meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

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KEMPER PROPOSAL 3: ELECTION OF DIRECTORS

Kemper stockholders will be asked to elect the Nominees to the Kemper Board. Directors serve for a term of one year or until the election of their successors, or as otherwise provided under the Kemper Bylaws. If any of the Nominees for election to the Kemper Board at the Kemper annual meeting named below declines or is unable to serve as a director (which is not anticipated), the individuals designated as proxies on the proxy card reserve full discretion to vote for any or all other persons who may be nominated. A Nominee will be elected if the number of votes cast **FOR** exceeds the number of votes cast **AGAINST** his or her election.

The Kemper Board unanimously recommends that stockholders vote **FOR** the election of each of the Nominees.

If a Kemper stockholder returns a properly executed proxy card, but does not indicate instructions on such stockholder's proxy card, such stockholder's shares of Kemper common stock represented by such proxy card will be voted **FOR** the election of each of the Nominees.

The election of each Nominee requires the affirmative vote of the majority of the votes cast, provided that a quorum is present, meaning that the number of shares voting **FOR** a Nominee exceeds the number of shares voted **AGAINST** a nominee. A Kemper stockholder's election to abstain from voting, the failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the election of Nominees.

The election of the Nominees to the Kemper Board is not a condition to the closing.

Business Experience of Nominees

The NCG Committee considers and recommends candidates for election to the Kemper Board. Each of the individuals selected to serve as a Nominee meets the standards for Kemper Board nominees described in the section entitled **Kemper Corporate Governance Selection of the Kemper Board Nominees** beginning on page 60. The NCG Committee and the Kemper Board believe that each Nominee has demonstrated significant business achievements, ethical principles and commitment to serve Kemper and its stockholders, and that the specific experience, qualifications, attributes and skills of each Nominee add to the collective ability of the Kemper Board to perform its duties and discharge its responsibilities with competence, professionalism and expertise.

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The following is a summary of the background of and public-company directorships held by each Nominee over at least the past five years, as well as some specific factors particular to such Nominee that, combined with the generally applicable factors noted above, led the Kemper Board to conclude that he or she should be selected as a Nominee for election to the Kemper Board at the Kemper annual meeting:

George N. Cochran

Mr. Cochran served as Chairman in the Global Financial Institutions Group at Macquarie Capital until his retirement in December 2014. Previously, he was the Chairman of Fox-Pitt Kelton Cochran Caronia Waller (FPKCCW) and co-founder of its predecessor firm, Cochran Caronia Waller (CCW). FPKCCW was acquired by Macquarie Capital in November 2009. Prior to co-founding CCW, Mr. Cochran was an investment banker at Kidder Peabody & Co., where he headed the firm's Insurance M&A and Financing Practice. He also served as Managing Director and Insurance Industry Head of Coopers & Lybrand Securities, LLC.

Age: 63

Director since: 2015

Mr. Cochran brings considerable insurance industry expertise to the Kemper Board, as well as substantial merger and acquisition knowledge specific to the industry. His experience in top leadership roles at several investment banking firms provides the Kemper Board with additional expertise in the areas of executive development and operational management. In addition, Mr. Cochran is a National Association of Corporate Directors (NACD) Governance Fellow and Board Leadership Fellow. He has demonstrated his commitment to boardroom excellence by completing NACD's comprehensive program of study for directors and corporate governance professionals.

Kathleen M. Cronin

Ms. Cronin is Senior Managing Director, General Counsel and Corporate Secretary for CME Group Inc. (CME Group), the world's leading and most diverse derivatives marketplace. Before joining CME Group in November 2002, Ms. Cronin was in private practice at the law firm of Skadden, Arps, Slate, Meagher and Flom, where she was employed for more than ten years and focused her practice on corporate, securities offerings and transactional matters. From 1995 to 1997, Ms. Cronin served as Chief Counsel/Corporate Finance for Sara Lee Corporation.

Age: 54

Director since: 2015

Ms. Cronin's role overseeing audit, compliance, regulatory and risk management functions at CME Group, and her experience in the areas of information security, corporate governance, government relations, corporate law and corporate finance, provide the Kemper Board with important knowledge and perspective on the challenges of doing business in a highly-regulated industry. Her background in these areas also makes her particularly well-suited to serve on the Audit and NCG Committees.

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Douglas G. Geoga

Age: 62

Director since: 2000

Mr. Geoga is President and Chief Executive Officer of Salt Creek Hospitality, LLC, a privately-held firm engaged in making investments in the hospitality industry and providing related advisory services. Since 2013, Mr. Geoga has also served as the non-executive Chairman of the Board of Directors of Extended Stay America, Inc., the owner/operator of the Extended Stay America® Hotel chain, and ESH Hospitality, Inc., a related real estate investment trust, the common stock of which are traded together as paired shares. From October 2010 until the completion of an initial public offering of these two companies in November 2013, Mr. Geoga served as non-executive Chairman of the owner of the Extended Stay America Hotel chain. Since October 2016, Mr. Geoga has also served as an advisor to the board of directors of Atlantica Investment Holdings Limited, which through affiliated companies is the second largest manager of hotels in Brazil. From October 2014 until October 2016, Mr. Geoga had served as Chairman of the firm. From October 2012 until September 2015, Mr. Geoga also served as Executive Chairman of Foundations Recovery Network, LLC, an owner and operator of residential and outpatient substance abuse treatment centers. From July 2006 until December 2009, Mr. Geoga's primary occupation was serving as principal of Geoga Group, LLC, an investment and advisory consulting firm focused primarily on the hospitality industry. Until July 2006, Mr. Geoga served as the President of Global Hyatt Corporation, Hyatt Corporation and AIC Holding Co., which collectively operated the Hyatt chain of hotels throughout the world.

Mr. Geoga's leadership roles at Extended Stay Hotels and Hyatt, both prominent companies in their industry, as well as his extensive experience in private business investment, brings to the Kemper Board the perspective of both an operating executive and one who is sophisticated in corporate investments and finance.

Thomas M. Goldstein

Age: 59

Director since: 2016

Mr. Goldstein served as Senior Vice President, Chief Financial Officer, Protection Division of Allstate Corporation from April 2011 to June 2014. From 2009 to 2011, he served as a consultant to the financial services industry and pursued community bank acquisitions with The GRG Group LLC. Prior to that, he served as Managing Director and Chief Financial Officer for Madison Dearborn Partners from 2007 to 2009. From 1998 to 2007, Mr. Goldstein served in a number of executive and finance positions for LaSalle Bank Corporation, including Chairman, Chief Executive Officer, and President of ABN AMRO Mortgage Group, and as Chief Financial Officer of LaSalle Bank Corporation. Before LaSalle Bank, he held a variety of positions with Morgan Stanley Dean Witter. Mr. Goldstein is also a director of Federal Home Loan Mortgage Corporation (Freddie Mac) and a member of the Board of Trustees of the Columbia Acorn Trust and the Wanger Advisors Trust.

Mr. Goldstein offers extensive experience in the financial services industry to the Kemper Board. His prior roles as a chief financial officer and manager of acquisitions provides the Kemper Board with additional insight into these critical corporate areas.

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Lacy M. Johnson

Age: 65

Director since: 2016

Mr. Johnson is a partner with the Ice Miller LLP law firm, where he has practiced since January 1993. His primary practice areas focus on public affairs services and he serves as co-chair to the firm's Public Affairs and Gaming Group. Before joining Ice Miller, Mr. Johnson served as Attorney, Government Relations Services, Sagamore-Bainbridge, Inc., Director of Security for the Indiana State Lottery, liaison with the Indiana General Assembly, and Lt. Colonel and deputy superintendent for Support Services for the Indiana State Police. Mr. Johnson is a Democratic National Committeeman and former Lt. Commander of the United States Naval Intelligence Reserves.

Mr. Johnson's background in public affairs and government relations brings unique perspective to the Kemper Board. In addition, Mr. Johnson provides the Kemper Board with legal acumen gained over his twenty years of legal practice in a private law firm.

Robert J. Joyce

Age: 69

Director since: 2012

Mr. Joyce has served as Chairman of the Kemper Board since November 2015. Mr. Joyce served as Chairman and Chief Executive Officer of Westfield Group from July 2003 to January 2011, and as Executive Chair of Westfield's Board from January 2011 until his retirement in March 2012. Westfield Group is privately-held and provides a broad portfolio of insurance and financial services. Mr. Joyce also served as Chairman of Westfield Bank from December 2001 to April 2010. Prior to joining Westfield in 1996, Mr. Joyce held various senior leadership positions with Reliance Insurance Group, and previously worked as a certified public accountant. Mr. Joyce served as a U.S. Navy Captain and is a veteran of Desert Storm and Desert Shield.

Mr. Joyce brings substantial leadership experience and insurance industry expertise to the Kemper Board. Mr. Joyce also gained valuable acumen and skills for his role as Chairman of the Kemper Board through his years of service as Chairman of the Board at Westfield. In addition, Mr. Joyce served on the Board of Governors of the Property Casualty Insurers Association of America and is a past chair of that organization. He also served as a Trustee of the Griffith Insurance Education Foundation and on the Board of the National Association of Independent Insurers.

Joseph P. Lacher, Jr.

Age: 48

Director since: 2015

Mr. Lacher has served as President and Chief Executive Officer of Kemper since November 2015. Mr. Lacher previously served in other senior executive roles in the insurance industry. From November 2009 to July 2011, Mr. Lacher was President of Allstate Protection, a unit of Allstate Corporation, where he led the company's property and casualty offerings serving more than seventeen million American households. Prior to Allstate, Mr. Lacher spent eighteen years at The Travelers Companies, Inc., most recently serving as Executive Vice President Personal Insurance from 2002 to 2009 and additionally as Executive Vice President Select Accounts from 2006 to 2009.

Mr. Lacher's senior executive experience in the insurance industry brings valued expertise and perspective to the Kemper Board. In his role as Kemper's Chief Executive Officer, he fills a critical role as liaison between the Kemper Board and the members of Kemper's executive and operational teams. His strong industry background and insights complement the broad business backgrounds and skills of the other members of the Kemper Board.

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Christopher B. Sarofim

Age: 54

Director since: 2013

Mr. Sarofim is the Vice Chairman and a member of the Board of Directors of Fayed Sarofim & Co., a registered investment advisory firm. Mr. Sarofim joined the firm in 1988 and has been a member of its Board since August 2014. He is a member of the firm's Executive, Finance and Investment Committees, and is also the President of the firm's foreign advisory business, Sarofim International Management Company. Mr. Sarofim shares portfolio management responsibilities for numerous separate accounts advised by the firm, as well as several Dreyfus Corporation mutual funds. Prior to joining Fayed Sarofim & Co., he was employed with Goldman, Sachs & Co. in corporate finance.

Mr. Sarofim offers the Kemper Board extensive experience in the investment world, gained with one of the nation's premier investment advisory firms. With his financial background and investment advisory experience, Mr. Sarofim is particularly well-suited to serve on the Investment Committee and provides the Board financial market and securities analysis expertise, key aspects in the management of Kemper's investment portfolio.

David P. Storch

Age: 65

Director since: 2010

Mr. Storch is currently Chairman of the Board and Chief Executive Officer of AAR Corp., a leading provider of aviation services to the worldwide commercial aerospace and government/defense industries. Mr. Storch has served as AAR's Chairman of the Board and Chief Executive Officer since October 2005, and additionally as President from July 2015 to June 2017. He previously served various terms as AAR's President, Chief Executive Officer and Chief Operating Officer between 1989 and 2007. Mr. Storch plans to retire as AAR's CEO in May 2018. Mr. Storch is also a director of KapStone Paper and Packaging Corporation, a leading North American producer of unbleached kraft paper and corrugated packaging products. Mr. Storch served as Lead Director of the Kemper Board from August 2012 to November 2015.

Mr. Storch brings the Kemper Board substantial leadership expertise and skills. His experiences as Chairman of the Board and Chief Executive Officer of a large multinational public corporation, an executive responsible for business development, a board member of another public company and a business leader in his industry, offer the Board broad and unique perspectives and hands-on knowledge of the challenges of running a public company.

Susan D. Whiting

Age: 61

Ms. Whiting currently serves as an executive advisor to for-profit global companies, both private and public. Ms. Whiting had served as Vice Chair of Nielsen Holdings plc until she stepped down in January 2014, following a 35-year career with the company. Nielsen is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Ms. Whiting's prior positions with Nielsen include President, Chief Operating Officer, Chief Executive Officer and Chairman of Nielsen Media

Director since: 2017

Research, and Global Executive Vice President. Ms. Whiting has also served as a director of Alliant Energy Corporation since 2013.

Ms. Whiting's extensive background in a variety of operational and executive roles, and her resulting expertise in consumer behavior, information services and data analytics, provide the Kemper Board with strategic management know-how in these areas. In addition, Ms. Whiting's career service with Nielsen gives the Kemper Board significant consumer-focused perspective and insight.

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**KEMPER PROPOSAL 4: NON-BINDING ADVISORY VOTE TO RATIFY SELECTION OF
KEMPER'S INDEPENDENT REGISTERED PUBLIC ACCOUNTANT**

Kemper stockholders will be asked to vote on a non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018.

The Audit Committee considered the performance and qualifications of Deloitte & Touche LLP and has reappointed Deloitte & Touche LLP to serve as Kemper's independent registered public accountant for fiscal year 2018, and the Kemper Board is asking Kemper stockholders to ratify that selection. Under applicable laws, rules and regulations, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of Kemper's independent registered public accountant. The Kemper Board believes that stockholder ratification of the appointment of the independent registered public accountant, while not legally required, represents good governance practice in light of the significance of the independent registered public accountant's role in the process of ensuring the integrity of Kemper's financial statements.

The vote is advisory, which means that the vote is not binding on Kemper, the Kemper Board or the Audit Committee. The affirmative vote of a majority of the votes cast with respect to the non-binding advisory proposal is required to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for the 2018 fiscal year, provided a quorum is present. In the event that the appointment is not ratified, the Audit Committee will consider whether the appointment of a different independent registered public accountant would better serve the interests of Kemper and its stockholders. Despite stockholder ratification, the Audit Committee may appoint a new independent registered public accountant at any time if it determines in its sole discretion that such appointment is appropriate and in the best interests of Kemper and its stockholders.

It is expected that representatives from Deloitte & Touche LLP will be present at the Kemper annual meeting. Such representatives may make a statement if they desire to do so and will be available to respond to appropriate questions.

The Kemper Board unanimously recommends that stockholders vote **FOR** the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018.

If a Kemper stockholder returns a properly executed proxy card, but does not indicate instructions on such stockholder's proxy card, such stockholder's shares of Kemper common stock represented by such proxy card will be voted **FOR** the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018.

The approval by Kemper stockholders of the non-binding advisory proposal to ratify the selection of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 is not a condition to the closing.

A Kemper stockholder's election to abstain from voting will have no effect on the approval of this proposal. Kemper does not expect there to be any broker non-votes with respect to this proposal as the ratification of Deloitte & Touche LLP as Kemper's independent registered public accountant for fiscal year 2018 is a routine matter on which a bank, broker, trust or other nominee holder of record is permitted to vote without instructions from the beneficial owner.

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Audit Committee Report

This report concerns the Audit Committee and its activities regarding Kemper's financial reporting and auditing processes. The role of the Audit Committee is one of oversight, and does not include conducting audits or determining whether the financial statements are complete and accurate. The responsibility for the completeness and accuracy of Kemper's financial statements and the assessment of the effectiveness of Kemper's internal control over financial reporting rests with Kemper's management. It is the responsibility of Kemper's independent registered public accountant to perform an audit of, and to express an opinion on whether, Kemper's annual financial statements are fairly presented in conformity with accounting principles generally accepted in the United States and the effectiveness of Kemper's internal control over financial reporting. The responsibility of the Audit Committee is to review and monitor these processes on behalf of the Kemper Board.

In this context, the Audit Committee has reviewed and discussed Kemper's audited financial statements and the effectiveness of Kemper's internal control over financial reporting with management and Deloitte & Touche LLP, Kemper's independent registered public accountant for the fiscal year ended December 31, 2017. The Audit Committee has also discussed with Deloitte & Touche LLP, the matters required to be discussed by Public Company Accounting Oversight Board (*PCAOB*) Auditing Standard No. 16, Communications with Audit Committees. The Audit Committee has received from, and discussed with, Deloitte & Touche LLP its written disclosures and letter regarding its independence required by applicable requirements of the PCAOB regarding the independent registered public accountant's communications with the Audit Committee regarding independence and has discussed with Deloitte & Touche LLP its independence.

In reliance on these reviews and discussions, and the report of Deloitte & Touche LLP as Kemper's independent registered public accountant, the Audit Committee recommended to the Kemper Board that Kemper's audited financial statements for the year ended December 31, 2017 be included in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017 for filing with the SEC.

Audit Committee of the Board of Directors of Kemper Corporation

George N. Cochran, Chair

Kathleen M. Cronin

Douglas G. Geoga

Thomas M. Goldstein

Robert J. Joyce

Susan D. Whiting

Table of Contents**Independent Registered Public Accountant***Independent Registered Public Accountant Fees for 2017 and 2016 and Pre-Approval of Services*

Deloitte & Touche LLP, a registered public accountant with the PCAOB, served as Kemper's independent registered public accountant for and during the years ended December 31, 2017 and 2016. The following table provides information regarding the fees for professional services provided by Deloitte & Touche LLP for 2017 and 2016:

Fee Type	2017	2016
Audit Fees	\$ 3,847,215	\$ 3,997,234
Audit-Related Fees	46,000	40,900
Tax Fees		
All Other Fees		
Total Fees	\$ 3,893,215	\$ 4,038,134

Audit Fees in 2017 and 2016 included fees for: (i) the audit of Kemper's annual financial statements and to provide an opinion on the effectiveness of Kemper's internal control over financial reporting; (ii) the review of the financial statements included in Kemper's quarterly reports on Form 10-Q; and (iii) other services normally provided by the independent registered public accountant, including services in connection with regulatory filings by Kemper and its subsidiaries for the 2017 and 2016 fiscal years. Audit-Related Fees in 2017 and 2016 relate to fees for the audit of one of Kemper's employee benefit plans.

Under its charter, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of Kemper's independent registered public accountant, including the pre-approval of audit engagements and all permitted non-audit engagements of the independent registered public accountant. Pre-approval of non-audit services may be delegated to the chair of the Audit Committee. All services provided to Kemper by Deloitte & Touche LLP in 2017 and 2016 were pre-approved by the Audit Committee.

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**KEMPER PROPOSAL 5: NON-BINDING ADVISORY VOTE TO APPROVE THE COMPENSATION
OF KEMPER S NAMED EXECUTIVE OFFICERS**

As required pursuant to Section 14A of the Exchange Act, Kemper stockholders will be asked to vote on a non-binding advisory proposal to approve the compensation of Kemper s named executive officers as described in this joint proxy statement/prospectus in accordance with applicable compensation disclosure rules (the *Say-On-Pay Vote*).

At Kemper s previous annual meeting of stockholders, Kemper s stockholders approved the Say-On-Pay Vote by 97.7% of the votes cast on the proposal, and voted in favor of having Kemper provide future Say-On-Pay Vote opportunities every year.

In voting on the non-binding advisory proposal to approve the compensation of Kemper s named executive officers, Kemper stockholders will be voting on whether to approve the following resolution:

RESOLVED, that, Kemper s stockholders approve the compensation paid to Kemper s named executive officers, as disclosed pursuant to Item 402 of SEC Regulation S-K in the joint proxy statement/prospectus for the Kemper annual meeting, including the section captioned Kemper Compensation Discussion and Analysis, the compensation tables and related narrative discussions.

This proposal is not intended to address any specific element of compensation; rather, the vote relates to the compensation of the Kemper named executive officers as described in this joint proxy statement/prospectus in accordance with the compensation disclosure rules of the SEC. The vote is advisory, which means the vote is not binding on Kemper, the Kemper Board or the Compensation Committee. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

The section entitled Kemper Compensation Discussion and Analysis beginning on page 81 provides detailed information on the executive compensation program and amounts paid to Kemper s named executive officers in fiscal year 2017. Kemper encourages all stockholders to review the Compensation Discussion and Analysis disclosure in considering whether to vote in favor of this proposal. Kemper believes the 2017 executive compensation program has served as an effective means of attracting and retaining the new members of its leadership team and that the program s components, including Kemper s 2017 Annual Incentive Program (described on page 90 of this joint proxy statement/prospectus), will serve as a key supporting mechanism to drive Kemper s improved financial performance.

The Kemper Board unanimously recommends that Kemper stockholders vote to approve the compensation of Kemper s named executive officers as described in this joint proxy statement/prospectus by voting **FOR** the Say-On-Pay Vote.

If a Kemper stockholder returns a properly executed proxy card, but does not indicate instructions on such stockholder s proxy card, such stockholder s shares of Kemper common stock represented by such proxy card will be voted **FOR** the Say-On-Pay Vote.

The approval by Kemper stockholders of the Say-On-Pay Vote is not a condition to the closing.

A Kemper stockholder s election to abstain from voting, the failure of a Kemper stockholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of a Kemper stockholder to vote will have no effect on the approval of this proposal.

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EXECUTIVE OFFICERS

The following narratives summarize the business experience over at least the last five years of Kemper's current executive officers, other than Mr. Lacher, whose business experience is described in the section entitled "Kemper Proposal 3: Election of Directors Business Experience of Nominees" beginning on page 68. The positions described below as being with Kemper may have been held with Kemper or one or more of its subsidiaries. The executive officers serve at the pleasure of the Kemper Board.

John M. Boschelli, Senior Vice President and Chief Investment Officer, 49

Mr. Boschelli assumed his current position with Kemper in May 2015. Mr. Boschelli served as Vice President and Chief Investment Officer of Kemper from May 2009 to May 2015. Mr. Boschelli served as Kemper's Treasurer from February 2002 to May 2009, as Assistant Treasurer from December 1999 to February 2002 and in various other positions from December 1997 to April 1999.

Charles T. Brooks, Senior Vice President, Operations and Systems, 51

Mr. Brooks joined Kemper in May 2016 as Senior Vice President & Chief Information Officer and assumed his current position in March 2017. Prior to joining Kemper, Mr. Brooks served as the Global Operations and Technology Officer for ACE Limited (now Chubb), a position he held from August 2011 to December 2015. From February 2009 to August 2011, Mr. Brooks served as Senior Vice President/Head, Member and Plan Sponsor Services for Aetna. Mr. Brooks previously served as Senior Vice President, Operations and Chief Information Officer, Personal Lines for Travelers from December 2003 to February 2009 and as Partner, Financial Services Insurance Practice at Accenture from June 1998 to December 2003.

C. Thomas Evans, Jr., Senior Vice President, Secretary and General Counsel, 59

C. Thomas Evans, Jr., assumed his current position with Kemper in May 2016. Mr. Evans served as Kemper's Vice President, General Counsel and Secretary from May 2015 to May 2016 and as Secretary and Associate General Counsel from May 2011 to May 2015. Mr. Evans served as Kemper's Assistant General Counsel from May 2002 to May 2011 and as Counsel from April 1992 to May 2002. Before joining Kemper in 1992, Mr. Evans was in private practice with the law firm of Winston & Strawn, where his practice focused on commercial litigation.

Mark A. Green, Senior Vice President and President, Life & Health Division, 50

Mr. Green joined Kemper in May 2016. Prior to joining Kemper, Mr. Green held various executive positions with Allstate Corporation from March 2009 to May 2016, and most recently served as President-Encompass Insurance Company from August 2015 to May 2016. During his tenure with Allstate, he also served as President-Allstate Dealer Services, President-Ivantage and Senior Vice President-Allstate Financial. Prior to Allstate, Mr. Green served as Chief Risk Officer/Executive Vice President with AIX Group from July 2005 to March 2009. He previously served as Vice President-Wells Fargo Insurance Services from July 2003 to July 2005, Vice President of Chubb Financial Solutions from July 2002 to July 2003 and served in various management roles at Swiss Re from July 1995 to July 2002.

Kan Yuk Andy Lau, Senior Vice President and Chief Data Analytics Officer, 49

Mr. Lau joined Kemper in August 2017. Prior to joining Kemper, Mr. Lau served as Vice President, Analytics for CNA Insurance Company's Enterprise Data and Analytics from July 2014 to July 2017. Mr. Lau previously served as Vice President and Product Manager from December 2012 to June 2014 for Liberty International's Great Britain

Operations in London, England. Mr. Lau has also held executive positions with Regional Companies Group at Liberty Mutual from April 2012 to December 2012, and The Hartford Financial Services Group from October 2005 to April 2012, where he worked in several consumer and commercial research and product leadership positions.

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James J. McKinney, Senior Vice President and Chief Financial Officer, 38

Mr. McKinney joined Kemper in November 2016. Prior to joining Kemper, Mr. McKinney served as Executive Vice President, Chief Financial Officer for Banc of California from November 2015 to November 2016 and as Executive Vice President, Chief Accounting Officer from September 2015 to November 2015. From November 2012 to July 2015, Mr. McKinney held senior executive positions with International Lease Finance Corporation, a unit of AerCap Holdings N.V., where he served most recently as Vice President, Controller and previously as Vice President, Principal Accounting Officer and Global Corporate Controller. Mr. McKinney previously held several senior financial positions with RBS Citizens Asset Finance from June 2004 to November 2012, most recently as Vice President, Head of Balance Sheet Management, Operations & Strategy.

Christine F. Mullins, Senior Vice President and Chief Human Resources Officer, 59

Ms. Mullins joined Kemper in November 2016. Prior to joining Kemper, Ms. Mullins served as a Partner at CEO.works from January 2015 to October 2016. From April 2008 to December 2014, Ms. Mullins served in a number of executive human resource positions at Zurich Insurance Group, most recently as Head of HR Strategy and Global Services from November 2012 to December 2014. She previously served as Human Resource Chief Operating Officer and Director of Human Resources Transformation for Zurich from June 2011 to November 2012. Prior to joining Zurich, Ms. Mullins held various executive and management positions with Motorola, Inc. from 1979 to 2008.

Richard Roeske, Vice President and Chief Accounting Officer, 57

Mr. Roeske assumed his current position with Kemper in January 2001 and has served as Kemper's Chief Accounting Officer since August 1999. Additionally, for portions of 2010 and 2016, Mr. Roeske served as Kemper's Interim Chief Financial Officer. Mr. Roeske also held various accounting positions within Kemper from January 1990 to August 1999.

Duane A. Sanders, Senior Vice President, Property & Casualty Division, 61

Mr. Sanders joined Kemper in January 2018. Prior to joining Kemper, Mr. Sanders spent 16 years at Travelers, from August 2001 to January 2018, in several senior leadership roles, most recently as Senior Vice President of Small Commercial, leading Field Operations, National Programs, National Distribution, International Small Commercial, and the broader Business Insurance Low Touch initiative. From 2013 to 2016, Mr. Sanders held various senior leadership roles at Travelers Canada, including CEO and COO. Prior to joining Travelers, Mr. Sanders held various senior leadership positions at Mobile America Insurance Group from 1995 to 2001.

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DISCUSSION OF KEMPER COMPENSATION COMMITTEE GOVERNANCE

Kemper Compensation Committee Authority and Delegation

The scope and authority of the Compensation Committee is described in the section entitled “Kemper Corporate Governance Meetings and Committees of the Kemper Board.” The Compensation Committee has authority to retain outside advisors to assist the committee in its evaluation of executive compensation, and to approve the fees and other terms of retention of such advisors. Under the terms of its charter, the Compensation Committee may delegate authority, consistent with applicable law, to subcommittees. However, the Compensation Committee does not presently have any subcommittees and no such delegations have been made.

