

KEMPER Corp
Form S-4
April 04, 2018
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As filed with the Securities and Exchange Commission on April 4, 2018

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Kemper Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

6331
(Primary Standard Industrial
Classification Code Number)

95-4255452
(I.R.S. Employer
Identification Number)

One East Wacker Drive, Chicago, Illinois 60601

(312) 661-4600

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

C. Thomas Evans, Jr.

Senior Vice President, Secretary and General Counsel

Kemper Corporation

One East Wacker Drive

Chicago, Illinois 60601

(312) 661-4600

(Name, address, including zip code, and telephone number, including area code, of agent for service)

with copies to:

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President and General Counsel

**Infinity Property and Casualty
Corporation**

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Cincinnati, Ohio 45202

(513) 579-6400

Approximate date of commencement of proposed sale of the securities to the public: As soon as reasonably practicable after the effectiveness of this Registration Statement and the completion of the merger described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company
		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee (3)
Common Stock, par value \$0.01 per share	13,246,060	N/A	\$724,548,086.40	\$90,206.24

- (1) The number of shares to be registered represents the maximum number of shares of Kemper Corporation (*Kemper*) common stock estimated to be issuable in connection with the merger agreement described in the joint proxy statement/prospectus based upon (i) 10,919,965 shares of common stock, no par value per share, of Infinity Property and Casualty Corporation (*Infinity*) outstanding as of March 30, 2018, multiplied by a mixed election stock exchange ratio of 1.2019 (the *mixed election stock exchange ratio*), (ii) up to an aggregate of 38,612 shares of Infinity common stock issuable upon the vesting of each outstanding and unvested award of performance share units with respect to Infinity common stock granted pursuant to any Infinity stock plan (*Infinity performance share awards*), vested at the target number of shares of Infinity common stock subject to such Infinity performance share awards, multiplied by an exchange ratio (the *exchange ratio*) equal to (x) 1.2019 plus (y) 0.8012, which is the quotient (rounded to four decimal places) of \$51.60 divided by \$64.40 (which was the 20-trading day volume-weighted average price of Kemper common stock as of February 12, 2018, the day prior to the date of media publications regarding the proposed merger), (iii) up to an aggregate of 0 shares of Infinity common stock issuable upon the vesting of each outstanding and unvested award of restricted shares of Infinity common stock granted under any Infinity stock plan (*Infinity restricted shares*) that is held by a non-employee member of the Infinity board of directors multiplied by the mixed election stock exchange ratio and (iv) up to an aggregate of 44,010 shares of Kemper common stock issuable upon the vesting of Kemper restricted stock units granted to holders of each outstanding and unvested award of Infinity restricted shares (other than those held by non-employee members of the Infinity board of directors) (*Rollover RSUs*), in consideration for the cancellation and conversion of such Infinity restricted shares into Kemper restricted stock units, with such Rollover RSUs determined by multiplying the number of cancelled Infinity restricted shares by the exchange ratio.
- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended (the *Securities Act*), and calculated pursuant to Rules 457(c) and 457(f)(1) under the Securities Act, the proposed maximum aggregate offering price is equal to (a) the product of: (i) \$117.30, the average of the high and low prices per share of Infinity common stock on April 2, 2018, as reported on the NASDAQ Stock Market, and (ii) the approximate number of shares of Infinity common stock to be converted in the merger (calculated as set forth in note (1) above), minus (b) \$563,470,194 (the estimated minimum amount of cash to be paid to Infinity shareholders in the merger).
- (3) Calculated pursuant to Section 6(b) of the Securities Act and SEC Fee Advisory #1 for the Fiscal Year 2018 at a rate equal to \$124.50 per \$1,000,000 of the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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Information contained in this joint proxy statement/prospectus is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be offered or sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED APRIL 4, 2018

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 [X], 2018, the record date for each of the two companies' special meetings of stockholders and shareholders, Kemper expects to issue or reserve for issuance approximately [] 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 these numbers and the number of shares of Kemper common stock outstanding on [X], 2018, 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 [], 2018, Kemper common stock closed at \$[] per share as reported by the NYSE.

Infinity common stock is traded on the NASDAQ Stock Market (*NASDAQ*) under the trading symbol *IPCC*. On [], 2018, Infinity common stock closed at \$[] 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 pursuant to which Vulcan Sub, Inc., a wholly owned subsidiary of Kemper (*Merger Sub*) will be merged with and into Infinity, with Infinity continuing as the surviving corporation and a wholly owned subsidiary of Kemper (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 special 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 special meeting of Kemper stockholders (the *Kemper special meeting*), Kemper stockholders will be asked to vote on (i) the share issuance proposal and (ii) a proposal to adjourn the Kemper 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 share issuance proposal if there are insufficient votes at the time of the Kemper special meeting or any adjournment or postponement thereof (the *Kemper meeting adjournment proposal*).

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The Kemper board of directors unanimously recommends that holders of Kemper common stock vote (i) FOR the share issuance proposal and (ii) FOR the Kemper meeting adjournment proposal.

At the special meeting of Infinity shareholders (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, respectively, at each company's special meeting. The dates, times and places of the meetings are as follows:

For Kemper stockholders:

[X], 2018, [X], local time,
at [X]

For Infinity shareholders:

[X], 2018, [X], local time,
at [X]

Your vote is very important. Whether or not you plan to attend your company's special 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 and the special meetings. We encourage you to read carefully this joint proxy statement/prospectus before voting, including the section entitled Risk Factors beginning on page 35.

We hope to see you at the special meetings and look forward to the successful closing.

By Order of the Kemper Board of Directors,

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

By Order of the Infinity Board of Directors,

James R. Gober
Executive Chairman
Infinity Property and Casualty Corporation

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.

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This joint proxy statement/prospectus is dated [], 2018, and is being mailed to Kemper stockholders and Infinity shareholders on or about [], 2018.

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ADDITIONAL INFORMATION

The accompanying document is the proxy statement of Infinity for the Infinity special meeting, the proxy statement of Kemper for the Kemper special 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 applicable special meeting. Therefore, if you would like to request documents from Kemper, please do so by [X], 2018 in order to receive them before the Kemper special meeting. If you would like to request documents from Infinity, please do so by [X], 2018 in order to receive them before the Infinity special meeting.

See **Where You Can Find More Information** beginning on page 216 of the accompanying joint proxy statement/prospectus for further information.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON [X], 2018

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

Kemper will hold a special meeting (the *Kemper special meeting*) of holders of Kemper common stock at [X], located at [X], on [X], 2018, at [X], 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 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 share issuance proposal if there are insufficient votes at the time of the Kemper special meeting or any adjournment or postponement thereof (the *Kemper meeting adjournment proposal*).

The board of directors of Kemper (the *Kemper Board*) has fixed [X], 2018 as the record date for determining stockholders entitled to receive this notice and to vote at the Kemper special meeting. Only Kemper stockholders of record at the close of business on the record date for the Kemper special meeting will be entitled to notice of, and to vote at, the Kemper special meeting and any adjournments or postponements thereof. A list of registered Kemper stockholders entitled to vote at the Kemper special 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 special meeting.

The Kemper Board unanimously recommends that you vote FOR the share issuance proposal and FOR the Kemper meeting adjournment proposal.

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 special 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.** 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.

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

By Order of the Board of Directors,

C. Thomas Evans, Jr.
Secretary

[X], 2018

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON [X], 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 [X], located at [X], on [X], 2018, at [X], 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 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 [X], 2018 as the record date for determining shareholders entitled to receive this notice and to vote at the Infinity special meeting. Only Infinity shareholders of record at the close of business on the 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. 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 under the section entitled Questions and Answers About the Special Meetings of Kemper Stockholders and Infinity

Shareholders.

By Order of the Board of Directors,

James H. Romaker
Secretary

[X], 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 216.

