

Merastar Insurance Company

450 N. Stephanie St., Ste. 315, Henderson, 89014

Calvin Nash, Director, Corporate Real Estate

Date: March 31, 2021

Application Facts:

Industry **Customer Service Center**
 NAICS **524210**
 Type of App **Expansion**
 Location **Clark County**
 RDA LVGEA, Michael Walsh

Company Profile

Merastar Insurance Company (Merastar) is considering establishing a 'Center of Excellence', in Henderson, for its customer service growth. The company provides employer-sponsored personal property and casualty insurance. Merastar's mission is to provide quality personal insurance to employers and their employee groups through the convenience of payroll deduction. The company is a subsidiary of Kemper Corporation (Kemper). The Kemper family of companies is one of the nation's leading specialized insurers. Kemper has a commitment to help strengthen the communities where its employees and customers live and work. Kemper's philanthropic efforts are strategically focused on making an impact in local markets in the areas of education, health and community development. The company is also considering Florida, Texas, and Arizona as potential locations.
 Source: Merastar Insurance Company

Tax Abatement Requirements:

	<u>Statutory</u>	<u>Company Application</u>	<u>Meeting Requirements</u>
Job Creation	50	100	Yes
Average Wage	\$24.16	\$32.34	Yes
Equipment Capex (SU & MBT)	\$1,000,000	\$3,000,000	Yes
Equipment Capex (PP)			

Additional Requirements:

Health Insurance	65%	82%	Yes
Revenues generated outside NV	51%	98%	Yes
Business License	<input type="checkbox"/> Current	<input type="checkbox"/> Pending	<input checked="" type="checkbox"/> Will comply

*Note: Merastar's sibling company Kemper Corporate Services (listed on schedule 5D) does have an active Nevadan business license (included in Board Packet).

Total Tax Liability (without tax abatements)

\$29,540,683

Tax Abatements

Contract Terms

Estimated Tax Abatement

Sales Tax Abmt.	4.6% for 2 years	\$113,250
Modified Business Tax Abmt.	50% for 4 years	\$351,937
Personal Property Tax Abmt.	50% for 10 years	\$44,608
Total Estimated Tax Abatement over 10 yrs.		\$509,795

Net New Tax Revenues

Direct

Indirect

Taxes after Abatements

Local Taxes

Property	\$1,355,898	\$11,792,004	\$13,147,902
Sales	\$78,000	\$7,241,933	\$7,319,933
Lodging	\$0	\$384,068	\$384,068

State Taxes

Property	\$74,160	\$686,119	\$760,279
Sales	\$60,000	\$2,416,999	\$2,476,999
Modified Business	\$3,554,766	\$1,263,549	\$4,818,315
Lodging	\$0	\$123,392	\$123,392
Total Estimated New Tax Revenue over 10 yrs.	\$3,688,926	\$25,341,962	\$29,030,888

Economic Impact over 10 yrs.

Total

Construction

Total

Total Jobs Supported	828	0	828
Total Payroll Supported	\$389,838,545	\$0	\$389,838,545
Total Economic Value	\$954,409,692	\$0	\$954,409,692

IMPORTANT TERMS & INFORMATION

Tax Abatements are reduction or discount of tax liability and companies do not receive any form of payment.

Total Estimated Tax Abatement is a tax reduction estimate. This estimated amount will be discounted from total tax liability.

Estimated New Tax Revenue is amount of tax revenues local and state government will collect after the abatement was given to applying company.

Economic Impact is economic effect or benefits that this company and it's operations will have on the community and state economy measured by total number of jobs, payroll and created output.



2/3/21

Mr. Michael Brown
Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington Avenue, Suite 5400
Las Vegas, Nevada 89101

Dear Mr. Brown,

Merastar Insurance Company is applying to the State of Nevada for the Sales & Use Tax Abatement, the Modified Business Tax Abatement and the Personal Property Tax Abatement for their planned expansion. We request that Merastar Insurance Company be placed on the agenda for the March 31, 2021 GOED Board meeting.