The Compensation Committee has delegated authority to Kemper’s CEO to grant a limited number of awards under the Kemper Plan, designate the recipients of such awards, and determine the size, terms and conditions of such awards. The delegated authority covers only new hire, promotional and retention awards to employees other than Kemper’s officers who are required to file reports of their beneficial ownership of shares of Kemper common stock under Section 16 of the Exchange Act. The delegated authority is regularly monitored by the Compensation Committee.

Compensation Committee Process Overview

The Compensation Committee performs an annual review of Kemper’s executive compensation policies, practices and programs, and of the compensation provided to Kemper’s executive officers and directors. Annual reviews have historically started at the Compensation Committee meeting held in the last quarter of each year, with compensation determinations for Kemper’s executive officers approved at its first quarter meeting of the following year. At or prior to its first quarter meeting, the Compensation Committee makes decisions on:

annual compensation of Kemper’s executive officers;

determination of the amounts of any annual cash incentives payable for the prior year, including validation of performance results for determining any payouts under performance-based cash and equity-based compensation awards granted for prior years;

any changes to Kemper’s executive compensation plans and programs; and

determinations as to the current-year cash and equity-based compensation.

Kemper’s CEO plays a key role in the decision-making process with regard to annual compensation for the other executive officers by providing performance assessments and making compensation recommendations to the Compensation Committee on salary, annual cash incentives, and equity-based compensation awards. The Compensation Committee considers these recommendations and meets with the CEO to discuss his rationale. The Compensation Committee works collaboratively with the CEO, taking into account his knowledge and judgment to determine the appropriate compensation for those executive officers.

Also at its first quarter meeting each year, the Compensation Committee approves recommendations to the Board for any changes to the non-employee director compensation program. Kemper’s executive officers are not involved in the

process of analyzing and determining compensation for the non-employee members of the Kemper Board, except the CEO, who participates as a Kemper Board member when non-employee director compensation is considered and determined by the Kemper Board.

The Role of Compensation Consultants

The Compensation Committee has engaged the services of independent compensation consultants to assist with its executive and non-employee director compensation review and oversight, and for such additional services as it has requested from time to time. The Compensation Committee engaged Pay Governance LLC

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(*Pay Governance*) as its independent compensation consultant for 2017. The Compensation Committee requested Pay Governance provide the committee with benchmarking data based on comparable companies in the insurance industry, as well as general benchmarking data, for the executive officers, data and practices with respect to non-employee director compensation, advice on current trends and developments related to executive compensation, and advice on other executive and director compensation matters that arose in the ordinary course. The involvement of Pay Governance in the 2017 executive compensation decision-making process is described in more detail in the section entitled *Kemper Compensation Discussion and Analysis Benchmarking Analysis* beginning on page 87.

Before retaining Pay Governance as its consultant, the Compensation Committee considered the firm's independence and concluded that no factors existed that presented any independence issues or conflicts of interest under applicable rules of the NYSE or SEC.

Table of Contents**KEMPER COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis (*CD&A*) describes Kemper's executive compensation program and explains how the Compensation Committee made compensation decisions for the following named executive officers (*NEOs*) in 2017:

Named Executive Officer	Position with Kemper in 2017
Joseph P. Lacher Jr.	President and Chief Executive Officer
James J. McKinney	Senior Vice President and Chief Financial Officer
John M. Boschelli	Senior Vice President and Chief Investment Officer
Charles T. Brooks	Senior Vice President, Operations and Systems
Mark A. Green	President, Life & Health Division

Executive Summary*Background*

During 2017, Kemper's financial turnaround efforts that started in late 2015 began to show significant results. The turnaround began in November 2015 with the hiring of Mr. Lacher as President and CEO, and continued in 2016 with the hiring of a number of senior executives to lead key business units and major functional areas. The new senior leadership team was focused on improving operating results and providing the foundation for long-term profitable growth and stockholder returns. The management team spent much of 2016 laying the groundwork and taking specific actions to improve Kemper's financial performance. In addition, Mr. Lacher and the senior leadership team worked to institute a new performance-driven culture in Kemper to support the goal of improved financial performance and stockholder returns. The success of these efforts are reflected in Kemper's financial performance and stockholder returns in 2017 as discussed in more detail below.

*Financial and Stockholder Performance****Overall Kemper financial results for 2017 compared to 2016 and 2015:***

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Each business unit contributed to the financial turnaround in 2017:

Property & Casualty division generated solid financial performance outcomes.

Life & Health continued its solid results.

Continued strong performance in the investment portfolio.

The improved financial performance led to significant gains for stockholders as follows:

The price of Kemper common stock improved from \$44.30 on December 31, 2016 to \$68.90 on December 31, 2017, representing an annual gain of 55.5%.

Overall, Kemper's 2017 financial performance demonstrates management's progress on Kemper's initiatives aimed at improving financial results, and yielded significant stockholder returns. In addition, Kemper laid the groundwork in 2017 for the announcement by Kemper in February 2018 that it had signed the Merger Agreement to acquire Infinity, a non-standard auto insurance provider. The proposed transaction, expected to close in the third quarter of 2018, reflects Kemper's strategy to focus on acquiring businesses within the overall insurance industry that strategically enhance its business.

Executive Compensation Outcomes

Key features of and decisions made in Kemper executive compensation program during 2017 include the following:

Kemper's philosophy is to provide salary adjustments for executives every 3-5 years. Kemper provided no salary increases to its executive officers in 2017.

Kemper's annual performance-based cash incentive program (*Annual Incentive Program*) rewards participants for significant improvement and the overall performance results of Kemper and its business units. Further, the program then allocates the highest compensation to the highest performing and most impactful participants. Awards increased in 2017 as compared to 2016 in light of Kemper's improved financial performance.

Kemper's performance-based equity awards include stock options and performance share units (*PSUs*), with three-year performance metrics tied to relative total stockholder return (*Relative TSR*) and adjusted return on equity (*Three-Year Adjusted ROE*). Equity awards are tied to key measures we believe are valued by stockholders including share price and relative stockholder return compared to similarly situated insurance companies, and adjusted return on equity, a key indication of performance in the insurance industry. Kemper's executives realize gains with the increase in the price of Kemper common stock in line with such gains by stockholders.

Comparisons of annual and equity incentives from 2016 to 2017 are not representative for Messrs. McKinney, Brooks and Green because they were with Kemper for only a portion of 2016.

Overall, Kemper believes the financial results and stockholder returns achieved in 2017 provided a solid basis for the annual and equity incentive awards provided to Kemper's management team. Kemper believes the results and awards effectively link pay and performance and align with stockholder interests.

Kemper took note of the 97.7% stockholder vote to approve the say-on-pay proposal at Kemper's 2017 annual meeting of stockholders. Kemper did not make any changes to its compensation program as a result of the strong favorable expression of support.

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Executive Compensation Program

Summary of Executive Compensation Elements

Kemper provides both fixed (salary) and performance-based (cash and equity incentives) compensation to NEOs. The majority of compensation awarded to each NEO in 2017 was at-risk to the executive because it was contingent on Kemper's performance and individual performance, and, for the performance share component, the number of shares ultimately paid out can vary from the initial award. Additionally, the value of the option grants awarded will increase commensurately with the price of Kemper common stock. The amount of at-risk compensation based on performance is designed to be significantly more than salary. The following charts show each element of 2017 target NEO compensation, including the mix of annual cash and long-term equity incentives, as well as the overall percentages of fixed versus performance-based compensation for the CEO and for the other NEOs (on average):

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What Kemper Does

Pay-for-Performance: The majority of NEO total compensation is tied to Kemper, business unit and individual performance and is considered by Kemper to be at risk, with actual value being contingent upon performance metrics.

Clawback Rights: Kemper's cash incentive and equity programs include clawback rights with regard to paid incentives in the event of certain accounting restatements or as otherwise required by applicable law.

Dividend Equivalents Paid Only on Earned Awards: Beginning with the 2018 equity grants, dividend equivalents will accrue on performance shares during the performance period, but will be paid once shares are earned.

Double-Trigger Change-in-Control: Kemper's policy provides for change of control benefits only if there is a qualified termination of employment following the change of control.

Independence of Executive Compensation Consultant (Pay Governance): The Compensation Committee has engaged an independent executive compensation advisor, as required by the SEC and NYSE rules. Pay Governance has no personal relationships with members of the Kemper Board or Kemper's executive officers.

Independent Committee Members: All Compensation Committee members are considered independent in accordance with SEC and NYSE guidelines.

Stock Ownership Guidelines: Kemper maintains rigorous stock ownership guidelines for directors and executive officers to reinforce the alignment of its executives with stockholder interests.

Strive to Understand Stockholders' Views on Executive Compensation: The 97.7% approval of Kemper's Say-on-Pay proposal at Kemper's 2017 annual meeting of stockholders demonstrates that its program aligns with stockholder expectations.

What Kemper Does Not Do

No Tax Gross-Ups: NEOs and other executive officers are not entitled to tax gross-ups in the event of a change-in-control and related termination.

No Employment Contracts: Kemper does not have employment contracts with any of its NEOs or other executive officers, who are all employees at will.

No Hedging or Pledging: Directors and employees who receive equity awards are prohibited from hedging, pledging or otherwise encumbering shares of the Kemper common stock.

No Excessive Perquisites: Perquisites primarily include annual executive physical and basic financial planning programs. Executives also participate in broad-based company-sponsored benefits programs on the same basis as other full-time employees.

Compensation Strategy and Analysis

General Strategy

In its deliberations on executive compensation, the Compensation Committee considers whether the cash and equity-based awards are consistent with Kemper's underlying principles and objectives, including long-term stockholder interests, the total value to individual executives and the cost to Kemper. Executive compensation decisions reflect the following approach by the Compensation Committee:

Obtain a clear understanding of the business strategies and objectives of Kemper, and the reasoning and recommendations of senior management. The Compensation Committee believes it is necessary to give significant weight to the views of the CEO and senior management;

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Consider, with the assistance of its compensation consultant, industry data on compensation levels for similar positions at similar companies in the insurance and general industry to assess the comparability of Kemper's pay practices and determine if any noted variances are reasonable, appropriate and purposefully designed to successfully attract, motivate and retain skilled executives in a highly competitive marketplace;

Provide an annual cash incentive program structured to incentivize and reward exceptional financial, business unit and individual performance during the prior year;

Reward longer-term results through equity-based incentives, including PSUs with three-year performance metrics based on Relative TSR and Three-Year Adjusted ROE, and stock options that gain value based on absolute share price appreciation; and

Monitor compliance by the Kemper senior management team with Kemper's stock ownership policy. The following table summarizes the material elements of Kemper's 2017 executive compensation program. Further details regarding each of the elements are provided in the discussion that follows the table.

Table of Contents**EXECUTIVE COMPENSATION PROGRAM**

Element	Key Characteristics	Why We Pay this Element	How We Determine Amount	2017 Decisions
Fixed Compensation				
Salary	Fixed compensation payable in cash	Provides competitive cash compensation to attract, retain and motivate superior talent	Established using market data as a reference. For NEOs, adjustments may be made every 3-5 years	No salary increases were provided to NEOs in 2017
Performance-Based Compensation (Variable)				
Annual Cash Incentive	Variable cash compensation	Aligns compensation program with annual performance by Kemper	Earned based on Kemper, business unit and individual performance Program allocates highest compensation to the highest performing and most impactful participants	Aggregate annual incentive pool was about 118% of target pool, based on improved 2017 Kemper financial performance
Performance Share Units (PSUs)	Variable equity compensation Earned based on achievement of performance goals at the end of a three-year performance period Realizable value is variable based on multi-year Kemper financial performance and stock price	Aligns management's interests with those of Kemper stockholders Performance metrics driven by Kemper performance Balances short-term focus of the Annual Cash Incentive with rewards tied to performance over multi-year periods Along with stock options,	Based on job scope, market data and individual performance Actual payouts can range from 0% to 200% of target, based on achievement of three-year performance goals	One-half of total annual value of equity award was granted in form of PSUs PSUs were split (50%/50%) based on performance results of (1) relative TSR and (2) average adjusted return on equity

appreciation provides a mix of long-term incentives to support business strategy

Stock Options	Variable equity compensation	Aligns management's interests with those of stockholders	Based on job scope, market data and individual performance	One-half of total annual value of equity award granted as stock options
	Nonqualified stock options vest over three years (assuming continued employment) and expire in ten years	Focuses management on long-term stock price appreciation		
	Realizable value is variable based on long-term stock price appreciation	Balances short-term focus of Annual Cash Incentive by tying rewards to long-term performance over up to ten years		
		Along with PSUs, provides a mix of long-term incentives that support business strategy		

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Element	Key Characteristics	Why We Pay this Element	How We Determine Amount	2017 Decisions
Restricted Stock Units (RSUs)	<p>Variable equity compensation</p> <p>Time-vested awards which generally vest over three years</p> <p>RSUs are not part of the annual grant, but are used in limited circumstances</p>	Generally used to encourage retention, reward for exceptional performance and/or potential, and serve as an inducement to join or continue with Kemper in certain situations	Based on job scope, future potential assessment and/or to replace compensation left on table for candidates, which serves as an inducement to join Kemper	No RSUs were granted to NEOs in 2017

Benchmarking Analysis

As part of its executive compensation review for 2017, the Compensation Committee considered a benchmarking analysis provided by Pay Governance comparing the compensation components of salary, annual incentives, long-term incentives, and total compensation of Kemper's CEO and other executive officers relative to pay programs at a selected peer group (**Proxy Group**). Where possible, each Kemper management position was compared to industry data using functional counterparts or executives with similar roles at the peer companies, as well as compensation data disclosed in proxy statements filed in 2016.

The Proxy Group, approved by the Compensation Committee after considering recommendations of Pay Governance and input from management, consisted of 15 publicly-traded companies in the insurance industry with profiles similar to Kemper's based on information disclosed in their annual reports and proxy statements. The Proxy Group companies generally had a majority of operations in the property and casualty insurance industry, and variations in their revenues, assets and market capitalization versus Kemper were considered when the group was selected.

The following companies were included in the Proxy Group:

Alleghany Corporation	Horace Mann Educators Corporation
American National Insurance Company	Infinity Property and Casualty Corporation
Argo Group International Holdings, Ltd.	Mercury General Corporation
W.R. Berkley Corporation	RLI Corp.
Cincinnati Financial Corporation	Selective Insurance Group, Inc.
FBL Financial Group, Inc.	Torchmark Corporation
First American Financial Corporation	White Mountains Insurance Group, Ltd.

The Hanover Insurance Group, Inc.

To provide a broader context, Pay Governance also compared Kemper's executive compensation levels against additional market references, including published survey data from similarly-sized companies in the broader insurance industry, and general industry data from Willis Tower Watson executive pay surveys. The Compensation Committee did not consider the individual companies included in these additional market references for the CEO, and does not

believe their identification to be material with respect to the compensation of the other NEOs.

The Compensation Committee used the benchmarking data as a test of the reasonability of the compensation paid to Kemper's executive officers. In evaluating the benchmarking data, the Compensation Committee did not follow a rigid process, establish specific pay objectives in evaluating the benchmarking data (such as, for example, targeting different elements of compensation at the median), or use the data as part of specific formulas when making compensation determinations for these executives. Instead, the Compensation Committee considered the benchmarking analysis as a means of identifying any outliers and determining whether the levels of compensation provided to the CEO and other executive officers were within appropriate ranges relative to comparable companies.

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The benchmarking data was also subjectively considered by the Compensation Committee as an additional point of reference in its deliberations on compensation levels for these executives, along with other factors such as total company and business unit performance, individual performance and Kemper's compensation philosophy and objectives. The Compensation Committee believes that Kemper's executive compensation program is fair, competitive with marketplace practices and effective in enhancing stockholder value.

Annual Determination of Specific Compensation

The objective of Kemper's executive compensation program is to attract, retain and motivate the performance of Kemper's executives by providing competitive compensation structured to incentivize performance in support of Kemper's strategy, and reward executives for achieving the desired financial results and increased stockholder value.

The annual compensation program for the NEOs consists of a fixed salary component, an annual cash incentive award component that varies based on performance, and an equity award based on multi-year financial metrics and long-term stock price appreciation. For the NEOs other than the CEO, the equity award value is at a target percentage of salary. The equity award value may be increased or decreased on occasion at the discretion of the Compensation Committee to recognize outsized performance, underperformance or other significant factors.

As salary is the only component that is fixed and not based on performance, it represents a relatively small portion of total compensation, and is not adjusted annually. The Compensation Committee believes compensation based on performance, including awards under the Annual Incentive Program, stock options and PSUs, provide the most effective means of driving successful and stockholder-focused performance. Time-based RSUs are used in limited circumstances, specifically in grants to certain executives to induce them to join or remain with Kemper.

Salaries

The Compensation Committee did not make any changes to NEO salaries for 2017. The 2017 salaries for NEOs were as follows:

Name	Salary (\$)
Joseph P. Lacher, Jr	750,000
James J. McKinney	450,000
John M. Boschelli	400,000
Charles T. Brooks	400,000
Mark A. Green	420,000

Performance-Based Cash Incentives and Equity Awards

Since each NEO holds a position that provides strategic direction, requires critical decision-making and drives Kemper's performance and financial results, the Compensation Committee:

A material percentage of the NEO's compensation should be linked to Kemper's performance; and

Greater responsibilities should lead to greater opportunities for incentive compensation.

Accordingly, cash incentives and equity-based awards linked to the outcome of Kemper's financial metrics comprise a significant portion of each NEO's compensation. As previously noted, the Annual Incentive Program provides awards to the highest performing and most impactful participants.

Table of Contents*Annual Cash Incentives for 2017***Executive Performance Plan**

The Executive Performance Plan (**EPP**) was intended to serve as an umbrella plan and funding vehicle for annual cash incentives to ensure full tax deductibility of performance-based cash incentives. Annual incentives under the EPP for 2017 were determined using a multi-step process:

A total incentive pool was determined under the formula approved by the Compensation Committee pursuant to the EPP, which is stockholder-approved and designed to allow maximum tax deductibility of the incentive payouts; and

Maximum payouts to EPP participants were set based on allocations of the incentive pool determined by performance under a pre-approved formula, with actual payouts to the NEOs determined in accordance with the Annual Incentive Program based on achievement against key performance results as well as the discretionary judgment of the Compensation Committee for the NEOs and, for the other executive officers, the CEO.

The material terms of the performance goals under the EPP were approved by Kemper stockholders at the 2014 annual meeting of stockholders. The EPP was intended to serve as an umbrella plan and funding vehicle for annual cash incentives to ensure full tax deductibility of performance-based cash incentives paid to certain officers under Section 162(m) (**162(m)**) of the Internal Revenue Code of 1986, as amended (the **Code**). For 2017, these officers include a company's chief executive officer and the other three executive officers, other than the chief financial officer, identified as NEOs in a company's 2018 proxy statement based upon their compensation for the 2017 performance period.

At its meeting in February 2017, the Compensation Committee approved the formula determining the funding of the annual cash incentive pool (**EPP Incentive Pool**) based on pre-tax operating income from continuing operations for the performance period ending on December 31, 2017, and the maximum percentage of the pool that may be allocated to individual participants under the plan. The formula approved for the 2017 EPP Incentive Pool was set as follows:

Formula for 2017 EPP Incentive Pool

7% of Income from Continuing Operations before Income Taxes as reported in Kemper's financial statements for 2017, modified as follows to account for items the Compensation Committee deems not indicative of Kemper's core operating performance:

- (a) adjust *Actual Catastrophe Losses and LAE* to equal *Expected Catastrophe Losses and LAE* (italicized terms defined below);
- (b) adjust *Net Realized Gains on Sales of Investments* and *Net Impairment Losses Recognized in Earnings* (italicized terms as reported in Kemper's 2017 financial statements) to equal *Expected Net Realized Gains on Sales of Investments* and *Expected Net Impairment Losses Recognized in Earnings* (italicized terms defined

below);

(c) exclude significant unusual judgments or settlements in connection with Kemper's legal contingencies or defined benefit pension plans; and

(d) exclude additional significant unusual or nonrecurring items as permitted by the EPP.

The terms as used above are defined as follows:

Actual Catastrophe Losses and LAE means the actual Catastrophe Losses and associated Loss Adjustment Expenses (as described on page 118), including catastrophe reserve development, as reported in Kemper's management reports for the relevant year.

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Expected Catastrophe Losses, Expected Net Realized Gains on Sales of Investments, and Expected Net Impairment Losses Recognized in Earnings means the amounts specified in Kemper's management reports as Planned or Expected for the 2017 annual performance period for, respectively: (a) Catastrophe Losses and associated Loss Adjustment Expenses, including catastrophe reserve development, (b) Net Realized Gains on Sales of Investments, and (c) Net Impairment Losses Recognized in Earnings, as such terms are defined in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017.

Also at its meeting in February 2017, the Compensation Committee approved the following allocations of any resulting 2017 EPP Incentive Pool to determine the maximum annual cash incentive payable to the plan participants:

40% to the Chief Executive Officer; and

20% to each of the other NEOs subject to 162(m).

At its meeting in February 2018, the Compensation Committee certified the performance results under the 2017 EPP Incentive Pool formula and determined the amount of the 2017 EPP Incentive Pool to be \$17,571,000. The Compensation Committee determined the maximum incentive amounts for the participating NEOs pursuant to the previously-approved 2017 EPP Incentive Pool allocations, subject to an overall limitation of \$3,000,000 per individual officer, which applied to each of the NEOs subject to the EPP given the dollar value of the 2017 EPP Incentive Pool. The Compensation Committee exercised negative discretion in approving the award for Mr. Lacher. Likewise, Mr. Lacher exercised negative discretion in recommending awards less than the maximum amounts to Messrs. Boschelli, Brooks and Green, which awards were approved by the Compensation Committee.

2017 Annual Incentive Program

The Annual Incentive Program is a cash incentive program adopted in 2016 to replace Kemper's prior cash incentive program that had included both annual and multi-year components. Each year an initial pool is established for participating employee groups. The initial pool for 2017 was an amount estimated to be comparable to amounts paid out under the prior year plan. The initial pool was then increased at year end for overall business performance, after consideration of financial performance, qualitative metrics and the achievement of strategic projects.

The adjusted pool was allocated to the participating groups and distributed in individual awards based on performance. Initial recommendations were reviewed for calibration across function, organizational level, business groups and other relevant metrics, to significantly differentiate based on the results delivered and individual performance.

In determining awards under the Annual Incentive Program for Kemper's NEOs, the Compensation Committee considered quantitative financial performance measures and qualitative criteria. The Compensation Committee did not use a formula or assign any relative weighting to any performance measure. The Compensation Committee believes a strictly formulaic approach to individual incentive payments is not an appropriate substitute for the Compensation Committee's deliberation and business judgment. The level of achievement of any financial or operational measure does not guarantee nor preclude the payment of an annual cash incentive, but is given significant weight by the Compensation Committee as a factor along with any additional information available to it at the time, including general market conditions.

The Compensation Committee applied its judgment to the following qualitative factors in its overall assessment:

Progress on the strategic re-positioning of Kemper, including progress toward achieving Kemper's objective of improved financial performance;

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Progress toward effecting the cultural change needed to sustain high performance levels going forward;

Achievement of certain key strategic projects;

Receipt of a favorable ruling in a confidential arbitration proceeding against a software vendor that resulted in an award of direct damages of over \$84 million plus interest and legal costs and expenses;

Effective management of risk and expenses; and

Overall performance of the NEOs, based on the judgment of the committee and the Chairman of the Kemper Board, and of the CEO in the case of the other NEOs, including perceptions on leadership, teamwork, effective management and oversight.

The Compensation Committee also reviewed quantitative factors and management's progress toward improved financial and operating performance in 2017. The quantitative factors reviewed include net income, combined ratio, return on equity, written and earned premiums, and net investment income, by business segment and operating unit within each business segment. The committee analyzed reported results against plan, prior-year and industry results and considered underlying trends. In addition, the committee reviewed results with various adjustments for items it deemed not indicative of Kemper's core operating performance.

The Compensation Committee reviewed results with and without certain adjustments, including the following:

reported results including Actual Catastrophe Losses and LAE, and Actual Catastrophe Losses and LAE adjusted to expected losses;

reported results with and without unusual charges or gains;

reported results including realized gains and losses and impairments, and results adjusted to expected realized gains and losses and impairments.

In determining award payouts for the individual NEOs under the Annual Incentive Program, the Compensation Committee reviewed key business results and factors considered critical to the success of their respective business units and functional areas, in addition to the qualitative and quantitative factors described above.

The Compensation Committee considered net income and return on equity, with and without certain adjustments, although these measures were not individually determinative nor given any specific weight in comparison with other measures considered in determining adjustments to the initial pool and specific incentive awards for the 2017 Annual Incentive Program. The following table shows 2017 and 2016 actual net income and return on equity, each as reported and as adjusted:

2017 versus 2016 Performance Comparisons

Measure	2017 Actual	2016 Actual
Net Income	\$ 120.9 million	\$ 16.8 million
Adjusted Net Income (1)	\$ 171.9 million	\$ 101.2 million
Return on Equity (ROE)	5.9%	0.8%
Adjusted ROE (1)	9.2%	5.5%

(1) Non-GAAP financial measure. See Supplement to Kemper's Compensation Discussion and Analysis beginning on page 116 for GAAP to Non-GAAP reconciliation.

The aggregate total of incentive payouts for the Annual Incentive Program under the EPP was \$3,825,000, significantly less than the maximum amounts allocated under the 2017 EPP Incentive Pool. As previously noted,

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the EPP applied only to Kemper's NEOs who were subject to 162(m) during 2017 and so did not apply to Mr. McKinney, Kemper's Chief Financial Officer. The following table shows the 2017 EPP Incentive Pool allocations and maximum amounts payable for 2017 annual awards under the EPP and the actual 2017 annual EPP award payouts approved for the EPP participants:

Annual Incentive Payouts 2017 Annual EPP Awards

Name	Allocated Percentage of EPP Incentive Pool(%)	Maximum Award (Lower of EPP Incentive Pool Allocation or Plan Limit) (\$)(1)	Actual Award Payout(\$)	Actual Award Payout as Percentage of Maximum (%)
Joseph P. Lacher, Jr.	40	3,000,000	2,000,000	66.7
John M. Boschelli	20	3,000,000	525,000	17.5
Charles T. Brooks	20	3,000,000	600,000	20.0
Mark A. Green	20	3,000,000	700,000	23.3

(1) Maximum award payouts to EPP participants determined in accordance with the 2017 EPP formula exceeded the maximum of \$3,000,000 provided under the EPP for an annual award to any participant.

The Compensation Committee believes that these awards reflect fairly the actual financial performance outcomes achieved during 2017 and the qualitative factors considered by the Compensation Committee as described above and, more specifically, the following issues deemed most pertinent to the individual officer's responsibilities:

Mr. Lacher, with the Kemper Board's direction and advice, and with the assistance of a new leadership team which he formed, was responsible for establishing a new pay-for-performance culture, executed against the turnaround strategy which realized improved financial results and generated significant value for stockholders. In addition, Mr. Lacher drove the leadership of the Property & Casualty segment to strengthen its management team and enhance the separation of its non-standard auto and preferred lines units.

Mr. Boschelli continued to run a solid investment group that again produced strong results, leveraged the structure of Kemper's two operating divisions, and achieved industry-leading returns.

Mr. Brooks led the centralization of all operations initiatives, which significantly improved Kemper's efficiencies and systems infrastructure.

