

KEMPER Corp
Form 10-Q
October 30, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For Quarterly Period Ended September 30, 2017

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition Period from _____ to _____
Commission file number 001-18298

Kemper Corporation
(Exact name of registrant as specified in its charter)

Delaware 95-4255452
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

One East Wacker Drive, Chicago, Illinois 60601
(Address of principal executive offices) (Zip Code)
(312) 661-4600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer, smaller reporting company, or an emerging growth company. See definition of "accelerated filer, large 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 13(a) of the Exchange Act.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

51,451,359 shares of common stock, \$0.10 par value, were outstanding as of October 27, 2017.

KEMPER CORPORATION
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Caution Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, including, but not limited to, Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”), Quantitative and Qualitative Disclosures About Market Risk, Risk Factors and the accompanying unaudited Condensed Consolidated Financial Statements (including the notes thereto) of Kemper Corporation (“Kemper”) and its subsidiaries (individually and collectively referred to herein as the “Company”) may contain or incorporate by reference information that includes or is based on forward-looking statements within the meaning of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give expectations or forecasts of future events. The reader can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as “believe(s),” “goal(s),” “target(s),” “estimate(s),” “anticipate(s),” “forecast(s),” “project(s),” “plan(s),” “intend(s),” “expect(s),” “might,” “may,” “could” terms of similar meaning. Forward-looking statements, in particular, include statements relating to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, trends in operations and financial results. Any or all forward-looking statements may turn out to be wrong, and, accordingly, Kemper cautions readers not to place undue reliance on such statements. Kemper bases these statements on current expectations and the current economic environment as of the date of this Quarterly Report on Form 10-Q. They involve a number of risks and uncertainties that are difficult to predict. These statements are not guarantees of future performance; actual results could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties that may be important in determining the Company’s actual future results and financial condition.

In addition to those factors discussed under Item 1A., “Risk Factors,” of Part I of Kemper’s Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (the “SEC”), for the year ended December 31, 2016 (the “2016 Annual Report”) as updated by Item 1A. of Part II of this Quarterly Report on Form 10-Q, the reader should consider the following list of general factors that, among others, could cause the Company’s actual results and financial condition to differ materially from estimated results and financial condition.

Factors related to the legal and regulatory environment in which Kemper and its subsidiaries operate

- Outcomes of state initiatives that could result in significant changes to, or interpretations of, unclaimed property laws or significant changes in claims handling practices with respect to life insurance policies, including the requirement to proactively use death verification databases, particularly any that involve retroactive application of new requirements to existing life insurance policy contracts;
 - Adverse outcomes in litigation or other legal or regulatory proceedings involving Kemper or its subsidiaries or affiliates;
 - Governmental actions, including, but not limited to, implementation of new federal and state laws and regulations, and court decisions interpreting existing laws and regulations or policy provisions;
 - Uncertainties related to regulatory approval of insurance rates, policy forms, insurance products, license applications, dividends from insurance subsidiaries, acquisitions of businesses and other matters within the purview of state insurance regulators;
- Factors relating to insurance claims and related reserves in the Company’s insurance businesses
- The incidence, frequency and severity of catastrophes occurring in any particular reporting period or geographic area, including natural disasters, pandemics and terrorist attacks or other man-made events;
 - The number and severity of insurance claims (including those associated with catastrophe losses);
 - Changes in facts and circumstances affecting assumptions used in determining loss and loss adjustment expenses (“LAE”) reserves, including, but not limited to, the number and severity of insurance claims, changes in claims handling procedures and closure patterns and development patterns;
 - The impact of inflation on insurance claims, including, but not limited to, the effects on personal injury claims of increasing medical costs and the effects on property claims attributed to scarcity of resources available to rebuild damaged structures, including labor and materials and the amount of salvage value recovered for damaged property;
 - Developments related to insurance policy claims and coverage issues, including, but not limited to, interpretations or decisions by courts or regulators that may govern or influence losses incurred in connection with hurricanes and other

catastrophes;

Orders, interpretations or other actions by regulators that impact the reporting, adjustment and payment of claims;

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Changes in the pricing or availability of reinsurance, or in the financial condition of reinsurers and amounts recoverable therefrom;

Factors related to the Company's ability to compete

Changes in the ratings by rating agencies of Kemper and/or its insurance company subsidiaries with regard to credit, financial strength, claims paying ability and other areas on which the Company is rated;

