



Code of Business Conduct and Ethics

Introduction

At Kemper, we recognize that the manner in which we conduct our business, and the perception of such conduct by our customers, shareholders and the general public, is of paramount importance to the long-term success of our organization.

To that end, it is the policy of Kemper and the entities comprising the Kemper group of companies to conduct business on an ethical basis in full accordance with the law. The Code of Business Conduct and Ethics contains 10 principles that establish a framework and provide guidance to all employees on how to ensure ethical behavior while conducting business. It has been approved by the Kemper Board of Directors and has my full support.

Joseph P. Lacher, Jr.
President and Chief Executive Officer



Code of Business Conduct and Ethics

Underlying Philosophy

This Code of Business Conduct and Ethics (“Code”) applies to employees of all companies comprising Kemper, as well as the Kemper Board of Directors. For convenience, employees and directors will collectively be called “employee” or “employees” in this Code. “Kemper” or the “Company” are used interchangeably and, depending on the context, can refer to either the Kemper group of companies or the specific Kemper company that is the relevant employer.

This Code provides a basic framework of Kemper’s values and priorities in the way our employees conduct business and interact with their various constituencies. This Code is not intended to cover every issue or situation, nor is it meant to replace Kemper’s detailed policies. Rather, it is a statement of our principles in a number of important areas and should be used in conjunction with Kemper’s policies and procedures, including its employee handbooks.

All employees are expected to read this Code and to abide by the spirit as well as the letter of the Code in all activities undertaken on Kemper’s behalf; there should be no exceptions to this requirement. Failure to comply with this Code, including failure to cooperate in an investigation, may result in disciplinary action up to and including termination.

Principles

This Code contains 10 principles that establish a framework and provide guidance to all employees on how to ensure ethical behavior while conducting business.

- Principle 1: We avoid conflicts of interest
- Principle 2: We maintain accurate financial books and records
- Principle 3: We retain records properly
- Principle 4: We compete fairly
- Principle 5: We comply with all laws and regulations
- Principle 6: We provide a positive work environment
- Principle 7: We properly use and safeguard company assets
- Principle 8: We maintain the confidences entrusted to us
- Principle 9: We want to know when something is wrong
- Principle 10: We are in this together

Principle 1:
We avoid conflicts of interest

It is the policy of Kemper that no employee uses his or her position at Kemper or the knowledge gained from it in such a way that a conflict of interest, or appearance of a conflict of interest, arises between personal interest and legal or fiduciary responsibilities to the Company. In transactions with others, each employee is expected to act in the best interests of Kemper and not for personal advantage.

A conflict of interest exists when the activities of an employee on behalf of the Company might result in or permit that employee or a third party to obtain an improper gain or advantage. Whenever any person is placed in a position of possible conflict of interest, or if he or she has doubts as to the existence of such a conflict, it is the employee's duty to disclose the situation to his or her supervisor or Company Ethics Officer.

This statement of basic policy attempts to set forth general principles in broad terms. Conflicts can arise in many situations, so it is not practical to set forth detailed rules covering every conceivable situation. A few illustrations of types of activities that violate this policy are included as a guide.

- **Outside Employment** - No employee shall hold a position as a director, officer, employee, partner, or any other position in a business or professional enterprise which interferes with the performance of Company duties or which involves obligations which may conflict with the interests of Kemper. This is not a prohibition against participation in religious, civic, charitable, educational or other affairs, as long as the time devoted to those activities does not interfere with the ability of employees to perform their Company duties or involve obligations which may conflict with the interests of Kemper.
- **Gifts** - It is the duty of each employee to avoid the receipt, either personally or by or through family members or other acquaintances, of gifts, benefits, unusual hospitality, or anything of value given for the purpose, or which might have the effect or appearance, of influencing the employee's judgment in performing Company duties. Complimentary hotel accommodations or air travel are included in this category. Such offers in conjunction with meetings or special events should generally be avoided and should be evaluated on the basis of their benefit and importance to Kemper. If, after review, it is determined that attendance is warranted, the Company should pay the expense of attending. The Company Ethics Officer of Kemper must approve any exceptions. This policy does not apply to insignificant gifts that are within the range of accepted business courtesies, tokens of friendship, or normal hospitality.
- **Business Dealings** - Each employee should avoid having a financial interest in any