Merastar Insurance Company will create 100 new positions in the first 24 months of operations, with an average hourly wage of \$32.34. The company will make a capital investment of \$3,000,000.00

Merastar Insurance Company meets and exceeds the three requirements for tax abatements. This application has the full support of the Las Vegas Global Economic Alliance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Walsh', with a long horizontal flourish extending to the right.

Michael Walsh
VP Economic Development
Las Vegas Global Economic Alliance



January 25, 2021

Michael Brown, Executive Director,
Nevada Governor's Office of Economic Development
555 E. Washington Ave., Suite 5400
Las Vegas, NV 89101

RE: Tax Abatement Application Letter

Dear Executive Director,

Please accept this letter as an attachment to the Nevada Application for Incentives.

Introduction

The information contained in this document is specific to Kemper Corporation and its subsidiaries and affiliates ("Kemper" or "Company"), which is evaluating a new location for expansion of the business operations of its subsidiary, Merastar Insurance Company, within the United States. This site-selection initiative has been code named Project Pine (the "Project"). Kemper is (NYSE: KMPR) a publicly traded company headquartered in Chicago, Illinois.

Company Background

Kemper is a diversified insurance holding company with subsidiaries that provide an array of products to the individual and small business market. Kemper Personal and Commercial Lines sells Auto, Home and Package Plus policies through independent agencies.

The Kemper family of companies is one of the nation's leading specialized insurers. With over \$13 billion in assets, Kemper is improving the world of insurance by providing affordable and easy-to-use personalized solutions to individuals, families and businesses through its Auto, Personal Insurance, Life and Health brands. Kemper serves over 6.4 million policies, is represented by more than 30,000 agents and brokers, and has over 8,900 associates dedicated to meeting the ever-changing needs of its customers.

Project Overview

Kemper has over 160 locations throughout the US and employs over 8,500 employees. Kemper is evaluating its US footprint. As a part of this evaluation, the Company is considering several locations through the US as potential "centers of excellence" for its Property and Casualty businesses at which to

focus customer service growth. The Henderson, NV location is one location being considered for a center of excellence. Other locations being considered include Florida, Arizona, and Texas.

If selected, this project is expected to bring 100 new jobs and \$3M of capital expenditures to the community in the first two years of operations. Over 5 years, employment could increase to 600 new jobs.

Incentives are very important to the company's location decision. This is a competitive project. The Company is currently considering multiple location options for its consolidation including sites in AZ, FL, and TX markets. Maintaining the status quo with growth spread out among various facilities in the US is also a highly viable option.

Part of the site selection process is the identification of a state and local partner that can help the company mitigate risk. This project requires the Company's board approval. The Abatement would weigh heavily in Nevada's favor in the Company's location analysis and have meaningful impact on the Board's location decision.

The Company is in the incentive negotiation process with the alternative markets. The Company analyzes costs to operate in each of the alternative markets, and incentives are impactful to the bottom-line cost analysis. Location at the Nevada site will be contingent upon incentives. The Company also looks to incentives as a partnership between the Company and state and a sign of good faith that the State of Nevada will be a productive long-term partner with the Company.

Proposed Project

- **New FT Jobs to Henderson, NV**
 - Employer: Merastar Insurance Company
 - 100 New Full-Time Jobs with an average wage of \$32/hr within 2 years
 - The Company would hire new employees from Nevada.
 - Kemper offers generous benefit packages including health benefits, job training, vacation and a savings plan. To attract and retain motivated, effective and involved employees, we offer a dynamic workplace with an employee-centered culture, leadership training and volunteerism grants to local organizations in which employees are involved. Kemper will work closely with colleges and higher education institutions in the region offering internships and job placement.
 - This Project would service customers throughout the US.
 - In years 3-5, the Company may create an additional 500 jobs for a total of 600 new full-time jobs in Nevada.