Mr. Green continued to produce solid results in the Life and Health business; he led the development and implementation of operating tactics capable of generating long-term profitable growth for the segment's business units and strengthened their leadership capabilities, positioning the business for continued improvement and growth in the future.

Mr. McKinney was awarded an annual incentive award of \$750,000 for 2017 pursuant to Kemper's Annual Incentive Program, with the amount based on the Compensation Committee's judgment, considering in particular that he furthered his efforts in the chief financial officer transition by implementing an automation strategy and strengthening leadership capabilities in the Finance organization.

2015 Multi-Year Award Under 2009 Performance Incentive Plan

Mr. Boschelli is the only NEO who was employed by Kemper in February 2015, when the Compensation Committee approved the 2015 multi-year incentive awards to Kemper's executive officers for the three-year performance period that ended on December 31, 2017 (**Multi-Year PIP Awards**). These awards were granted pursuant to the 2009 Performance Incentive Plan (**PIP**), under which annual and multi-year cash incentive awards were granted until 2016, when Kemper adopted the Annual Incentive Program and ended multi-year award grants. Performance results and the payout amount under Mr. Boschelli's 2015 Multi-Year PIP Award were determined at the Compensation Committee's meeting in February 2018, as described below.

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Performance Levels, Target Incentive Percentage and Performance Criteria

At its meeting in February 2015, the Compensation Committee granted a Multi-Year PIP Award to Mr. Boschelli, and assigned a target incentive percentage of 55 percent, representing a percentage of his annual salary (*Target Incentive Percentage*) for his award. The Compensation Committee established threshold, target and maximum performance levels. The threshold performance level is the minimum level of performance that must be met before a payout may occur, and the maximum performance level was set at twice the target level. Salary for these awards was the average of Mr. Boschelli's salary in effect as of the first pay period in April 2015, 2016 and 2017.

In determining the payout for Mr. Boschelli, the actual results under the applicable performance criteria for the performance period were compared to the applicable performance grids previously approved by the Compensation Committee to determine a target multiplier percentage (*Target Multiplier*). The Target Multiplier was then applied to the Target Incentive Percentage and salary to determine the amount of any payout. For performance above or below preapproved target levels, the Target Multiplier was interpolated on a straight-line basis. The weighted Target Multiplier for the applicable performance criteria was determined from the applicable performance grids.

Performance Results and Payout

At its meeting in February 2018, the Compensation Committee certified the performance results for the Company Performance Criteria (as described on page 117) applicable to Mr. Boschelli's 2015 Multi-Year PIP Award. The Company Performance Criteria results are shown below, and definitions of the relevant terms are provided in the section entitled "Supplement to Kemper's Compensation Discussion and Analysis" beginning on page 116. The actual performance results were as follows, based on multiple criteria that resulted in a weighted Target Multiplier of 104.2 percent, as shown in the following table:

Determination of Weighted Target Multiplier

Performance Criteria	Excess Return/NII Yield (%)	Target Multiplier for Metric (%)	Weighting (%)	Weighted Target Multiplier (%)
3-Year Excess Return from Corporate Investments	0.48	124.0	20	24.8
3-Year Excess Return from Pension Investments	0.16	108.0	5	5.4
3-Year Pre-Tax Equivalent Net Investment Income Yield (NII)	0.15	124.4	50	62.2
3-Year Average of Kemper Consolidated Revenue Growth and Return on Equity*		47.2	25	11.8
Weighted Average of Target Multipliers				104.2

* Subject to Catastrophe Loss Collar adjustment

Mr. Boschelli received the following payout in February 2018 under his 2015 Multi-Year PIP Award:

3-Year		Total Payout as %
Average	Total Incentive	of 3-Year
Salary (\$)	Payout (\$)	Average
		Salary (%)
400,000	229,240	57.3

Equity-Based Compensation Awards

Equity-based compensation continues to be an integral part of Kemper’s executive compensation program. The Compensation Committee believes that Kemper’s equity-based compensation program incentivizes performance and stock ownership by its executive officers, thereby aligning the interests of Kemper’s management and stockholders.

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Award Methodology

The 2017 annual executive compensation program continued the prior year's mix of equity-based, long-term incentive compensation awards consisting of both PSUs and stock options. Mr. Lacher's 2017 annual equity award was \$2,500,000 and allocated 75 percent in stock options and 25 percent in PSUs. The Compensation Committee followed a target-value approach and allocation methodology approved in 2016 for annual equity awards to the NEOs other than Mr. Lacher. The value of each other NEO's annual equity compensation was based on a set percentage of the NEO's annual salary. The value was allocated 50 percent in stock options and 50 percent in PSUs, with the number of shares subject to each grant determined with reference to the Kemper common stock price on the date of grant.

The value of the long-term incentive awards granted in February 2017 was set at 120 percent of salary for Messrs. Boschelli, Green and McKinney, and 90 percent for Mr. Brooks.

PSU Awards Granted in 2017

Fifty percent of the PSU awards granted to the NEOs in February 2017 were based on Relative TSR and 50 percent were based on Three-year Adjusted ROE. These awards are subject to forfeiture and transfer restrictions until vesting on the date the Compensation Committee certifies the performance results (*Vesting Date*) in accordance with the award agreements. The number of PSU shares granted to each NEO in February 2017 (*Target Shares*) that will vest and be issued as Kemper common stock, if any, and the number of additional shares of Kemper common stock, if any, that will be granted on the Vesting Date (*Additional Shares*), will be determined based on the applicable performance results for the performance period, as described in detail below.

Shares Based on Relative TSR

For the 50 percent of PSUs based on Relative TSR, the determination of vesting will be based on Kemper's total stockholder return (*TSR*) over a three-year performance period ending on January 31, 2020 relative to a peer group comprised of all companies in the S&P 1500 Supercomposite Insurance Index (*Peer Group*). In accordance with the award agreements, TSR is calculated based on the average of the closing stock prices for 20 consecutive trading days prior to the beginning and end of the performance period, and assumes all dividends issued over the performance period are reinvested. The award agreements provide for grants of Additional Shares to the award recipient if Kemper's relative performance exceeds the target performance level, which is the 50th percentile based on TSR relative to the Peer Group (*Relative TSR Percentile Rank*). The number of Target Shares that will vest, if any, and the number of Additional Shares, if any, that will be granted, will be determined in accordance with the following table:

Kemper's Relative TSR Percentile Rank	Total PSUs to Vest and/or Shares to be Granted on Vesting Date as Percentage of Target Shares (%)
At least 90 th	200
75 th	150
50 th	100
25 th	50
Below 25 th	

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Shares Based on ROE

For the 50 percent of PSUs based on Three-Year Adjusted ROE, the determination of vesting will be based on Kemper's adjusted return on equity over a three-year performance period ending on December 31, 2019. The award agreements provide for grants of Additional Shares to the award recipient if Kemper's ROE exceeds the target performance level of 6.5 percent. The number of Target Shares that will vest, if any, and the number of Additional Shares, if any, that will be granted, will be determined in accordance with the following table:

Three-Year Adjusted ROE (%)	Total PSUs to Vest and/or Shares to be Granted on Vesting Date as Percentage of Target Shares (%)
At least 7.8	200
6.5	100
5.2	50
Below 5.2	

The applicable terms are calculated as follows:

Three-Year Adjusted ROE is computed by dividing the sum of *Adjusted Net Income* for each of the three years in the performance period by the sum of the *Adjusted Average Shareholders' Equity* for each of the three years.

Adjusted Net Income is defined as *Net Income* as reported in Kemper's financial statements for the respective year, adjusted to account for the after-tax impacts of the following items, to the extent the Compensation Committee deems them not indicative of Kemper's core operating performance:

adjust the amount of *Actual Catastrophe Losses and LAE* to equal *Expected Catastrophe Losses* (italicized terms defined below);

adjust *Net Realized Gains on Sales of Investments* and *Net Impairment Losses Recognized in Earnings* (italicized terms as reported in Kemper's financial statements) to equal *Expected Net Realized Gains on Sales of Investments* and *Expected Net Impairment Losses Recognized in Earnings* (italicized terms defined below);

significant unusual judgments or settlements in connection with Kemper's legal contingencies or benefit plans; and

additional significant unusual or nonrecurring items as permitted by the Kemper Plan.

Adjusted Average Shareholders' Equity is defined as the simple average of *Total Shareholders' Equity* (as reported in Kemper's financial statements) for the beginning and end of year for each year in the performance period, adjusted to account for the after-tax impacts of the following items, to the extent the Compensation Committee deems them not indicative of Kemper's core operating performance:

Unrealized Gains and Losses on Fixed Maturity Securities from Adjusted Shareholders Equity (italicized terms as reported in Kemper's financial statements as defined above and below);

the modifications made in calculating *Adjusted Net Income*; and

additional significant, unusual or nonrecurring items as permitted by the Kemper Plan.

Actual Catastrophe Losses and LAE means the actual *Catastrophe Losses and associated Loss Adjustment Expenses*, including catastrophe reserve development, as reported in Kemper's management reports for the relevant time period.

Expected Catastrophe Losses, Expected Net Realized Gains on Sales of Investments, and Expected Net Impairment Losses Recognized in Earnings means the amounts specified in Kemper's management reports as Planned or Expected for, respectively, (a) *Catastrophe Losses and associated Loss Adjustment Expenses*, including catastrophe reserve development, (b) *Net Realized Gains on Sales of Investments*, and (c) *Net Impairment Losses Recognized in Earnings*.

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Unrealized Gains and Losses on Fixed Maturity Securities means the *Unrealized Gains and Losses on Fixed Maturity Securities* as reported in Kemper's management reports.

Additional Information

For performance falling between the percentile levels specified in the first column of each table above, the number of shares that will vest and be issued as Kemper common stock or be forfeited, and the number of Additional Shares, if any, that will be granted on the Vesting Date will be determined by straight-line interpolation from the percentages specified in the table. Any Target Shares that do not vest in accordance with the table above will be forfeited on the Vesting Date. Under the terms of the applicable award agreements in effect for 2017 and prior years, outstanding Target Shares of PSUs and outstanding RSUs are entitled to receive dividend equivalents on the same basis as dividends are paid to holders of outstanding shares of Kemper common stock. This payment of dividends on a current basis was changed for PSU and RSU grants made in 2018 and beyond; dividends will be paid only on the total number of earned shares after vesting.

The February 7, 2017 grant date fair value of the performance-based RSUs was estimated at \$45.27 per share for the portion based on Relative TSR and \$40.32 for the portion based on Three-Year Adjusted ROE. For a discussion of valuation assumptions, see Note 10, Long-term Equity-based Compensation, to the consolidated financial statements included in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017.

Performance Results for 2015 PSU Awards

Mr. Boschelli is the only NEO who was employed by Kemper in February 2015 when the Compensation Committee granted PSU awards for the 2015–2017 Performance Period (**2015 PSU Awards**). In February 2018, the Compensation Committee certified the performance results of Kemper's Relative TSR for the 2015 PSU Awards. The TSR for Kemper and each company in the Peer Group was calculated using the 20-day average trading price preceding the beginning and the end of the performance period. Kemper's TSR was determined to be 110 percent for the performance period. Relative to the Peer Group, Kemper ranked 4 out of the 50 companies, or at the 94th percentile. By comparison, peer companies at the 90th percentile (maximum level), 50th percentile (target level) and 25th percentile (threshold level), ranked approximately 6, 25, and 38, respectively, out of the 50 companies. Since Kemper's performance was above the maximum level, the final number of shares earned equals 200 percent of the Target Shares granted in 2015. As a result, on the vesting date, February 4, 2018, all Target Shares vested and the same number of Additional Shares were granted. Mr. Boschelli received 6,000 shares of Kemper common stock upon the vesting of his 2015 PSU Award on February 4, 2018.

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Performance of Kemper Common Stock Compared to S&P 1500 Supercomposite Insurance Index

The graph below shows relative TSR performance over the period from January 1, 2015 through December 31, 2017 and prior-period comparison.

Other Features and Practices Related to the Equity Incentive Program

Equity-Based Compensation Granting Process

The Compensation Committee follows an established process for the review, approval and timing of grants of equity-based compensation for all eligible employees of Kemper, including its executive officers. In making his annual grant recommendations to the Compensation Committee, the CEO follows an established grant cycle, with the exception of off-cycle grants made in connection with key new hire, promotion or retention awards which may be made with Compensation Committee approval or under the CEO's delegated authority, as described in the next section. Kemper's executive officers play no role in the timing of option or other grants except with regard to such new hire, promotion or retention awards, the timing of which is driven by the circumstances of the underlying event.

Kemper provides administration of its equity-based compensation plans. Following Compensation Committee approval, Kemper delivers award agreements for acceptance by the recipients. All forms of equity-based compensation award agreements are approved by the Compensation Committee in advance of their initial use.

Delegated Authority

As previously mentioned, the Compensation Committee has delegated authority to the CEO to grant a limited number of shares of Kemper common stock under the Kemper Plan in connection with new hire, promotional and retention awards to employees other than Section 16 officers. The exercise price of each stock option award granted under the delegated authority is the closing price of a share of Kemper common stock on the grant date. The Compensation Committee is periodically informed about the awards granted pursuant to the delegated authority and periodically replenishes the share pool used in this program from the pool of shares available in the stockholder-approved Kemper Plan.

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Stock Ownership Policy

The Compensation Committee believes equity-based compensation awards to the executive officers, along with their subsequent retention of the acquired shares of Kemper common stock, further align their interests with those of Kemper's stockholders.

Kemper's stock ownership policy provides minimum ownership requirements for its non-employee directors and executive officers based on a multiple of their base compensation. The minimum ownership level for Kemper's CEO is shares valued at five times his annual salary, while the minimum level for the other NEOs is two times their annual salaries. In calculating ownership for purposes of the policy, RSU and DSUs are included, but not performance-based awards.

The Compensation Committee monitors shareholdings by executive officers annually, as of year-end. As of December 31, 2017, the NEOs subject to the policy either exceeded the minimum levels required under the policy or were within the five-year grace period to attain the minimum required share ownership level due to their recent hire dates. The amount of Kemper common stock beneficially owned by each NEO as of the Kemper record date is disclosed in the section entitled "Ownership of Kemper common stock" beginning on page 231.

Changes Made to NEO Compensation for 2018

At its meeting on February 6, 2018, the Compensation Committee approved 2018 compensation for the NEOs reflecting:

No salary increases were granted for 2018.

The allocation of the equity award to Mr. Lacher was comprised of 50 percent stock options and 50 percent PSUs, a modification from 2017 and consistent with the allocations of the equity awards to the other NEOs.

The Compensation Committee, after consultation with the CEO and the Chairman of the Kemper Board, approved increases in equity award target values (representing respective percentages of salary) from 120% to 150% for Messrs. McKinney, Boschelli and Green, and from 90% to 120% for Mr. Brooks.

The Compensation Committee exercised its discretion to grant equity awards in excess of target values in recognition of Kemper's achievements in 2017, including its significantly improved financial and operational performance in advance of anticipated milestones, strategic plan progress and exceptional stock performance.

Mr. Lacher's 2018 award was determined by the Compensation Committee, with input from the Chairman of the Kemper Board, based on, among other factors, his overall performance in 2017, performance on the 2017 objectives, as approved by the Kemper Board, total compensation for comparable CEOs, in light of Kemper's philosophy that Mr. Lacher's total compensation should be heavily weighted towards performance-based compensation.

The equity award agreements approved for the 2018 grants incorporate the following changes:

maximum, target and threshold performance levels were increased from the 2017 awards for the PSUs based on Three-Year Adjusted ROE;

stock option and RSU awards will vest in three annual installments beginning on the first anniversary of the grant date, instead of four installments beginning 6 months from the grant date and then on the three anniversaries of the first vesting date;

dividend equivalents on PSUs and RSUs will accrue until vesting instead of paying out on a quarterly basis and will only be paid on total shares actually earned; and

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new restrictive covenants were added related to confidentiality, nonsolicitation and nondisparagement. The following table illustrates the total compensation for each of the NEOs based on the components included in the Summary Compensation Table in the section entitled *Executive Officer Compensation and Benefits Summary Compensation Table* beginning on page 102 (the *Summary Compensation Table*), but with the values in the *Stock Awards* and *Option Awards* columns based on awards granted in February 2018 instead of February 2017. As noted above, the equity awards granted to the NEOs in February 2018 exceeded target values as a result of Kemper's 2017 performance and were greater than equity awards granted in February 2017. As a result, Kemper believes the following table better represents the total compensation of the NEOs based on 2017 performance than the total compensation amounts shown in the Summary Compensation Table.

ALTERNATE SUMMARY COMPENSATION TABLE (1)

Name		Salary (\$) ⁽²⁾	Bonus (\$)	Stock Awards (\$) ⁽³⁾	Option Awards (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation (\$) ⁽⁴⁾	Change in Pension Value & Non-Deferred Compensation	All Other Compensation (\$) ⁽⁶⁾	Total
							Non-Deferred Compensation (\$) ⁽⁵⁾		
Joseph P. Lacher, Jr.	2017	750,000		1,776,855	1,755,329	2,000,000		88,298	6,370,482
James J. McKinney	2017	450,000		411,210	406,232	750,000		64,409	2,081,851
John M. Boschelli	2017	400,000		365,520	361,095	754,240	46,111	67,640	1,994,606
Charles T. Brooks	2017	400,000		292,416	288,876	600,000		40,395	1,621,687
Mark A. Green	2017	420,000		383,796	379,150	700,000		44,495	1,927,441

- (1) As noted above, this table discloses the same compensation information for the NEOs as disclosed in the Summary Compensation Table, with the exception of the Stock Awards and Option Awards columns that include the values of the respective equity awards approved in February 2018 rather than in February 2017 to better illustrate the total compensation awarded to the NEOs based on Company and individual performance in 2017.
- (2) These amounts represent salary earned for 2017.
- (3) These amounts represent the aggregate grant date fair values of the equity awards (stock options or PSUs) to the designated NEO approved on February 6, 2018 pursuant to the Kemper Plan. For pricing models/methods and valuation assumptions, see footnote (4) to the Summary Compensation Table beginning on page 102 below.
- (4) These amounts were earned under Kemper's annual cash incentive programs. The payments shown for Mr. Boschelli were made under the Annual Incentive Program and his 2015 Multi-Year PIP Award (and paid in 2018). The amounts shown for the other NEOs were made for 2017 performance (and paid in 2018), under the Annual Incentive Program and, except for Mr. McKinney, under the EPP.
- (5) See footnote (6) to the Summary Compensation Table beginning on page 102 below.
- (6) See footnote (7) to the Summary Compensation Table beginning on page 102 below.

Perquisites

The CEO and the executive officers who report directly to him receive financial planning services and comprehensive annual physical examinations. The CEO is also provided membership to a business club providing dining facilities and business meeting services. In addition, NEOs receive payment for spousal travel when accompanying the officer to occasional off-site business meetings when required for bona fide business reasons in accordance with Kemper's policies, and incidental personal use of cell phones, computer equipment and other resources provided primarily for business purposes.

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Employee Welfare Benefit and Retirement Plans

The NEOs are eligible for the following plans:

Employee welfare benefits under plans generally available to all full-time salaried employees and which do not discriminate in scope, terms or operation in favor of executive officers;

Deferred Compensation Plan (as described on page 109), which allows the NEOs to elect to defer a portion of their salaries and cash incentives. Information about the Deferred Compensation Plan in general, and more specific information about participation therein by the NEOs, is provided in the section entitled "Executive Officer Compensation and Benefits - Deferred Compensation Plan" beginning on page 109;

The 401(k) and Retirement Plan applicable to all full-time salaried employees, including executive officers, meeting age and service-based eligibility requirements. Due to his hire date prior to 2006, Mr. Boschelli had been eligible for benefit accruals under Kemper's Pension Plan in lieu of the retirement contribution under the 401(k) and Retirement Plan until June 30, 2016 when Pension Plan benefit accruals were frozen for all participants.

Nonqualified supplemental defined contribution retirement plan (**Retirement SERP**), available to key employees designated annually by the Kemper Board to provide benefits using the same formulas used for the tax-qualified retirement plan but without regard to the limits imposed under the Code. Mr. Boschelli had been eligible for a benefit accrual under Kemper's nonqualified supplemental defined benefit pension plan (**Pension SERP**) in lieu of the Retirement SERP until June 30, 2016 when Pension SERP benefit accruals ceased as a result of the freezing of the Pension Plan accruals; and

Voluntary participation in the 401(k) portion of the 401(k) and Retirement Plan includes a matching contribution feature by Kemper offered to all full-time salaried employees, including executive officers, meeting age and service-based eligibility requirements.

Additional information about Kemper's retirement plans and participation therein by the NEOs is provided in the section entitled "Executive Officer Compensation and Benefits - Retirement Plans" beginning on page 111.

Other Post-Employment Compensation

Change in control benefits applicable to the NEOs are described in more detail under the section entitled "Kemper Compensation Discussion and Analysis - Potential Payments Upon Termination or Change in Control" beginning on page 110. These benefits are provided under individual severance agreements with the NEOs and provisions included in agreements with all grant recipients in applicable equity award agreements under the Kemper Plan and the PIP under these plans. The NEOs are not entitled to other post-termination benefits except pursuant to the standard provisions of any of the plans discussed above.

Tax Implications

Section 162(m) imposes an annual limit of \$1 million per person on the corporate tax deduction for compensation paid by a company to its chief executive officer and the other officers listed in its proxy compensation tables due to their compensation. Until 2018, the limit did not apply to a company's chief financial officer, or to certain performance-based compensation that met specific exemption requirements. Under the Tax Cuts and Jobs Act signed into law in December 2017 (*Tax Reform Act*), the \$1 million limit on deductibility will also apply to chief financial officers, and the exemption for performance-based compensation has been eliminated, subject to applicable transition rules.

Prior to the Tax Reform Act, Kemper had generally intended most components of executive compensation to qualify as tax deductible for federal income tax purposes, to the extent practicable in particular hiring and

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compensation decisions, and consistent with the objectives and underlying philosophy of its executive compensation program. The EPP, as well as the Kemper Plan and its predecessor equity plans, were designed to enable Kemper to grant awards qualified as performance-based compensation under Section 162(m). As was required by Section 162(m), Kemper obtained stockholder approval of the EPP in 2014 and of the Kemper Plan in 2016. Due to the Tax Reform Act, Kemper no longer expects most incentive compensation awarded after 2017 to be tax deductible due to the elimination of the exception for performance-based compensation.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth above. Based on such review and discussions, the Compensation Committee recommended to the Kemper Board that the Compensation Discussion and Analysis be included in this joint proxy statement/prospectus.

Compensation Committee of the Board of Directors of Kemper Corporation

Kathleen M. Cronin, Chair

Douglas G. Geoga

Thomas M. Goldstein

Lacy M. Johnson

David P. Storch

Susan D. Whiting

Table of Contents**EXECUTIVE OFFICER COMPENSATION AND BENEFITS****Summary Compensation Table**

The following table shows the compensation for fiscal years 2017, 2016 and 2015 for the NEOs serving during the year ended December 31, 2017, which include Kemper's Chief Executive Officer, Chief Financial Officer and three other most highly compensated executive officers.

SUMMARY COMPENSATION TABLE

Name and Principal Position (1)	Year	Salary (\$)(2)	Bonus (\$)(3)	Stock Awards (\$)(4)	Option Awards (\$)(4)	Non-Equity Incentive Plan Compensation (\$)(5)	Change in Pension Value and Non- Equity Nonqualified Incentive Deferred All Other Compensation	Total (\$)
							(\$)(6)	
Joseph P. Lacher, Jr., <i>President and Chief Executive Officer</i>	2017	750,000		617,748	1,484,099	2,000,000	88,298	4,940,145
	2016	750,000		1,284,269	416,821	1,000,000	25,272	3,476,362
James J. McKinney, <i>Senior Vice President and Chief Financial Officer</i>	2017	450,000		266,870	213,716	750,000	64,409	1,744,995
John M. Boschelli, <i>Senior Vice President and Chief Investment Officer</i>	2017	400,000		237,215	189,965	754,240	46,111	1,695,171
Charles T. Brooks, <i>Senior Vice President, Operations and Systems</i>	2016	400,000		125,229	142,574	512,220	213,758	1,413,182
	2015	396,538		129,150	120,295	448,617	91,047	1,193,597
Mark A. Green, <i>Senior Vice President and President, Life and Health Division</i>	2017	400,000		177,941	142,481	600,000	40,395	1,360,817
Mark A. Green, <i>Senior Vice President, Operations and Systems</i>	2017	420,000		249,067	199,467	700,000	44,495	1,613,029
	2016	240,692	550,000	191,946	206,730	260,000	5,047	1,454,415

- (1) Amounts for each officer are shown only for years in which he served as an NEO.
- (2) These amounts represent salary earned for each of the years an individual was an NEO. Pursuant to Kemper's regular compensation cycle, salary adjustments for any year generally take effect in April of such year. As a result, for any year in which an individual officer's salary was increased or decreased, a portion of the amount of salary shown for such year was earned at the rate in effect prior to the adjustment.
- (3) These amounts represent signing bonuses granted to Messrs. McKinney and Green in 2016.
- (4) These amounts represent the aggregate grant date fair values of the equity awards (stock options, PSUs and RSUs) to the designated NEOs pursuant to the Kemper Plan. The Black-Scholes option pricing model was used to estimate the fair value of each option (including its tandem stock appreciation rights) on the grant date. A Monte Carlo simulation method was used to estimate the fair values on the grant date of the awards of the PSUs based on Relative TSR. PSUs based on ROE and RSUs were valued using the closing price of a share of Kemper common stock on the grant date. For a discussion of valuation assumptions, see Note 10, Long-term Equity-based Compensation, to the consolidated financial statements included in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017. These equity awards are subject to forfeiture and transfer restrictions until they vest in accordance with their respective grant agreements.

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If achievement of the performance conditions at the maximum performance level is assumed, the aggregate number and market value of the payouts of PSUs would be as follows under awards granted in 2017 to each NEO:

Name	Grant Date	Target Award issued on Grant Date (# of Shares)	Estimated Payout in	
			Shares if Maximum Performance Level Achieved (# of Shares)	Estimated Value of Payout if Maximum Performance Level Achieved (\$)
Joseph P. Lacher, Jr.	2/7/2017	14,435	28,870	1,250,071
James J. McKinney	2/7/2017	6,236	12,472	540,038
John M. Boschelli	2/7/2017	5,543	11,086	480,024
Charles T. Brooks	2/7/2017	4,158	8,316	360,083
Mark A. Green	2/7/2017	5,820	11,640	504,012

- (5) These amounts were earned under Kemper's annual cash incentive programs. With regard to the payments shown for Mr. Boschelli, for 2017, they were made under the Annual Incentive Program and his 2015 Multi-Year PIP Award (and paid in 2018), for 2016, they were made under the Annual Incentive Program and his 2014 Multi-Year PIP Award (and paid in 2017), and for 2015, they were made under his 2015 Annual PIP Award and 2013 Multi-Year PIP Award (and paid in 2016). The amounts shown for the other NEOs other than Mr. McKinney were made for 2017 and 2016 (and paid in 2018 and 2017, respectively), under the Annual Incentive Program and the EPP. The amount shown for Mr. McKinney was made for 2017 (and paid in 2018) under the Annual Incentive Program.
- (6) These amounts represent the change in actuarial present value for Mr. Boschelli under Kemper's Pension Plan and Pension SERP as of December 31 of 2017, 2016 and 2015 from the end of the prior calendar year. No amounts are shown for the other NEOs because they were not eligible to participate in these plans due to their hire dates; they instead became participants in the retirement portion of the 401(k) and Retirement Plan and Retirement SERP after meeting initial eligibility requirements. Mr. Boschelli became eligible to participate in the retirement portion of the 401(k) and Retirement Plan and Retirement SERP after the Pension Plan and Pension SERP were frozen as of June 30, 2016. For more information, see the section entitled "Executive Officer Compensation and Benefits" Retirement Plans beginning on page 102. The year-to-year changes in pension values is generally attributable to an increase in the present value of future payments due to a decrease in the applicable discount rate in 2017.
- (7) The amounts shown for 2017 for each NEO include perquisites and additional compensation of the types indicated in the following table:

Name	Financial Planning Services	Executive Physicals	Dividend Equivalents Paid on RSUs and Certain PSUs (1)	Kemper Contributions to Defined Contribution Plans	Kemper Cost for Welfare Benefits
Joseph P. Lacher, Jr.	15,000	4,845	30,025	25,600	12,828
James J. McKinney	15,000	4,025	20,772	8,100	16,512

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John M. Boschelli	15,000	4,600	4,912	30,300	12,828
Charles T. Brooks	15,000	4,845	4,782	11,500	4,268
Mark A. Green	15,000	4,025	5,644	11,500	8,326

(1) The amounts shown are dividend equivalents paid on RSUs and PSUs based on Three-Year Adjusted ROE. Dividend equivalents paid on PSUs based on Relative TSR are instead factored into their grant date fair values reported in the table.