transaction between Kemper and a third party. If Kemper becomes involved in a business transaction with a third party with whom an employee or a member of the employee's family is affiliated or has an interest, the employee should promptly make his or her affiliation or interest known to both organizations before any decision is reached with respect to that transaction. An employee must obtain written approval from Kemper of his or her participation before entering into any such transaction.

- **Investments** - No employee should make any investment that might affect his or her business decisions as they relate to Kemper.
- **Loans to Employees** - Company loans to employees and Company guarantees of an employee's obligations are prohibited.
- **Improper Incentives** - Kemper prohibits employees from accepting, personally or through family members, commissions, kickbacks, profit-sharing arrangements, or compensation in any form from a third party who is dealing with the Company.

Principle 2:

We maintain accurate financial books and records

Just as Kemper does not tolerate unethical or illegal conduct for individual gain, Kemper also does not tolerate such conduct for Company gain. Accordingly, Kemper's financial statements, books and records, and related disclosures shall be maintained in accordance with generally accepted accounting principles and/or statutory accounting principles, and shall reflect all financial transactions fairly and accurately. The deliberate overstatement or understatement of assets, liabilities, shareholders' equity, gains or losses, income or expenses misleads management and other users of the Company's financial statements and may result in poor business decisions and/or civil and criminal penalties. The premature recording of income or a delay in recording expenses (or vice versa) may have similar results. Employees are expected to make sure all transactions are recorded properly and on a timely basis. All business expenses incurred in performing Kemper business must likewise be documented accurately, completely and in a timely fashion.

The accounting and auditing functions are integral components which help ensure that Kemper's financial books and records are accurate. Therefore, employees shall provide the Audit Committee of Kemper's Board of Directors, the internal audit staff, the accounting departments and the Company's independent public accountants with all pertinent information they request.

Principle 3:

We retain records properly

Kemper will keep and maintain business records, both written and electronic, based on their

relevance and in accordance with the Company's *Records and Information Management Policy*, legal hold notices, and any applicable state and federal laws and regulations. Employees who become aware of any lawsuit, subpoena, audit, regulatory or governmental investigation, or other legal matter that involves Kemper, or who receive a legal hold notice, must preserve any relevant records until advised by the Legal Department that preservation is no longer required, regardless of any records retention schedules that might otherwise allow for their destruction.

Principle 4:

We compete fairly

Kemper competes fairly and honestly for its business, and every employee should endeavor to deal fairly with customers, agents, vendors, competitors, colleagues and other business constituents. The Company is committed to obeying laws and regulations that encourage fair competition. Company policy also prohibits any employee from offering anything of value to a third party that may have the appearance or effect of giving Kemper an unfair competitive advantage or influence on the third party's business judgment or decisions. Kemper employees may provide promotional items, gratuities, refreshments or meals that are modest in value.

Principle 5:

We comply with all laws and regulations

Laws and Regulations - Kemper employees are responsible for understanding the laws and regulations that apply to the Company's businesses and for preventing, detecting, and reporting instances of non-compliance to management, the Company Ethics Officer, or the Kemper Corporate Responsibility Hotline at 888.695.3359 or MyComplianceReport.com (Access ID is KEMP).

Insider Information and Securities Trading - The stock of Kemper is publicly-traded and it is the Company's policy to comply strictly with the securities laws and require its employees to do the same. Violations of securities laws by employees may result in personal exposure to private lawsuits, civil enforcement actions by regulators, and criminal proceedings. Violations of this policy may lead to immediate termination of employment. Kemper's *Insider Trading Policy* provides specific information on compliance requirements for all employees. For further information, consult the *Insider Trading Policy* or contact the Legal Department.

