

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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Brian J. Fahrney

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Chicago, Illinois 60603

(312) 853-7000

Samuel J. Simon

President and General Counsel

**Infinity Property and Casualty
Corporation**

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PLL**

One East Fourth Street

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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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