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);

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 3) 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 SPECIAL MEETINGS OF KEMPER STOCKHOLDERS AND INFINITY SHAREHOLDERS

*The following are some questions that you, as a Kemper stockholder or an Infinity shareholder, may have regarding the special meeting of Kemper stockholders (the **Kemper special 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 Special Meeting* and *The Infinity Special Meeting* beginning on pages 43 and 49 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 special 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 216 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 is 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).

Kemper and Infinity will hold separate special meetings of stockholders and shareholders, respectively, to obtain these approvals. This joint proxy statement/prospectus contains important information about the Merger Agreement, the Merger, the Kemper special meeting, and the Infinity special meeting, and you should read it carefully. The enclosed voting materials allow you to vote your shares without attending your respective special meeting in person.

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

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

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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 special meetings of the Kemper stockholders and Infinity shareholders be held?

A: The Kemper special meeting will take place on [X], 2018, at [X], local time, at [X].
The Infinity special meeting will take place on [X], 2018, at [X], local time, at [X].

Q: What are Kemper stockholders voting to approve, 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 [] million shares of Kemper common stock in the Merger.

Kemper stockholders are also voting on a proposal to adjourn the Kemper 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 share issuance proposal if there are insufficient votes at the time of the Kemper special 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 are Infinity shareholders voting to approve 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.

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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 special meetings?

A: The Kemper Board has fixed [X], 2018 as the record date (the *Kemper record date*) for determining stockholders entitled to receive notice of, and to vote at, the Kemper special meeting. Only stockholders of record at the close of business on the Kemper record date for the Kemper special meeting will be entitled to notice of, and to vote at, the Kemper special meeting and any adjournments or postponements thereof. As of the Kemper record date, there were [] shares of Kemper common stock outstanding and entitled to vote at the Kemper special meeting, held by approximately [] 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 special meeting.

The Infinity Board has fixed [X], 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. 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 []

shares of Infinity common stock outstanding and entitled to vote at the Infinity special meeting, held by approximately [] 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.

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Q: What vote of Kemper stockholders is required to approve (i) the share issuance proposal and (ii) the Kemper meeting adjournment proposal?

A: The approval by Kemper stockholders of the share issuance proposal and the approval of the Kemper meeting adjournment proposal require the affirmative vote of a majority of the votes cast on such proposal, provided that a quorum is present.

Q: How does the Kemper Board recommend that Kemper stockholders vote?

A: The Kemper Board unanimously recommends that Kemper stockholders vote (i) **FOR** the share issuance proposal and (ii) **FOR** the Kemper meeting adjournment proposal.

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?

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 their company's 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.

Holders of Kemper common stock or Infinity common stock may also vote in person by attending the applicable company's special meeting. If you plan to attend your company's special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in street name and you wish to vote in person at your company's special meeting, you must bring a legal proxy, executed in your favor, from the record holder of the shares authorizing you to vote at the special meeting. For additional information, see *The Kemper Special Meeting* and *The Infinity Special Meeting* beginning on pages 43 and 49 of this joint proxy statement/prospectus, respectively.

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Whether or not you plan to attend your company's 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 using the enclosed proxy card. The proxy card directs the trustee of the 401(k) and Retirement Plan to vote a participant's shares as indicated on the card. Shares of Kemper common stock held through the 401(k) and Retirement Plan for which no instructions are received will be voted by the trustee of the 401(k) and Retirement Plan in the same proportion as all other shares of Kemper common stock voted in accordance with timely voting instructions provided to the trustee by all other plan participants. The trustee of the 401(k) and Retirement Plan must receive a proxy card with your voting instructions by 1:00 am Central Daylight Time on the second business day preceding the date of the Kemper special meeting (the **401(k) Deadline**) for your voting instructions to be effective.

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 special 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 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. However, these failures to vote will make it more difficult to meet the requirement under Delaware law that the holders of a majority of the issued and outstanding shares of Kemper common stock entitled to vote at the Kemper special meeting be present in person or represented by proxy to constitute a quorum at the Kemper special meeting. The chair of the Kemper special meeting is entitled to adjourn the meeting to another place, date or time if a quorum is not present.

Approval of the Kemper meeting adjournment proposal. Approval of the Kemper meeting adjournment proposal requires the affirmative vote of a majority of the votes cast at the Kemper special meeting with respect to such proposal, provided that a quorum is present. For purposes of the Kemper meeting adjournment proposal, votes cast means votes for or against the proposal. As a result, a Kemper stockholder 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.

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

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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.

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 applicable stock exchange rules, all of the proposals in this joint proxy statement/prospectus 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 but has discretionary voting power on other proposals at such meeting. Accordingly, if your shares of Kemper common stock or Infinity common stock are held in street name, your bank, broker, trust or other nominee holder of record will NOT be able to vote your shares of Kemper common stock or Infinity common stock on any of the proposals, and your shares will not be counted in

determining the presence of a quorum at the applicable special meeting unless you have properly instructed your bank, broker, trust or other nominee holder of record on how to vote.

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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 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 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: 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

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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 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

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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 116 and 117, 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.

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 117.

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.

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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 special meetings, the Merger or how to submit your proxy, or, for Infinity shareholders, how to complete your Form of Election, or if you need 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 216.*

Information about the Companies

Kemper (see page 166)

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 216.

Merger Sub (see page 166)

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 167)

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 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 216.

The Merger (see page 59)

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 115)

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 116, *The Merger Agreement Merger Consideration Stock Consideration* beginning on page 117 and *The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations* beginning on page 117.

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 116 and The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations beginning on page 117.

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 117 and The Merger Agreement Allocation of Merger Consideration and Illustrative Elections and Calculations beginning on page 117.

Treatment of Infinity Equity Awards in the Merger (see page 109)

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 Kemper and Infinity outstanding on [X], 2018, the record date for the two companies' special meetings, Kemper expects to issue or reserve for issuance approximately [] 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 these numbers, 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 [] shares of Kemper common stock, collectively representing approximately []% 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 special meeting with respect to the share issuance proposal, provided that a quorum is present. On February 13, 2018, all of Kemper's directors and 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 161. 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 [] shares of Infinity common stock, collectively representing []% 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 named executive officers entered into Voting and Support Agreements with Kemper (the *Infinity Voting and Support Agreements*)

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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 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 161. 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 76).

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 special 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 80.

Recommendation of the Infinity Board and Its Reasons for the Merger (see page 80)

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 80.

Opinion of Kemper's Financial Advisor (see page 83)

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 83 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 93)

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 93 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 109)

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 Security Ownership of Certain Beneficial Owners and Management of Infinity beginning on page 171.

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 63 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 109.

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 109 for additional information about these interests.

Board of Directors of Kemper after the Merger (see page 114)

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 (1) 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

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will be so 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 216.

Listing of Kemper Common Stock and Delisting and Deregistration of Infinity Common Stock (see page 109)

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 124)

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 124 and 163, 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 125)

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 special 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 127 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 22 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 125. 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 101)

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 125 and 138, respectively.

Financing (see page 147)

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 147.

Infinity Acquisition Proposals (see page 128)

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 130 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 131 of this joint proxy statement/prospectus), make an Infinity adverse recommendation change (as described on page 130 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 128 and 134, respectively).

Kemper Acquisition Proposals (see page 131)

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 133 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 133 of this joint proxy statement/prospectus), make a Kemper adverse recommendation change (as described on page 133 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 Special Meeting of Kemper Stockholders; Recommendation of the Kemper Board beginning on pages 131 and 136, respectively).

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Termination of the Merger Agreement (see page 153)

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 138 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 special 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 special 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 153.

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 153 and 155, 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 153 and 155, respectively.

Reimbursement of Fees and Expenses (see page 155)

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 103)

For U.S. holders (as described on page 104 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 103.

Accounting Treatment (see page 108)

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 35)

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 35.

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 101.

Comparison of Rights of Kemper Stockholders and Infinity Shareholders (see page 178)

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 178.