The level of success and costs incurred in realizing or maintaining economies of scale, implementing significant business initiatives, including those related to, but not limited to, expense and claims savings, consolidations, reorganizations and technology, and integrating acquired businesses;

Absolute and relative performance of the Company's products and services, including, but not limited to, the level of success achieved in designing and introducing new insurance products;

The ability of the Company to maintain the availability of critical systems and manage technology initiatives cost-effectively to address insurance industry developments and regulatory requirements;

Heightened competition, including, with respect to pricing, consolidations of existing competitors or entry of new competitors and alternate distribution channels, introduction of new technologies, emergence of telematics, refinements of existing products and development of new products by current or future competitors;

Expected benefits and synergies from mergers, acquisitions and/or divestitures may not be realized to the extent anticipated, within the anticipated time frame or at all, due to a number of factors including, but not limited to, the loss of key agents/brokers, customers or employees, increased costs, fees, expenses and charges related to transactions, and the delay of transactions for reasons outside of the Company's control;

Factors relating to the business environment in which Kemper and its subsidiaries operate

Changes in general economic conditions, including, but not limited to, performance of financial markets, interest rates, inflation, unemployment rates and fluctuating values of particular investments held by the Company;

Absolute and relative performance of investments held by the Company;

Changes in insurance industry trends and significant industry developments;

Changes in consumer trends and significant consumer or product developments;

Changes in capital requirements, including the calculations thereof, used by regulators and rating agencies;

Regulatory, accounting or tax changes that may affect the cost of, or demand for, the Company's products or services or after-tax returns from the Company's investments;

The impact of required participation in windpools and joint underwriting associations, residual market assessments and assessments for insurance industry insolvencies;

Changes in distribution channels, methods or costs resulting from changes in laws or regulations, lawsuits or market forces;

Increased costs and risks related to cybersecurity and information technology, including, but not limited to, identity theft, data breaches and system disruptions affecting services and actions taken to minimize the risks thereof; and

Other risks and uncertainties described from time to time in Kemper's filings with the SEC.

Kemper cannot provide any assurances that the results contemplated in any forward-looking statements will be achieved or will be achieved in any particular timetable or that future events or developments will not cause such statements to be inaccurate. Kemper assumes no obligation to correct or update any forward-looking statements publicly for any changes in events or developments or in the Company's expectations or results subsequent to the date of this Quarterly Report on Form 10-Q. Kemper advises the reader, however, to consult any further disclosures Kemper makes on related subjects in its filings with the SEC.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

KEMPER CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share amounts)

(Unaudited)

	Nine Months Ended		Three Months Ended	
	Sep 30, 2017	Sep 30, 2016	Sep 30, 2017	Sep 30, 2016
Revenues:				
Earned Premiums	\$1,744.1	\$1,658.6	\$598.2	\$558.9
Net Investment Income	244.6	218.4	85.9	77.7
Other Income	2.9	2.2	1.0	0.8
Net Realized Gains on Sales of Investments	45.0	24.0	8.1	11.6
Other-than-temporary Impairment Losses:				
Total Other-than-temporary Impairment Losses	(10.7)	(24.3)	(2.9)	(8.3)
Portion of Losses Recognized in Other Comprehensive Income	0.2	0.3	—	—
Net Impairment Losses Recognized in Earnings	(10.5)	(24.0)	(2.9)	(8.3)
Total Revenues	2,026.1	1,879.2	690.3	640.7
Expenses:				
Policyholders' Benefits and Incurred Losses and Loss Adjustment Expenses	1,364.9	1,362.5	440.1	490.2
Insurance Expenses	485.2	488.8	163.7	161.7

The foregoing is a non-exhaustive list of changes that would be made by the legislation. In general, the changes would apply to taxable years beginning after the date the legislation is enacted. As

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of the date of this prospectus, it is not possible to state with certainty whether the legislation will be signed into law.

State and Local Taxes. We and our stockholders may be subject to state or local taxation in various jurisdictions, including those in which we or they transact business or reside. The state and local tax treatment of us and our stockholders may not conform to the U.S. federal income tax consequences discussed above. Consequently, prospective stockholders should consult their own tax advisers regarding the effect of state and local tax laws on an investment in our common stock.

PLAN OF DISTRIBUTION

The selling stockholders may offer and sell shares of our common stock from time to time with this prospectus. We will not receive any of the proceeds of the sales of these shares.

