



KEMPER CORPORATION

Code of Business Conduct and Ethics

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INTRODUCTION: Philosophy Underlying This Code

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 Corporation and all the entities comprising the Kemper group of companies to conduct business on an ethical basis in full accordance with the law.

This Code of Business Conduct and Ethics (the “Code”) provides a basic framework of Kemper’s values and priorities in the way our employees conduct business and interact with their various constituencies. The 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 guidelines, including employee handbooks and operating guidelines.

This Code is intended for use by the employees, officers and directors of all the companies comprising Kemper. For convenience, employees, officers 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 mean Kemper Corporation or whichever company in the Kemper group is the relevant employer.

This Code has been approved by the Kemper Corporation Board of Directors and has my full support. All employees are expected to read this Code carefully 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. Failures to comply with the Code, including failure to cooperate in an investigation, may result in disciplinary action up to and including termination. As with all matters of disciplinary action, principles of fairness will apply.

Donald G. Southwell
Chairman of the Board, President
and Chief Executive Officer

PRINCIPLE 1: We Avoid Conflicts of Interest

It is the policy of Kemper that no employee uses his or her position 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 moral responsibilities to the Company. Each employee, in transactions with others, 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 make a full disclosure of 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 describe 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 shall not be construed as 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, or unusual hospitality which are given for the purpose of, or which might have the effect of 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 such review, it is determined that attendance is warranted, the Company should pay the expense of attending, utilizing its normal expense procedures. The President 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 any financial interest in any transaction between Kemper and a third party. If Kemper should become 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 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, extra-contractual rebates, 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 practices, 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 Chairman of the Audit Committee of Kemper's Board, 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 any applicable Company record retention guidelines and applicable state and federal laws and regulations. In the event of a subpoena or impending

government investigation affecting the Company, employees must maintain all records that may pertain to that investigation or may be responsive to the subpoena, regardless of the requirements of any retention guideline.

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 and colleagues. The Company is committed to obeying laws and regulations that encourage fair competition. Company policy also prohibits any employee from offering any extra-contractual compensation to a third party which may have the appearance or effect of obtaining a competitive advantage or influencing the third party's business judgment or decisions. Kemper employees may provide promotional items, gratuities, refreshments or meals which are modest in value.

PRINCIPLE 5: We Strive to Comply with All Laws and Regulations

Laws and Regulations – It is Kemper's policy to continually strive to obey all laws and regulations that govern our businesses. Kemper employees are responsible for understanding these laws and regulations as they apply to the Company's businesses and for preventing, detecting, and reporting instances of non-compliance to a member of management.

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 to require its employees to do the same. Any employee who possesses material, non-public (also known as "inside") information about Kemper must refrain from trading or recommending Kemper securities unless and until such information has been disclosed by Kemper either by issuing a press release over major wire services or by a filing with the Securities and Exchange Commission ("SEC") and such information has become publicly available. Examples of information that could fall within the prohibited category include: 1) quarterly and annual earnings, 2) changes in the dividend rate, 3) changes in or extensions of the Company's stock repurchase program, 4) pending discussions about mergers, acquisitions or the sale of an operating company or block of business, 5) plans by Kemper to issue stock or debt instruments in the public markets, 6) changes in the Company's ratings by credit rating agencies, and 7) plans to introduce significant new products or lines of business, or the discontinuation of such products or lines of business. This list is not exhaustive; other types of information may be material at any given time depending on the circumstances.

Violations of the securities laws by employees may result in personal exposure to private lawsuits, civil enforcement actions by regulators, or even criminal proceedings. Violations of this policy may lead to immediate termination of employment. For further information, employees should review the *Insider Trading Policy* or contact the Kemper Corporate 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 we expect all employees to conduct such activities in compliance with pertinent federal, state and local laws. No Company funds may be used for political contributions without the prior written approval of Kemper’s Chief Executive Officer.

PRINCIPLE 6: We Provide a Positive Work Environment

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

1. 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.

2. 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); and
- Verbal abuse, threats, taunting or leering.

Any employee who feels that he or she has been the victim of harassment should first notify his or her supervisor or Human Resources contact. Any employee who makes a good faith report of an incident of harassment or cooperates in a harassment investigation may do so without fear of reprisal.

An 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 exclusively for the Company’s 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.

Employees should not take personal advantage of business opportunities that they discover through the use of Company assets or while acting within the scope of their employment.

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 when disclosure is authorized by the Company or legally mandated.

PRINCIPLE 9: We Want to Know When Something is Wrong

A Kemper 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 866.398.0010, or through the link provided at www.kempercorporation.com. All reported violations will be promptly investigated; however, Kemper must be provided with sufficient information to enable it to conduct an investigation. Reported violations will be treated confidentially to the extent possible, and 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

This Code will be provided to every employee and must be provided to any new employee within a reasonable period after his or her time of hire, and a signed sheet acknowledging such receipt is to be maintained in every employee's personnel file. Every employee shall attend ethics training on an annual basis, and a signed statement acknowledging receipt of this Code and the employee's intention to comply with the Code will be required from each employee as part of such training.

Any waiver of this Code for a Company director or 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 Kemper does not create any contractual rights by issuing this Code.

Revised: May 2010

Last Reviewed: August 2011