Lobbying and Political Activity - Kemper recognizes its right and responsibility to lobby on behalf of issues that affect the Company and otherwise participate in the political process, and expects all employees to conduct such activities in compliance with pertinent federal, state and local laws. No Company funds may be used for contributions to a political campaign or a political action committee or similar political activity without the prior written approval

of Kemper's Chief Executive Officer, and no Company funds may be used for lobbying-related expenses without the written approval of Kemper's Chief Executive Officer or General Counsel.

Principle 6:

We provide a positive work environment

In order to recruit, hire and retain the talented people we need to deliver high quality service to our customers, the Company strives to ensure a workplace that is based on the following policies:

Hiring and Employment Practices - Kemper is committed to making hiring and employment decisions based on an individual's qualifications, demonstrated skills and achievements, and in full compliance with applicable federal, state and local laws, including laws that prohibit discrimination in the workplace.

Prohibiting Harassment - All employees are entitled to work in an environment free of harassment. Any type of harassment, including sexual harassment, will not be tolerated. Harassment can take many forms including (as examples):

- Unwelcome remarks, gestures or physical contact
- The display or circulation of sexually explicit or derogatory pictures or other materials
- Sexual or derogatory jokes or comments (explicit or by innuendo)
- Verbal abuse, threats, taunting or leering

Any employee who feels that he or she has been the victim of harassment should notify his or her supervisor, HR Services at 800.214.3553, the Company Ethics Officer, or the Kemper Corporate Responsibility Hotline. An employee who makes a good faith report of an incident of harassment or cooperates in an investigation may do so without fear of reprisal.

Any employee who has questions about any forms of harassment should review the *Anti-Harassment Policy* in Kemper's "Essential Standards of Conduct for All Employees" and/or speak with his or her Human Resources contact.

Principle 7:

We properly use and safeguard Company assets

Kemper assets and property are to be used for Company business or for purposes authorized by the Company. Company property includes tangible property such as funds, premises, equipment and furnishings, as well as proprietary information such as customer lists, non-public financial information, business plans, software, and ideas for new products and services. Employees should not use Kemper property for personal benefit and should

promptly return all such property when they cease working for the Company.

Principle 8:

We maintain the confidences entrusted to us

In the course of working at Kemper, employees may have access to confidential information about customers, vendors, colleagues, the Company and other parties. Employees should maintain the confidentiality of such information except to the extent of disclosure that is authorized by the Company and required for business purposes or otherwise legally mandated.

Principle 9:

We want to know when something is wrong

Open communication is an important part of Kemper’s commitment to ethics. An employee who knows of or suspects a violation of this Code or other Company guidelines must immediately report that information to his or her supervisor or the Company Ethics Officer. Alternatively, an employee can report violations to higher levels of management or through the confidential, independently-staffed Kemper Corporate Responsibility Hotline at 888.695.3359 or MyComplianceReport.com (Access ID is KEMP). In addition, suspected violations of the Company’s *Anti-Harassment Policy* or other employment policies can be reported directly to HR Services at 800.214.3553. All reported violations will be promptly investigated and will remain confidential, to the extent possible. No employee making a good faith report of a violation will be subject to any reprisals for such reporting.

Principle 10:

We are in this together

Employees receive this Code at the time of hire and are required to complete ethics training on an annual basis. The training includes written or electronic acknowledgment of the employee’s receipt and understanding of this Code, and confirmation of his or her intention to comply with its requirements. Members of the Kemper Board of Directors receive this Code when elected to the Board and review it on an annual basis. Any waiver of this Code for a Company director or executive officer may be made only by the Kemper Board of Directors and shall be promptly disclosed to the public.

This Code may be revised from time to time and any amendments will be provided to employees and posted on Kemper’s website. Please note that this Code is not a contract and its existence does not create any contractual rights for employees or any third parties.