Who May Sell and Applicable Restrictions

The selling stockholders may offer and sell shares with this prospectus directly to purchasers. The selling stockholders may donate, pledge or otherwise transfer their shares to any person so long as the transfer complies with applicable securities laws. As a result, donees, pledgees, transferees and other successors in interest that receive such shares as a gift, distribution or other non-sale related transfer may offer shares of common stock under this prospectus.

The selling stockholders may from time to time offer shares through brokers, dealers or agents. Brokers, dealers, agents or underwriters participating in transactions may receive compensation in the form of discounts, concessions or commissions from the selling stockholders (and, if they act as agent for the purchaser of the shares, from that purchaser). The discounts, concessions or commissions may be in excess of those customary in the type of transaction involved. Any brokerage commissions and similar selling expenses attributable to the sale of shares covered by this prospectus will be borne by the selling stockholders. To comply with some state securities laws, the shares may be sold in those jurisdictions only through registered or licensed brokers or dealers.

The selling stockholders and any brokers, dealers or agents who participate in the distribution of the shares may be deemed to be underwriters, and any profits on the sale of shares by them and any discounts, commissions or concessions received by any broker, dealer or agent may be deemed underwriting discounts and commissions under the Securities Act of 1933.

Prospectus Delivery

A prospectus supplement or a post-effective amendment may be filed with the Securities and Exchange Commission to disclose additional information with respect to the distribution of the shares. In particular, if we receive notice from a selling stockholder that a donee, pledgee, transferee or other successor intends to sell more than 500 shares of our common stock, or that a selling stockholder has entered into a material arrangement with an underwriter or broker-dealer for the sale of shares covered by this prospectus, then to the extent required we will file a supplement to this prospectus.

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Manner of Sales

The selling stockholders will act independently of the Company in making decisions with respect to the timing, manner and size of each sale. Sales may be made on the New York Stock Exchange or any other national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale. The shares may be sold at then prevailing market prices, at prices related to prevailing market prices, at fixed prices or at other negotiated prices.

The shares may be sold according to one or more of the following methods:

a block trade in which the broker or dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction,

purchases by a broker or dealer as principal and resale by the broker or dealer for its account as allowed under this prospectus,

ordinary brokerage transactions and transactions in which the broker solicits purchasers,

pledges of shares to a broker-dealer or other person, who may, in the event of default, purchase or sell the pledged shares,

an exchange distribution under the rules of the exchange,

face-to-face transactions between sellers and purchasers without a broker-dealer,

transactions directly with a market-maker;

through the writing of options, and

any other method permitted pursuant to applicable law.

In addition, selling stockholders may generally enter into option, derivative or hedging transactions with respect to the shares, and any related offers or sales of shares may be made under this prospectus. The selling stockholders may, for example:

enter into transactions involving short sales of the shares by broker-dealers in the course of hedging the positions they assume with the selling stockholders,

sell shares short themselves and deliver the shares registered hereby to settle such short sales or to close out stock loans incurred in connection with their short positions,

write call options, put options or other derivative instruments (including exchange-traded options or privately negotiated options) with respect to the shares, or which they settle through delivery of the shares,

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enter into option transactions or other types of transactions that require the selling stockholders to deliver shares to a broker, dealer or other financial institution, who may then resell or transfer the shares under this prospectus, or

loan or pledge the shares to a broker, dealer or other financial institution, who may sell the loaned shares.

These option, derivative and hedging transactions may require the delivery to a broker, dealer or other financial institution of shares offered under this prospectus, and that broker, dealer or other financial institution may resell those shares under this prospectus.

If a material arrangement with any broker-dealer or other agent is entered into for the sale of any shares of common stock through a block trade, special offering, exchange distribution, secondary distribution, or a purchase by a broker or dealer, a prospectus supplement will be filed, if necessary, pursuant to Rule 424(b) under the Securities Act of 1933 disclosing the material terms and conditions of these arrangements.

The selling stockholders may also sell their shares in accordance with Rule 144 under the Securities Act of 1933, or pursuant to other available exemptions from the registration requirements of the Securities Act of 1933, rather than pursuant to this prospectus.

Under the Securities Exchange Act of 1934, any person engaged in the distribution of the shares of common stock may not simultaneously engage in market-making activities with respect to common stock for five business days prior to the start of the distribution. In addition, the selling stockholders and any other person participating in a distribution will be subject to the Exchange Act, which may limit the timing of purchases and sales of common stock by the selling stockholders or any other person.