Expenses (see page 159)

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.

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, 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 216.

(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. See [Where You Can Find More Information](#) beginning on page 216.

(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 192, 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 192 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 192, 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 192 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

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

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of media publications regarding the proposed Merger, and on [X], 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
[], 2018	[]	[]	[]

(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 115.

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 216.

As of [X], 2018, Kemper had approximately [] million shares of its common stock outstanding, and there were approximately [] 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 special 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 216.*

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 special 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 special 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 [], 2018, the trading price of Kemper common stock ranged from a closing high of \$[] per share to a closing low of \$[] 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 and Infinity special meetings, 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 and Infinity special meetings 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 101. 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 109.

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 each of Kemper and Infinity outstanding on [X], 2018, the record date for the two companies special meetings, Kemper expects to issue or reserve for issuance approximately [] 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 these numbers, 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 [] 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 178 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 216.

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 filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See [Where You Can Find More Information](#) beginning on page 216.

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THE KEMPER SPECIAL MEETING

General

The Kemper Board is furnishing this joint proxy statement/prospectus to solicit proxies to be voted at Kemper'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 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 special meeting.

Special Meeting of Kemper Stockholders

Date: [X]

Time: [X]

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

Voting Matters and Board Recommendations

1. To consider and vote upon the share issuance proposal; and
2. To consider and vote upon the Kemper meeting adjournment proposal.

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

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 FOR the share issuance proposal and FOR the Kemper meeting adjournment proposal at the Kemper special 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 approving, and certain risks related to, the Merger, see The Merger Recommendation of the Kemper Board and Its Reasons for the Merger.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of Kemper common stock at the close of business on [X], 2018 (the *Kemper record date*), will be entitled to notice of, and to vote at, the Kemper special meeting. At the close of business on the Kemper record date, there were [] shares of Kemper common stock issued and outstanding. Accordingly, [] shares of Kemper common stock are eligible to be voted at the Kemper special 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.

Edgar Filing: KEMPER Corp - Form S-4

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

Table of Contents**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 special meeting, present in person or represented by proxy, shall constitute a quorum for the Kemper special meeting. A quorum must be present before a vote can be taken on (i) the share issuance proposal or (ii) the Kemper meeting adjournment proposal.

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 special 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. However, these failures to vote will make it more difficult to meet Kemper's quorum requirement that the holders of a majority of the issued and outstanding shares of Kemper common stock entitled to vote at the Kemper special meeting be present in person or represented by proxy to constitute a quorum, as these broker non-votes are not considered entitled to vote at the Kemper special meeting. The chair of the Kemper special meeting is entitled to adjourn the meeting to another place, date or time if a quorum is not present.

Vote required to approve the Kemper meeting adjournment proposal. Approval of the Kemper meeting adjournment proposal requires the affirmative vote of a majority of the votes cast at the Kemper special meeting with respect to the Kemper meeting adjournment proposal, provided that a quorum is present. For purposes of the Kemper meeting adjournment proposal, 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 this proposal. The chair of the Kemper special meeting is entitled to adjourn the meeting to another place, date or time if a quorum is not present.

Abstentions will be counted as present for purposes of determining the presence of a quorum at the Kemper special meeting. If a quorum is not present with respect to the proposal to approve the issuance of shares of Kemper common stock pursuant to the Merger Agreement or if there are not sufficient votes in favor of that proposal, Kemper expects that the Kemper special meeting will be adjourned to solicit additional proxies by the chairman of the Kemper special meeting or, subject to approval of the Kemper meeting adjournment proposal by the affirmative vote of the majority of votes cast at the special meeting, by the Kemper stockholders, provided a quorum is present. At any subsequent reconvening of the Kemper special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Kemper special 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 special meeting, the directors, named executive officers and executive officers of Kemper as a group owned and were entitled to vote approximately [] shares of Kemper common stock, or approximately []% of the issued and outstanding shares of Kemper common stock on that date. On February 13, 2018, all of Kemper's directors and 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

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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 special meeting 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 special meeting. Votes cast by proxy or in person at the Kemper special meeting will be tabulated and certified by Broadridge Financial Solutions, Inc., which shall serve as the inspector of election for the Kemper special meeting.

Voting in Person

Kemper stockholders who plan to attend the Kemper special 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 special 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 special 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 special 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 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 special 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 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 Kemper special meeting.

Kemper stockholders should submit their proxy even if they plan to attend the Kemper special meeting. Kemper stockholders can change their vote at the Kemper special 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.

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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 special meeting.

All properly executed proxies that are received prior to the Kemper special meeting and that are not revoked will be voted at the Kemper special meeting according to the instructions indicated on the proxies or, if no instructions are indicated, they will be voted FOR the share issuance proposal and FOR the Kemper meeting adjournment proposal.

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

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 the second business day preceding the date of the Kemper special meeting, (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

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 special meeting;

notifying Kemper's Secretary, C. Thomas Evans, Jr., in writing prior the commencement of the Kemper special 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 special meeting; or

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attending the Kemper 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 Kemper special 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 abstention will not affect the results of the vote on the Kemper meeting adjournment proposal.

Under applicable stock exchange rules, the share issuance proposal and the Kemper 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 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, and such shares will NOT be counted in determining the presence of a quorum at the Kemper special meeting, unless the holder 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 the share issuance proposal or the Kemper meeting adjournment proposal.

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 \$20,000 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

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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 above 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 "household" but such stockholder prefers to receive separate copies of the joint proxy statement/prospectus, additional copies may be requested by contacting Kemper's Secretary to request additional copies.

Other Business; Adjournments

No business other than the share issuance proposal and the Kemper meeting adjournment proposal shall be conducted at the Kemper special meeting. The chairman of the Kemper special 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 special 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: [X].

Time: [X]

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 80.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of Infinity common stock at the close of business on [X], 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 [] shares of Infinity common stock issued and outstanding. Accordingly, [] 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 [X], 2018 will be available for inspection at the Infinity special meeting and for a period of ten (10) days prior to [X], 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 as a group owned and were entitled to vote approximately [] shares of Infinity common stock, or approximately []% of the issued and outstanding shares of Infinity common stock on that date. On February 13, 2018, all of Infinity's directors and 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 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 Broadridge Financial Solutions, Inc., 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 Kemper 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).

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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 special 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 special meeting to approve the share issuance proposal the (*Kemper meeting adjournment proposal*).

The Kemper Board unanimously recommends that 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 special 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 special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Kemper special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

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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.

Table of Contents**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

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Agreement. Mr. Weinhoff would 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 terms, treatment of Infinity's outstanding equity

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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 206.

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 206, 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 special 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 83;

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 133 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 133 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 155 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 156 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 133 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 138); 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 127 of this joint proxy statement/prospectus) and the Kemper stockholder approval (as described on page 127 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 42; and

the other risks described under the sections titled Risk Factors and Cautionary Statement Concerning Forward-Looking Statements beginning on pages 35 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 special 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 93;

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 115 and 59, 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 125), 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 153) 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 Structure and Completion of the Merger" beginning on page 115);

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 special 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 103;

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 128;

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 35 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 206, 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

\$97.05, the closing price for shares of Infinity common stock on February 12, 2018,

\$103.25, the closing price for shares of Infinity common stock on January 10, 2018, the date on which Kemper and Infinity entered into an exclusivity agreement in connection with the potential Merger,

\$102.27, the volume-weighted average trading price (**VWAP**) of shares of Infinity common stock over the 30-trading day time period ended February 12, 2018,

\$104.79, the VWAP of shares of Infinity common stock over the 60-trading day time period ended February 12, 2018,

\$103.16, the VWAP of shares of Infinity common stock over the 90-trading day time period ended February 12, 2018,

\$108.85, the highest trading price of shares of Infinity common stock over the 52-week period ended February 12, 2018, and

\$83.55, the lowest trading price of shares of Infinity common stock over the 52-week period ended February 12, 2018;

the implied value of the aggregate Merger Consideration of \$1.329 billion (based on the implied value of the Mixed Consideration of \$121.01 per share of Infinity common stock) as a multiple of the book value (**BV**) and tangible book value (**TBV**) of Infinity, in each case as of December 31, 2017, both including and excluding accumulated other comprehensive income (**AOCI**) calculated based on information provided in the Infinity financial projections and approved for Goldman Sachs use by the management of Kemper; and

the \$121.01 implied value of the merger consideration per Infinity share as a multiple of the estimated earnings per share (*EPS*) for calendar years 2018 and 2019 for Infinity, calculated using the EPS estimates for Infinity for such years, both with and without Operating Synergies, as reflected in the Kemper-prepared Infinity financial projections (without synergies) and the Kemper-prepared Infinity financial projections (with synergies), and using the median EPS estimates for Infinity for such years published by the Institutional Broker Estimate System (*IBES*) as of February 12, 2018.