- **Investment**
 - Purchaser: Kemper Corporate Services
 - Lease of 74K SF with annual lease of \$1.725M
 - Proposed Improvements: \$3M
 - \$1.82M Furniture & Fixtures
 - \$1.18M Information Systems, Audio Visual, and Data Handling Equipment

Anticipated Project Schedule

- Jan - April 2021 – Project Due Diligence
- April - Dec 2021 – Anticipated Tenant Improvements, Purchasing Equipment, Equipment Installation
- Dec 2021 – Occupancy and Hiring

Community Partnership

Kemper's commitment to help strengthen the communities where our employees and customers live and work is an integral part of how we think and do business. Our philanthropic efforts are strategically focused on making an impact in our local markets in the areas of education, health and community development. At Kemper, we support our local communities and nonprofits through charitable grants, sponsorships, in-kind contributions and a soon-to-launch company-wide employee volunteer and giving program.

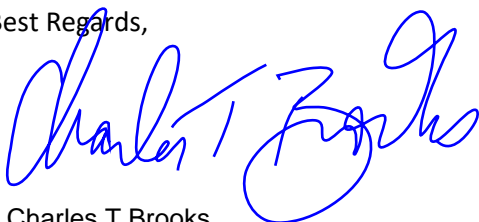
In 2020, as part of our response to the COVID-19, we committed \$1 million to support our local communities that were disproportionately impacted by the pandemic. Kemper's commitment to assist COVID-19 relief efforts included donations to the following national organizations:

- Direct Relief: Provided personal protective equipment and essential medical items to more than 2,700 community health centers, free and charitable clinics, and local organizations in every state across the U.S. including Nevada.
- Feeding America: Supported their network of more than 200 food banks including Three Square Food Bank in Las Vegas.
- National Urban League: Supported their national movement of 90 affiliates, including the Las Vegas-Clark County Urban League, and their efforts to address fairness and equity in the face of the Coronavirus crisis.
- UnidosUS: Provided emergency assistance to Latino families in underserved communities through their network of community-based organizations including the Neighborhood Housing Services of Southern Nevada and Community Services of Nevada.

Additionally, Kemper gave a dollar-for-dollar match for every Kemper employee donation made to Direct Relief, Feeding America, National Urban League and UnidosUS.

Thank you in advance for your consideration. Please address any questions to our consultant, Shannon O'Hare at Cushman and Wakefield, 312.470.2336.

Best Regards,



Charles T Brooks
EVP



February 17, 2021

Michael Brown
Executive Director
Nevada Governor's Office of Economic Development
555 E. Washington Avenue
Suite 5400
Las Vegas, NV 89101

RE: APPLICATION FOR INCENTIVES – REQUEST FOR CONFIDENTIALITY OF
RECORDS AND DOCUMENTS – NRS 231.069

Dear Director Brown,

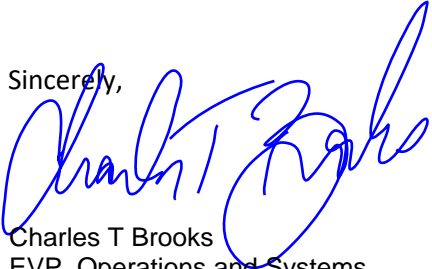
On January 29, 2021, Merastar Insurance Company and Kemper Corporate Services, Inc. submitted an application to you as the Executive Director of the State of Nevada Governor's Office of Economic Development ("GOED") requesting approval of economic incentives for the new operation in Clark County, Nevada. The purpose of this letter is to request that any and all records and other documents in GOED's possession concerning initial contact with, research and planning for the Merastar Insurance Company and Kemper Corporate Services, Inc., including but not limited to certain information in that application, and if amended, all be kept confidential pursuant to Section 4 of Assembly Bill No. 17 (2015 Regular Session) as codified in NRS 231.069.

Please be advised that Merastar Insurance Company and Kemper Corporate Services, Inc. specifically deems the following information proprietary and confidential:

1. Incentive Application Equipment List - Schedule 5 (A)
2. Incentive Application Employment List - Schedule 5 (B)

Thank you for your consideration. If you have any questions or require any further information, please do not hesitate to contact me.