Indemnification

The selling stockholders may agree to indemnify any broker-dealer or agent that participates in transactions involving sales of the shares against some liabilities, including liabilities arising under the Securities Act of 1933.

LEGAL MATTERS

The validity of the common stock offered by this prospectus and certain U.S. federal income tax matters will be passed upon for us by Morrison & Foerster LLP.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, have audited our consolidated financial statements and schedule for the year ended December 31, 2003, included in our Current Report on Form 8-K filed on August 20, 2004, as set forth in their report, which is incorporated by reference in this prospectus and elsewhere in the registration statement. Ernst & Young LLP have also audited: (i) the combined statement of revenue and certain expenses of Harbor Greens Apartments, Pinebrook Village Apartments, Huntington Vista Apartments, and Windjammer Apartments for the year ended December 31, 2002, and the statement of revenue and certain expenses of the Inlet Bay at Gateway Apartments for the year ended December 31, 2002, included in our Current Report on Form 8-K filed on January 9, 2004 and also included in our

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Current Report on Form 8-K/A filed on February 13, 2004; (ii) the statement of revenue and certain expenses of Carriage Homes at Wyndham for the year ended December 31, 2002, and the combined statement of revenue and certain expenses of Waterside Towers, Waterside Towers Townhomes and The Commons at Town Square for the year ended December 31, 2002, included in our Current Report on Form 8-K/A filed on February 13, 2004; and (iii) the combined statement of revenue and certain expenses of Arborview, Calvert's Walk and Liriope for the year ended December 31, 2003, the statement of revenue and certain expenses of The Preserve at Brentwood for the year ended December 31, 2003, and the combined statement of revenue and certain expenses of The Essex Properties for the year ended December 31, 2003, included in our Current Reports on Form 8-K filed on September 29, 2004 and October 5, 2004, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in the registration statement. Such financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. Our filings with the Securities and Exchange Commission are available to the public on the Internet at the Securities and Exchange Commission's web site at <http://www.sec.gov>. You may also read and copy any document we file with the Securities and Exchange Commission at its public reference room at 450 Fifth Street, N.W., Room 1024, Washington, DC 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for more information about their public reference room and their copy charges.

Our reports, proxy statements and other information about us may also be inspected at:

The New York Stock Exchange
20 Broad Street
New York, New York 10005

INCORPORATION OF INFORMATION FILED WITH THE SEC

The Securities and Exchange Commission allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. Any information that we refer to in this manner is considered part of this prospectus. Any information that we file with the Securities and Exchange Commission after the date of this prospectus will automatically update and supersede the information contained in this prospectus.

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We are incorporating by reference the following documents that we have previously filed with the Securities and Exchange Commission (Commission File No. 1-10524):

Annual Report on Form 10-K for the year ended December 31, 2003.

Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.

Quarterly Report on Form 10-Q for the quarter ended June 30, 2004.

Current Reports on Form 8-K and Form 8-K/A filed with the SEC on January 9, January 13, February 13, February 18, March 12, May 14, June 18, August 20, September 7 (excluding information furnished under Item 7.01), September 29, September 30 (excluding information furnished under Item 7.01), September 30, and October 5, 2004.

Current Report on Form 8-K filed with the SEC on June 11, 2003.

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Our Proxy Statement dated April 2, 2004, filed in connection with our May 4, 2004 Annual Meeting of Stockholders.

The description of our capital stock contained in our Registration Statement on Form 8-A/A filed with the SEC on July 28, 2000, including any amendments or reports filed with the Securities and Exchange Commission for the purpose of updating such description.

We are also incorporating by reference any future filings that we make with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and prior to the time that we sell all of the securities offered by this prospectus and any prospectus supplement. In no event, however, will any of the information that we furnish under Item 2.02 or Item 7.01 of any Current Report on Form 8-K that we may from time to time file with the Securities and Exchange Commission be incorporated by reference into, or otherwise included in, this prospectus.

You may obtain a copy of any of the documents referred to above without charge by written or oral request to:

United Dominion Realty Trust, Inc.
1745 Shea Center Drive, Suite 200
Highlands Ranch, Colorado 80129
Attention: Investor Relations
Telephone: (720) 283-6120

We maintain a web site at www.udrt.com. The reference to our web site does not constitute incorporation by reference of the information contained at the site and you should not consider it a part of this prospectus.