Table of Contents**Grant of Plan-Based Awards***PSU Awards*

The PSUs awarded to the NEOs in February 2017 are subject to forfeiture and transfer restrictions until the third anniversary of the grant date in accordance with the award agreements. Determination of the number of shares of Kemper common stock that will vest or be forfeited, and of any Additional Shares that will be granted, will be based, for half of the PSUs, on Kemper's Relative TSR relative to the Peer Group, and for the other half of the PSUs, on Kemper's Three-Year Adjusted ROE, each based on a three-year performance period as described in more detail in the section entitled "Annual Determination of Specific Compensation - PSU Awards Granted in 2017" beginning on page 94.

Stock Options

The stock options awarded to the NEOs in February 2017 are non-qualified options for federal income tax purposes, have an exercise price equal to the closing price of a share of Kemper common stock on the grant date and expire on the tenth anniversary of the grant date. The stock options were coupled with SARs and become exercisable in four equal, annual installments beginning on the six-month anniversary of the grant date. References to stock options in this proxy statement generally include tandem SARs.

Incentive Plan Awards

Annual incentive compensation award payouts for 2017 were approved and made under Kemper's EPP and Annual Incentive Program in February 2018. The maximum potential amount for awards under the EPP shown in the table below is the maximum provided under the EPP for an annual award to any participant. No maximum amount is shown for Mr. McKinney because, as Kemper's Chief Financial Officer, he was not covered by the EPP due to the pre-Tax Reform Act exclusion of chief financial officers from the deductibility limitations under Section 162(m). The performance criteria and process of determining payouts under these awards are described in more detail in the section entitled "Kemper Compensation Discussion and Analysis - Annual Cash Incentives for 2017" beginning on page 88.

The following table shows each grant to the NEOs in 2017 under the Kemper plans described above:

GRANTS OF PLAN-BASED AWARDS IN 2017

	Grant Date	Award Type	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Awards Exercise or Base Price of Grant Securities Option (3)	Underlying Awards (\$/Sh) (4)	Awards Value (\$)(5)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
Joseph P. Lacher, Jr.	2/7/2017	Stock Options	N/A	N/A	3,000,000				173,211	43.30	1,484,099
	2/7/2017	PSUs				3,609	7,218	14,436			326,759
	2/7/2017	PSUs				3,609	7,217	14,434			290,989
	2/7/2017	Stock Options	N/A	N/A	N/A				24,943	43.30	213,716

James J. McKinney											
	2/7/2017	PSUs				1,559	3,118	6,236		141,152	
	2/7/2017	PSUs				1,559	3,118	6,236		125,718	
John M. Boschelli											
	2/7/2017	Stock Options	N/A	N/A	3,000,000				22,171	43.30	189,965
	2/7/2017	PSUs				1,386	2,772	5,544			125,488
	2/7/2017	PSUs				1,386	2,771	5,542			111,727
Charles T. Brooks											
	2/7/2017	Stock Options	N/A	N/A	3,000,000				16,629	43.30	142,481
	2/7/2017	PSUs				1,040	2,079	4,158			94,116
	2/7/2017	PSUs				1,040	2,079	4,158			83,825
Mark A. Green											
	2/7/2017	Stock Options	N/A	N/A	3,000,000				23,280	43.30	199,467
	2/7/2017	PSUs				1,455	2,910	5,820			131,736
	2/7/2017	PSUs				1,455	2,910	5,820			117,331

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- (1) No threshold or target amounts are provided under the EPP or the Annual Incentive Program. The amounts shown represent the annual maximum incentive to any participant under the terms of the EPP because the amounts determined by the Compensation Committee at its meeting on February 6, 2018 based on the previously-approved formula and allocation percentages exceeded the maximum. The maximum amounts payable to each participant could not have been determined at the beginning of the performance period. The process for determining the awards for the NEOs and the amounts of the awards that were approved by the Compensation Committee for 2017 are detailed in the narrative descriptions about the EPP and the Annual Incentive Program in the section entitled Kemper Compensation Discussion and Analysis Annual Cash Incentives for 2017 beginning on page 89, and the table captioned Annual Incentive Payouts 2017 Annual EPP Awards on page 92. No maximum amount is shown for Mr. McKinney because, as Kemper's Chief Financial Officer, he was not subject to the award maximum under the EPP due to the pre-Tax Reform Act exclusion of chief financial officers from the deductibility limitations under 162(m).
- (2) These columns show a range of payouts possible under the PSU awards granted in 2017 under the Kemper Plan. The amount shown in the Target column for each award represents 100 percent of the PSUs granted, which equals the number of units that would vest if the Target performance level is achieved. The Threshold level is the minimum level of performance that must be met before any payout may occur, and the amount shown in the Threshold column is 50 percent of the Target payout amount. The amount shown in the Maximum column is 200 percent of the Target payout amount. Further information about these awards see the section entitled Executive Officer Compensation and Benefits PSU Awards Granted in 2017.
- (3) These are non-qualified stock options granted under the Kemper Plan.
- (4) The exercise price of the stock option awards is equal to the closing price of a share of Kemper common stock on the grant date.
- (5) The amounts shown represent the aggregate grant date fair values of the 2017 stock option and PSU awards. For stock options, the grant date fair values were estimated based on the Black-Scholes option pricing model. For PSUs based on Relative TSR, the grant date fair values were estimated using the Monte Carlo simulation method. For PSUs based on ROE and time-based RSUs, the grant date fair values were based on the closing price of a share of Kemper common stock on the grant date. For a discussion of valuation assumptions, see Note 10, Long-term Equity-based Compensation, to the consolidated financial statements included in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017.

Table of Contents**Outstanding Equity Awards at 2017 Fiscal Year-End**

The following table shows the unexercised stock option awards and unvested RSU and PSU awards for each NEO granted under the Kemper Plan and its predecessor plan that were outstanding as of December 31, 2017:

OUTSTANDING EQUITY AWARDS AT 2017 FISCAL YEAR-END

Name	Option Awards				Stock Awards		Equity Incentive
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (\$)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units of Other Rights That Have Not Vested (\$)
Joseph P. Lacher, Jr.	49,140	49,140(1)	40.70	11/19/2025			
	48,117	48,118(2)	27.71	3/1/2026			
	43,302	129,909(3)	43.30	2/7/2027			
							48,118(4) 3,315,330
							48,118(5) 3,315,330
							14,436(6) 994,640
							14,434(7) 994,502
James J. McKinney					16,000(8)	1,102,400	
	5,037	15,113(9)	40.20	11/17/2026			
	6,235	18,708(3)	43.30	2/7/2027			
							5,038(4) 347,118
							5,038(5) 347,118
							6,236(6) 429,660
							6,236(7) 429,660
John M. Boschelli	11,250	3,750(10)	36.17	2/4/2025			
	4,692	9,383(2)	27.71	3/1/2026			
	5,542	16,629(3)	43.30	2/7/2027			
							6,000(11) 413,400
							4,692(4) 323,279
							4,692(5) 323,279
							5,544(6) 381,982
							5,542(7) 381,844

Charles T.							
Brooks	21,609	21,610(12)	31.01	5/5/2026			
	4,157	12,472(3)	43.30	2/7/2027			
						5,806(4)	400,034
						5,804(5)	399,896
						4,158(6)	286,486
						4,158(7)	286,486
Mark A.							
Green	11,876	11,876(13)	31.83	6/3/2026			
	7,500	7,500(14)	32.20	6/15/2026			
	5,820	17,460(3)	43.30	2/7/2027			
						5,938(4)	409,128
						5,938(5)	409,128
						5,820(6)	400,998
						5,820(7)	400,998

- (1) These options are scheduled to vest ratably in equal increments on 5/19/2018 and 5/19/2019.
- (2) These options are scheduled to vest ratably in equal increments on 9/1/2018 and 9/1/2019.
- (3) These options are scheduled to vest ratably in equal increments on 8/7/2018, 8/7/2019 and 8/7/2020.
- (4) These PSUs are scheduled to vest on the date performance results are certified following completion of the three-year performance period based on Relative TSR. The number shown represents the maximum number of PSUs that could be earned

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(because the performance results for fiscal year 2017 were above the target level). Market value was determined using the closing price of \$68.90 per share of Kemper common stock on December 29, 2017, the last trading day of 2017.

- (5) These PSUs are scheduled to vest on the date performance results are certified based on the Three-Year Adjusted ROE. The number shown represents the maximum number of PSUs that could be earned (because the performance results for fiscal year 2017 were above the target level). Market value was determined using the closing price of \$68.90 per share of Kemper common stock on December 29, 2017.
- (6) These PSUs are scheduled to vest on the date performance results are certified following completion of the three-year performance period based on Relative TSR. The number shown represents the maximum number of PSUs that could be earned (because the performance results for fiscal year 2017 were above the target level). Market value was determined using the closing price of \$68.90 per share of Kemper common stock on December 29, 2017.
- (7) These PSUs are scheduled to vest on the date performance results are certified based on the Three-Year Adjusted ROE. The number shown represents the maximum number of PSUs that could be earned (because the performance results for fiscal year 2017 were above the target level). Market value was determined using the closing price of \$68.90 per share of Kemper common stock on December 29, 2017.
- (8) One third of these RSUs vested on 4/1/2018, and the remaining two thirds are scheduled to vest in equal increments on 4/1/2019 and 4/1/2020. Market value was determined using the closing price of \$68.90 per share of Kemper common stock on December 29, 2017.
- (9) These options are scheduled to vest ratably in equal increments on 5/17/2018, 5/17/2019 and 5/17/2020.
- (10) These options are scheduled to vest on 8/4/2018.
- (11) These PSUs vested on 2/4/18 as described under the section entitled "Kemper Compensation Discussion and Analysis Performance Results for 2015 PSU Awards" beginning on page 96. The number of shares shown represents the maximum number of shares that could be earned (because the actual performance results were above the maximum level). Market value of these shares was determined using the closing price of \$68.90 per share of Kemper common stock on December 29, 2017.
- (12) These options are scheduled to vest ratably in equal increments on 11/5/2018 and 11/5/2019.
- (13) These options are scheduled to vest ratably in equal increments on 12/3/2018 and 12/3/2019.
- (14) These options are scheduled to vest ratably in equal increments on 12/15/2018 and 12/15/2019.

OPTION EXERCISES AND STOCK VESTED IN 2017

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)(1)	Value Realized on Exercise (\$(2)	Number of Shares Acquired on Vesting #(3)	Value Realized on Vesting \$(4)
Joseph P. Lacher, Jr.				
James J. McKinney				
John M. Boschelli	28,780	328,344		
Charles T. Brooks				
Mark A. Green				

- (1) This is the total number of shares subject to the exercise transactions without deduction of any shares surrendered or withheld to satisfy the exercise price and/or tax withholding obligations related thereto.
- (2)

This is the difference between the exercise price of the shares acquired and the market price of such shares on the date of exercise, without regard to any related tax obligations.

Table of Contents**Retirement Plans**

Kemper sponsors two tax-qualified retirement plans, the Pension Plan and the 401(k) and Retirement Plan. In addition to other requirements, eligibility for the Pension Plan had required a hire date prior to January 1, 2006. Employees hired on or after January 1, 2006 are eligible to participate in the retirement portion of the 401(k) and Retirement Plan. Effective June 30, 2016, the Pension Plan was frozen and its participants became eligible for the retirement portion of the 401(k) and Retirement Plan. In general, eligibility under the retirement portion of the 401(k) and Retirement Plan requires employees to be at least 21 years old with at least one year of service with Kemper (as defined in the plan). The NEOs are participants in the retirement portion of the 401(k) and Retirement Plan. Based on his hire date, Mr. Boschelli had been a participant in the Pension Plan through June 30, 2016 when his benefits were frozen and he became eligible for the retirement portion of the 401(k) and Retirement Plan. The NEOs are also eligible to defer on a voluntary basis a portion of their salaries under the 401(k) portion of the 401(k) and Retirement Plan that includes a matching contribution feature by Kemper offered to all employees meeting the age and service-based eligibility requirements.

Under the Pension Plan, a participant earned a benefit in an amount equal to a specified percentage of Average Monthly Compensation plus an additional specified percentage of Average Monthly Compensation above the monthly Social Security Covered Compensation, multiplied by the participant's eligible years of service, up to a maximum of 30 years. Average Monthly Compensation is generally equal to the average of a participant's highest monthly compensation over a 60-consecutive-month period during the 120-month period that ends three calendar months prior to a participant's termination date, or for 2016, the date that the Pension Plan was frozen. The Social Security Covered Compensation amount is determined from tables published by the Internal Revenue Service and changes each year. Mr. Boschelli is vested in the Pension Plan, as participants were vested after completing five years of service with Kemper.

Under the retirement portion of the 401(k) and Retirement Plan, Kemper makes an annual contribution, generally in February of the following year, on behalf of a participant in an amount equal to the participant's Annual Compensation multiplied by a specified contribution percentage based on the participant's years of vesting service with Kemper (as such terms are defined in the plan). Mr. Boschelli is vested under the retirement portion of the 401(k) and Retirement Plan, as participants are vested after completing three years of service with Kemper.

Compensation covered by both the Pension Plan and the retirement portion of the 401(k) and Retirement Plan includes the participant's salary and annual bonus. Age 65 is the normal retirement age under the qualified retirement plans. The normal form of distribution under the Pension Plan is a life annuity for a single retiree, or a joint and fifty-percent survivor annuity for a married retiree. Other forms of annuity are available to participants, but all forms of payment are actuarially equivalent in value. The normal form of distribution under the retirement portion of the 401(k) and Retirement Plan is a lump-sum payout.

The Pension SERP and Retirement SERP were established to provide benefits to certain individuals in excess of the limitations imposed on the Pension Plan and the retirement portion of the 401(k) and Retirement Plan, respectively, under the Code. The Pension SERP was effectively frozen as of June 30, 2016 when the Pension Plan was frozen. The Retirement SERP benefit is, and the Pension SERP benefit previously was, computed using the same formula used for the respective tax-qualified retirement plan, without regard to the limits imposed under the Code. An employee who earns compensation over the qualified plan limitation may be eligible to participate in the Retirement SERP, or previously the Pension SERP, by designation of the Kemper Board. For 2017, compensation to determine the benefit under the Pension Plan and the retirement portion of the 401(k) and Retirement Plan was limited to \$270,000.

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As noted above, only Mr. Boschelli was eligible to participate in the Pension Plan and Pension SERP due to his date of hire. The following table shows the years of credited service and the present values of the accumulated benefits under the Pension Plan and Pension SERP for each NEO as of December 31, 2017:

PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#)(1)	Present Value of Accumulated Benefit \$(2)	Payments During Last Fiscal Year (\$)
Joseph P. Lacher, Jr.	Pension Plan			
	Pension SERP			
James J. McKinney	Pension Plan			
	Pension SERP			
John M. Boschelli	Pension Plan	18.5	509,299	
	Pension SERP	18.5	564,569	
Charles T. Brooks	Pension Plan			
	Pension SERP			
Mark A. Green	Pension Plan			
	Pension SERP			

- (1) A participant's initial year of service as an employee is not used to determine credited service under the Pension Plan and Pension SERP. In addition, benefits for all participants under the Pension Plan were frozen as of June 30, 2016. The number of years of credited service shown for Mr. Boschelli are less than his actual years of service by eight years and six months due to the Pension Plan freeze date and a lump-sum payout of six-years of accrued benefits he received because of a break in his service with Kemper in 1997.
- (2) These accumulated benefit values are based on the years of credited service shown and the Average Monthly Compensation (as defined in the Pension Plan) as of June 30, 2016, as described above in the narrative preceding this table. These present value amounts were determined on the assumption that distribution of benefits under the plans will not begin until age 65, the age at which retirement may occur under the Pension Plan and Pension SERP without any reduction in benefits, using the same measurement date, discount rate and actuarial assumptions described in Note 16, Pension Benefits, to the consolidated financial statements included in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017. The discount rate assumption was derived from the AON Hewitt AA Bond Universe Curve as of 12/31/2017 with a single equivalent rate of 3.55 percent and the mortality assumptions were based on the RP-2006 Table for Employees and Healthy Annuitants, Projected Generationally with Scale MP-2017.

Nonqualified Deferred Compensation*Deferred Compensation Plan*

The Deferred Compensation Plan was established to allow certain executives who are designated by the Kemper Board, as well as the non-employee members of the Kemper Board, to elect to defer a portion of their current-year compensation to a future period. The NEOs are eligible to participate in the Deferred Compensation Plan, but none elected to defer any of their 2017 compensation. The Deferred Compensation Plan is unfunded and exempt from certain provisions of the Employee Retirement Income Security Act of 1974, as amended. Kemper does not fund or

make profit-sharing or matching contributions under the Deferred Compensation Plan, and participants have an unsecured contractual commitment by Kemper to pay the amounts deferred, adjusted to recognize earnings or losses determined in accordance with their elections under the plan.

To participate in the Deferred Compensation Plan, an eligible individual must make an annual irrevocable election. The form and timing of the distribution of deferrals made during any given year is chosen when a participant elects to participate for that year and generally cannot be altered or revoked. The distribution for a particular year may be in the form of annual or quarterly installments payable up to a maximum of ten years or a

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single lump-sum payment. All payments begin on January 1 of the year chosen by the participant when the election is made. A participant may elect to defer up to 60 percent of his or her regular annual salary and up to 85 percent of each award earned under any incentive plan award or annual discretionary bonus regardless of amount. Withdrawals are not permitted under the Deferred Compensation Plan other than regularly scheduled distributions or upon Death or Disability if so chosen by the participant at the time of the annual election.

Each participant's bookkeeping account is deemed to be invested in the hypothetical investment choice(s) selected by the participant from the choices made available by Kemper. Investment choices may be changed by participants on a daily basis. Generally, the hypothetical investment alternatives offered by Kemper include a range of retail mutual funds selected by the plan administrator, which is the Compensation Committee of the Kemper Board. Investment choices selected by a participant are used only to determine the value of the participant's account. Kemper is not required to follow these investment selections in making actual investments of amounts deferred under the plan.

Retirement SERP

The Retirement SERP is discussed in the section entitled "Executive Officer Compensation and Benefits Retirement Plans" beginning on page 108. Contribution credits for 2017 were made in February 2018 to the Retirement SERP accounts for the NEOs other than Mr. McKinney. The amounts of these contributions are shown in the table below. Mr. McKinney became a participant in January 2018 and will be eligible for an initial contribution for 2018 in February 2019.

The following table shows the aggregate earnings in 2017 and the balances as of December 31, 2017 for the NEOs under the Deferred Compensation Plan and Retirement SERP.

NONQUALIFIED DEFERRED COMPENSATION

Name	Plan Name	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Balance at Last Fiscal Year End (\$)
Joseph P. Lacher, Jr.	Deferred Compensation Plan Retirement SERP	14,800		14,800
James J. McKinney	Deferred Compensation Plan Retirement SERP			
John M. Boschelli	Deferred Compensation Plan Retirement SERP	14,100	724	20,611
Charles T. Brooks	Deferred Compensation Plan Retirement SERP	2,050		2,050
Mark A. Green	Deferred Compensation Plan Retirement SERP	2,050		2,050

Potential Payments Upon Termination or Change In Control

The following narrative describes the applicable terms of the agreements or plans that would provide benefits to the NEOs if their employment had terminated on December 31, 2017. The table below shows benefits that would have been payable to the NEOs as a direct result of either a change in control of Kemper or the death or disability of the

individual officer, had such an event occurred on December 31, 2017. The amounts shown in the table would have been payable pursuant to individual severance agreements (*Severance Agreements*) between the NEOs and Kemper in the context of a change in control of Kemper, as described below, or individual grant agreements executed with Kemper in connection with cash incentive, stock option, PSU and/or RSU awards they received. None of the NEOs is a party to any other agreement with Kemper that would have entitled him to receive any severance payments or other termination benefits from Kemper as of December 31, 2017.

Table of Contents*Retirement Plans*

In addition to the amounts shown in the table entitled Potential Payments Upon Termination From A Change In Control Or Death/Disability At December 31, 2017 beginning on page 113, the NEOs would have been entitled to receive benefits to which they have vested rights upon retirement under the Pension Plan and Pension SERP (or 401(k) and Retirement Plan and Retirement SERP), as described and/or quantified in the section entitled Executive Officer Compensation and Benefits Retirement Plans beginning on page 108 and in the Pension Benefits and Nonqualified Deferred Compensation tables and corresponding footnotes, beginning on pages 109 and 110, respectively. Any NEOs who had participated in the Deferred Compensation Plan might have been entitled to receive distributions in accordance with their previously chosen elections under the plan, as described above under the caption Nonqualified Deferred Compensation. In addition, the NEOs would have been entitled to receive benefits that are generally available to employees of Kemper and do not discriminate in scope, terms or operation in favor of executive officers. These include benefits payable: (a) upon termination of employment, such as payments of 401(k) and Retirement Plan distributions and accrued paid time off; and (b) upon death or disability, under life, business travel or long-term disability insurance.

None of the NEOs had reached early retirement age as of December 31, 2017 and so none would have been eligible to begin receiving retirement benefits as of December 31, 2017.

Severance Agreements

The Severance Agreements would provide various severance benefits to the NEOs in the event their employment terminates under certain circumstances within two years after a change in control. Such benefits are also payable to such officers in the event their employment is involuntarily terminated (other than for cause, disability or death) or voluntarily terminated with good reason, in either case in anticipation of a change in control. Under the Severance Agreements, a change in control is deemed to occur if any person (excluding certain defined persons) is or becomes, directly or indirectly, the beneficial owner of 25 percent or more of the voting power of Kemper common stock, or the individuals who comprised the Kemper Board on the date of the Severance Agreement, or any of the individuals they nominate, cease to comprise a majority of the Kemper Board, or if, under the circumstances specified in the Severance Agreements, a merger or consolidation of Kemper or sale of substantially all of Kemper's assets is consummated or a liquidation or dissolution plan is approved by Kemper's stockholders.

If applicable, each NEO would be entitled under the Severance Agreements to receive the following, subject to execution of a release and other specified requirements:

a lump-sum severance payment based on a multiple of three (for Mr. Lacher) or two (for the other NEOs) of such officer's annualized salary and annual incentive, determined as of the higher of such officer's prior-year annual incentive or a percentage of such officer's salary (150 percent for Mr. Lacher or 110 percent for the other NEOs) (*Annual Incentive*) plus a pro-rata portion of the Annual Incentive based on the number of months such officer was employed during the year in which the change in control occurred;

continuation for three years (for Mr. Lacher) or two years (for the other NEOs) of the life insurance benefits being provided by Kemper to such NEO and his dependents immediately prior to termination;

a lump-sum payment equal to the excess of cost for COBRA coverage over the employee-cost for health insurance benefits for thirty-six months (for Mr. Lacher) or twenty-four months (for the other NEOs) being provided by Kemper to such NEO and his family immediately prior to termination, regardless of whether COBRA coverage is elected by the NEO; and

outplacement services at Kemper's expense for up to fifty-two weeks.

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The Severance Agreements include a provision related to potential excise taxes payable by the NEOs under Sections 4999 and 280G of the Code that would entitle them to receive either (a) the full benefits payable as a result of a qualifying termination related to a change of control, whether under the Severance Agreements, equity award agreements or other applicable provisions (subject to such potential excise taxes), or (b) a reduced amount that falls below the applicable safe harbor provided under Section 280G, whichever amount provides the greater after-tax value to the NEO.

Performance Incentive Plan Awards

Mr. Boschelli had one outstanding Multi-Year PIP Award as of December 31, 2017. If his employment had terminated as of December 31, 2017 due to a change in control of Kemper (as defined under the applicable award agreements), the applicable performance period for any outstanding Multi-Year PIP Award would have ended on such date. The amount of the payout due under such award would have been the greater of the payout due: (a) based on the actual results for the revised performance period relative to the applicable performance goal(s) for the award; or (b) at the target performance level for the award.

If Mr. Boschelli's employment had terminated as of December 31, 2017 due to death or disability, the applicable performance period for the outstanding Multi-Year PIP Award would have ended on such date. The amount of the payout due under such award would have been the amount due at the target performance level for such award, reduced pro-rata based on the number of months remaining in the performance period as of the date of termination. If Mr. Boschelli's employment had terminated as of December 31, 2017 for any other reason, such outstanding Multi-Year PIP Award would have been forfeited on the termination date.

Equity-Based Awards

Stock Option Awards

If the employment of an NEO had terminated as of December 31, 2017 due to death or disability or due to a change in control of Kemper, any outstanding unvested stock option award would have vested on the termination date. For awards granted beginning in 2014, if the employment of an NEO had terminated as of December 31, 2017 and, as of such date, such officer was Retirement Eligible, any outstanding unvested stock option award would remain outstanding and continue to vest in accordance with the original vesting terms. If the employment of an NEO had terminated as of December 31, 2017 for any other reason, such outstanding unvested stock option awards would have been forfeited on the termination date.

RSU Awards

If the employment of an NEO had terminated as of December 31, 2017 due to death or disability or due to a change in control of Kemper, any outstanding unvested RSU awards would have vested on the termination date. For awards granted beginning in 2014, if the employment of an NEO had terminated as of December 31, 2017 and, as of such date, such officer was Retirement Eligible, any outstanding unvested RSU awards would remain outstanding and continue to vest in accordance with the original vesting terms. If the employment of an NEO had terminated as of December 31, 2017 for any other reason, such outstanding unvested RSU awards would have been forfeited on the termination date.

PSU Awards

If the employment of an NEO had terminated as of December 31, 2017 due to a change in control of Kemper, the performance period for any outstanding performance-based RSU awards held by such officer would have ended on the termination date. The shares granted under each award would have vested in an amount equal to the number of shares that would vest based on the greater of the target performance level or actual performance results for the truncated performance period.

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If the employment of an NEO had terminated as of December 31, 2017 due to death or disability, the performance period for any outstanding PSU awards held by such officer would have ended on the termination date. The shares granted under each award would have vested in an amount equal to the number of shares that would vest at the target performance level, reduced pro-rata based on the ratio of the number of months in the truncated performance period to the total number months in the original performance period.