Sincerely,



Charles T Brooks
EVP, Operations and Systems

REQUEST FOR CONFIDENTIALITY DETERMINATION

Pursuant to NRS 231.069, and upon the request of applicant Merastar Insurance Company the Executive Director of the Office has determined the:

- (i) The detailed schedule of Capital Equipment List, 5(A)
- (ii) The detailed schedule of Employment List, 5(B)

are confidential proprietary information of the business, are not public records, and shall be redacted in its entirety from the copy of the application that is disclosed to the public.



Michael Brown
Executive Director

March 1, 2021

Date

ECONOMIC DEVELOPMENT

Incentive Application

Company Name: Merastar Insurance Company
 Date of Application: January 29, 2021

Company is an / a: (check one)
 New location in Nevada
 Expansion of a Nevada company

Section 1 - Type of Incentives

Please check all that the company is applying for on this application:

- Sales & Use Tax Abatement
- Modified Business Tax Abatement
- Personal Property Tax Abatement
- Sales & Use Tax Deferral
- Recycling Real Property Tax Abatement
- Other: _____

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada) <u>Merastar Insurance Company</u>			FEDERAL TAX ID # <u>62-0928337</u>	
CORPORATE ADDRESS <u>200 E. Randolph</u>	CITY / TOWN <u>Chicago</u>	STATE / PROVINCE <u>IL</u>	ZIP <u>60601</u>	
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above) <u>same as above</u>	CITY / TOWN	STATE / PROVINCE	ZIP	
TELEPHONE NUMBER	WEBSITE <u>kemper.com</u>			
COMPANY CONTACT NAME <u>Calvin Nash</u>	COMPANY CONTACT TITLE <u>Director, Corporate Real Estate</u>			
E-MAIL ADDRESS <u>cnash@kemper.com</u>	PREFERRED PHONE NUMBER			

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development? Yes No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

Section 3 - Program Requirements

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In both urban and rural areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage.

Note: Criteria is different depending on whether the business is in a county where the population is 100,000 or more or a city where the population is 60,000 or "urban" area), or if the business is in a county where the population is less than 100,000 or a city where the population is less than 60,000 (i.e., "rural" area).

Section 4 - Nevada Facility

Type of Facility:

- Headquarters
- Technology
- Back Office Operations
- Research & Development / Intellectual Property
- Service Provider
- Distribution / Fulfillment
- Manufacturing
- Other: _____

PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA <u>98%</u>		EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR) <u>Dec-2021</u>		
NAICS CODE / SIC <u>524210</u>		INDUSTRY TYPE <u>Insurance</u>		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS <u>Customer Service Center</u>				
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS <u>450 N. Stephanie St., Ste. 315</u>	CITY / TOWN <u>Henderson</u>	COUNTY <u>Clark County</u>	ZIP <u>89014</u>	
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP? <u>Florida, Texas, and Arizona</u>				

Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)

Check the applicable box when form has been completed.

- 5 (A) Equipment List
- 5 (B) Employment Schedule
- 5 (C) Evaluation of Health Plan, with supporting documents to show the employer paid portion of plan meets the minimum of 65%.
- 5 (D) Company Information Form

Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up - Plans Over the Next <u>Ten</u> Years	Expansions - Plans Over the Next <u>10</u> Years
<p>Part 1. Are you currently/planning on leasing space in Nevada? _____</p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p style="padding-left: 40px;">What year(s)? _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Annual lease cost of space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p>If No, skip to Part 2. If Yes *, continue below:</p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? _____</p> <p>If Yes *, continue below:</p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p>	<p>Part 1. Are you currently leasing space in Nevada? _____</p> <p>If No, skip to Part 2. If Yes, continue below:</p> <p style="padding-left: 40px;">What year(s)? <u>2021</u></p> <p style="padding-left: 40px;">How much space (sq. ft.)? <u>75,000</u></p> <p style="padding-left: 40px;">Annual lease cost at current space: <u>\$1,725,000.00</u></p> <p>Due to expansion, will you lease additional space? _____</p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p style="padding-left: 40px;">Expanding at the current facility or a new facility? _____</p> <p style="padding-left: 40px;">What year(s)? _____</p> <p style="padding-left: 40px;">How much expanded space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? <u>Yes</u></p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? <u>No</u></p> <p>If No, skip to Part 3. If Yes, continue below:</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p> <p style="padding-left: 40px;">Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p>If No, skip to Part 3. If Yes *, continue below:</p> <p style="padding-left: 40px;">When to make improvements (month, year)? _____</p> <hr style="border-top: 1px dashed black;"/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? _____</p> <p>If Yes *, continue below:</p> <p style="padding-left: 40px;">Purchase date, if buying (month, year): _____</p> <p style="padding-left: 40px;">When to break ground, if building (month, year)? _____</p> <p style="padding-left: 40px;">Estimated completion date, if building (month, year): _____</p> <p style="padding-left: 40px;">How much space (sq. ft.)? _____</p>
* Please complete Section 7 - Capital Investment for New Operations / Startup.	* Please complete Section 7 - Capital Investment for Expansions below.