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The expenses, other than underwriting discounts and commissions, to be incurred by the registrant in connection with the issuance and distribution of the securities being registered are as follows:

Securities Act Registration Fee	\$ 4,075.00
Legal Fees and Expenses	15,000.00*
Accounting Fees and Expenses	15,000.00*
Miscellaneous	5,925.00*
	<hr/>
Total	\$40,000.00*
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*Estimated

Item 15. Indemnification of Directors and Officers.

Our amended and restated articles of incorporation and bylaws provide for indemnification of directors and officers to the full extent permitted by the laws of the State of Maryland.

Section 2-418 of the Maryland General Corporation Law generally permits indemnification of any director or officer made a party to any proceedings by reason of service as a director or officer unless it is established that (i) the act or omission of such person was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty; or (ii) such person actually received an improper personal benefit in money, property or services; or (iii) in the case of any criminal proceeding, such person had reasonable cause to believe that the act or omission was unlawful. The indemnity may include judgments, penalties, fines, settlements and reasonable expenses actually incurred by the director or officer in connection with the proceeding; provided, however, that if the proceeding is one by, or in the right of the corporation, indemnification is not permitted with respect to any proceeding in which the director or officer has been adjudged to be liable to the corporation. The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent or upon an entry of an order of probation prior to judgment creates a rebuttable presumption that the director or officer did not meet the requisite standard of conduct required for permitted

indemnification. The termination of any proceeding by judgment, order or settlement, however, does not create a presumption that the director or officer failed to meet the requisite standard of conduct for permitted indemnification.

If the person involved is not a director or officer of the Company, the Board of Directors may cause the Company to indemnify to the same extent allowed for directors

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and officers of the Company the person who was or is a party to a proceeding, by reason of the fact that he is or was an employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

The above discussion of our amended and restated articles of incorporation and bylaws and of the Maryland General Corporation Law is not intended to be exhaustive and is qualified in its entirety by such articles, bylaws and statutes.

Item 16. Exhibits.

Exhibit No.	Description
2.1	Articles of Merger between UDRT Maryland, Inc., a Maryland corporation, and United Dominion Realty Trust, Inc., a Virginia corporation, filed with the State Department of Assessments and Taxation of the State of Maryland (1)
2.2	Articles of Merger between UDRT Maryland, Inc., a Maryland corporation, and United Dominion Realty Trust, Inc., a Virginia corporation, filed with the State Corporation Commission of the Commonwealth of Virginia (2)
2.3	Agreement of Purchase and Sale dated as of August 13, 2004, by and between United Dominion Realty, L.P., a Delaware limited partnership, as Buyer, and Essex The Crest, L.P., a California limited partnership, Essex El Encanto Apartments, L.P., a California limited partnership, Essex Hunt Club Apartments, L.P., a California limited partnership, and the other signatories named as Sellers therein (3)
2.4	First Amendment to Agreement of Purchase and Sale dated as of September 29, 2004, by and between United Dominion Realty, L.P., a Delaware limited partnership, as Buyer, and Essex The Crest, L.P., a California limited partnership, Essex El Encanto Apartments, L.P., a California limited partnership, Essex Hunt Club Apartments, L.P., a California limited partnership, and the other signatories named as Sellers therein (4)
4.1	First Amended and Restated Rights Agreement dated as of September 14, 1999, between the Company and ChaseMellon Shareholders Services, L.L.C., as Rights Agent (5)
4.2	Form of Rights Certificate (6)

- 4.3 Registration Rights Agreement dated June 12, 2003 by and among the Company and the Initial Holders of OP Units.

- 4.4 Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P. dated as of February 23, 2004 (7)

- 5.1 Legality Opinion of Morrison & Foerster LLP

- 8.1 Tax Opinion of Morrison & Foerster LLP

- 23.1 Consent of Ernst & Young LLP

- 23.2 Consent of Morrison & Foerster LLP (included in Exhibit 5.1 and 8.1)

- 24.1 Power of Attorney (included on page II-6 of the Registration Statement filed with the Securities and Exchange Commission on June 24, 2004)

-
- (1) Incorporated by reference to Exhibit 2.01 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on June 11, 2003 (File No. 1-10524).
 - (2) Incorporated by reference to Exhibit 2.02 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on June 11, 2003 (File No. 1-10524).
 - (3) Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on September 29, 2004 (File No. 1-10524).
 - (4) Incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on October 5, 2004 (File No. 1-10524).

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(5) Incorporated by reference to Exhibit 4(i)(d)(A) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 1-10524).