If the employment of an NEO had terminated as of December 31, 2017 and, as of such date, such officer was Retirement Eligible, any outstanding PSU awards would remain outstanding until the end of the original performance period and then vest or be forfeited as determined based on actual performance results, but reduced pro-rata based on the ratio of the number of months that such officer was employed during the performance period to the total number months in the performance period. If, as of such termination date, such officer was not Retirement Eligible, any outstanding unvested PSU awards would have been forfeited on the termination date.

The following table shows amounts that would have become payable to the NEOs in connection with their termination of employment as of December 31, 2017 resulting from a change in control of Kemper or the death or disability of the individual officer.

POTENTIAL PAYMENTS UPON TERMINATION**FROM A CHANGE IN CONTROL (CIC) OR DEATH/DISABILITY AT DECEMBER 31, 2017**

Name	Lump-Sum Severance Payments (1)	Accelerated Stock Options (2)	Accelerated RSUs (2)(3)	Accelerated PSUs (2)(4)(5)	Accelerated Multi-Year PIP Awards (6)(7)	Services and Payments related to Welfare Benefits and Out- placement(8)	Total
Joseph P. Lacher, Jr.							
Termination due to:							
Change in Control	10,250,000	6,693,399		6,962,138		117,193	24,022,730
Death or Disability		6,693,399		2,541,745			9,235,144
Other Termination							
James J. McKinney							
Termination due to:							
Change in Control	3,150,000	912,668	1,102,400	1,379,998		72,561	6,617,627
Death or Disability		912,668	1,102,400	278,211			2,293,279
Other Termination							
John M. Boschelli							

Termination due to:						
Change in Control	2,375,000	934,874	1,662,144	229,240	66,298	5,267,556
Death or Disability		934,874	549,523	220,000		1,704,397
Other Termination						

Charles T. Brooks

Termination due to:						
Change in Control	2,300,000	1,138,086	1,172,954		46,019	4,657,059
Death or Disability		1,138,086	317,698			1,455,784
Other Termination						

Mark A. Green

Termination due to:						
Change in Control	2,940,000	1,162,469	1,415,688		56,510	5,574,667
Death or Disability		1,162,469	349,595			1,512,064
Other Termination						

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- (1) The amounts shown represent cash severance payable under the Severance Agreements assuming no reduction would be made under the provision in the agreements related to potential excise taxes payable by the NEOs under Sections 4999 and 280G of the Code. Any such reduction would have been determined based on the specific facts of the actual termination event.
- (2) The amounts shown for a hypothetical termination due to a change in control assume the acceleration of the vesting of outstanding stock options, PSUs and RSUs as of December 31, 2017. Acceleration of the vesting would occur automatically upon the death or disability of the NEO pursuant to the terms of the applicable plans and grant agreements. The amounts shown represent the in-the-money value of the stock options and market value of PSUs and RSUs that would have been subject to accelerated vesting as of December 31, 2017. The total numbers and market values of unvested PSUs and RSUs and the numbers of shares subject to outstanding stock options, and the exercise prices thereof, are set forth in the Outstanding Equity Awards at 2017 Fiscal Year-End table on page 106. The accelerated values shown were calculated using the closing price of \$68.90 per share of Kemper common stock on December 29, 2017.
- (3) The amounts shown represent the values of outstanding RSUs that would automatically vest from the hypothetical termination event.
- (4) The amounts shown for a hypothetical termination due to a change in control represent estimated values of payouts under the 2015, 2016 and 2017 PSUs resulting from such event as of December 31, 2017. In such event, the payout under outstanding PSUs would be based on the greater of performance at the target level or actual performance results for a truncated performance period ending on the date of the change in control. Except for the 2016 PSUs based on Relative TSR, the values included in the table represent a payout at the target performance level because the actual performance for the truncated period were below the target performance level. For the 2016 PSUs based on Relative TSR, the values included in the table represent a payout at the maximum performance level because the actual performance for the truncated period exceeded the performance level necessary to obtain a maximum payout.
- (5) The amounts shown for a hypothetical death or disability represent estimated values of payouts under the 2015, 2016 and 2017 PSU awards resulting from such event as of December 31, 2017. In such event, the amount of the payout for each award would have been determined at the target level but reduced pro-rata based on the number of months in the Performance Period (as described on page 117 of this joint proxy statement/prospectus) during which the NEO was an active employee for at least fifteen days divided by the total number of months in the original Performance Period.
- (6) The amounts shown for a hypothetical termination due to a change in control represent estimated values of payout to Mr. Boschelli under his 2015 Multi-Year PIP Award resulting from such event as of December 31, 2017. In such event, the amount of the payout for the award would have been the greater of the payout due based on the actual performance results or at the target performance level. The amount included in the table represents the amount of the payout for at the actual performance level because the actual performance results were higher than target. The processes for determining Mr. Boschelli's 2015 Multi-Year PIP Award payout under possible termination events are described in the narrative preceding this table.
- (7) The amount shown for a hypothetical death or disability represent estimated values of payouts under Mr. Boschelli's 2015 Multi-Year PIP Award resulting from such event as of December 31, 2017. In such event, the amount of the payout for the award would have been determined at the target level but reduced pro-rata based on the number of full months in the Performance Period during which he was an active employee divided by the total number of months in the original Performance Period. For the three-year performance period ending on December 31, 2017, the value included in the table represents 100 percent of a payout at the target performance level. The processes for determining Mr. Boschelli's 2015 Multi-Year PIP Award payout under possible termination events are described in the narrative preceding this table.
- (8) The amounts shown are the estimated costs to Kemper to provide continuation of life insurance benefits for up to three years (in the case of Mr. Lacher) or two years (for the other NEOs), lump-sum payments related to health insurance, and outplacement services for fifty-two weeks pursuant to the Severance Agreements, as described in

the narrative preceding this table. The lump-sum payment related to health insurance is equal to the amount that the COBRA-rate would exceed the active-employee rate for the officer's coverage for 36 months for Mr. Lacher and 24 months for all other NEOs regardless of whether such officer would elect to continue coverage under COBRA.

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Pay Ratio Disclosure

Kemper determined our median employee from our entire employee population to provide a ratio comparison of the total compensation of Mr. Lacher, Kemper's CEO, with the total compensation of the median employee for 2017. In doing so, Kemper annualized the compensation of all full-time and part-time employees. The median employee's compensation was determined as of October 1, 2017, in accordance with the methodology and components used in the Summary Compensation Table for Kemper's NEOs. The 2017 total compensation was determined to be \$63,826 for Kemper's median employee, and \$4,940,145 for Mr. Lacher. Based on this information, the ratio of the annual total compensation of Mr. Lacher to that of the median employee is estimated to be 77 to 1. The applicable SEC rules for identifying the median employee and calculating the pay ratio allow companies to use different methodologies and assumptions, and as a result, our estimated pay ratio may not be comparable to the pay ratios disclosed by other companies.

Table of Contents**SUPPLEMENT TO KEMPER S COMPENSATION DISCUSSION AND ANALYSIS**

The following information supplements the disclosures in the section entitled **Kemper Compensation Discussion and Analysis** beginning on page 81.

Kemper reports its financial results in accordance with GAAP. However, Kemper management believes evaluating Kemper's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Kemper management reviews non-GAAP financial measures to assess ongoing operations and considers them to be helpful, for both management and investors, in evaluating Kemper's financial performance over time. Kemper also uses non-GAAP financial measures as a benchmark to compare its performance with other companies and to enhance the comparability of this information for the reporting periods presented. Non-GAAP measures may pose limitations because they do not include all of Kemper's revenue and expenses. Kemper management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Non-GAAP financial measures may not be comparable to other similarly titled measures of other companies.

The following table supplements the information in the table captioned **2017 Versus 2016 Performance Comparisons** in the section entitled **Kemper Compensation Discussion and Analysis 2017 Annual Incentive Program** beginning on page 90:

Non-GAAP Reconciliation

(\$ in Millions)

	2017 Actual			2016 Actual		
	Average Shareholders Equity	Net Income	ROE	Average Shareholders Equity	Net Income	ROE
Reported	2,045.4	120.9	5.9%	1,983.8	16.8	0.8%
Adjustments, After-tax						
Exclude AOCI on Fixed Maturity Securities	(207.7)		0.7%	(185.2)		0.1%
Normalize Catastrophe Losses and LAE including Development, from Reported to Expected	39.7	79.3	4.1%	13.8	27.6	1.5%
Normalize Realized Gains and Losses on Sales of Investments and Other-than-temporary Impairment Losses, from Reported to Expected	(10.5)	(20.9)	(1.1%)	3.1	6.2	0.3%
Remove: Initial Impact of Voluntarily Using Death Verification Databases (1)				25.3	50.6	2.7%
Remove: Impact of Tax Reform	(3.7)	(7.4)	(0.4%)			
Total Adjustments, After-tax	(182.2)	51.0	3.3%	(143.0)	84.4	4.7%
Adjusted	1,863.2	171.9	9.2%	1,840.8	101.2	5.5%

- (1) Discussed under the heading Summary of Results in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of Kemper's Annual Report on Form 10-K for the year ended December 31, 2017.

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The following supplements the information included in the section about the 2015 Multi-Year Awards under 2009 Performance Incentive Plan under the subheading Performance Results and Payouts, beginning on page 93:

Definitions of Company Performance Criteria under 2015 Multi-Year PIP Award for Mr. Boschelli:

The Target Multiplier applicable to the 2015 Multi-Year PIP Award to Mr. Boschelli was determined by computing a weighted average of the Target Multipliers derived for the following four performance criteria (the *Company Performance Criteria*) for the three-year performance period ending December 31, 2017 (*Performance Period*). The Company Performance Criteria are referenced in the table entitled Determination of Weighted Target Multiplier on page 93 of this joint proxy statement/prospectus.

Performance Criterion 1

3-Year Excess Return from Corporate Investments (v. Weighted Average Peer Return) (weighted 20%). This is determined by comparing the 3-year Kemper Total Investment Return to the results of a Weighted Average Peer Return for the Performance Period. Excess Return is expressed in basis points. A simple average was calculated of the return for each year in the Performance Period.

Performance Criterion 2

3-Year Excess Return from Pension Investments (v. Benchmark) (weighted 5%). This was determined by comparing the 3-year Kemper Total Pension Return for Kemper's Pension Portfolio to the 3-Year Strategic Portfolio Return for the Performance Period. Excess Return is expressed in basis points. A simple average was calculated of the return for each year in the Performance Period.

Performance Criterion 3

3-Year Pre-Tax Equivalent Net Investment Income Yield (weighted 50%). This was computed by taking a simple average of the Pre-Tax Equivalent Net Investment Income Yield for the Performance Period. The calculation was determined as follows:

- (a) Pre-Tax Equivalent Net Investment Income, divided by
- (b) the average of Total Investments for the Performance Period.

Pre-Tax Equivalent Net Investment Income was computed by dividing:

- (a) Net Investment Income on an after-tax basis taking into consideration tax deductions for tax-preferenced net investment income by
- (b) the sum of 100% minus Kemper's federal income tax rate.

Performance Criterion 4

The **Performance Criteria** are the **three-year average of Kemper's consolidated (1) Revenue Growth** (weighted 20%); **and (2) Return on Equity** (weighted 80%), as defined below. The Performance Criteria are subject to a **Catastrophe Loss Collar** as defined below:

Revenue Growth is defined as the three-year compound annual growth rate, calculated as $(A/B)^{(1/3)}-1$, where A = Total Revenues excluding Net Realized Gains on Sales of Investments and Net Impairment Losses Recognized in Earnings as reported in Kemper's Annual Report on Form 10-K for the year ended December 31, 2017 and B = Total Revenues excluding Net Realized Gains on Sales of Investments and Net Impairment Losses Recognized in Earnings as reported in Kemper's Annual Report on Form 10-K for the year ended December 31, 2014.

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Return on Equity is defined as the return on average shareholders' equity, which shall be computed by dividing the sum of GAAP Net Income, subject to the Catastrophe Loss Collar, as reported in Kemper's Annual Reports for each of the three years in the Performance Period by the sum of the Average Shareholders' Equity for each of the three years.

Average Shareholders' Equity is defined as the simple average of Total Shareholders' Equity as reported in Kemper's Annual Reports, subject to the Catastrophe Loss Collar, for the beginning and end of year for each year.

The **Catastrophe Loss Collar** shall be computed as follows:

- (a) If Catastrophe Losses and associated Loss Adjustment Expenses (*LAE*) (including Catastrophe reserve development) reported by the Property & Casualty Insurance segment (*Reported Catastrophe Losses and LAE*) are greater than 1.5 times the Expected Catastrophe Losses and LAE (as defined below) for the Property & Casualty Insurance segment (*Maximum Catastrophe Losses and LAE*), Net Income shall be increased by an amount equal to the after-tax difference between the Reported Catastrophe Losses and LAE and the Maximum Catastrophe Losses and LAE;
- (b) If Reported Catastrophe Losses and LAE are less than 0.5 times the Expected Catastrophe Losses and LAE for the Property & Casualty Insurance segment (*Minimum Catastrophe Losses and LAE*), Net Income shall be reduced by an amount equal to the after-tax difference between the Minimum Catastrophe Losses and LAE and the Reported Catastrophe Losses and LAE; or
- (c) If Reported Catastrophe Losses and LAE are less than the Maximum Catastrophe Losses and LAE and greater than the Minimum Catastrophe Loss and LAE, no adjustment shall be made to Net Income.

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INFINITY PROPOSAL 1: ADOPTION OF THE MERGER AGREEMENT

As discussed elsewhere in this joint proxy statement/prospectus, holders of shares of Infinity common stock will consider and vote on a proposal to adopt the Merger Agreement (the *merger proposal*). The approval by such shareholders of this proposal is required under Ohio law and Infinity's Articles and is a condition to the closing. Infinity shareholders should read carefully this joint proxy statement/prospectus in its entirety for more detailed information concerning the Merger Agreement and the Merger. In particular, such shareholders should read in its entirety the Merger Agreement, which is attached as Annex A to this joint proxy statement/prospectus as it is the legal document that governs the Merger. See *The Merger* and *The Merger Agreement*.

The Infinity Board unanimously recommends that Infinity shareholders vote **FOR** the merger proposal.

If a holder of shares of Infinity common stock returns a properly executed proxy card, but does not indicate instructions on such shareholder's proxy card, such shareholder's shares of Infinity common stock represented by such proxy card will be voted **FOR** the merger proposal.

The approval by Infinity shareholders of the merger proposal requires the affirmative vote of Infinity shareholders entitled to exercise a majority of the voting power of Infinity in favor of the proposal at the Infinity special meeting. Accordingly, an Infinity shareholder's abstention from voting, the failure of an Infinity shareholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record, or any other failure of an Infinity shareholder to vote will have the same effect as a vote **AGAINST** the merger proposal.

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INFINITY PROPOSAL 2: NON-BINDING COMPENSATION ADVISORY PROPOSAL

Under Section 14A of the Exchange Act, which was enacted as part of Dodd-Frank, Infinity is required to provide its shareholders the opportunity to vote to approve, on a non-binding, advisory basis, the compensation that may be paid or become payable to Infinity's named executive officers that is based on or otherwise relates to the Merger, as disclosed in the section entitled "The Merger Interests of Infinity's Directors and Executive Officers in the Merger," including the table entitled "Golden Parachute Compensation Disclosure" and accompanying footnotes. Accordingly, Infinity shareholders are being provided the opportunity to cast an advisory vote on such payments (the *non-binding compensation advisory proposal*).

As an advisory vote, this proposal is not binding upon Infinity or the Infinity Board, and approval of this proposal is not a condition to the closing. Because the Merger-related executive compensation to be paid in connection with the Merger is based on the terms of the Merger Agreement as well as the contractual arrangements with Infinity's named executive officers, such compensation will be payable, regardless of the outcome of this advisory vote, if the Merger Agreement is adopted (subject only to the contractual conditions applicable thereto). However, Infinity seeks the support of its shareholders and believes that shareholder support is appropriate because Infinity has a comprehensive executive compensation program designed to link the compensation of its executives with Infinity's performance and the interests of Infinity shareholders. Accordingly, holders of Infinity common stock are being asked to vote on the following resolution:

RESOLVED, that the stockholders of Infinity Property and Casualty Corporation approve, on an advisory, non-binding basis, the compensation that may be paid or become payable to the named executive officers of Infinity Property and Casualty Corporation that is based on or otherwise relates to the Merger, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading "The Merger Interests of Infinity's Directors and Executive Officers in the Merger" (which disclosure includes the Golden Parachute Compensation table required pursuant to Item 402(t) of Regulation S-K).

The Infinity Board unanimously recommends that Infinity shareholders vote **FOR** the non-binding compensation advisory proposal.

If an Infinity shareholder returns a properly executed proxy card, but does not indicate instructions on such shareholder's proxy card, such shareholder's shares of Infinity common stock represented by such proxy card will be voted **FOR** the non-binding compensation advisory proposal.

The approval of the non-binding compensation advisory proposal requires the affirmative vote of a majority of votes cast on the proposal, provided that a quorum is present. Accordingly, an Infinity shareholder's abstention from voting, the failure of an Infinity shareholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of an Infinity shareholder to vote will have no effect on the approval of the non-binding compensation advisory proposal as these failures to vote are not considered votes cast with respect to the non-binding compensation advisory proposal.

The vote on the non-binding compensation advisory proposal is advisory only and, therefore, not binding on Infinity or Kemper or any of their respective subsidiaries, and, if the Merger Agreement is adopted by Infinity shareholders and the Merger is completed, the compensation that is based on or otherwise relates to the Merger will be payable to Infinity's named executive officers even if this proposal is not approved.

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INFINITY PROPOSAL 3: MEETING ADJOURNMENT PROPOSAL

Holders of shares of Infinity common stock may be asked to vote on a proposal to adjourn the Infinity special meeting, if necessary or appropriate, to a later date or time, but for no longer than twenty (20) business days in the aggregate, including to permit further solicitation of proxies in favor of the proposal to adopt the Merger Agreement if there are insufficient votes at the time of the special meeting to approve the proposal to adopt the Merger Agreement (the *Infinity meeting adjournment proposal*).

The Infinity Board unanimously recommends that stockholders vote **FOR** the Infinity meeting adjournment proposal.

If an Infinity shareholder returns a properly executed proxy card, but does not indicate instructions on such shareholder's proxy card, such shareholder's shares of Infinity common stock represented by such proxy card will be voted **FOR** the Infinity meeting adjournment proposal.

The approval of the Infinity meeting adjournment proposal requires the affirmative vote of a majority of votes cast on the proposal, provided that a quorum is present. Accordingly, an Infinity shareholder's abstention from voting, the failure of an Infinity shareholder who holds his or her shares in street name through a bank, broker, trust or other nominee holder of record to give voting instructions to that bank, broker, trust or other nominee holder of record or any other failure of an Infinity shareholder to vote will have no effect on the approval of the Infinity meeting adjournment proposal. The approval by Infinity shareholders of the Infinity meeting adjournment proposal is not a condition to the closing.

In addition, if a quorum is not present at the special meeting, the affirmative vote of the holders of a majority of the voting power of the shares present in person or represented by proxy or by use of communications equipment at the special meeting entitled to vote on such matter may adjourn the meeting to another place, date or time. In this case, an abstention from voting will have the same effect as a vote **AGAINST** the proposal to adjourn the meeting due to an absence of a quorum. At any subsequent reconvening of the Infinity special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Infinity special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

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THE MERGER

The following is a description of the material aspects of the Merger. While the following description covers the material terms of the Merger, the description may not contain all of the information that is important to you. You are encouraged to read carefully this entire joint proxy statement/prospectus, including the Merger Agreement attached to this joint proxy statement/prospectus as Annex A, for a more complete understanding of the Merger.

General

On February 13, 2018, the Kemper Board and the Infinity Board each approved the Merger Agreement, attached as Annex A to this joint proxy statement/prospectus. The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Infinity, with Infinity continuing as the surviving corporation and as a wholly owned subsidiary of Kemper. Under the terms of the Merger Agreement, as of the effective time, each share of Infinity common stock issued and outstanding as of immediately prior to the effective time (other than shares owned by Kemper or any of its wholly owned subsidiaries or Infinity or any of its subsidiaries and shares held by any holder of Infinity common stock who is entitled to demand and properly demands appraisal of such shares under Ohio law) will be cancelled and converted into the right to receive the Merger Consideration, upon the terms provided in the Merger Agreement and as described below under "The Merger Agreement" Merger Consideration.

Background of the Merger

Members of each of the Infinity Board and the Kemper Board and each of Infinity's and Kemper's respective senior management, acting independently, regularly evaluate and consider the historical performance, future growth prospects, overall strategic goals and objectives and various opportunities to enhance shareholder and stockholder value of Infinity and Kemper, respectively, in the context of developments in their respective industries and the competitive landscape in the markets in which they respectively operate and elsewhere. As part of Infinity's ongoing process, the senior management of Infinity has at times presented to and discussed with the Infinity Board and individual members of the Infinity Board various potential strategic alternatives involving possible business combinations that could complement and enhance Infinity's competitive strengths and strategic positions. As part of Kemper's ongoing process, Kemper from time to time, both independently and with the input of various investment banks and other advisors, evaluates potential transactions and other strategic actions, including strategic acquisitions, that could further its strategic objectives and complement and enhance its competitive strengths and strategic positions, in addition to organic growth potential and other matters.

In this regard, various members of each of the Infinity Board and the Kemper Board and each of Infinity's and Kemper's respective senior management, acting independently, have from time to time met or otherwise communicated informally with representatives of other financial and property and casualty insurance institutions, including other companies in the property and casualty insurance industry, regarding industry trends and issues, developments in the regulation of financial institutions and property and casualty insurance institutions, and the competitive insurance landscape and the business strategy, strategic direction, performance and future growth prospects of their respective companies, including on occasion discussing the possible benefits and issues arising from potential business combinations or other strategic transactions.

Infinity was among the institutions with which members of Kemper's senior management had informal communications from time to time. Specifically, Joseph P. Lacher, Jr., a member of the Kemper Board and the President and Chief Executive Officer of Kemper, and James R. Gober, the Chairman of the Infinity Board and then the Chief Executive Officer of Infinity, met on an informal basis at industry events and otherwise to discuss industry

developments and other matters. On March 20, 2017, while attending one such industry event in New York, New York, at Mr. Lacher's suggestion, Mr. Lacher and Mr. Gober met prior to the beginning of the event

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to discuss industry developments and their respective companies in general, as well as the possibility of their companies engaging in cross-selling or cross-marketing activities in the future. The two did not specifically raise the possibility of or otherwise discuss any business combination transaction between their respective companies.

Over the course of May, June and July 2017, as part of its ongoing evaluation process and the implementation of its corporate strategy, Kemper completed internal analyses and solicited general input from, and had discussions with, eleven investment banks that were not then formally engaged for such purposes, including Goldman Sachs, regarding possible strategic actions and other options to enhance near and long-term stockholder value. Following review of the possible strategic actions and other options presented, Kemper's senior management reached a preliminary consensus that a relatively large-scale acquisition of a company or business focusing on non-standard automobile insurance had the potential to create the greatest strategic advantage and the most stockholder value because it may provide, among other things, the same benefits of executing Kemper's current strategic plan while enhancing strategic positioning and presenting modest distraction risk.

Starting in July 2017, members of Kemper's senior management began communicating regularly regarding such matters with representatives of Goldman Sachs, with whom they had similar discussions in the preceding months. Kemper's senior management also began reviewing potential targets for a relatively large-scale complementary acquisition in the private passenger automobile insurance segment. In particular, Kemper discussed and reviewed with Goldman Sachs the possibility of Infinity as a potential target for an acquisition opportunity. While Kemper reviewed numerous potential targets, Infinity had consistently been presented by the participating investment banks as the leading choice for such an acquisition. In connection with this review, Kemper's senior management, after considering the advice of Kemper's financial advisors, reached a preliminary consensus that Kemper should explore Infinity as a potential target for an acquisition opportunity.

Over the course of July and early August 2017, prior to the regularly scheduled meeting of the Kemper Board on August 2, 2017, Mr. Lacher held informal discussions with various members of the Kemper Board regarding Kemper's ongoing evaluation of various possible strategic actions and other options, including a potential business combination involving Infinity.

On August 2, 2017, the Kemper Board held an in-person regularly scheduled meeting, attended also by members of Kemper's senior management. During the meeting, Kemper's senior management led a discussion with the Kemper Board regarding corporate development opportunities, particularly including Infinity. To begin, Mr. Lacher reviewed with the Kemper Board the progress to date on Kemper's corporate strategy, including the advancement or completion of various phases of such strategy. Mr. Lacher noted to the Kemper Board that, with such phases of the corporate strategy underway or complete, Kemper had begun to review opportunities to enhance near and long-term stockholder value through strategic acquisitions. Mr. Lacher provided an overview of the various possible strategic actions and other options presented to Kemper's senior management and the criteria used by Kemper's senior management to evaluate them, as described above. Mr. Lacher reviewed with the Kemper Board factors that appeared to make a potential complementary acquisition in the private passenger automobile insurance segment a good opportunity and Infinity a good fit as a potential acquisition target, including: (i) increased scale if Kemper's and Infinity's respective existing non-standard automobile insurance businesses were integrated; (ii) further access to growing segments; (iii) Infinity's management and operational teams' experience with respect to non-standard automobile insurance; (iv) the appeal of non-standard automobile insurance as a space in which to compete and grow; and (v) expense synergy opportunities. Mr. Lacher further noted reasons why Kemper should be seen as an attractive suitor for Infinity. James J. McKinney, the Senior Vice President and Chief Financial Officer of Kemper, then provided an overview of Infinity and certain aspects of a potential business combination, including: (a) a review of Infinity's recent financial performance; (b) a comparison of Kemper's, Infinity's and other companies' non-standard automobile insurance businesses in certain states; (c) a summary of areas of potential cost synergies; and (d) a presentation of the

pro forma impact of such a potential strategic transaction on Kemper common stock based on illustrative control premiums relative to the then current price of shares of Infinity common stock. Mr. McKinney additionally reviewed with the

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Kemper Board possibilities for financing such a business combination. The Kemper Board then discussed, with the input of Kemper's senior management, the impact of such a potential strategic transaction on Kemper's short and long-term financial flexibility. Mr. Lacher then, at the request of the Kemper Board, outlined his proposal for how to approach Infinity regarding discussions with respect to a potential strategic transaction, including by reaching out to Infinity's senior management and proposing an informal meeting to raise the possibility of a strategic transaction, which, if well received, would be followed by a more detailed meeting and discussion between the parties. Kemper's senior management then indicated that they were inclined to have Kemper engage Goldman Sachs as a financial advisor to provide advice and assistance in connection with any such potential strategic transaction because it would have industry and segment experience, among other things, and the Kemper Board indicated its support of such engagement. Following discussion, the Kemper Board declared that Mr. Lacher had the support of the Kemper Board to initiate discussions with Infinity regarding a potential business combination.

In mid-August 2017, members of Kemper's senior management communicated to representatives of Goldman Sachs that Kemper intended to engage Goldman Sachs as a financial advisor in connection with any potential strategic transaction between Kemper and Infinity in the event that discussions and a process moved forward. Members of Kemper's senior management subsequently worked together with representatives of Goldman Sachs to plan reaching out to Infinity's senior management. Goldman Sachs provided relationship disclosure on December 29, 2017 and February 12, 2018, which indicated that during the prior two-year period the Investment Banking Division of Goldman Sachs did not perform any financial advisory and/or underwriting services for Infinity or any of its affiliates for which Goldman Sachs received compensation. On February 11, 2018, Kemper entered into an engagement letter with Goldman Sachs for Goldman Sachs to provide financial advisory services with respect to a potential strategic transaction between Kemper and Infinity.

