

**SUMMARY ANNUAL REPORT
FOR KEMPER WELFARE BENEFIT PLAN**

This is a summary of the annual report of the Kemper Welfare Benefit Plan, EIN 36-1410470, Plan No. 502, health, life, dental, temporary disability, long-term disability, accidental death and dismemberment, for the period January 1, 2004 through December 31, 2004. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Lumbermens Mutual Casualty Co. has committed itself to pay certain health and all temporary disability claims incurred under the terms of the plan.

Insurance Information

The plan has contracts with Connecticut General Life Insurance Company, Highmark Life Insurance Co and Metropolitan Life Insurance Company to pay certain health and all life, dental, long-term disability and accidental death and dismemberment claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2004 were \$4,718,695.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$2,538,642 as of December 31, 2004, compared to \$9,681,127 as of January 1, 2004. During the plan year the plan experienced a decrease in its net assets of \$7,142,485. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$38,687,575 including employer contributions of \$29,463,410, employee contributions of \$9,219,985, and earnings from investments of \$4,180.

Plan expenses were \$45,830,060. These expenses included \$1,414,264 in administrative expenses and \$44,415,796 in benefits paid to participants and beneficiaries.

Your Rights To Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. an accountant's report;
2. financial information and information on payments to service providers;
3. assets held for investment;
4. transactions in excess of 5% of the plan assets; and
5. insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full annual report, or any part thereof, write Kemper Insurance Co., Legal Department, One Corporate Drive, Long Grove, IL 60049.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the annual report at the main office of the plan (Lumbermens Mutual Casualty Co., Legal Department C-3 One Kemper Drive, Long Grove, IL 60049-0001) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.