All trading prices of shares of Kemper common stock were as reported by the NYSE and all trading prices of Infinity common stock were as reported by NASDAQ.

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The results of these calculations and comparisons were as follows:

\$121.01 Implied Merger Consideration	
Implied Premium to:	
February 12, 2018 Closing Price of \$97.05	24.7%
January 10, 2018 Closing Price of \$103.25	17.2%
30-Day VWAP of \$102.27	18.3%
60-Day VWAP of \$104.79	15.5%
90-Day VWAP of \$103.16	17.3%
52-Week High of \$108.85	11.2%
52-Week Low of \$83.55	44.8%
Aggregate Purchase Price as Multiple of:	
Q4 2017 BV (including AOCI)	1.85x
Q4 2017 BV (excluding AOCI)	1.90x
Q4 2017 TBV (including AOCI)	2.06x
Q4 2017 TBV (excluding AOCI)	2.13x
Price Per Infinity Share as Multiple of:	
2018E EPS (without Operating Synergies)	22.9x
2019E EPS (without Operating Synergies)	21.3x
2018E EPS (with Operating Synergies)	19.5x
2019E EPS (with Operating Synergies)	13.6x
2018E EPS (IBES Median)	20.7x
2019E EPS (IBES Median)	19.2x

Illustrative Discounted Dividend Analyses for Infinity

Using the Kemper-prepared Infinity financial projections (without synergies) and the Kemper-prepared Infinity financial projections (with synergies), Goldman Sachs performed illustrative discounted dividend analyses for Infinity, on a standalone basis, to derive a range of illustrative present values per share of Infinity common stock, on a standalone basis, without and with Operating Synergies, respectively.

Without Synergies. Using a range of discount rates from 9.02% to 11.09%, reflecting estimates of Infinity's cost of equity, Goldman Sachs derived an illustrative equity value per share of Infinity common stock, on a standalone basis, excluding Synergies, by discounting to present value as of December 31, 2017, (a) the estimated total available distributions to Infinity shareholders for the years 2018 through 2020, as reflected in the Kemper-prepared Infinity financial projections (without synergies), and (b) a range of illustrative terminal values for Infinity, as of December 31, 2020, calculated by applying exit terminal year price to book value (*P/BV*) multiples ranging from 1.61x to 1.86x to the estimate of the post-distribution book value (including AOCI) of Infinity as of December 31, 2020, as reflected in the Kemper-prepared Infinity financial projections (without synergies) (which analysis implied 2021 price to earnings (*P/E*) multiples ranging from 15.5x to 17.9x). Goldman Sachs derived the range of discount rates by application of the capital asset pricing model, which requires certain company-specific inputs, including a

beta for the company, as well as certain financial metrics for the United States financial markets generally (the *CAPM*). The range of P/BV multiples used by Goldman Sachs reflected, on the low-end, the P/BV multiple of 1.61x on the regression line (derived from the regression analysis performed based on the estimated 2018 return on equity (*ROE*) and the P/BV multiples for the selected companies as described below) corresponding to the estimated ROE for Infinity without Synergies of 10.1% for 2021, as reflected in the Kemper-prepared Infinity financial projections (without synergies) and, on the high-end, a P/BV multiple of 1.86x, reflecting a 15.6% premium to the regression line multiple (the same premium to the regression line multiple at which shares of Infinity common stock traded based on IBES median estimates as of February 12, 2018). Goldman Sachs then divided the ranges of illustrative equity values it derived for Infinity on a standalone basis by the total number of fully diluted shares of Infinity common stock

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outstanding as of February 6, 2018, as provided by Infinity management, to derive a range of illustrative present values per share of Infinity common stock of \$93.40 to \$111.06.

With Operating Synergies. Goldman Sachs performed the same discounted dividend analysis described above for Infinity, on a standalone basis, including Operating Synergies, using the same discount rates range of 9.02% to 11.09% used above but applying exit terminal year P/BV multiples ranging from 3.00x to 3.47x (which reflected, on the low-end, the P/BV multiple of 3.00x on the regression line (derived from the regression analysis performed based on the estimated 2018 ROE and the P/BV multiples for the selected companies as described below) corresponding to the estimated ROE for Infinity, with Operating Synergies, of 20.3% for 2021, as reflected in the Kemper-prepared Infinity financial projections (with synergies) and, on the high-end, a P/BV multiple of 3.47x, reflecting a 15.6% premium to the regression line multiple (the same premium to the regression line multiple at which shares of Infinity common stock traded based on IBES median estimates as of February 12, 2018). In addition, using the same discount rate range as specified above, Goldman Sachs discounted to present value as of December 31, 2017 (x) the Incremental Systems Conversions Synergies estimated by management of Kemper to be realized in 2021 and (y) an illustrative terminal value for the Incremental Systems Conversions Synergies as of December 31, 2021, calculated by applying an exit terminal year P/E multiple of 15.6x to the run-rate Incremental Systems Conversions Synergies estimated by Kemper management to be first realized in full in 2022. This analysis resulted in a range of illustrative present values per share of Infinity common stock of \$159.64 to \$189.18.

Illustrative Discounted Dividend Analyses for Kemper

Using the Kemper financial projections and the combined company financial projections, Goldman Sachs performed illustrative discounted dividend analyses for Kemper, to derive a range of illustrative present values per share of Kemper common stock, on a standalone basis and on a combined company basis, giving effect to the proposed Merger, respectively.

Kemper on a Standalone Basis

Using a range of discount rates of 11.77% to 13.84%, reflecting estimates of Kemper's cost of equity on a standalone basis, derived by application of the CAPM, Goldman Sachs derived an illustrative equity value per share of Kemper common stock, on a standalone basis, by discounting to present value as of December 31, 2017, (a) the estimated total available distributions to Kemper stockholders for the years 2018 through 2020, as provided in the Kemper financial projections and (b) a range of illustrative terminal values for Kemper, as of December 31, 2021, calculated by applying exit terminal year P/BV multiples ranging from 1.65x to 1.88x to the estimate of the post-distributions book value (including AOCI) of Kemper as of December 31, 2020, as reflected in the Kemper financial projections (which analysis implied exit 2021 P/E multiples ranging from 15.2x to 17.3x). The range of P/BV multiples used by Goldman Sachs reflected, on the low-end, the P/BV multiple of 1.65x on the regression line (derived from the regression analysis performed based on the estimated 2018 ROE and the P/BV multiples for the selected companies described below) corresponding to the estimated ROE for Kemper of 10.4% for 2021, as reflected in the Kemper financial projections and, on the high-end, a P/BV multiple of 1.88x, reflecting a 14.0% premium to the regression line multiple (the same premium to the regression line multiple at which shares of Kemper common stock traded based on IBES median estimates as of February 12, 2018). Goldman Sachs then divided these ranges of illustrative equity values it derived for Kemper on a standalone basis by the total number of fully diluted shares of Kemper common stock outstanding as of February 9, 2018, as provided by Kemper management, to derive a range of illustrative present values per share of Kemper common stock of \$58.73 to \$70.32.