On August 21 and 22, 2017, Mr. Lacher initiated a series of telephone conversations with Mr. Gober, who remained the Chairman of the Infinity Board and had been succeeded as Chief Executive Officer of Infinity by Glen N. Godwin on August 1, 2017, to raise the possibility of a strategic transaction between Kemper and Infinity and to gauge Infinity's interest in taking part in such a potential strategic transaction. The two had not previously specifically discussed the potential benefits of a strategic transaction or engaged in any formal merger discussions. Following these conversations, Mr. Gober briefed members of Infinity senior management.

Mr. Lacher and Mr. Gober agreed to schedule a meeting in Florida in October 2017 to discuss industry developments and strategic opportunities in the marketplace for Kemper and Infinity, including the possibility of a strategic transaction between Kemper and Infinity.

On October 9, 2017, Mr. Lacher had a dinner meeting with Messrs. Gober and Godwin in Doral, Florida to discuss trends in the property and casualty insurance industry and the possibility of a strategic transaction between Kemper and Infinity. These discussions covered the respective companies' product lines, office locations, strategic opportunities in the marketplace, geographic focus and evolving requirements in technology and analytics. The individuals agreed to meet again together with certain other members of their respective companies' senior management teams to further discuss the possibility of a strategic transaction between Kemper and Infinity and, in the meantime, to negotiate and enter into a confidentiality agreement with respect thereto.

On October 16, 2017, following negotiations, the companies entered into a mutual confidentiality agreement, pursuant to which each company would keep certain information regarding the other party confidential. The confidentiality agreement also included a standstill provision restricting each party, for a period of eighteen months, from purchasing the other party's capital stock or taking certain other actions that may lead to a business combination, unless approved by the applicable company's board of directors. The standstill provision was subject to a fall away term providing for the expiration of such restrictions if the other party entered into a definitive agreement to consummate a change of

control transaction.

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On October 18, 2017, Mr. Lacher, Mr. McKinney, Mark A. Green, the Senior Vice President and President, Life and Health Division, of Kemper, George D. Dufala, Jr., then the Senior Vice President and President, Property and Casualty Division, of Kemper, and C. Thomas Evans, Jr., the Senior Vice President, Secretary and General Counsel of Kemper, met in Atlanta, Georgia with Mr. Gober, Mr. Godwin, Samuel J. Simon, the President and General Counsel of Infinity, and Robert H. Bateman, the Chief Financial Officer and Executive Vice President of Infinity. At the meeting, Mr. Lacher set forth his vision for growing Kemper's non-standard automobile insurance business, including the possibility of Infinity and Kemper engaging in a strategic transaction. While no material terms upon which a potential strategic transaction could be completed had been discussed in detail to date, the parties briefly discussed in general terms the possibility of the addition of one or more members of the Infinity Board to the Kemper Board in connection with the closing of any such potential strategic transaction. At the conclusion of the meeting, both parties expressed interest in continuing discussions regarding a potential strategic transaction, and the representatives of Infinity noted that they would inform the Infinity Board of their discussions in connection with its upcoming meeting.

Following the meeting, Mr. Lacher briefed the Chairman of the Kemper Board on the discussions and Messrs. Gober, Godwin, Simon and Bateman briefed Mr. Samuel Weinhoff, the lead independent director of the Infinity Board, on the discussions.

On October 21, 2017, Mr. Lacher contacted Mr. Godwin to reiterate Kemper's interest in continuing discussions regarding a potential strategic transaction.

During the week of October 23, 2017, members of Infinity's senior management discussed with Mr. Weinhoff Kemper's continued interest and Mr. Weinhoff agreed to schedule a meeting of the Executive Committee of the Infinity Board, comprised of Messrs. Weinhoff and Gober, Mr. Victor T. Adamo, Mr. Richard J. Bielen and Ms. Teresa A. Canida (the *Executive Committee*), on October 25, 2017. Mr. Weinhoff also contacted representatives of Deutsche Bank that week to discuss the possibility of having Infinity engage Deutsche Bank as a financial advisor in connection with any potential strategic transaction between Infinity and Kemper in the event that discussions and a process moved forward, subject to Deutsche Bank providing relationships disclosure to the Infinity Board that was satisfactory to the Infinity Board. As described below, on December 21, 2017, Deutsche Bank provided relationships disclosure that indicated that, since January 1, 2015, Deutsche Bank or its affiliates had received less than 100,000 in fees for investment banking, commercial banking and other financial services to Kemper or its affiliates.

On October 25, 2017, the Executive Committee of the Infinity Board met to discuss the potential strategic transaction and the discussions between Kemper's senior management and Infinity's senior management. The Executive Committee agreed to put these discussions on the agenda for the formal meeting of the Infinity Board on November 1 and 2.

On November 1 and 2, 2017, at an in-person regularly scheduled meeting of the Infinity Board in Orlando, Florida attended by members of Infinity's senior management, representatives of Keating Muething & Klekamp PLL, legal advisor to Infinity (*KMK*), and representatives of Deutsche Bank, which, as described below, was eventually engaged as financial advisor to Infinity, Messrs. Gober, Godwin and Simon outlined for the Infinity Board the communications between Infinity's senior management and Kemper's senior management in October 2017 regarding Kemper's interest in a potential strategic transaction with Infinity. After discussion of Infinity's business prospects and the strategic plan that had previously been reviewed by the Infinity Board earlier in 2017, the Infinity Board requested that Infinity's senior management update Infinity's strategic plan and that Deutsche Bank also review. Infinity's senior management and representatives of Deutsche Bank discussed with the Infinity Board Infinity's and Kemper's respective businesses, current stock market valuations of the companies and other preliminary financial information. The Infinity Board asked questions, including whether other indications of interest had been solicited or received. Senior management confirmed that no other indications of interest had been solicited or received. Representatives of KMK reviewed with

the Infinity Board the fiduciary duties under Ohio law with respect to the consideration of a potential strategic transaction between Infinity and Kemper.

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Following discussion, the Infinity Board authorized Infinity's senior management to work with Deutsche Bank and KMK to engage in further exploratory discussions with Kemper and to prepare for Kemper's due diligence of Infinity.

On November 1, 2017, the Kemper Board held an in-person regularly scheduled meeting, attended also by members of Kemper's senior management. At the meeting, Mr. Lacher provided the Kemper Board with an update of the status of recent developments and discussions regarding a potential strategic transaction with Infinity. Mr. McKinney then provided a preliminary overview of certain financial considerations in connection with such a potential strategic transaction based on publicly available information. Mr. Lacher and Mr. McKinney then reviewed the terms of a draft written initial non-binding offer letter for the proposed acquisition of all the outstanding capital stock of Infinity at a proposed purchase price in the range of \$112.92 to \$122.33 per share of Infinity common stock to be payable in a combination of cash (in an amount between 40% and 50% of the total consideration) and shares of Kemper common stock determined pursuant to a fixed exchange ratio (in an amount between 50% and 60% of the total consideration), which was prepared by Kemper's senior management with the assistance of Kemper's advisors. The Kemper Board then discussed, with the input of Kemper's senior management, the potential benefits of such a potential strategic transaction, the relative merits of acquisitions and organic growth, the execution risks involved in completing such a potential strategic transaction and the requirements of successfully integrating the operations and achieving the potential synergies outlined in the preliminary overview. The Kemper Board indicated its support of the delivery to Infinity of the initial non-binding offer letter. Mr. McKinney then provided an overview of possible next steps in discussions with Infinity and discussed with the Kemper Board the engagement by Kemper of Goldman Sachs as a financial advisor and Sidley Austin LLP (*Sidley Austin*) as legal advisor to provide advice and assistance in connection with the potential strategic transaction, with respect to which the Kemper Board again indicated its support. The Kemper Board then discussed the potential changes to the composition of the Kemper Board, including the addition of one or more members of the Infinity Board, that could result in connection with such a potential strategic transaction.

On November 2, 2017, Kemper delivered a written initial non-binding offer letter to Infinity. This initial non-binding offer letter was for the proposed acquisition of all the outstanding capital stock of Infinity and reflected a proposed purchase price in the range of \$112.92 to \$122.33 per share of Infinity common stock, which Kemper indicated represented a total approximate value in the range of \$1.25 billion to \$1.36 billion (based on an assumption of the number of fully diluted outstanding shares, including outstanding unvested restricted and performance shares), to be payable in a combination of cash (in an amount between 40% and 50% of the total consideration) and shares of Kemper common stock (in an amount between 50% and 60% of the total consideration), with the stock component to be determined pursuant to a fixed exchange ratio and likely to be tax-free to Infinity shareholders, subject to the election of each Infinity shareholder and with customary adjustments if either form of consideration became oversubscribed. The initial non-binding offer letter additionally specified that such a potential strategic transaction would not be subject to any Kemper financing contingencies, but would be subject to customary closing conditions for a public company transaction, including receipt of applicable insurance regulatory approvals. In the initial non-binding offer letter, Kemper further noted that it would be open to discussions at an appropriate time regarding adding one or more members of the Infinity Board to the Kemper Board following the closing of the potential strategic transaction.

The Executive Committee of the Infinity Board formed a committee of the Infinity Board to remain in contact with senior management with respect to developments regarding Kemper's initial non-binding offer letter (the *Term Sheet Committee*). The Term Sheet Committee consisted of Mr. Weinhoff (Chair), Mr. Adamo, Mr. Bielen, Ms. Canida and Mr. James L. Weidner. Members of the Term Sheet Committee were selected by the Infinity Board because of their independence and experience with strategic transactions generally. The Term Sheet Committee was responsible for remaining in contact with Infinity's senior management and Infinity's advisors with respect to developments in Kemper's non-binding offer letter. Infinity senior management would inform Mr. Weinhoff of the thoughts of Infinity's

senior management and financial and legal advisors regarding Kemper's non-binding indications of interest and negotiations of the Merger Agreement. Mr. Weinhoff would

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keep the Term Sheet Committee members informed and relay the Term Sheet Committee's thoughts on certain developments and issues of the Merger Agreement to Infinity's senior management.

During the period from November 4 to 9, 2017, Mr. Bateman and representatives of Deutsche Bank spoke regarding Infinity's updated business plan, as developed by Infinity's senior management, and the Infinity Board informally discussed the initial non-binding offer letter, including the range of the proposed purchase price.

On November 8, 2017, a representative of Deutsche Bank provided Infinity's reaction to Kemper's initial non-binding offer letter to both Mr. Lacher and representatives of Goldman Sachs. At the Infinity Board's direction, the representative of Deutsche Bank expressed Infinity's desire for, and indicated that the provision of substantive due diligence information and materials by Infinity was conditioned upon, Kemper narrowing the range and increasing the amounts set forth therein for its proposed purchase price, noting the strong stock price reaction to the release of Infinity's earnings with respect to the third quarter of 2017 on November 6, 2017.

On November 14, 2017, following informal discussions between members of Kemper's senior management and various members of the Kemper Board, Kemper delivered to Infinity a written revised non-binding offer letter for the proposed acquisition of all the outstanding capital stock of Infinity. This revised non-binding offer letter proposed a purchase price at least in the range of \$120.61 to \$125.16 per share of Infinity common stock, which Kemper indicated represented a total approximate value at least in the range of \$1.325 billion to \$1.375 billion (based on an assumption of the number of fully diluted outstanding shares, including outstanding unvested restricted and performance shares), and reaffirmed that the consideration would be payable in a combination of cash (in an amount between 40% and 50% of the total consideration) and shares of Kemper common stock (in an amount between 50% and 60% of the total consideration), with the stock component to be determined pursuant to a fixed exchange ratio determined at or near the time of announcement of the potential strategic transaction and likely to be tax-free to Infinity shareholders, subject to election of each Infinity shareholder and with customary adjustments if either form of consideration became oversubscribed. The revised non-binding offer letter reaffirmed that such potential strategic transaction would be subject to customary closing conditions for a public company transaction, including receipt of applicable insurance regulatory approvals, and that Kemper would be open to discussions at an appropriate time regarding adding one or more members of the Infinity Board to the Kemper Board following the closing of the potential strategic transaction.

On November 21, 2017, at a meeting of the Executive Committee of the Infinity Board also attended by representatives of Deutsche Bank and Infinity's senior management, Infinity's senior management presented its updated business plan to the Executive Committee. The Executive Committee discussed the updated business plan with representatives of Deutsche Bank and asked questions of senior management. Infinity's senior management also briefed the Executive Committee of the Infinity Board regarding the status of negotiations with Kemper, and the Executive Committee of the Infinity Board decided to request a special meeting of the full Infinity Board to discuss how to proceed with the revised non-binding offer letter and a potential strategic transaction with Kemper. The Infinity Board and representatives of Deutsche Bank also discussed certain preliminary financial information relating to Infinity.

On November 30, 2017, at a special in-person meeting called in response to the request from the Executive Committee, the Infinity Board discussed developments regarding a potential strategic transaction with Kemper since the November 1, 2017 Infinity Board meeting, strategic considerations related to the updated business plan and Infinity's response to certain points in Kemper's revised non-binding offer letter, including Kemper's proposed purchase price and the exchanging of information with Kemper related to its due diligence of Infinity and the need for reverse due diligence of Kemper at an appropriate point in time. Representatives of Deutsche Bank were also present. Infinity's management and the Infinity Board then reviewed a draft of the Infinity financial projections with a view to

sharing them with Kemper and approved the engagement of Deutsche Bank as financial advisor to Infinity. Infinity management and the Infinity Board agreed that it would not be appropriate for Kemper representatives to meet or speak with Infinity management below the senior management level until discussions between Infinity and Kemper progressed further.

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On December 5, 2017, Mr. Lacher provided the Kemper Board a written update of the status of recent developments and discussions regarding a potential strategic transaction with Infinity. The written update noted that Goldman Sachs had received and answered a number of questions from Deutsche Bank since the revised non-binding offer letter was delivered by Kemper on November 14, 2017 and that Deutsche Bank had informed Goldman Sachs that Kemper would receive a counter-offer from Infinity, after which discussions between Mr. Lacher and Mr. Weinhoff, the Lead Director of Infinity and Chair of the Term Sheet Committee, and a meeting of the Kemper Board, were contemplated.

Also on December 5, 2017, at the request of the Term Sheet Committee, with the support of the Infinity Board, Deutsche Bank prepared, on behalf of Infinity, a draft written preliminary non-binding term sheet for the proposed acquisition of all the outstanding capital stock of Infinity that contemplated a proposed purchase price of \$132.00 per share of Infinity common stock. The preliminary non-binding term sheet also proposed that 50% to 60% of the consideration would be payable in cash and 40% to 50% of the consideration would be payable in shares of Kemper common stock, with the stock component to be determined based on a fixed exchange ratio with respect to the volume-weighted average trading price of Kemper common stock during the 20 trading days prior to the announcement of such a potential strategic transaction subject to a 15% collar and likely to be tax-free to Infinity shareholders. The preliminary non-binding term sheet further specified that the definitive agreement would not include any closing condition related to Kemper's ability to obtain acquisition financing and would include customary break-up and reverse break-up fees and customary fiduciary out provisions. Infinity received and considered input on the preliminary non-binding term sheet from the Term Sheet Committee, KMK and Deutsche Bank. On December 7, 2017, with the support of the Infinity Board, Deutsche Bank delivered Infinity's preliminary non-binding term sheet to Kemper.

Later on December 5, 2017, following receipt of the preliminary non-binding term sheet delivered on behalf of Infinity on December 7, 2017, members of Kemper's senior management held informal discussions with various members of the Kemper Board.

On December 8, 2017, Deutsche Bank delivered to Infinity a draft engagement letter pursuant to which Infinity would engage Deutsche Bank as Infinity's exclusive financial advisor with respect to an exploration of strategic alternatives, including a potential strategic transaction with Kemper. In connection with finalizing the engagement letter, on December 21, 2017, Deutsche Bank provided a relationships disclosure to the Infinity Board as of December 21, 2017 that indicated that, since January 1, 2015, Deutsche Bank or its affiliates had received less than \$100,000 in fees for investment banking, commercial banking and other financial services to Kemper or its affiliates. Deutsche Bank again provided relationships disclosure on February 9, 2018, which similarly indicated that Deutsche Bank or its affiliates had received less than \$100,000 in fees for investment banking, commercial banking and other financial services to Kemper or its affiliates. Infinity agreed to the final terms of, and the parties executed, the engagement letter on December 21, 2017.

On December 12, 2017, following a discussion between Mr. Lacher and a representative of Deutsche Bank, Mr. Lacher and Mr. Weinhoff had a telephone conversation, during which Mr. Weinhoff requested that Kemper consider increasing the amounts in the range for the purchase price per share of Infinity common stock that was previously proposed by Kemper. Mr. Lacher indicated that more detailed due diligence of Infinity, including the provision of additional due diligence information and materials by Infinity, would be required before Kemper would consider increasing the amounts in its proposed purchase price range. Mr. Lacher and Mr. Weinhoff also briefly discussed in general terms the possibility of the addition of one or more members of the Infinity Board to the Kemper Board in connection with the closing of any such potential strategic transaction. Mr. Lacher and Mr. Weinhoff agreed that the management of each company should meet in person to review Infinity's financial plan and reserves, as well as potential synergies that could be realized from a potential strategic transaction and the value that such a potential strategic transaction could offer to the companies' respective stockholders.

On December 13, 2017, the Kemper Board held a telephonic special meeting to discuss a potential strategic transaction with Infinity and recent related developments, attended also by members of Kemper's senior

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management and representatives of Sidley Austin. At the meeting, Mr. Lacher provided the Kemper Board with an update of the status of recent developments and discussions regarding a potential strategic transaction with Infinity, including his conversation on December 12, 2017 with Mr. Weinhoff. The materials senior management provided the Kemper Board prior to the meeting included a proposed timeline with respect to the proposed execution of a definitive agreement for such a potential strategic transaction in the event the process and discussions continued to move forward. The Kemper Board then discussed, with the input of Kemper's senior management, the preliminary non-binding term sheet delivered on behalf of Infinity on December 7, 2017 and potential responses thereto, the financing of such a potential strategic transaction and the potential impact that proposed changes in federal tax law could have on such a potential strategic transaction. At the request of the Kemper Board, representatives of Sidley Austin then reviewed with the Kemper Board the proposed structure of such a potential strategic transaction, the fiduciary duties of directors in considering such a potential strategic transaction and various regulatory matters involved in completing such a potential strategic transaction. The meeting was concluded with Mr. Lacher noting to the Kemper Board that Kemper's senior management would continue to provide updates regarding developments and discussions with Infinity.

On December 19, 2017, Infinity provided Kemper with various due diligence materials and information regarding the topics to be discussed the following day at a meeting involving Infinity and Kemper.

On December 20, 2017, Mr. Gober, Mr. Godwin, Mr. Simon, Mr. Bateman and representatives of Deutsche Bank met in Atlanta, Georgia with Mr. Lacher, Mr. McKinney, Mr. Green, Kim Leggette, the Chief Claims Officer and then the co-interim President, Property and Casualty Division, of Kemper, Mr. Evans and representatives of Goldman Sachs. While no material terms upon which a potential strategic transaction could be based were discussed in detail at the meeting, Kemper reiterated at the outset that more detailed due diligence of Infinity would be required before Kemper would consider an increase in the proposed purchase price, including in particular with respect to Infinity's growth plans and projections. At the meeting, the parties reviewed Infinity's business, financial plan and reserves, as well as potential synergies that could be realized from a strategic transaction and the value that such a potential strategic transaction could offer to the companies' respective stockholders. Following the meeting, at the direction of Infinity, a representative of Deutsche Bank provided Kemper, through Goldman Sachs, with additional information and materials regarding Infinity's projected growth in premiums and underwriting profitability of new and renewal business on a state-by-state basis, Infinity's investment portfolio and a potential repositioning of such portfolio and Infinity's excess capital with respect to rating agency capital requirements. At the direction of Infinity, a representative of Deutsche Bank also provided Kemper, through Goldman Sachs, with a copy of an Infinity product plan reviewed at the meeting.

On December 22, 2017, following further informal discussions between members of Kemper's senior management and the Chairman of the Kemper Board and with the assistance of Kemper's advisors, Kemper delivered to Infinity a written revised preliminary non-binding term sheet for the proposed acquisition of all the outstanding capital stock of Infinity that contemplated a proposed purchase price in the range of \$128.00 to \$130.00 per share of Infinity common stock, which Kemper indicated represented a total approximate value in the range of \$1.406 billion to \$1.428 billion (based on an assumption of the number of fully diluted outstanding shares, including outstanding unvested restricted and performance shares). As set forth in the revised preliminary non-binding term sheet, 40% of the consideration was proposed to be payable in cash and 60% of the consideration was proposed to be payable in shares of Kemper common stock, with the stock component to be determined pursuant to a fixed exchange ratio without a collar and likely to be taxable to Infinity shareholders, subject to election of each Infinity shareholder and with customary adjustments if either form of consideration became oversubscribed. The revised preliminary non-binding term sheet confirmed that such a potential strategic transaction would not be subject to any Kemper financing contingencies and further specified that the definitive agreement would include a customary break-up fee and a customary fiduciary out provision, but no reverse break-up fee. Kemper proposed a targeted announcement date, subject to completion of due

diligence, negotiation of a definitive agreement and approval of the companies' respective boards of directors, to coincide with Kemper's targeted date for release of its fiscal year 2017 earnings in the event the process and discussions

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continued to move forward. Kemper also proposed that the parties enter into an exclusivity arrangement effective through the targeted announcement date.

On December 23, 2017, Mr. Weinhoff, Mr. Gober, Mr. Godwin, Mr. Simon, Mr. Bateman and representatives of Deutsche Bank discussed by telephone Infinity's response to the revised preliminary non-binding term sheet delivered by Kemper. Later that same day, a representative of Deutsche Bank contacted Mr. Lacher to propose a purchase price of \$129.00 per share of Infinity common stock, representing the midpoint of Kemper's previously proposed purchase price range, with the other terms proposed in the revised preliminary non-binding term sheet delivered by Kemper on December 22, 2017. The representative from Deutsche Bank indicated that Infinity desired to tentatively agree on a specific purchase price, rather than a range with respect thereto, in order to proceed with further due diligence. The representative of Deutsche Bank and Mr. Lacher also further discussed the completion of due diligence of both companies and the timing of the targeted announcement date with respect to the potential strategic transaction, subject to completion of due diligence, negotiation of a definitive agreement and approval of the companies' respective boards of directors, in the event the process and discussions continued to move forward.

Following the discussion on December 23, 2017, members of Kemper's senior management briefed various members of the Kemper Board and discussed Kemper's response.

On December 27, 2017, Mr. Lacher informed a representative of Deutsche Bank that Infinity's proposed purchase price of \$129.00 per share of Infinity common stock, with the other terms proposed in the revised preliminary non-binding term sheet delivered by Kemper on December 22, 2017, was tentatively acceptable to Kemper based upon the companies' discussions and due diligence completed to date, subject to completion of due diligence, negotiation of a definitive agreement and approval of the companies' respective boards of directors, and that Kemper desired to proceed with further due diligence and negotiation of a definitive agreement for such a potential strategic transaction.

Also on December 27, 2017, the Infinity Board held a telephonic special meeting also attended by representatives of Deutsche Bank and representatives of KMK. Representatives of Deutsche Bank reported that Mr. Lacher had informed them that a purchase price of \$129.00 per share, with the other terms proposed in the revised preliminary non-binding term sheet delivered by Kemper on December 22, 2017, was acceptable to Kemper, subject to completion of due diligence, negotiation of a definitive agreement and approval of the companies' respective boards of directors. At the Infinity Board's request, representatives of KMK provided an overview of the fiduciary duties of the Infinity Board to Infinity and Infinity shareholders regarding the potential strategic transaction and representatives of Deutsche Bank reviewed certain preliminary financial information relating to Infinity. The Infinity Board determined that Infinity should move to the next phase of Kemper's due diligence investigation of Infinity and should commence reverse due diligence of Kemper, so long as an agreement with respect to non-solicitation of employees was in place between Infinity and Kemper. Finally, the Infinity Board approved entering into exclusive negotiations with Kemper regarding a potential strategic transaction.

On December 28, 2017, Mr. Lacher provided the Kemper Board a written update of the status of recent developments and discussions regarding a potential strategic transaction with Infinity.

On January 2, 2018, Deutsche Bank delivered Infinity's detailed list of due diligence information and materials requests to Goldman Sachs. On January 4, 2018, Goldman Sachs delivered Kemper's detailed list of due diligence information and materials requests to Deutsche Bank.

On January 4, 2018, Mr. Lacher spoke with Mr. Gober, Mr. Godwin, Mr. Simon and Mr. Bateman by telephone concerning the companies' consideration of a targeted announcement date with respect to the potential strategic

transaction, subject to completion of due diligence, negotiation of a definitive agreement and approval of the companies' respective boards of directors, to coincide with the companies' targeted dates for release of

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their respective fiscal year 2017 earnings. Mr. Lacher separately requested that Kemper be given access to additional Infinity employees for Kemper's due diligence of Infinity.

Between January 2 and 10, 2018, representatives of KMK and representatives of Sidley Austin negotiated the terms of (i) an exclusivity agreement to be entered into between Infinity and Kemper under which Infinity would not solicit, negotiate or take other actions regarding certain strategic transactions with any person other than Kemper for a specified time period (but providing for the ability of Infinity to engage in certain discussions with third parties and provide third parties with certain confidential information about Infinity, in each case under certain circumstances) and (ii) an amendment to the confidentiality agreement to be entered into between Infinity and Kemper under which the companies would not solicit for hire the directors and certain of the employees of one another for a specified time period. On January 10, 2018, Infinity and Kemper entered into the exclusivity agreement, which contemplated an exclusivity term expiring 10 days following Infinity's release of its fiscal year 2017 earnings, subject to the expiration of such term if Kemper proposed a purchase price for a potential strategic transaction that is less than \$129.00 per share of Infinity common stock or material modifications to other specified terms set forth in the revised preliminary non-binding term sheet delivered by Kemper on December 22, 2017. Also on January 10, 2018, Infinity and Kemper entered into the amendment to the confidentiality agreement, which provided for an employee and director non-solicitation term ending on the date that is 18 months following the date of the confidentiality agreement, subject to certain customary exceptions. The parties also tentatively agreed on a targeted announcement date with respect to the potential strategic transaction, subject to completion of due diligence, negotiation of a definitive agreement and approval of the companies' respective boards of directors, to coincide with the companies' targeted date for release of their respective fiscal year 2017 earnings.

On January 11, 2018, in connection with the completion of due diligence, Infinity made available an electronic data room containing information and materials to representatives of Kemper, Goldman Sachs, Sidley Austin and a consulting firm engaged by Kemper for such purposes.

On January 12, 2018, following negotiation, Infinity and Kemper entered into an addendum to the confidentiality agreement to further limit the representatives of each party and their financial and legal advisors who would have access to certain to-be-specified confidential and sensitive information of one another and to provide for redaction and aggregation of such information, in connection with the due diligence and reverse due diligence processes. Such addendum was later amended and restated on January 29, 2018 to provide for redaction and aggregation of such information to be completed by a single specified third party.

Later on January 12, 2018, Infinity began providing additional information and materials requested by Kemper to assist in its due diligence of Infinity. Infinity and Kemper, with the assistance of their financial and legal advisors, continued to conduct, through February 13, 2018, mutual due diligence through their respective electronic data rooms and otherwise, as applicable. Also during this period, the two companies and their financial advisors continued to discuss the various sources for and amounts of synergy opportunities and the ability to realize those opportunities over time, while continuing to consider the validation of the expected long-term, positive synergies of a combination and the ability to achieve cost savings at the combined company.