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

The company is evaluating several locations through the US as "centers of excellence" for its customer service growth. The Henderson, NV location is one location being considered for a center of excellence. If selected, this project would bring 100 new jobs and \$3M of capital expenditures to the community in the first two years of operations. Over 5 years, employment could increase to 600 new jobs.

The Project could invest locally on items such as equipment, taxes, and suppliers, providing an immediate positive economic impact within the selected community. The company would be making a long-term commitment to the state and local community in which its employees would work and also invest in the economy by purchasing homes, goods, and services from local businesses. The company's investment and operations spending would also support business/services investment and workforce development attributed to the Project's economic impact multiplier effect, further strengthening the state and local economies. The company's brand image would contribute to the strength of the overall state and local business attraction initiatives, resulting in a positive effect on location trends and patterns for other related businesses and suppliers. Long-term employment creation would result in increased local spending for the state and local communities.

Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up	Expansions
How much capital investment is planned? (Breakout below):	How much capital investment is planned? (Breakout below):
Building Purchase (if buying): _____	Building Purchase (if buying): _____
Building Costs (if building / making improvements): _____	Building Costs (if building / making improvements): _____
Land: _____	Land: _____
Equipment Cost: _____	Equipment Cost: <u>\$3,000,000</u>
Total: _____	Total: <u>\$3,000,000</u>
	Is the equipment purchase for replacement of existing equipment? <u>No</u>
	Current assessed value of personal property in NV: <u>-</u>
	(Must attach the most recent assessment from the County Assessor's Office.)

Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)

New Operations / Start Up	Expansions
How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: _____	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: <u>100</u>
Average hourly wage of these <u>new</u> employees: _____	Average hourly wage of these <u>new</u> employees: <u>\$32.34</u>
	How many FTE employees prior to expansion?: <u>17</u>
	Average hourly wage of these <u>existing</u> employees: <u>\$27.35</u>
	Total number of employees after expansion: <u>117</u>

* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):

- | | | | |
|---|--|---|---|
| <input type="checkbox"/> Overtime | <input checked="" type="checkbox"/> Merit increases | <input type="checkbox"/> Tuition assistance | <input checked="" type="checkbox"/> Bonus |
| <input checked="" type="checkbox"/> PTO / Sick / Vacation | <input checked="" type="checkbox"/> COLA adjustments | <input checked="" type="checkbox"/> Retirement Plan / Profit Sharing / 401(k) | <input type="checkbox"/> Other: _____ |

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

Project positions are salaried. Merit increases and bonuses are expected based on performance. COLA adjustments are expected. Company provides Traditional and Roth 401(k) plans.