Table of Contents*Kemper on a Combined Company Basis*

Using a range of discount rates of 10.90% to 12.97%, reflecting estimates of Kemper's cost of equity on a combined company basis, derived by application of the CAPM, Goldman Sachs derived an illustrative equity value per share of Kemper common stock, on a combined company basis, by discounting to present value as of December 31, 2017, (a) the estimated total available distributions to Kemper stockholders for the years 2018 through 2020, as provided in the combined company financial projections, (b) a range of illustrative terminal values for Kemper, as of December 31, 2020, calculated by applying exit terminal year P/BV multiples ranging from 1.70x to 1.93x to the estimate of the post-distributions book value (including AOCI) of Kemper as of December 31, 2020, as reflected in the combined company financial projections (which analysis implied 2021 P/E multiples ranging from 15.1x to 17.2x), (c) estimates of the benefits to be derived by Kemper on a combined company basis from Operating Synergies in 2018 through 2020, as reflected in the combined company financial projections, and (d) (x) the Incremental Systems Conversions Synergies estimated by management of Kemper to be realized in 2021 and (y) an illustrative terminal value for the Incremental Systems Conversions Synergies as of December 31, 2021, calculated by applying an exit terminal year P/E multiple of 16.0x to the run-rate Incremental Systems Conversions Synergies estimated by Kemper management to be first realized in full in 2022. The range of P/BV multiples used by Goldman Sachs reflected, on the low-end, the P/BV multiple of 1.70x on the regression line (derived from the regression analysis performed based on the estimated 2018 ROE and the P/BV multiples for the selected companies described below) corresponding to the estimated ROE for Kemper of 10.4% for 2021, as reflected in the combined company financial projections and, on the high-end, a P/BV multiple of 1.93x reflecting a 14% premium to the regression line multiple (the same premium to the regression line multiple at which shares of Kemper common stock traded based on IBES median estimates as of February 12, 2018). Goldman Sachs then divided these ranges of illustrative equity values it derived for Kemper on a combined company basis by the total number of fully diluted shares of Kemper common stock expected to be outstanding after the proposed Merger, as provided by Kemper management, to derive a range of illustrative present values per share of Kemper common stock of \$67.87 to \$81.18, which, compared to the range of illustrative present values per share of Kemper common stock on a standalone basis derived based on the discounted dividend analysis for Kemper on a standalone basis described above, implied an increase in equity value per share of Kemper common stock ranging from \$9.14 to \$10.86.

Illustrative Regression Analysis

Goldman Sachs performed a regression analysis using the P/BV per share multiples for Kemper, Infinity and the selected publicly traded companies in the personal lines insurance industry listed below compared to the median estimates of 2018 ROE for Kemper, Infinity and the selected companies published by IBES as of February 12, 2018 to derive a regression line reflecting a range of P/BV per share multiples at a range of estimated 2018 ROE for Kemper, Infinity and the selected companies. Goldman Sachs calculated the P/BV multiples for Kemper, Infinity and the selected companies based on the closing prices per share for such companies and the respective book values per share for such companies based on information reflected in the companies' respective public filings and IBES median estimates as of February 12, 2018. The names of the

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selected publicly traded companies reviewed by Goldman Sachs and the respective P/BV per share multiples and median estimates of 2018 ROE observed for each such company are listed below:

Company	P/BV Multiple	2018 ROE Median Estimates (IBES)
Infinity	1.48x	7.7%
Kemper	1.44x	7.6%
The Allstate Corporation	1.58x	14.1%
The Progressive Corporation	3.32x	20.1%
Intact Financial Corporation	1.83x	10.6%
Mercury General Corporation	1.37x	8.9%
Horace Mann Educators Corporation	1.16x	7.5%
State Auto Financial Corporation	1.37x	5.2%
Safety Insurance Group, Inc.	1.60x	N/A
Donegal Group Inc.	1.02x	7.7%

Goldman Sachs applied to the regression line (i) the estimated 2019 and 2020 ROE for Kemper on a standalone basis and on a combined company basis giving effect to the proposed Merger, as reflected in the Kemper financial projections and the combined company financial projections, respectively, to derive corresponding P/BV multiples on the regression line and at a premium of 14% to the regression line (reflecting the premium to the regression line at which shares of Kemper common stock traded based on IBES median estimates as of February 12, 2018) and (ii) the estimated 2019 and 2020 ROE for Infinity on a standalone basis, without and with Operating Synergies, as reflected in the Kemper-prepared Infinity financial projections (without synergies) and the Kemper-prepared Infinity financial projections (with synergies), respectively, to derive corresponding P/BV multiples on the regression line and at a premium of 15.6% to the regression line (reflecting the premium to the regression line multiple at which shares of Infinity common stock traded based on IBES median estimates as of February 12, 2018).

The 2019 ROE for Kemper on a standalone basis of 9.8% corresponded to P/BV per share multiples of 1.57x on the regression line and 1.79x at a 14% premium to the regression line. The 2020 ROE for Kemper on a standalone basis of 10.3% corresponded to P/BV per share multiples of 1.63x on the regression line and 1.86x at a 14% premium to the regression line. Goldman Sachs applied these illustrative P/BV per share multiples to the book value per share (including AOCI) of Kemper on a standalone basis as of December 31 of 2018 and 2019, respectively, as reflected in the Kemper financial projections and discounted the results to present value as of December 31, 2017 using a discount rate of 12.81%, reflecting the midpoint estimate of Kemper's cost of equity on a standalone basis, derived by application of the CAPM, to derive illustrative values per share of Kemper common stock on a standalone basis ranging from \$59.63 to \$68.28.

The 2019 ROE for Kemper on a combined company basis of 9.5% corresponded to P/BV per share multiples of 1.53x on the regression line and 1.74x at a 14% premium to the regression line. The 2020 ROE for Kemper on a combined company basis of 10.7% corresponded to P/BV per share multiples of 1.69x on the regression line and 1.93x at a 14% premium to the regression line. Goldman Sachs applied these illustrative P/BV per share multiples to the book value per share (including AOCI) of Kemper on a combined company basis as of December 31 of 2018 and 2019, respectively, as reflected in the combined company financial projections and discounted the results to present value as of December 31, 2017 using a discount rate of 11.93%, reflecting the midpoint estimate of Kemper's cost of equity on a combined company basis, derived by application of the CAPM, to derive illustrative values per share of Kemper

common stock on a combined company basis ranging from \$63.86 to \$76.60, which, compared to the range of illustrative values per share of Kemper common stock derived based on the regression analysis for Kemper on a standalone basis described above, implied an increase in equity value per share of Kemper common stock ranging from \$4.23 to \$8.32.

Table of Contents*Illustrative Present Value of Future Stock Price Analyses for Kemper*

Goldman Sachs performed an illustrative analysis of the implied present value of the future value per share of Kemper common stock on a standalone basis and on a combined company basis giving effect to the proposed Merger.

Kemper on a Standalone Basis. Goldman Sachs derived a range of theoretical future values per share of Kemper common stock on a standalone basis as of December 31, 2018 and 2019 by applying illustrative one year forward price to EPS multiples of 15.0x and 17.0x to the estimates of Kemper's EPS for the following fiscal year, based on Kemper's EPS as reflected in the Kemper financial projections. Goldman Sachs derived such multiples by adding or subtracting approximately 5% to or from, as applicable, Kemper's one year forward price to EPS multiple of 16.0x based on the IBES median 2018 EPS estimate for Kemper as of February 12, 2018 and the blended one year forward price to EPS multiple of Kemper and Infinity, based on the combined company's EPS as reflected in the combined company financial projections. By applying a discount rate of 12.81%, reflecting an estimate of Kemper's cost of equity on a standalone basis, derived by application of the CAPM, Goldman Sachs discounted to present value as of December 31, 2017 both the range of theoretical future values per share it derived for Kemper on a standalone basis and the estimated dividends to be paid per share of Kemper common stock on a standalone basis through the end of the applicable year as reflected in the Kemper financial projections, to yield illustrative present values per share of Kemper common stock on a standalone basis ranging from \$59.34 to \$68.26.