On January 17, 2018, the Kemper Board held a telephonic special meeting to discuss the proposed Merger and the draft Merger Agreement and recent related developments, attended also by members of Kemper's senior management and representatives of Goldman Sachs and representatives of Sidley Austin. At the meeting, Mr. Lacher provided the Kemper Board with an update of the status of recent developments and discussions regarding the proposed Merger and potential next steps and timing. At the request of Kemper's senior management, representatives of Sidley Austin reviewed with the Kemper Board a summary of the key non-price provisions of a draft Merger Agreement that might be proposed to Infinity and areas of potential negotiation with Infinity, including with respect to structure, regulatory

closing conditions and the scope of each party's commitment to seek and obtain regulatory approvals, other closing conditions (including conditions precedent with respect to certain Infinity employee retention matters and the tangible net worth of Infinity), deal protection

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terms, treatment of Infinity's outstanding equity awards and voting agreements. Representatives of Sidley Austin also discussed with the Kemper Board the timing and various regulatory matters involved in completing such a potential strategic transaction. The Kemper Board indicated its support of Kemper's senior management delivering to Infinity a draft Merger Agreement containing key non-price provisions substantially consistent with the summary of key non-price provisions presented to the Kemper Board and engage in negotiations with Infinity on its terms. The Kemper Board then discussed the potential changes to the composition of the Kemper Board that could result in connection with the proposed Merger and declared that Kemper's senior management had the support of the Kemper Board to discuss with Infinity, at the appropriate time in the context of negotiations, the addition of one member of the Infinity Board to the Kemper Board after the closing of the proposed Merger. The meeting was concluded with Mr. Lacher noting to the Kemper Board that Kemper's senior management would continue to provide updates regarding developments and discussions with Infinity.

In the evening on January 19, 2018, Sidley Austin, on behalf of Kemper, delivered an initial draft of the Merger Agreement to KMK. Among other provisions, the draft Merger Agreement provided for the structure of the proposed Merger, exceptions to Kemper's commitment to seek and obtain regulatory approvals (including as reflected the initial definition of a materially burdensome condition), fiduciary out exceptions to the non-solicitation covenant, a termination fee equal to 4.50% of the total equity value of the proposed Merger payable by either party upon termination of the Merger Agreement in certain specified circumstances, the conversion in the Merger of Infinity's outstanding equity awards into Kemper equity awards, conditions to Kemper's and Merger Sub's obligations to effect the proposed Merger with respect to certain Infinity employee retention matters and the tangible net worth of Infinity and other matters and an expectation that voting agreements would be requested from certain of each party's directors and officers. Prior to Sidley Austin sending such draft Merger Agreement to KMK, on January 19, 2018, members of Kemper's senior management sent communications to Mr. Simon to preview the closing condition with respect to Infinity employee retention matters contained in such draft Merger Agreement. Such draft Merger Agreement did not contain any undertaking on the part of Kemper with respect to the addition of any members of the Infinity Board to the Kemper Board after the closing of the proposed Merger.

On January 20, 2018, Mr. Simon, Mr. Bateman, representatives of KMK and representatives of Deutsche Bank spoke by telephone to discuss the proposed closing conditions with respect to Infinity employee retention matters contained in Kemper's draft Merger Agreement. On January 21, 2018, KMK delivered to Sidley Austin a letter regarding such closing conditions, which proposed that such closing conditions be removed and replaced by certain covenants regarding entry into employment agreements with certain Infinity employees and notification of any termination of employment of certain Infinity employees, in each case following entry into the Merger Agreement. The letter also noted that Infinity would be willing to coordinate meetings to allow Kemper to enter into retention agreements with certain Infinity employees. The delivery of the letter was followed by discussions between members of Infinity's senior management and members of Kemper's senior management regarding the matters addressed therein.

On January 24 and 25, 2018, Mr. Gober, Mr. Godwin, Mr. Simon, Mr. Bateman, approximately 37 other members of Infinity's management and representatives of Deutsche Bank met with Mr. Lacher, Mr. McKinney, Mr. Green, Mr. Evans, approximately 22 other members of Kemper's management, representatives of Goldman Sachs and representatives of a consulting firm engaged by Kemper for due diligence purposes in Atlanta, Georgia to further due diligence efforts through discussions of Infinity's operations, financial condition and other matters. Representatives of both KMK and Sidley Austin participated in certain of such meetings by telephone. In connection with the meetings, Infinity's management provided to Kemper's management the Infinity financial projections.

On January 25, 2018, in connection with the completion of reverse due diligence, Kemper made available an electronic data room containing information and materials to representatives of Infinity, Deutsche Bank, KMK and consulting firms engaged by Infinity for such purposes.

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On January 30, 2018, Mr. Godwin, Mr. Simon, Mr. Bateman, representatives of Deutsche Bank and representatives of KMK met with Mr. Lacher, Mr. McKinney, Mr. Green, Mr. Evans, other members of Kemper's management, representatives of Goldman Sachs and representatives of Sidley Austin in Chicago, Illinois to conduct further reverse due diligence efforts through discussions of Kemper's operations, financial condition and other matters. During the meetings, members of Infinity's senior management additionally discussed with members of Kemper's senior management material issues in and related to Kemper's initial draft of the Merger Agreement.

Later on January 30, 2018, KMK, on behalf of Infinity, delivered a revised draft of the Merger Agreement to Sidley Austin. Such revised draft provided for limited exceptions to Kemper's commitment to seek and obtain regulatory approvals (including as reflected in the definition of a materially burdensome condition), expanded fiduciary out exceptions to the non-solicitation covenant, a termination fee equal to 2.00% of the total equity value of the proposed Merger, a reverse termination fee payable by Kemper in the event that Infinity terminated the Merger Agreement upon the occurrence of the outside date and Kemper failing to comply with its commitment to seek and obtain regulatory approvals and the automatic vesting of Infinity's outstanding equity awards consistent with the terms of the equity plan pursuant to which such awards were granted. Such revised draft reflected the removal of the closing conditions with respect to Infinity employee retention matters and the tangible net worth of Infinity and did not include any provisions relating to the addition of any members of the Infinity Board to the Kemper Board after the closing of the proposed Merger.

During the period from January 30, 2018 through the first week of February 2018, Kemper's management provided to Infinity's senior management and representatives of Deutsche Bank certain key items from the Kemper financial projections and certain updated financial information relating thereto, as more fully described in the section entitled "Certain Unaudited Prospective Financial Information" beginning on page 269.

On February 2, 2018, Sidley Austin sent a non-exhaustive list of the material open issues in Infinity's revised draft of the Merger Agreement to KMK. Later on February 2, 2018, representatives of Sidley Austin and KMK, together with general counsels of both Infinity and Kemper, spoke by telephone to discuss material open issues in Infinity's revised draft of the Merger Agreement.

On February 5, 2018, Sidley Austin, on behalf of Kemper, delivered a revised draft of the Merger Agreement to KMK. Such revised draft provided for a termination fee equal to 3.50% of the total equity value of the proposed Merger, no reverse termination fee and closing conditions with respect to Infinity employee retention matters and the tangible net worth of Infinity. Such revised draft expressly reserved any revisions with respect to the treatment of Infinity's outstanding equity awards pending further discussion between the parties.

On February 7, 2018, Infinity's Executive Committee held a telephonic special meeting to discuss with Mr. Gober, other senior management and KMK the ongoing negotiations surrounding the draft Merger Agreement. Mr. Gober reported on the progress of due diligence meetings and the remaining open issues in the draft Merger Agreement.

Also on February 7, 2018, the Kemper Board held an in-person regularly scheduled meeting, attended also by members of Kemper's senior management and representatives of Goldman Sachs and representatives of Sidley Austin. At the meeting, Mr. Lacher provided the Kemper Board with an update of the status of developments and discussions regarding the proposed Merger, including the parties' due diligence efforts and negotiations with respect to open issues in and related to the draft Merger Agreement regarding closing certainty, employee retention, treatment of Infinity's outstanding equity awards and other matters. Mr. Lacher also led a discussion with the Kemper Board regarding proposed next steps and timing and considerations related to the proposed Merger, including with respect to contemplated integration efforts. Mr. McKinney again provided the Kemper Board with a summary of the key economic terms of the proposed Merger before providing an overview of certain financial considerations in

connection therewith. As part of this overview, Mr. McKinney reviewed with the Kemper Board the Kemper financial projections, the Kemper-prepared Infinity financial projections

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(without synergies), the Kemper-prepared Infinity financial projections (with synergies) and the combined company financial projections, as more fully described in the section entitled "Certain Unaudited Prospective Financial Information" beginning on page 269, and the Kemper Board indicated its support of Goldman Sachs' use of such financial projections in connection with its financial analysis relating to the proposed Merger Consideration. Representatives of Goldman Sachs then reviewed with the Kemper Board Goldman Sachs' preliminary financial analysis relating to the proposed Merger Consideration. Mr. McKinney also discussed with the Kemper Board communications considerations in connection with the proposed Merger. At the request of Kemper's senior management, representatives of Sidley Austin then reviewed with the Kemper Board a summary of the key non-price provisions of the draft Merger Agreement. During this review, representatives of Sidley Austin discussed with the Kemper Board the status of negotiations between the parties with respect to open issues in the draft Merger Agreement and highlighted revisions to the draft Merger Agreement as a result thereof. Representatives of Sidley Austin also reviewed with the Kemper Board an initial draft of the Infinity voting agreement, which was proposed to reflect substantially similar obligations as those that would be set forth in the Kemper voting agreement. The Kemper Board then further discussed, with the input of Kemper's senior management and representatives from Goldman Sachs and Sidley Austin, proposed next steps and timing with respect to the proposed Merger. The Kemper Board indicated its support of Kemper's senior management continuing to negotiate the open issues in the draft Merger Agreement and other draft transaction documents.

Later on February 7, 2018, following discussions between representatives of Deutsche Bank and representatives of Goldman Sachs, Mr. Lacher, other members of Kemper's senior management and representatives of Sidley Austin and Mr. Gober, Mr. Godwin, Mr. Simon, Mr. Bateman, other members of Infinity's senior management and representatives of KMK discussed by telephone the material open issues in the draft Merger Agreement. During the discussion, the members of senior management tentatively agreed to certain conceptual terms regarding closing certainty and deal protections. The members of senior management also discussed treatment of Infinity's outstanding equity awards and certain other issues regarding closing certainty, including with respect to the amount of the termination fee and Infinity employee retention. The members of senior management additionally noted that each of the parties desired to work diligently to remain on schedule for the targeted announcement date with respect to the proposed Merger, subject to completion of due diligence, negotiation of a definitive agreement and approval of the companies' respective boards of directors, to coincide with the companies' targeted dates for release of their respective fiscal year 2017 earnings.

Following the discussion, further to the negotiations regarding the open issues with respect to Infinity employee retention, Mr. Lacher contacted Mr. Godwin, Mr. Bateman and Mr. Simon to discuss the possibility of such executives and certain other members of Infinity's management entering into retention agreements with Kemper or Infinity prior to entry into the Merger Agreement and the addition of one member of the Infinity Board to the Kemper Board after the closing of the proposed Merger, which member would be chosen by Kemper subject to the Kemper Board's policies and applicable rules and regulations. Mr. Godwin, Mr. Bateman and Mr. Simon tentatively agreed to the proposals and, after the discussion, members of Kemper's management delivered to them proposed term sheets with respect to such retention agreements. Such proposed term sheets regarding the retention agreements between Kemper and each of Mr. Godwin, Mr. Bateman and Mr. Simon contemplated commitments with respect to each such executive for the continuation of his employment with Infinity for a period of two years following the closing of the proposed Merger at an annual base salary not less than such executive's current annual base salary, the payment to such executive at the expiration of the retention agreement of a retention bonus in the form of a lump-sum amount equal to the amount that would have been received by such executive had such executive been terminated for a reason other than "Cause," as set forth in such executive's current employment agreement, and the granting to such executive after the completion of the proposed Merger of a one-time award of time-vested restricted stock units with respect to Kemper common stock having a grant date value of \$1,000,000 that will vest in full provided that such executive has been continuously employed by Kemper or its subsidiaries at the expiration of the retention agreement. Over the

course of the next several days, Mr. Godwin, Mr. Bateman and Mr. Simon individually negotiated the terms of their retention agreements with Kemper, as more fully described below and in the section entitled "The Merger Interests of Infinity's Directors and Executive Officers in the Merger," in conjunction with the negotiation of, and agreement

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on, the forms of the retention agreements between Infinity and certain other members of Infinity's management and other covenants and the closing condition with respect to Infinity employee retention in the draft Merger Agreement. These matters were of utmost importance to Kemper's senior management because of the value they attributed to Infinity's personnel in the proposed Merger and ordinary course concerns regarding employee retention during the pendency of the proposed Merger, including that Infinity's existing arrangements did not sufficiently address this scenario from the perspective of Kemper's senior management.

Later on February 7, 2018, Sidley Austin, on behalf of Kemper, delivered an initial draft of the Infinity voting agreement to KMK. The draft Infinity voting agreement, which was contemplated by the parties to be requested to be entered into by each of Infinity's directors and currently employed named executive officers, provided for each of Infinity's directors and currently employed named executive officers to vote his or her Infinity common stock in favor of the adoption of the Merger Agreement and the approval of the transactions contemplated thereby and not otherwise oppose the proposed Merger in his or her capacity as an Infinity shareholder, along with certain transfer restrictions on Infinity common stock and other terms. The parties agreed that Kemper's directors and currently employed named executive officers would be requested to enter into Kemper voting agreements reflecting substantially similar obligations as those set forth in the Infinity voting agreement.

On February 8, 2018, the Infinity Board held a telephonic special meeting with senior management of Infinity, representatives of Deutsche Bank and KMK to discuss Infinity's reverse due diligence of Kemper, to provide a status update on the draft Merger Agreement negotiations and for representatives of Deutsche Bank to discuss with the Infinity Board the financial terms and provisions of the draft Merger Agreement. The Infinity Board asked questions and received answers from the others attending the telephonic meeting and discussed the reasons that entering into the proposed Merger with Kemper were in the best interests of Infinity and Infinity shareholders, including the value of the proposed consideration to be received by Infinity shareholders in the proposed Merger.

Later on February 8, 2018, KMK, on behalf of Infinity, delivered a revised draft of the Merger Agreement to Sidley Austin. Such revised draft largely reflected the terms agreed upon by the parties during their discussion by telephone on February 7, 2018, while also providing for a termination fee equal to 3.00% of the total equity value of the proposed Merger, a covenant regarding the addition of one member of the Infinity Board to the Kemper Board after the closing of the proposed Merger, which member would be chosen by Kemper subject to the Kemper Board's policies and applicable rules and regulations, and the removal of the closing condition with respect to Infinity's tangible net worth. In addition, such revised draft expressly reserved any revisions with respect to the Infinity employee retention matters and the treatment of Infinity's outstanding equity awards pending further discussion between the parties.

Between the January 19, 2018 initial draft of the Merger Agreement through the February 8, 2018 draft of the Merger Agreement, Infinity's senior management and Deutsche Bank kept Mr. Weinhoff informed of negotiations of the various drafts of the Merger Agreement and Mr. Weinhoff kept the Term Sheet Committee informed and relayed the Term Sheet Committee's thoughts to Infinity's senior management and Deutsche Bank.

Also on February 8, 2018, members of Kemper's management delivered initial drafts of forms of the retention agreements between Infinity and certain members of Infinity's management (not including Mr. Godwin, Mr. Bateman or Mr. Simon) to members of Infinity's senior management. On February 9, 2018, members of Kemper's management delivered initial drafts of retention agreements between Kemper and Mr. Godwin, Mr. Bateman and Mr. Simon to members of Infinity's senior management.

Over the course of February 9, 2018, members of each of Infinity's senior management and Kemper's senior management and representatives of each of KMK and Sidley Austin held respective discussions by telephone

concerning, and reached tentative agreement regarding, a termination fee equal to 3.50% of the total equity value of the proposed Merger (or \$49,598,810), certain Infinity employee retention matters in the draft Merger Agreement, the treatment of Infinity's outstanding equity awards and the forms of the retention

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agreements between Infinity and certain members of Infinity's management (not including Mr. Godwin, Mr. Bateman or Mr. Simon). Several of the other remaining open issues in the draft Merger Agreement and the retention agreements between Kemper and Mr. Godwin, Mr. Bateman and Mr. Simon were also discussed between the parties.

Also on February 9, 2018, each of KMK, on behalf of Infinity, and Sidley Austin, on behalf of Kemper, delivered a revised draft of the Infinity voting agreement to the other party, in each case reflecting limited changes. The latter of these drafts of the Infinity voting agreement reflected substantial agreement on all material terms.

Additionally, on February 9, 2018 and continuing on February 12, 2018, members of Kemper's management held discussions with certain rating agencies regarding the potential effects of the proposed Merger on the combined company's credit rating.

Later on February 9, 2018, Sidley Austin, on behalf of Kemper, delivered an initial draft of the Kemper voting agreement to KMK. The draft Kemper voting agreement, which was contemplated by the parties to be requested to be entered into by each of Kemper's directors and currently employed named executive officers, provided for each of Kemper's directors and currently employed named executive officers to vote his or her Kemper common stock in favor of the approval of the stock issuance in the proposed Merger and not otherwise oppose the approval of the stock issuance in the proposed Merger in his or her capacity as a Kemper stockholder, along with certain transfer restrictions on Kemper common stock and other terms. This draft Kemper voting agreement reflected substantially similar obligations as those set forth in the draft Infinity voting agreement and accordingly reflected substantial agreement on all material terms.

Early in the morning on February 10, 2018, Sidley Austin, on behalf of Kemper, delivered a revised draft of the Merger Agreement to KMK. Such revised draft reflected the terms tentatively agreed upon by the parties during their calls over the course of the previous day.

Later in the morning on February 10, 2018, representatives of KMK and Sidley Austin held a discussion by telephone to further negotiate the remaining open issues in the draft Merger Agreement. Shortly thereafter on February 10, 2018, KMK, on behalf of Infinity, delivered a revised draft of the Merger Agreement to Sidley Austin. Such revised draft reflected substantial acceptance of the revisions proposed by Kemper in its previous draft, with the exception of the scope of certain aspects of the closing condition with respect to Infinity employee retention matters and the removal of the closing condition with respect to Infinity's tangible net worth.

On February 10, 2018, Infinity's revised draft of the Merger Agreement, along with a summary of the terms and conditions of the draft Merger Agreement reflecting discussions between the parties since the delivery of such draft, were provided by KMK to the Infinity Board. The Infinity Board reviewed the draft Merger Agreement and the summary.

In the evening on February 10, 2018 and in the afternoon on February 11, 2018, Sidley Austin, on behalf of Kemper, and KMK, on behalf of Infinity, respectively, delivered a revised draft of the Merger Agreement to the other party's legal advisor, neither of which included a closing condition with respect to Infinity's tangible net worth. Over the course of February 10 and 11, 2018, KMK and Sidley Austin continued to hold discussions by telephone to further negotiate the scope of certain aspects of the closing condition with respect to Infinity employee retention matters.

Also over the course of February 10 and 11, 2018, members of Kemper's senior management and Mr. Godwin, Mr. Bateman and Mr. Simon negotiated and tentatively agreed on the remaining open issues in the retention agreements between Kemper and Mr. Godwin, Mr. Bateman and Mr. Simon.

Infinity's senior management kept Mr. Weinhoff informed of negotiations of the various drafts of the Merger Agreement circulated between February 8 and February 11 and Mr. Weinhoff kept the Term Sheet Committee informed and relayed the Term Sheet Committee's thoughts to Infinity's senior management.

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In the evening on February 11, 2018, the Infinity Board, Infinity's senior management and representatives of Deutsche Bank met for dinner and discussed various aspects of the proposed Merger.

On February 12, 2018, the Infinity Board held an in-person special meeting in Birmingham, Alabama which was attended by members of Infinity's senior management, representatives of KMK, representatives of Deutsche Bank and, telephonically at the request of the Infinity Board and solely for the portion of the meeting described below, Mr. Lacher and Mr. Green. The Executive Committee of the Infinity Board met initially to approve the compensation of the Term Sheet Committee and to approve independent director compensation. Prior to the meeting, the Infinity Board was provided with a summary that described the terms of the draft Merger Agreement based on the draft previously circulated by KMK on behalf of Infinity on February 10, 2018. Representatives of KMK reviewed the material terms of the proposed Merger and described the provisions of the draft Merger Agreement including the various closing conditions. KMK discussed with the Infinity Board the legal framework for the Infinity Board's consideration of the proposed Merger, including the fiduciary duties applicable to the directors of Infinity and related matters. The members of the Infinity Board asked questions and discussed various provisions of the draft Merger Agreement. Representatives of Deutsche Bank provided an overview of the material financial terms of the draft Merger Agreement, including the proposed consideration, reviewed Deutsche Bank's financial analysis relating to the Merger Consideration, as more fully described below under the heading "The Merger Opinion of Infinity's Financial Advisor," and rendered to the Infinity Board an oral opinion, subsequently confirmed by delivery of a written opinion dated February 13, 2018, to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations, qualifications and conditions described in Deutsche Bank's opinion, the Merger Consideration was fair, from a financial point of view, to holders of Infinity common stock (excluding Kemper and its affiliates). Mr. Lacher and Mr. Green were introduced and presented to the Infinity Board their views of the proposed Merger and the potential benefits that may be realized by shareholders of Infinity and stockholders of Kemper from the perspective of Kemper's senior management.

Following the meeting of the Infinity Board, Mr. Lacher and Mr. Weinhoff further discussed and reaffirmed the parties' tentative agreement regarding the provision in the draft Merger Agreement with respect to the addition of one member of the Infinity Board to the Kemper Board after the closing of the proposed Merger, which member would be chosen by Kemper subject to the Kemper Board's policies and applicable rules and regulations.

Also on February 12, 2018, the Kemper Board held a telephonic special meeting to discuss the proposed Merger and the draft Merger Agreement and recent related developments, attended also by members of Kemper's senior management and representatives of Goldman Sachs and representatives of Sidley Austin. At the meeting, Mr. Lacher provided the Kemper Board with an update of the status of developments and discussions regarding the proposed Merger since the meeting of the Kemper Board on February 7, 2018, including negotiations between the parties with respect to the remaining open issues in the draft Merger Agreement and Mr. Lacher's and Mr. Green's aforementioned discussion with the Infinity Board, and proposed next steps and timing. Mr. Lacher also summarized for the Kemper Board the key terms of the retention agreements between Kemper and Mr. Godwin, Mr. Bateman and Mr. Simon and the Kemper Board indicated its support of such arrangements. Mr. McKinney then reviewed with the Kemper Board the results of the due diligence review of Infinity conducted by Kemper's management and advisors. At the request of the Kemper Board, representatives of Sidley Austin then again reviewed with the Kemper Board the fiduciary duties of the directors in considering the proposed Merger. Representatives of Sidley Austin also reviewed with the Kemper Board a summary of key non-price provisions of the draft Merger Agreement and draft voting agreements. Representatives of Goldman Sachs then reviewed with the Kemper Board Goldman Sachs' preliminary financial analysis relating to the proposed Merger Consideration. The Kemper Board then discussed, with the input of Kemper's senior management and representatives from Goldman Sachs and Sidley Austin, a number of considerations related to the proposed Merger and the assessment thereof provided by Kemper's senior management. In an executive session of the non-employee directors following such discussion, the non-employee directors discussed, with the input of

representatives from Goldman Sachs and Sidley Austin, additional considerations related to the proposed

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Merger. Following further discussion, the Kemper Board indicated its support of, and instructed Kemper's senior management to work towards, finalizing the forms of the transaction documents with Infinity for its consideration.

Over the course of February 12, 2018, members of each of Infinity's senior management and Kemper's senior management and representatives of each of KMK and Sidley Austin negotiated and tentatively agreed on the remaining open issues in the draft Merger Agreement. Throughout this process, Infinity's senior management and Deutsche Bank kept Mr. Weinhoff informed of such remaining open issues and Mr. Weinhoff kept the Term Sheet Committee informed and relayed the Term Sheet Committee's thoughts to Infinity's senior management and Deutsche Bank.

In the early hours of February 13, 2018, Sidley Austin, on behalf of Kemper, delivered a revised draft of the Merger Agreement to KMK reflecting substantial agreement on all material terms. Later in the morning on February 13, 2018, members of Infinity's senior management and representatives of KMK and members of Kemper's senior management and representatives of Sidley Austin held respective discussions by telephone during which Infinity gauged Kemper's willingness to negotiate an increase in the number of Infinity Board members that would serve on the Kemper Board after the closing of the proposed Merger, but which number remained at one after confirmation by the parties.

On February 13, 2018, the Infinity Board held a telephonic special meeting to discuss various matters related to the proposed Merger, including the number of Infinity directors that would serve on the Kemper Board following the proposed Merger. After discussion and the recommendation by Infinity's management that the Infinity Board approve the Merger Agreement, and in light of the Infinity Board's review and consideration of the factors described under "The Merger Recommendation of the Infinity Board and Its Reasons for the Merger," the Infinity Board unanimously determined that the proposed Merger and the Merger Agreement were consistent with, and would further, Infinity's business strategies and goals and approved the proposed Merger and Merger Agreement. The Infinity Board also unanimously determined that the proposed Merger and Merger Agreement were in the best interests of Infinity and Infinity's shareholders and unanimously recommended that Infinity shareholders vote **FOR** the merger proposal.

Also on February 13, 2018, the Kemper Board held a telephonic special meeting to consider the proposed Merger and the Merger Agreement, attended also by members of Kemper's senior management and representatives of Goldman Sachs and representatives of Sidley Austin. At the meeting, Mr. Lacher provided the Kemper Board with an update of the status of discussions regarding the proposed Merger since the meeting of the Kemper Board on February 12, 2018. Mr. McKinney then again provided an overview of the consideration proposed to be paid by Kemper in the proposed Merger. Mr. McKinney also provided the Kemper Board with an update of other developments regarding the proposed Merger. At the request of the Kemper Board, representatives of Sidley Austin then reviewed with the Kemper Board the status of negotiations between the parties with respect to any remaining open issues in the Merger Agreement. Representatives of Goldman Sachs then reviewed with the Kemper Board Goldman Sachs' financial analysis summarized in the section entitled "The Merger Opinion of Kemper's Financial Advisor" and delivered the oral opinion of Goldman Sachs, subsequently confirmed by delivery of its written opinion, dated February 13, 2018, to the Kemper Board that, as of February 13, 2018, and based on and subject to the factors and assumptions set forth in such written opinion, the aggregate Merger Consideration to be paid by Kemper for all of the issued and outstanding shares of Infinity common stock pursuant to the Merger Agreement was fair, from a financial point of view, to Kemper. Following discussion of considerations related to the proposed Merger, members of Kemper's senior management then indicated that it was the recommendation of Kemper's management that the Kemper Board approve the Merger Agreement and the consummation of the transactions contemplated thereby. Following discussion, the Board unanimously adopted resolutions approving the Merger Agreement and the consummation of the transactions contemplated thereby and resolved to recommend that the Kemper stockholders vote **FOR** the share issuance proposal and **FOR** the approval of the Kemper meeting adjournment proposal.

