

**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, for the period January 1, 2003 through December 31, 2003. 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).

**Insurance Information**

The plan has contracts with Kaiser Permanente, Excellus BlueCross BlueShield, Metropolitan Life Insurance Company, HealthPartners, Blue Cross Blue Shield of Georgia, Connecticare, Inc., Premara Blue Cross, Aetna, Inc., Connecticut General Life Insurance Company and Health Care Service Corporation to pay prepaid comprehensive, Medical, Stop loss, Life Insurance, AD&D, and long term care claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2003 were \$13,515,982.

Because they are so called "experience-rated" contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending December 31, 2003, the premiums paid under such "experience-rated" contracts were \$172,792 and the total of all benefit claims paid under these experience-rated contracts during the plan year was \$154,202.

**Basic Financial Statement**

The value of plan assets, after subtracting liabilities of the plan, was \$9,681,127 as of December 31, 2003, compared to \$8,760,676 as of January 1, 2003. During the plan year the plan experienced an increase in its net assets of \$920,451. This increase 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 \$136,472,958 including employer contributions of \$122,807,533, employee contributions of \$13,593,864, and earnings from investments of \$71,561.

Plan expenses were \$136,744,410. These expenses included \$2,005,841 in administrative expenses and \$134,738,569 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;
3. assets held for investment;
4. transactions in excess of 5% of the plan assets;
5. insurance information, including sales commissions paid by insurance carriers; and
6. information regarding any common or collective trusts, pooled separate accounts; master trusts or 103-12 investment entities in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write Lumbermans Mutual Casualty Co, Corporate Human Resources, One Kemper Drive, Long Grove, IL 60049-, (847) 320-2000.

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 (Lumbermans 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.