Kemper on a Combined Company Basis. Goldman Sachs also derived a range of theoretical future values per share of Kemper common stock on a combined company basis as of December 31, 2018 and 2019 by applying illustrative one year forward price to EPS multiples of 15.0x and 17.0x (derived as described above) to the estimates of Kemper's EPS for the following fiscal year, as reflected in the combined company financial projections, including the Operating Synergies. By applying a discount rate of 11.93%, reflecting an estimate of Kemper's cost of equity on a combined company basis, derived by application of the CAPM, Goldman Sachs discounted to present value as of December 31, 2017 both the range of theoretical future values per share it derived for Kemper on a combined company basis and the estimated dividends to be paid per share of Kemper common stock on a combined company basis through the end of the applicable year as reflected in the combined company financial projections, to yield illustrative present values per share of Kemper common stock on a combined company basis ranging from \$62.48 to \$77.36, which, compared to the range of illustrative values per share of Kemper common stock on a standalone basis derived based on the present value of future stock price analysis for Kemper on a standalone basis described above, implied an increase in equity value per share of Kemper common stock ranging from \$3.15 to \$9.10.

General

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Kemper or Infinity or the proposed Merger.

Goldman Sachs prepared these analyses for purposes of providing its opinion to the Kemper Board that, as of February 13, 2018, the date of its written opinion, 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. These analyses do not purport to be appraisals nor do they necessarily reflect

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the prices at which businesses or securities actually may be sold. Analyses based upon projections of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Kemper, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecasted.

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 determined through arm's-length negotiations between Kemper and Infinity and was approved by the Kemper Board. Goldman Sachs provided advice to Kemper during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Kemper or that any specific amount of consideration constituted the only appropriate consideration for the proposed Merger.

As described in *The Merger Recommendation of the Kemper Board and Its Reasons for the Merger*, Goldman Sachs opinion was one of many factors taken into consideration by the Kemper Board in making its determination to approve the proposed Merger and recommend that the Kemper stockholders approve the share issuance proposal. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the delivery of its fairness opinion to the Kemper Board and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex D to this joint proxy statement/prospectus.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Kemper, Infinity and any of their respective affiliates and third parties, or any currency or commodity that may be involved in the proposed Merger for the accounts of Goldman Sachs and its affiliates and employees and their customers. Goldman Sachs has acted as financial advisor to Kemper in connection with, and has participated in certain of the negotiations leading to, the proposed Merger. Goldman Sachs has provided certain financial advisory and/or underwriting services to Kemper and/or its affiliates from time to time for which Goldman Sachs Investment Banking Division has received, and may receive, compensation, including having acted as a joint book-running manager with respect to a public offering of Kemper's 4.350% Senior Notes due 2025 (aggregate principal amount \$200,000,000) in June 2017. During the two-year period ended February 12, 2018, Goldman Sachs has recognized compensation for financial advisory and/or underwriting services provided by its Investment Banking Division to Kemper and/or its affiliates of approximately \$325,000. During the two-year period ended February 12, 2018, Goldman Sachs did not recognize compensation for financial advisory and/or underwriting services provided by its Investment Banking Division to Infinity and/or its affiliates. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Kemper, Infinity and their respective affiliates for which Goldman Sachs Investment Banking Division may receive compensation.

The Kemper Board selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the proposed Merger. Pursuant to an engagement letter between Kemper and Goldman Sachs, dated February 11, 2018, Kemper engaged Goldman Sachs to act as its financial advisor in connection with the proposed Merger. The engagement letter between Kemper and Goldman Sachs provides for a transaction fee of \$13 million, all of which is contingent upon the closing. In addition, Kemper agreed to reimburse Goldman Sachs for certain of its expenses, including certain reasonable attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws arising out of Goldman Sachs' engagement on the terms set forth in the engagement letter.

Table of Contents**Opinion of Infinity's Financial Advisor**

At the February 12, 2018 meeting of the Infinity Board, 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 93 and is qualified in its entirety by reference to the full text of the opinion. Deutsche Bank's opinion was approved and authorized for issuance by a Deutsche Bank fairness opinion review committee and 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'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. The Infinity Board did not ask Deutsche Bank to, and Deutsche Bank's opinion did not, address the fairness of the Merger, or any consideration received in connection therewith, to the holders of any other class of securities, creditors or other constituencies of Infinity, nor did it address the fairness of the contemplated benefits of the Merger. Deutsche Bank's opinion did not address the allocation of the Merger Consideration among the holders of Infinity common stock who receive the Mixed Consideration, the Cash Consideration or the Stock Consideration. 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. Nor did Deutsche Bank 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. In addition, Deutsche Bank did not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to or to be received by any of the officers, directors, or employees of any parties to the Merger, or any class of such persons, in connection with the Merger whether relative to the Merger Consideration or otherwise. Deutsche Bank's opinion did not in any manner address the prices at which the Kemper common stock or the Infinity common stock will trade at any time.

In connection with its role as a financial advisor to Infinity, and in arriving at its opinion, Deutsche Bank reviewed certain publicly available financial and other information concerning Infinity and Kemper; certain internal analyses, financial forecasts and other information relating to Infinity prepared by management of Infinity (including the Infinity financial projections described on page 206 of this joint proxy statement/prospectus); and certain internal analyses, financial forecasts and other information relating to Kemper and the combined company prepared by management of Kemper and approved for Deutsche Bank's use by Infinity (including the Kemper financial projections described on page 206 of this joint proxy statement/prospectus). Deutsche Bank also held discussions with certain senior officers, other representatives and advisors of Infinity regarding the business and prospects of Infinity and with certain senior officers, other representatives and advisors of Kemper regarding the business and prospects of Kemper and the combined company. In addition, Deutsche Bank:

reviewed the reported prices and trading activity for the Infinity common stock and Kemper common stock;

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compared certain financial and stock market information for Infinity and Kemper with, to the extent publicly available, similar information for certain other companies it considered relevant whose securities are publicly traded;

reviewed, to the extent publicly available, the financial terms of recent business combinations which it deemed relevant;

reviewed the Merger Agreement; and

performed such other studies and analyses and considered such other factors as it deemed appropriate. Deutsche Bank did not assume responsibility for independent verification of, and did not independently verify any information, whether publicly available or furnished to it, concerning Infinity or Kemper, including without limitation, any financial information considered in connection with the rendering of its opinion. Accordingly, for purposes of its opinion, Deutsche Bank, with the knowledge and permission of the Infinity Board, assumed and relied upon the accuracy and completeness of all such information. Deutsche Bank did not conduct a physical inspection of any of the properties or assets, and did not prepare, obtain or review any independent evaluation or appraisal of any of the assets or liabilities (including any contingent, derivative or off-balance-sheet assets or liabilities), of Infinity, Kemper or any of their respective subsidiaries, nor did Deutsche Bank evaluate the solvency or fair value of Infinity, Kemper, or any of their respective subsidiaries (or the impact of the Merger thereon) under any law relating to bankruptcy, insolvency or similar matters. With respect to the Infinity financial projections and Kemper financial projections made available to Deutsche Bank and used in its analyses, Deutsche Bank assumed with the knowledge and permission of the Infinity Board that such Infinity financial projections and Kemper financial projections had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Infinity as to the matters covered thereby. In rendering its opinion, Deutsche Bank expressed no view as to the reasonableness of such Infinity financial projections and Kemper financial projections or the assumptions on which they were based. Deutsche Bank's opinion was necessarily based upon economic, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion. Deutsche Bank expressly disclaimed any undertaking or obligation to advise any person of any change in any fact or matter affecting its opinion of which it becomes aware of after the date of its opinion.