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In connection with such approvals by the Infinity Board and the Kemper Board, which occurred after the closing of trading on the U.S. stock markets for the day, Infinity's senior management and representatives of KMK worked with Kemper's senior management and representatives of Sidley Austin to finalize the Merger Agreement on the terms approved by the Infinity Board and the Kemper Board.

Later on February 13, 2018, each of Infinity and Kemper and their respective directors and currently employed named executive officers executed and delivered their respective voting agreements. In addition, each of Mr. Godwin, Mr. Bateman, Mr. Simon and certain other members of Infinity's management, on the one hand, and Kemper and Infinity, as applicable, on the other hand, executed and delivered each of such Infinity employees' retention agreements.

Each of Infinity, Kemper and Merger Sub then executed and delivered the Merger Agreement.

Shortly thereafter on February 13, 2018, Infinity and Kemper issued a joint press release announcing the execution and delivery of the Merger Agreement.

Recommendation of the Kemper Board and Its Reasons for the Merger

After careful consideration, on February 13, 2018, the Kemper Board unanimously adopted resolutions approving the Merger Agreement and the consummation of the transactions contemplated by the Merger Agreement and the share issuance, including the Merger, upon the terms and subject to the conditions set forth in the Merger Agreement. **The Kemper Board unanimously recommends that Kemper stockholders vote FOR the share issuance proposal and FOR the Kemper meeting adjournment proposal at the Kemper annual meeting.**

In reaching its decision to approve the Merger Agreement and the consummation of the transactions contemplated thereby and recommend the approval of the share issuance proposal, the Kemper Board consulted with the members of Kemper's senior management, as well as Kemper's financial and legal advisors, and considered a number of factors, including the following material factors (not necessarily in order of relative importance):

Strategic Considerations. The Kemper Board considered that the Merger is expected to provide a number of significant strategic opportunities, including the following:

the view that the Merger would lead to increased scale and diversification in non-standard auto insurance, including a more diversified portfolio with approximately \$2.2 billion in non-standard auto insurance premiums, an expanded customer reach through deeper agency relationships and greater efficiencies;

the view that the combined company would have further access to growing segments through an expanded product offering and broader customer base, while at the same time offering a more targeted yet better diversified suite of products across life, health, auto and homeowner insurance, providing customers with greater choice at more competitive prices;

the view that the combined company would have the ability to leverage unique operational strengths, platforms and demographic insights to drive enhanced growth and provide a unique set of products to its policyholders;

the view that the Merger would further Kemper's corporate strategy by enhancing near and long-term stockholder value through strategic acquisitions;

the view that the combined company would have an increased ability to attract and retain key employees;

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the experience with respect to non-standard automobile insurance of Infinity's management and operational teams and the complimentary cultures of Kemper and Infinity; and

the view that the combined company would have improved data and analytical capabilities.

Financial Considerations. The Kemper Board considered that the Merger is expected to provide a number of significant financial opportunities for Kemper stockholders and the combined company, including the following:

the fact that the Merger would be accretive to Kemper's EPS in 2019, excluding VOBA and one-time items, and was expected to be accretive to Kemper's EPS in 2020 by more than 10%, excluding restructuring and one-time items;

the mix of cash and stock consideration, the fixed exchange ratio for the stock component of the Merger Consideration and the fact that because of the fixed exchange ratio (*i.e.*, it will not be adjusted for fluctuations in the market price of Kemper common stock or Infinity common stock), Kemper would have certainty as to the number of shares of Kemper common stock to be issued in connection with the Merger, while noting that the value of Kemper common stock to be paid to Infinity shareholders upon the closing could be significantly more or less than its implied value prior to the announcement of the execution of the Merger Agreement as a result of any difference in the market price of Kemper common stock between prior to or at the time of announcement and the closing;

the course of negotiations between the parties in arriving at the amount and mix of consideration to be paid in the Merger, while taking note of the historic and current market prices of Kemper common stock and Infinity common stock;

the expectation that the Merger would be accretive to return on average common equity by more than 30 basis points and accretive to return on average tangible common equity by more than 400 basis points in 2020;

the view that the combined company would have increased revenue and enhanced cash flow, which would be expected to increase financial stability and provide additional resources to accelerate investments in growth; and

the expectation of annual pre-tax cost savings of approximately \$55 million, and an additional \$5 to \$10 million of pre-tax earnings resulting from the repositioning of Infinity's investment portfolio, through 2020 achieved through the consolidation of redundant corporate functions and the optimization of the combined company's systems, business processes and reinsurance programs.

Other Factors Considered by the Kemper Board. In addition to considering the strategic and financial opportunities described above, the Kemper Board considered the following additional factors, which it viewed as supporting and informing its decision to approve the Merger Agreement and the consummation of the transactions contemplated thereby and recommend the approval of the share issuance proposal:

taking into account the report the Kemper Board had received regarding past fees received by Goldman Sachs Investment Banking Division for services provided to Kemper and Infinity, and fees payable to Goldman Sachs in connection with the transactions contemplated by the Merger Agreement, the financial analyses presented to the Kemper Board by Goldman Sachs and the oral opinion, subsequently confirmed in writing, of Goldman Sachs delivered to the Kemper Board that, as of February 13, 2018 and based on and subject to the factors and assumptions set forth in Goldman Sachs written opinion, the aggregate Merger Consideration to be paid by Kemper for all of the issued and outstanding shares of Infinity common stock pursuant to the Merger Agreement was fair, from a financial point of view, to Kemper. See The Merger Opinion of Kemper s Financial Advisor beginning on page 146;

the scope of the due diligence investigation conducted by Kemper s management, financial advisor, legal counsel and other outside consultants and the substantive results thereof, including various oral

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and written reports provided to the Kemper Board and the fact that the due diligence investigations set the stage for pre-closing integration and transition planning and post-closing implementation;

the general terms and conditions of the Merger Agreement and related documentation, including:

the customary nature of the parties' representations, warranties and covenants;

the generally reciprocal deal protection provisions, including:

the ability to enter into a definitive agreement to effect a Kemper superior proposal (as described on page 196 of this joint proxy statement/prospectus), so long as Kemper has complied with its obligations with respect to not soliciting Kemper acquisition proposals (as described on page 196 of this joint proxy statement/prospectus) in all material respects and enters into such definitive agreement concurrently with the termination of the Merger Agreement and pays a termination fee of \$49,598,810;

the amount of the termination fee (as described on page 218 of this joint proxy statement/prospectus) and the view that it would not prevent a potentially interested party from making a Kemper competing proposal (as described on page 196 of this joint proxy statement/prospectus); and

the fact the Kemper Board may, solely in response to a Kemper superior proposal received on or after the date of the Merger Agreement that has not been withdrawn or abandoned and that did not result from a breach of the Merger Agreement, make a Kemper adverse recommendation change (as described on page 196 of this joint proxy statement/prospectus) in order to cause Kemper to terminate the Merger Agreement and concurrently enter into a binding definitive agreement to effect such Kemper superior proposal if Kemper has taken certain actions and the Kemper Board determines in good faith (after consultation with Kemper's outside legal counsel) that such Kemper acquisition proposal continues to constitute a Kemper superior proposal;

the provisions related to regulatory approvals and clearances, including that each party is obligated to use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable law to consummate the transactions contemplated by the Merger Agreement, but that none of Kemper or any of its subsidiaries will be obligated to, and neither Infinity nor any of its subsidiaries will, without the prior written consent of Kemper, consent to, take or refrain from taking, or offer or commit or consent to take or refrain from taking any action that involves a materially burdensome condition (See The Merger Agreement Efforts to Complete the Merger beginning on page 201); and

the entry by the directors and certain of the executive officers of each of Kemper and Infinity into the Kemper Voting and Support Agreements and Infinity Voting and Support Agreements, respectively;

the likelihood that the Merger would be consummated and the anticipated timing of closing based on, among other things:

the scope of the conditions precedent to the closing generally, including regulatory approvals and the Infinity shareholder approval (as described on page 190 of this joint proxy statement/prospectus) and the Kemper stockholder approval (as described on page 190 of this joint proxy statement/prospectus);

the absence of a financing condition in the Merger Agreement;

the possibility that a third party would make an offer to acquire or otherwise enter into an extraordinary transaction with Infinity or Kemper; and

the likelihood that the Merger, the issuance of shares of Kemper common stock to Infinity shareholders pursuant to the Merger Agreement and the other transactions contemplated by the

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Merger Agreement would be completed on a timely basis, including the likelihood that the Merger would receive all necessary regulatory clearances and approvals without the imposition of materially burdensome conditions or otherwise unacceptable conditions; and

Kemper management's recommendation in favor of the approval of the Merger Agreement and the consummation of the transactions contemplated thereby.

The Kemper Board also considered a number of uncertainties and risks in its deliberations concerning the Merger and the other transactions contemplated by the Merger Agreement, including the following (not necessarily in order of relative importance):

the need to retain and recruit talented employees, a key strategic benefit and driver of anticipated cost synergies, but that the Merger Agreement contains conditions precedent to Kemper's obligation to close the Merger related thereto and the retention agreements entered into with certain members of Infinity's management contain obligations related thereto;

the fact that upon the closing, current Kemper stockholders and Infinity shareholders are expected to own approximately 80% and 20%, respectively, of the combined company based on the number of outstanding shares of common stock and other equity securities of Kemper and Infinity on the date of the Merger Agreement;

the potential risk of not capturing all the anticipated cost savings and synergies between Infinity and Kemper and the risk that other anticipated benefits of the Merger might not be realized or not realized in the expected timeframe;

the significant costs involved in connection with entering into the Merger Agreement and completing the Merger and the share issuance and the substantial time and effort of Kemper management required to complete the transactions contemplated by the Merger Agreement, which may disrupt Kemper's business operations;

the rights of Infinity shareholders to demand appraisal of their shares of Infinity common stock in connection with the Merger and the potential effect of such demands to increase the cash paid by Kemper, but that the Merger Agreement contains a condition precedent to Kemper's obligation to close the Merger that Infinity shareholders holding not more than 10% of the outstanding shares of Infinity common stock have demanded appraisal rights;

risks related to Infinity's business, as described in the risk factors discussion in [Risk Factors](#) [Risks Relating to Infinity](#) beginning on page 45; and

the other risks described under the sections titled Risk Factors and Cautionary Statement Concerning Forward-Looking Statements beginning on pages 38 and 1, respectively.

The Kemper Board determined that, overall, these potential risks and uncertainties were outweighed by the benefits that the Kemper Board expects to achieve for Kemper stockholders as a result of the Merger. The Kemper Board was aware that there can be no assurance about future results, including results considered or expected as disclosed in the foregoing reasons.

This discussion of the information and factors considered by the Kemper Board includes material factors considered by the Kemper Board, but it is not intended to be exhaustive and may not include all factors considered by the Kemper Board. In view of the wide variety of factors considered, and the complexity of these matters, the Kemper Board did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve and adopt the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger. Rather, the Kemper Board viewed its position and recommendation as being based on the totality of the information presented to and factors considered by it, including discussions with, and questioning of, Kemper's management and its financial and legal advisors. In

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addition, individual members of the Kemper Board may have given differing weights to different factors. It should be noted that this explanation of the reasoning of the Kemper Board and certain information presented in this section is forward-looking in nature and, therefore, that information should be read in light of the factors discussed in the section entitled Cautionary Statement Concerning Forward-Looking Statements.

The Kemper Board unanimously recommends that Kemper stockholders vote FOR the share issuance proposal and FOR the Kemper meeting adjournment proposal at the Kemper annual meeting.

Recommendation of the Infinity Board and Its Reasons for the Merger

After consideration, the Infinity Board unanimously determined that the Merger Agreement, and the transactions contemplated by the Merger Agreement, including the Merger, were advisable, fair to and in the best interests of Infinity and its shareholders, and approved and adopted the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger. The Infinity Board unanimously recommends that Infinity shareholders vote **FOR** the merger proposal.

In reaching its decision to approve the Merger Agreement and the consummation of the transactions contemplated thereby and recommend the approval of the merger proposal, the Infinity Board consulted with the members of Infinity's senior management, as well as Infinity's financial and legal advisors, and considered a number of factors, including the following material factors (not necessarily in order of relative importance):

Strategic Considerations. The Infinity Board considered that the Merger is expected to provide a number of significant strategic opportunities, including the following:

the potential for Infinity's shareholders, as future Kemper stockholders, to benefit to the extent of their interest in the combined company from the synergies of the Merger and the anticipated pro forma impact of the Merger, and the expectation that the Merger will be accretive to Kemper's earnings per share on an adjusted basis in the first full fiscal year following the Merger and accretive to earnings per share on an adjusted basis on a double-digit basis within two years after the closing;

the view that the shared strategies of Infinity and Kemper would assist in integration and operating the combined company post-closing to the benefit of Infinity shareholders as future Kemper stockholders;

the view that the combined company will create a leader in non-standard automobile insurance, with enhanced growth and a more diversified product mix providing for greater choices for customers at more competitive prices, which factors are expected to significantly enhance policyholder retention;

the view that the combined company may be considered a growth company with complementary operational strengths, platforms, analytical capabilities and demographic insights driving new growth opportunities;

the belief that the scale of operations of the combined company will benefit shareholders by increasing profit margins; and

the belief that the Merger would accelerate the accomplishment of several key elements of Infinity's strategic plan and strengthen Infinity's value proposition and reduce the risk of pursuing Infinity's strategic plan by drawing upon the combined company's competencies and resources.

Other Factors Considered by the Infinity Board. In addition to considering the strategic opportunities described above, the Infinity Board considered the following additional factors, most of which it viewed as supporting and informing its decision to approve the Merger Agreement and the consummation of the transactions contemplated thereby and recommend the approval of the merger proposal:

the fact that the value of the per share Cash Consideration of \$129.00 represented an approximately 33 percent (33%) premium to the closing price of Infinity common stock of \$97.05 on February 12, 2018;

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the fact that the per share Mixed Consideration had an implied value of \$121.01 based on the closing price of Kemper common stock of \$57.75 on February 12, 2018, representing an approximately 25 percent (25%) premium to the closing price of Infinity common stock of \$97.05 on February 12, 2018;

the fact that the cash component of the Merger Consideration offers Infinity shareholders the opportunity to realize immediate cash valued at more than 50 percent (50%) of the February 12, 2018 closing price of Infinity common stock;

the fact that the stock component of the Merger Consideration offers Infinity shareholders the opportunity to participate in the future growth and opportunities of the combined company;

the financial presentation of Infinity's financial advisor, Deutsche Bank, to the Infinity Board on February 12, 2018, and the oral opinion of Deutsche Bank delivered to the Infinity Board on February 12, 2018, subsequently confirmed in writing on February 13, 2018, to the effect that as of the date of such opinion and based upon and subject to the assumptions, limitations, qualifications and conditions described in Deutsche Bank's opinion, the Merger Consideration was fair, from a financial point of view, to holders of Infinity common stock (excluding Kemper and its affiliates), as further described in the section entitled "The Merger Opinion of Infinity's Financial Advisor" beginning on page 156;

the results of the due diligence review of Kemper's businesses and operations, including the information and discussions regarding Kemper's business, results of operations, financial and market positions and future earnings and prospects;

the historical and then-current trading prices and volumes of each of Infinity common stock and Kemper common stock;

the regulatory and other approvals required in connection with the Merger, and the expectation that such approvals could be received in a reasonably timely manner;

the terms and conditions of the Merger Agreement and the course of negotiations of the Merger Agreement, including, among other things, the per share Merger Consideration (see "The Merger Agreement Merger Consideration" and "The Merger Background of the Merger" beginning on pages 178 and 122, respectively), the cash and stock mix and the exchange ratio, the ability of the Infinity Board, under certain circumstances to change the Infinity recommendation (see "The Merger Agreement Conditions to Completion of the Merger" beginning on page 188), the conditions to the closing (see "The Merger Agreement Conditions to Completion of the Merger"), the ability of Infinity to terminate the Merger Agreement under certain circumstances (see "The Merger Agreement Termination of the Merger Agreement" (beginning on page 216) and that Infinity's shareholders will have an opportunity to vote on the Merger and that their approval is a condition to the closing (see "The Merger Agreement Conditions to Completion of the Merger");

the likelihood that the Merger would be consummated and the anticipated timing of closing based on, among other things:

the absence of a financing condition in the Merger Agreement;

the scope of the conditions to the closing; and

the level of commitment by both companies to obtain applicable regulatory approvals.

the fact that the combined company will continue to use the Infinity brand (see The Merger Agreement Structure and Completion of the Merger beginning on page 178);

the fact that Infinity's headquarters in Birmingham, Alabama will house a substantial portion of the combined company's non-standard automobile insurance operations for the foreseeable future;

the Infinity Board's familiarity with and understanding of Infinity's business, results of operations, financial and market position and its expectations concerning Infinity's future earnings and prospects; and

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the Infinity Board's familiarity with and understanding of the industry and the current and prospective environment in which each of Infinity and Kemper operate, including national and local economic conditions, the competitive and regulatory environments for insurance companies generally and the likely effect of these factors on Infinity both with and without the Merger.

The Infinity Board also considered a number of uncertainties and risks in its deliberations concerning the Merger and the other transactions contemplated by the Merger Agreement, including the following (not necessarily in order of relative importance):

the risk that the Merger may not be consummated or that the closing may be unduly delayed, including as a result of factors outside of either party's control;

the challenges inherent in the Merger of two businesses of the size, geographical diversity and scope of Infinity and Kemper and the size of the companies relative to each other, including the risk that integration costs may be greater than anticipated and the possible diversion of management attention for an extended period;

the potential risk of diverting management attention and resources from the operation of Infinity's business to the Merger, and the possibility of employee attrition or adverse effects on client and business relationships as a result of the announcement and pendency of the Merger;

the potential risk that Infinity shareholders or Kemper stockholders may object to and challenge the Merger and take actions that may prevent or delay the closing, including to vote against proposals at the Infinity special meeting or Kemper annual meeting;

the potential risk associated with Infinity shareholders not having proportional representation on the Kemper Board, as, following the closing, Infinity shareholders will own approximately 20 percent of the outstanding common stock of Kemper, but only one Infinity director will become a member of the Kemper Board;

the potential risk of not capturing all the anticipated cost savings and synergies between Infinity and Kemper and the risk that other anticipated benefits of the Merger might not be realized or not realized in the expected timeframe;

the fact that the Merger is taxable to Infinity shareholders as described under "The Merger - Material U.S. Federal Income Tax Consequences" beginning on page 166;

the terms of the Merger Agreement that restrict Infinity's ability to solicit alternative transactions, as discussed under "The Merger Agreement - Infinity Acquisition Proposals" beginning on page 191;

the requirement that Infinity pay Kemper a termination fee of \$49,598,810 and reimburse Kemper for its expenses incurred in connection with the Merger in an aggregate amount not to exceed \$14,171,089 if the Merger Agreement is terminated under certain circumstances;

the restrictions in the Merger Agreement on the conduct of Infinity's business during the period between execution of the Merger Agreement and the closing;

the potential risks and costs associated with successfully integrating Infinity's business, operations and workforce with those of Kemper; and

the other risks described under the sections titled "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements" beginning on pages 38 and 1, respectively.

The Infinity Board determined that overall these potential risks and uncertainties were outweighed by the benefits that the Infinity Board expects to achieve for Infinity shareholders as a result of the Merger. The Infinity Board was aware that there can be no assurance about future results, including results considered or expected as disclosed in the foregoing reasons.

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In considering the recommendation of the Infinity Board, Infinity shareholders should be aware that certain directors and officers of Infinity may have interests in the Merger that are different from, or in addition to, interests of shareholders of Infinity generally and may create potential conflicts of interest. The Infinity Board was aware of these interests and considered them when evaluating and negotiating the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement, and in recommending to Infinity's shareholders that they vote in favor of the merger proposal. See *The Merger Interests of Infinity's Directors and Executive Officers in the Merger*.

This discussion of the information and factors considered by the Infinity Board includes the material factors considered by the Infinity Board, but it is not intended to be exhaustive and may not include all factors considered by the Infinity Board. In view of the wide variety of factors considered, and the complexity of these matters, the Infinity Board did not quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve and adopt the Merger Agreement and the transactions contemplated by the Merger Agreement, including the Merger. Rather, the Infinity Board viewed its position and recommendation as being based on the totality of the information presented to and factors considered by it, including discussions with, and questioning of, Infinity's management and its financial and legal advisors. In addition, individual members of the Infinity Board may have given differing weights to different factors. It should be noted that this explanation of the reasoning of the Infinity Board and certain information presented in this section is forward-looking in nature and, therefore, that information should be read in light of the factors discussed in the section entitled *Cautionary Statement Concerning Forward-Looking Statements*.

After consideration and evaluation of the Merger in consultation with Infinity management and advisors, the Infinity Board unanimously determined that the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are fair to and in the best interest of the Infinity shareholders and unanimously approved and declared advisable the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement.

For the reasons set forth above, the Infinity Board unanimously recommends that the Infinity shareholders vote ***FOR*** the merger proposal.

Opinion of Kemper's Financial Advisor

At a meeting of the Kemper Board held on February 13, 2018, Goldman Sachs delivered to the Kemper Board its oral opinion, subsequently confirmed in writing, that, as of February 13, 2018 and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the aggregate Merger Consideration to be paid by Kemper for all of the issued and outstanding shares of Infinity common stock pursuant to the Merger Agreement was fair from a financial point of view to Kemper.

The full text of the written opinion of Goldman Sachs, dated February 13, 2018, which sets forth assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached as Annex D and is incorporated by reference into this joint proxy statement/prospectus. The summary of the Goldman Sachs opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Goldman Sachs' written opinion. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the Kemper Board in connection with its consideration of the proposed Merger and the opinion does not constitute a recommendation as to how any holder of shares of Kemper common stock should vote with respect to the share issuance proposal or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the Merger Agreement;

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annual reports to stockholders and shareholders and Annual Reports on Form 10-K of Kemper and Infinity for the five fiscal years ended December 31, 2016;

certain interim reports to stockholders and shareholders and Quarterly Reports on Form 10-Q of Kemper and Infinity;

certain other communications from Kemper and Infinity to their stockholders and shareholders, respectively;

certain publicly available research analyst reports for Kemper and Infinity;

the Infinity financial projections; and

the Kemper financial projections, the Kemper-prepared Infinity financial projections (without synergies), the Kemper-prepared Infinity financial projections (with synergies) and the combined company financial projections (each of the foregoing, which are summarized in Certain Unaudited Prospective Financial Information beginning on page 269, are referred to collectively in this section as the ***Kemper-prepared financial projections***), in each case, as prepared by the management of Kemper and approved by Kemper for Goldman Sachs use, including certain operating synergies projected by the management of Kemper to be likely to result from the proposed Merger (referred to in this section as the ***Operating Synergies***) and reflected in the Kemper-prepared Infinity financial projections (with synergies) and the combined company financial projections, along with estimated incremental synergies related to systems conversions consisting of \$6 million estimated to be realized in 2021 and \$12 million estimated to be realized annually starting in 2022 (referred to in this section as the ***Incremental Systems Conversions Synergies***), in each case as provided by Kemper management and approved by Kemper for Goldman Sachs use in its analysis (collectively with the Operating Synergies referred to in this section, the ***Synergies***).

Goldman Sachs also held discussions with members of the senior managements of Kemper and Infinity, regarding their assessment of the past and current business operations, financial condition and future prospects of Infinity and with the members of the senior management of Kemper regarding their assessment of the past and current business operations, financial condition and future prospects of Kemper and the strategic rationale for, and the potential benefits of, the proposed Merger; reviewed the reported price and trading activity for the shares of Kemper common stock and the shares of Infinity common stock; compared certain financial and stock market information for Kemper and Infinity with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the property and casualty insurance industry and in other industries; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering its opinion, Goldman Sachs, with the consent of the Kemper Board, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with the consent of the Kemper Board that the Kemper-prepared financial projections and the Synergies have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Kemper. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Kemper or Infinity or any of their respective subsidiaries and Goldman

Sachs was not furnished with any such evaluation or appraisal. Goldman Sachs is not an actuary and its services did not include any actuarial determination or evaluation by Goldman Sachs or any attempt to evaluate actuarial assumptions and Goldman Sachs relied on Kemper's actuaries with respect to reserve adequacy. In that regard, Goldman Sachs made no analysis of, and expressed no opinion as to, the adequacy of the loss and loss adjustments expenses reserves or the future policy benefit reserves of Kemper or the adequacy of the loss and loss adjustments expenses reserves of Infinity. Goldman Sachs assumed that all

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governmental, regulatory or other consents and approvals necessary for the consummation of the proposed Merger would be obtained without any adverse effect on Kemper or Infinity or on the expected benefits of the proposed Merger in any way meaningful to its analysis. Goldman Sachs also assumed that the proposed Merger would be consummated on the terms set forth in the Merger Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs' opinion does not address the underlying business decision of Kemper to engage in the proposed Merger, or the relative merits of the proposed Merger as compared to any strategic alternatives that may be available to Kemper; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to Kemper, as of the date thereof, of the aggregate Merger Consideration to be paid by Kemper for all of the issued and outstanding shares of Infinity common stock pursuant to the Merger Agreement. Goldman Sachs' did not express any view on, and its opinion did not address, any other term or aspect of the Merger Agreement or proposed Merger or any term or aspect of any other agreement or instrument contemplated by the Merger Agreement or entered into or amended in connection with the proposed Merger, including, the fairness of the proposed transaction to, or any consideration received in connection therewith by, the holders of any class of securities, creditors, or other constituencies of Kemper; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Kemper or Infinity, or any class of such persons in connection with the proposed Merger, whether relative to the aggregate Merger Consideration to be paid by Kemper for all of the issued and outstanding shares of Infinity common stock pursuant to the Merger Agreement or otherwise. Goldman Sachs did not express any opinion as to the prices at which shares of Kemper common stock would trade at any time or as to the impact of the proposed Merger on the solvency or viability of Kemper or Infinity or the ability of Kemper or Infinity to pay their respective obligations when they come due. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date thereof. Goldman Sachs' advisory services and the opinion expressed therein were provided for the information and assistance of the Kemper Board in connection with its consideration of the proposed Merger and such opinion does not constitute a recommendation as to how any holder of shares of Kemper common stock should vote with respect to the share issuance proposal or any other matter. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

Summary of Financial Analysis

The following is a summary of the material financial analyses presented by Goldman Sachs to the Kemper Board in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before February 12, 2018, and is not necessarily indicative of current market conditions.

Analysis of Implied Premiums and Multiples

Goldman Sachs calculated and compared certain premiums and multiples using the closing price for shares of Kemper common stock on February 12, 2018, the last completed trading day before Goldman Sachs delivered its opinion to the Kemper Board, and the implied value of the price to be paid by Kemper for each share of issued and outstanding Infinity common stock pursuant to the Merger Agreement based on the Mixed Consideration of 1.2019 shares of

Kemper common stock and \$51.60 in cash.

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Goldman Sachs calculated the implied value of the Merger Consideration as equal to \$121.01 per share of Infinity common stock by adding (a) the product of \$57.75, the closing price of shares of Kemper common stock on February 12, 2018, multiplied by 1.2019 shares of Kemper common stock (such product deriving an implied value of the stock portion of the Mixed Consideration of \$69.41) plus (b) \$51.60, the cash portion of the Mixed Consideration. Goldman Sachs calculated the implied value of the aggregate Merger Consideration as equal to \$1.329 billion by multiplying \$121.01 by the total number of fully diluted shares of Infinity common stock outstanding as of February 6, 2018, as provided by Infinity management.

Goldman Sachs calculated and compared the following:

the implied premiums represented by the implied value of the Merger Consideration of \$121.01 per share of Infinity common stock relative to