Section 9 - Employee Health Insurance Benefit Program

Is health insurance for employees and is an option for dependents offered?: Yes (**attach health plan and quote or invoice**) No

Package includes (check all that apply):

- Medical Vision Dental Other: _____

Qualified after (check one):

- Upon employment Three months after hire date Six months after hire date Other: First month of hire date

Health Insurance Costs:	Percentage of health insurance premium by (min 65%):
Plan Type: <u>PPO, HPHD</u>	
Employer Contribution (annual premium per employee): <u>\$ 5,413</u>	Company: <u>82%</u>
Employee Contribution (annual premium per employee): <u>\$ 1,212</u>	Employee: <u>18%</u>
Total Annual Premium: <u>\$ 6,625</u>	

[SIGNATURE PAGE FOLLOWS]

Section 10 - Certification

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

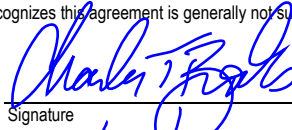
Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Charles T Brooks

Name of person authorized for signature

EVP, Operations and Systems

Title



Signature

1/28/21

Date

Nevada Governor's Office of Economic Development

555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • www.diversifynevada.com

Site Selection Factors

Company Name: Merastar Insurance Company

County: Clark County

Section I - Site Selection Ratings

Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

Availability of qualified workforce:	<u>5</u>	Transportation infrastructure:	<u>5</u>
Labor costs:	<u>5</u>	Transportation costs:	<u>2</u>
Real estate availability:	<u>4</u>	State and local tax structure:	<u>5</u>
Real estate costs:	<u>5</u>	State and local incentives:	<u>5</u>
Utility infrastructure:	<u>3</u>	Business permitting & regulatory structure:	<u>4</u>
Utility costs:	<u>3</u>	Access to higher education resources:	<u>5</u>

Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):

Incentives are very important to the company's location decision. This is a competitive project. The company is currently considering multiple location options for its consolidation including Arizona, Texas, and Florida markets. Maintaining the status quo with growth spread out among various facilities in the US is also a highly viable option.

Part of the site selection process is the identification of a state and local partner that can help the company mitigate risk. This project requires the company's board approval. The Abatement would weigh heavily in Nevada's favor in the company's location analysis and have meaningful impact on the Board's location decision.

The company is in the incentive negotiation process with the alternative markets. The Company analyzes costs to operate in each of the alternative markets, and incentives are impactful to the bottom-line cost analysis. Location at the Nevada site will be contingent upon incentives. The company also looks to incentives as a partnership between the company and state and a sign of good faith that the State of Nevada will be a productive long-term partner with the company.

Equipment Schedule, Detailed

The Office has determined the detailed equipment schedule as described in this application constitutes confidential proprietary information of Merastar Insurance Company and is not a public record.

Employment Schedule, Detailed

The Office has determined the detailed employment schedule as described in this application constitutes confidential proprietary information of Merastar Insurance Company and is not a public record.

5(C) Evaluation of Health Plans Offered by Companies

Company Name: Merastar Insurance Company County: Clark County

Total Number of Full-Time Employees: 100
 Average Hourly Wage per Employee \$32.34
 Average Annual Wage per Employee (implied) \$67,267.20

COST OF HEALTH INSURANCE

Annual Health Insurance Premium Cost: \$6,625.20
 Percentage of Premium Covered by:
 Company 82%
 Employee 18%

HEALTH INSURANCE PLANS:

Base Health Insurance Plan*:

Deductible - per employee \$ 1,600
 Coinsurance 80% / 60%
 Out-of-Pocket Maximum per employee \$ 4,200

Additional Health Insurance Plan*:

Deductible - per employee \$ 1,000
 Coinsurance 80% / 60%
 Out-of-Pocket Maximum per employee \$ 4,000

Additional Health Insurance Plan*:

Deductible - per employee \$ 1,000
 Coinsurance 80%/60%
 Out-of-Pocket Maximum per employee \$ 4,000

*Note: **Please list only "In Network" for deductible and out of the pocket amounts .**

Generalized Criteria for Essential Health Benefits (EHB)

[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]

Covered employee's premium not to exceed 9.5% of annual wage	2.2%	MMQ
Annual Out-of-Pocket Maximum not to exceed \$8,550 (2021)	\$4,200	MMQ

Minimum essential health benefits covered (Company offers PPO):

- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached a qualified plan with information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