(6) Incorporated by reference to Exhibit 4(e) to the Company's Registration Statement on Form 8-A dated February 4, 1998 (File No. 1-10524).

(7) Incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 1-10524).

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona*

fide offering thereof.

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(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Pre-Effective Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Highlands Ranch, State of Colorado, on October 19, 2004.

**UNITED DOMINION REALTY
TRUST, INC.**

By: /s/ Christopher D. Genry

Christopher D. Genry
Executive Vice President and
Chief Financial Officer

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Pursuant to the requirements of the Securities Act of 1933, this Pre-Effective Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
** _____	Chief Executive Officer, President and Director	October 19, 2004
Thomas W. Toomey		
/s/ Christopher D. Genry _____	Executive Vice President and Chief Financial Officer	October 19, 2004
Christopher D. Genry		
** _____	Senior Vice President and Chief Accounting Officer	October 19, 2004
Scott A. Shanaberger		
** _____	Chairman of the Board	October 19, 2004
Robert C. Larson		
** _____	Vice Chairman of the Board	October 19, 2004
James D. Klingbeil		
** _____	Director	October 19, 2004
Eric J. Foss		
** _____	Director	October 19, 2004
Robert P. Freeman		

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** Director October 19,
2004

Jon A. Grove

** Director October 19,
2004

Thomas R. Oliver

** Director October 19,
2004

Lynne B. Sagalyn

** Director October 19,
2004

Mark J. Sandler

** Director October 19,
2004

Robert W. Scharar

**By: /s/ Christopher
D. Genry

Christopher D.
Genry
Attorney-In-Fact

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Exhibit No.	Description
2.1	Articles of Merger between UDRT Maryland, Inc., a Maryland corporation, and United Dominion Realty Trust, Inc., a Virginia corporation, filed with the State Department of Assessments and Taxation of the State of Maryland (1)
2.2	Articles of Merger between UDRT Maryland, Inc., a Maryland corporation, and United Dominion Realty Trust, Inc., a Virginia corporation, filed with the State Corporation Commission of the Commonwealth of Virginia (2)
2.3	Agreement of Purchase and Sale dated as of August 13, 2004, by and between United Dominion Realty, L.P., a Delaware limited partnership, as Buyer, and Essex The Crest, L.P., a California limited partnership, Essex El Encanto Apartments, L.P., a California limited partnership, Essex Hunt Club Apartments, L.P., a California limited partnership, and the other signatories named as Sellers therein (3)
2.4	First Amendment to Agreement of Purchase and Sale dated as of September 29, 2004, by and between United Dominion Realty, L.P., a Delaware limited partnership, as Buyer, and Essex The Crest, L.P., a California limited partnership, Essex El Encanto Apartments, L.P., a California limited partnership, Essex Hunt Club Apartments, L.P., a California limited partnership, and the other signatories named as Sellers therein (4)
4.1	First Amended and Restated Rights Agreement dated as of September 14, 1999, between the Company and ChaseMellon Shareholders Services, L.L.C., as Rights Agent (5)
4.2	Form of Rights Certificate (6)
4.3	Registration Rights Agreement dated June 12, 2003 by and among the Company and the Initial Holders of OP Units.
4.4	Amended and Restated Agreement of Limited Partnership of United Dominion Realty, L.P. dated as of February 23, 2004 (7)
5.1	Legality Opinion of Morrison & Foerster LLP
8.1	Tax Opinion of Morrison & Foerster LLP

- 23.1 Consent of Ernst & Young LLP
- 23.2 Consent of Morrison & Foerster LLP (included in Exhibit 5.1 and 8.1)
- 24.1 Power of Attorney (included on page II-6 of the Registration Statement filed with the Securities and Exchange Commission on June 24, 2004)

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- (1) Incorporated by reference to Exhibit 2.01 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on June 11, 2003 (File No. 1-10524).
- (2) Incorporated by reference to Exhibit 2.02 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on June 11, 2003 (File No. 1-10524).
- (3) Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on September 29, 2004 (File No. 1-10524).
- (4) Incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on October 5, 2004 (File No. 1-10524).
- (5) Incorporated by reference to Exhibit 4(i)(d)(A) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999 (File No. 1-10524).
- (6) Incorporated by reference to Exhibit 4(e) to the Company's Registration Statement on Form 8-A dated February 4, 1998 (File No. 1-10524).
- (7) Incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 1-10524).