For purposes of rendering its opinion, Deutsche Bank assumed, with the knowledge and permission of the Infinity Board, that in all respects material to its analysis, the Merger would be consummated in accordance with the terms of the Merger Agreement, without any waiver, modification or amendment of any term, condition or agreement that would be material to its analysis. Deutsche Bank also assumed with the knowledge and permission of the Infinity Board, that all material governmental, regulatory or other approvals and consents required in connection with the closing would be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, no restrictions, terms or conditions would be imposed that would be material to its analysis. Deutsche Bank is not a legal, regulatory, tax or accounting expert and relied on the assessments made by Infinity and its other advisors with respect to such issues.

Infinity selected Deutsche Bank as its financial advisor in connection with the Merger based on Deutsche Bank's qualifications, expertise, reputation, experience in mergers and acquisitions. 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 (or would have become payable if Deutsche Bank had advised the Infinity Board that it was unable to render the opinion) and the remainder of which is contingent upon consummation of the Merger. Infinity also agreed to reimburse Deutsche Bank for all reasonable documented fees, expenses and disbursements of its counsel and all of Deutsche Bank's reasonable travel and other out-of-pocket expenses incurred in connection with the Merger or otherwise arising out of its engagement, in each case on the terms set forth in its engagement

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letter. Infinity has also agreed to indemnify Deutsche Bank and its affiliates to the full extent lawful against certain liabilities, including certain liabilities arising out of its engagement or the Merger on the terms set forth in its engagement letter.

Deutsche Bank is an internationally recognized investment banking firm experienced in providing advice in connection with mergers and acquisitions and related transactions. Deutsche Bank is an affiliate of Deutsche Bank AG (together with its affiliates, the **DB Group**). One or more members of the DB Group have, from time to time, provided, investment banking, commercial banking (including extension of credit) and other financial services to Kemper or its affiliates for which they have received, and in the future may receive, compensation. Based upon a review of its internal management information systems as of February 9, 2018, the DB Group had received less than 100,000 in fees for such services from Kemper since January 1, 2015. The DB Group may also provide investment and commercial banking services to Kemper, Infinity, and their respective affiliates in the future, for which Deutsche Bank would expect the DB Group to receive compensation. In the ordinary course of business, members of the DB Group may actively trade in the securities and other instruments and obligations of Kemper and Infinity and their respective affiliates for their own accounts and for the accounts of their customers. Accordingly, the DB Group may at any time hold a long or short position in such securities, instruments and obligations.

Summary of Material Financial Analyses of Deutsche Bank

The following is a summary of the material financial analyses presented by Deutsche Bank to the Infinity Board at its meeting held on February 12, 2018, and that were used in connection with rendering its opinion described above.

The following summary, however, does not purport to be a complete description of the financial analyses performed by Deutsche Bank, nor does the order in which the analyses are described represent the relative importance or weight given to the analyses by Deutsche Bank. Some of the summaries of financial analyses below include information presented in tabular format. In order to fully understand the analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of Deutsche Bank's analyses. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the 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 9, 2018, and is not necessarily indicative of current market conditions.

The Infinity financial projections and certain key items from the Kemper financial projections and certain updated financial information relating thereto or estimates for Infinity and Kemper provided to Deutsche Bank by Infinity management are described under **Certain Unaudited Prospective Financial Information** beginning on page 206.

Infinity Material Financial Analyses

Selected Companies Analysis

Deutsche Bank reviewed and compared certain financial information and commonly used valuation measurements for Infinity with corresponding financial information and valuation measurements for the following four publicly traded companies, referred to in this section as the **Infinity selected companies** :

Kemper

Mercury General Corporation

National General Insurance Co.

Safety Insurance Group, Inc.

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Although none of the Infinity selected companies is directly comparable to Infinity, the companies included were chosen because they are publicly traded companies with financial and operating characteristics that, for purpose of analysis, may be considered similar to certain financial or operating characteristics of Infinity. Accordingly, the analysis of the Infinity selected companies was not simply mathematical. Rather, it involved complex considerations and qualitative judgments, reflected in the opinion of Deutsche Bank, concerning differences in financial and operating characteristics of the Infinity selected companies and other factors that could affect the public trading values of such companies.

Based on the closing prices of the common stock of the Infinity selected companies on February 9, 2018, information contained in the most recent public filings of the Infinity selected companies and analyst consensus estimates of operating earnings per share for calendar years 2018 and 2019 for the Infinity selected companies, Deutsche Bank calculated the following multiples for each of the Infinity selected companies:

the ratio of stock price to tangible book value per share, referred to as **TBVPS**, as of September 30, 2017;

the ratio of stock price to book value per share, referred to as **BVPS**, as of September 30, 2017;

the ratio of stock price to estimated earnings per share (**EPS**) for calendar year 2018, referred to as **CY18E P/E**; and

the ratio of stock price to estimated EPS for calendar year 2019, referred to as **CY19E P/E**.

The results of this analysis are summarized as follows:

Infinity Selected Companies	Price to 9/30/17 TBVPS	Price to 9/30/17 BVPS	CY 18E P/E	CY 19E P/E
Kemper	1.69x	1.43x	14.2x	13.0x
Mercury General Corporation	1.41x	1.35x	14.4x	12.8x
National General Insurance Co.	2.09x	1.29x	8.1x	7.1x
Safety Insurance Group, Inc.	1.58x	1.58x	15.6x	15.1x
Mean	1.69x	1.41x	13.1x	12.0x
Median	1.63x	1.39x	14.3x	12.9x

Based in part upon the multiples of the Infinity selected companies described above and taking into account its professional judgment and experience, Deutsche Bank then calculated the following ranges of implied values per share of Infinity common stock on a fully diluted basis:

approximately \$93.85 to \$105.58 per share by applying multiples of 1.60x to 1.80x to Infinity's **TBVPS** as of September 30, 2017;

approximately \$85.17 to \$98.28 per share by applying multiples of 1.30x to 1.50x to Infinity's BVPS as of September 30, 2017;

approximately \$86.19 to \$106.08 per share by applying multiples of 13.0x to 16.0x to Infinity management estimates of 2018 EPS; and

approximately \$88.44 to \$111.51 per share by applying multiples of 11.5x to 14.5x to Infinity management estimates of 2019 EPS.

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Deutsche Bank reviewed certain publicly available information relating to the following seven personal auto insurance control transactions announced since January 1, 2009 with transaction equity values greater than \$150 million, referred to herein as the *selected transactions* :

Date Announced	Acquirer	Target
06/24/2016	National General Insurance Co.	Elara Holdings Inc./Direct General Corporation
06/10/2013	Travelers Co TRV	Dominion of Canada General Insurance Co.
09/25/2012	American Family Insurance	PGC Holdings Corp.
05/02/2012	Intact Financial Corp.	JEVCO Insurance Company
05/31/2011	Intact Financial Corp.	AXA Canada Inc.
02/02/2010	Tower Group Inc.	OneBeacon Insurance Group Personal Lines Business
04/16/2009	Farmers Group Inc.	21 st century (AIG Personal Auto)

The analysis of selected transactions was not simply mathematical, rather, it involved complex considerations and qualitative judgments, reflected in the opinion of Deutsche Bank, concerning differences in financial and operational characteristics of the target companies involved in the selected transactions and other factors that could affect the acquisition value of such companies.

With respect to each selected transaction and based on publicly available information, Deutsche Bank reviewed the publicly reported multiples or, as applicable, calculated the multiple of price to the target company's reported book value per share as of the last completed quarter prior to announcement.