Charles T Brooks

Name of person authorized for signature
 EVP, Operations and Systems

Signature

Date

Title

1/28/21

5(D) Company Information

Company Name: Merastar Insurance Company

County: Clark County

Section 1 - Company Interest List

Directions: Please provide a detailed list of owners and/or members of the company. *The Governor's Office of Economic Development strives to maintain the highest standards of integrity, and it is vital that the public be confident of our commitment. Accordingly, any conflict or appearance of a conflict must be avoided. To maintain our integrity and credibility, the applicant is required to provide a detailed list of owners, members, equity holders and Board members of the company.*

(a) Name	(b) Title
Company is publicly traded.	
Officers - Merastar Insurance Company	
Robert F. Otis	Chairman of the Board & President
Kim D. Leggette	Senior Vice President
Andrew D. MacDonald	Senior Vice President
Amy E. Pinkerman Condo	Vice President & Secretary
Nathan A. Smith	Treasurer
Officers- Kemper Corporate Services	
Joseph P. Lacher Jr.	Chairman of the Board, President & Chief Executive Officer
John M. Boschelli	Executive Vice President & Chief Investment Officer
Charles T. Brooks	Executive Vice President, Operations & Systems
Barbara A. Ciesemier	Vice President, Marketing and Communications
C. Thomas Evans Jr.	Executive Vice President, Secretary & General Counsel
Steven M. Froning	Sr. Vice President, Life & Health
Mark A. Green	Executive Vice President, Business Development and Reinsurance
Kimberly A. Holmes	Executive Vice President, Chief Actuary & Strategic Analytics
Peter Locy	Senior Vice President, Controller
Aditya Mahajan	Vice President - Financial Planning & Analysis
Michael A. Marinaccio	Vice President-Corporate Development
Troy J. McGill	Senior Vice President, Tax and Financial Operations
James J. McKinney	Executive Vice President & Chief Financial Officer
Maxwell T. Mindak	Senior Vice President & Chief Risk Officer
Christine F. Mullins	Executive Vice President & Chief Human Resources Officer
Anastasios Omiridis	Senior Vice President, Deputy Chief Financial Officer
Robert F. Otis	Senior Vice President and President, Personal Insurance
Duane A. Sanders	Executive Vice President, Property & Casualty
Erich Sternberg	Executive Vice President, Life & Health
Ron Zinnerman	Vice President, Corporate Strategy

Section 2 - Company Affiliates and/or Subsidiaries

Are there any subsidiary or affiliate companies sharing tax liability with the applicant company? No Yes

If Yes, continue below:

Directions: In order to include affiliates/subsidiaries, under the exemption letter, they must to be added to the Contract. Per standard practice GOED requires a corporate schematic to understand the exact relationships between the companies. Please populate the below table to show the exact relationships between the companies and include:

1. The names as they would read on the tax exemption letter.
2. Which entity(is) will do the hiring?
3. Which entity(is) will be purchasing the equipment?

Name of Subsidiary or Affiliate Entity, Role and Legal Control Relationship

Merastar Insurance Company provides property and casualty insurance for persons in the United States. Merastar will be the employer for the project. Merastar is a wholly owned subsidiary of Kemper Corporation. Merastar and Kemper Corporate Services are directly related sibling companies. Management control is the same for Merastar and Kemper Corporate Services.

Kemper Corporate Services ("KCS") holds real estate for Kemper entities. KCS will be the entity potentially purchasing equipment for the project. KCS is a wholly owned subsidiary of Kemper Corporation. Merastar and KCS are directly related sibling companies. Management control is the same for Merastar and KCS.

ENTITY INFORMATION

ENTITY INFORMATION

Entity Name:

KEMPER CORPORATE SERVICES, INC.

Entity Number:

E11903552021-4

Entity Type:

Foreign Corporation (80)

Entity Status:

Active

Formation Date:

01/26/2021

NV Business ID:

NV20211999658

Termination Date:

Perpetual

Annual Report Due Date:

1/31/2022

Domicile Name:

KEMPER CORPORATE SERVICES, INC.

Jurisdiction:

Illinois - United States

REGISTERED AGENT INFORMATION