The results of this analysis are summarized as follows:

Selected Transactions	P/BV
National General Insurance Co. / Elara Holdings Inc./Direct General Corporation	0.96x
Travelers Co TRV / Dominion of Canada General Insurance Co.	1.27x
American Family Insurance / PGC Holdings Corp.	1.77x
Intact Financial Corp. / JEVCO Insurance Company	1.30x
Intact Financial Corp. / AXA Canada Inc.	1.80x

Tower Group Inc. / OneBeacon

Insurance Group Personal Lines

Business	1.04x
Farmers Group Inc. / 21 st century	
(AIG Personal Auto)	0.85x
Mean	1.28x
Median	1.27x

Based in part upon the multiples for the selected transactions described above and taking into account its professional judgment and experience, Deutsche Bank applied a range of multiples of price to book value per share of 1.00x to 1.80x to Infinity's book value per share as of December 31, 2017 to derive a range of implied values per share of Infinity common stock of approximately \$65.87 to \$118.57 per share.

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Dividend Discount Analysis

Deutsche Bank performed a dividend discount analysis pursuant to which the value of Infinity common stock was estimated by adding (1) the estimated net present value of Infinity's future stream of dividend payments to Infinity shareholders for the years 2018 through 2020 plus (2) the estimated net present value of the terminal value of Infinity at the end of 2020 based upon certain operating and financial assumptions, forecasts and other information provided to Deutsche Bank by the management of Infinity. For purposes of such analysis, Deutsche Bank utilized discount rates of 10.5% to 12.5% and terminal values based on multiples of 1.60x to 1.80x projected tangible book value at the end of 2020 and 13.0x to 16.0x projected net income for 2021. For purposes of its analysis, at the direction of Infinity's management, Deutsche Bank derived Infinity's tangible book value by subtracting Infinity's publicly reported goodwill as of the end of the third quarter of fiscal 2017 from Infinity's estimated ending book value for calendar years 2018 and 2019, in each case as provided by Infinity management.

This analysis resulted in a range of implied present values per share of Infinity common stock of approximately \$89.07 to \$129.08 per share as of December 31, 2017.

Additional Information

Deutsche Bank observed certain additional information that was not considered part of Deutsche Bank's financial analysis with respect to its opinion but was noted for informational purposes, including the following:

the historical trading performance of the Infinity common stock over the 52-week period ended February 9, 2018, which indicated low to high intraday stock prices for the Infinity common stock during such period of \$83.00 to \$110.63 per share; and

publicly available one-year forward Wall Street research analysts' stock price targets for the Infinity common stock, which ranged from a low of \$92.00 per share to a high of \$115.00 per share.

Kemper Material Financial Analyses

Selected Companies Analysis

Deutsche Bank reviewed and compared certain financial information and commonly used valuation measurements for Kemper with corresponding financial information and valuation measurements for the following four publicly traded companies, referred to in this section as the ***Kemper selected companies*** :

Mercury General Corporation

National General Insurance Co.

Safety Insurance Group, Inc.

Infinity

Although none of the Kemper selected companies is directly comparable to Kemper, the companies included were chosen because they are publicly traded companies with financial and operating characteristics that, for purpose of analysis, may be considered similar to certain financial or operating characteristics of Kemper. Accordingly, the analysis of the Kemper selected companies was not simply mathematical. Rather, it involved complex considerations and qualitative judgments, reflected in the opinion of Deutsche Bank, concerning differences in financial and operating characteristics of the Kemper selected companies and other factors that could affect the public trading values of such companies.

Based on the closing prices of the common stock of the Kemper selected companies on February 9, 2018, information contained in the most recent public filings of the Kemper selected companies, and analyst consensus estimates of operating earnings per share for calendar years 2018 and 2019 for the Kemper selected companies, Deutsche Bank calculated the following multiples for each of the Kemper selected companies:

the ratio of stock price to TBVPS as of September 30, 2017;

the ratio of stock price to BVPS as of September 30, 2017;

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CY18E P/E; and

CY19E P/E.

The results of this analysis are summarized as follows:

Kemper Selected Companies	Price to 9/30/17 TBVPS	Price to 9/30/17 BVPS	CY 18E P/E	CY 19E P/E
Mercury General Corporation	1.41x	1.35x	14.4x	12.8x
National General Insurance Co.	2.09x	1.29x	8.1x	7.1x
Safety Insurance Group, Inc.	1.58x	1.58x	15.6x	15.1x
Infinity	1.63x	1.46x	16.9x	15.2x
Mean	1.68x	1.42x	13.7x	12.5x
Median	1.61x	1.41x	15.0x	13.9x

Based in part upon the multiples of the Kemper selected companies described above and taking into account its professional judgment and experience, Deutsche Bank then calculated the following ranges of implied values per share of Kemper common stock on a fully diluted basis:

approximately \$51.30 to \$58.14 per share by applying multiples of 1.50x to 1.70x to Kemper's TBVPS as of September 30, 2017;

approximately \$52.62 to \$60.71 per share by applying multiples of 1.30x to 1.50x to Kemper's BVPS as of September 2017;

approximately \$54.79 to \$66.96 per share by applying multiples of 13.5x to 16.5x to estimates of Kemper's 2018 EPS as derived by Deutsche Bank as described below; and

approximately \$55.27 to \$68.54 per share by applying multiples of 12.5x to 15.5x to estimates of Kemper's 2019 EPS as derived by Deutsche Bank as described below.

For purposes of this analysis, at the direction of Infinity's management, Deutsche Bank derived Kemper's estimated 2018 and 2019 EPS by dividing the estimates of Kemper's 2018 and 2019 net income provided by Infinity's management by Kemper's fully diluted share count (using the treasury stock method).

Dividend Discount Analysis

Deutsche Bank performed a dividend discount analysis pursuant to which the value of Kemper common stock was estimated by adding (1) the estimated net present value of Kemper's future stream of dividend payments to Kemper stockholders for the years 2018 through 2020 plus (2) the estimated net present value of the terminal value of Kemper at the end of 2020 based upon certain operating and financial assumptions, forecasts and other information provided to Deutsche Bank by the management of Infinity. For purposes of such analysis, Deutsche Bank utilized discount rates of

9.5% to 11.5% and terminal values based on multiples of 1.60x to 1.80x projected tangible book value at the end of 2020 and 13.0x to 16.0x projected net income for 2021. For purposes of its analysis, at the direction of Infinity's management, Deutsche Bank derived Kemper's tangible book value by subtracting Kemper's publicly reported goodwill as of the end of the third quarter of fiscal 2017 from Kemper's estimated ending book value for calendar years 2018 and 2019, in each case as provided by Infinity's management. In addition, also at the direction of Infinity's management Deutsche Bank derived Kemper's estimated 2021 net income by applying a growth rate of 11% (representing the average net income growth rate for the prior two years) to Kemper's estimated 2020 net income as provided by Infinity's management.

This analysis resulted in a range of implied present values per share of Kemper common stock of approximately \$54.31 to \$70.02 per share as of December 31, 2017.

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Additional Information

Deutsche Bank observed certain additional information that was not considered part of Deutsche Bank's financial analysis with respect to its opinion but was noted for informational purposes, including the following:

the historical trading performance of the Kemper common stock over the 52-week period ended February 9, 2018, which indicated low to high intraday stock prices for the Kemper common stock during such period of approximately \$36.35 to \$71.52 per share; and

publicly available one-year forward Wall Street research analysts' stock price targets for the Kemper common stock, which ranged from a low of \$70.00 to a high of \$75.00 per share.

Hypothetical Value to Infinity Shareholders

Deutsche Bank also presented a sensitivity analysis demonstrating the hypothetical value to holders of Infinity common stock of the Mixed Consideration assuming \$51.60 per share in cash and 1.1903 shares of Kemper common stock per share of Infinity common stock (which was the implied exchange ratio for 60% of the nominal \$129.00 agreed value per share of Infinity common stock based on the 20-trading day volume-weighted average price of the Kemper common stock on February 9, 2018):