



# QUARTERLY STATEMENT

As of March 31, 2014  
of the Condition and Affairs of the

## Infinity Preferred Insurance Company

NAIC Group Code.....3495, 3495 (Current Period) (Prior Period)	NAIC Company Code..... 10195	Employer's ID Number..... 34-1785809
Organized under the Laws of Ohio	State of Domicile or Port of Entry Ohio	Country of Domicile US
Incorporated/Organized..... November 7, 1994		Commenced Business..... July 1, 1995
Statutory Home Office	1400 Provident Tower, One East Fourth Street..... Cincinnati ..... OH ..... 45202 <i>(Street and Number) (City or Town, State, Country and Zip Code)</i>	
Main Administrative Office	3700 Colonnade Parkway, Suite 600..... Birmingham ..... AL ..... 35243-3216 205-870-4000 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i>	
Mail Address	P.O. Box 830189..... Birmingham ..... AL ..... 35283-0189 <i>(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)</i>	
Primary Location of Books and Records	3700 Colonnade Parkway, Suite 600..... Birmingham ..... AL ..... 35243-3216 205-870-4000 <i>(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)</i>	
Internet Web Site Address	www.infinityauto.com	
Statutory Statement Contact	Rachelle Shealy Talley <i>(Name)</i> rachelle.talley@ipacc.com <i>(E-Mail Address)</i>	205-803-8326 <i>(Area Code) (Telephone Number) (Extension)</i> 205-803-8080 <i>(Fax Number)</i>

### POLICYHOLDER SERVICES AND CLAIM REPORTING: 1-800-477-5056

#### OFFICERS

Name	Title	Name	Title
Glen Nelson Godwin	President & CEO	Samuel James Simon	Senior Vice President & Secretary
Amy Kay Jordan	Vice President & Treasurer/Controller		

#### OTHER

Troy Perry Ballard	Assistant Treasurer	Mary Linn Clark	Assistant Treasurer
Vicki Windham Daniell	Assistant Treasurer	James Henry Romaker	Assistant Secretary
Mitchell Silverman	Assistant Secretary	Roger Smith	Senior Vice President & CFO

#### DIRECTORS OR TRUSTEES

James Randall Gober	Glen Nelson Godwin	Amy Kay Jordan	Scott Christopher Pitrone
James Henry Romaker	Samuel James Simon	Roger Smith	

State of..... Alabama  
County of..... Jefferson

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

_____	_____	_____
Glen Nelson Godwin	Samuel James Simon	Amy Kay Jordan
_____	_____	_____
President & CEO	Senior Vice President & Secretary	Vice President & Treasurer/Controller

Subscribed and sworn to before me  
This 9th day of May, 2014

a. Is this an original filing? Yes [ X ] No [ ]  
b. If no: 1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

My Commission Expires April 15, 2017

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	4,961,528		4,961,528	4,910,582
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....0), cash equivalents (\$.....0) and short-term investments (\$.....60,067).....	60,067		60,067	48,891
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives.....			.0	
8. Other invested assets.....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets.....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	5,021,595	.0	5,021,595	4,959,473
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	12,212		12,212	16,994
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	136,918		136,918	94,004
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	2,562
18.2 Net deferred tax asset.....	50,149		50,149	46,744
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other than invested assets.....	.0	.0	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	5,220,874	.0	5,220,874	5,119,777
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. Total (Lines 26 and 27).....	5,220,874	.0	5,220,874	5,119,777

### DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501.....			.0	
2502.....			.0	
2503.....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.0	.0	.0	.0

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$....139,937).....	484,496	470,008
2. Reinsurance payable on paid losses and loss adjustment expenses.....	81,590	69,970
3. Loss adjustment expenses.....	163,777	162,128
4. Commissions payable, contingent commissions and other similar charges.....	3,662	5,438
5. Other expenses (excluding taxes, licenses and fees).....	21,093	16,568
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,249	2,704
7.1 Current federal and foreign income taxes (including \$....65 on realized capital gains (losses)).....	10,256	
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act.....)	609,441	562,871
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....		
13. Funds held by company under reinsurance treaties.....		
14. Amounts withheld or retained by company for account of others.....		
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	25,067	21,804
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	260	256
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	1,400,891	1,311,747
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	1,400,891	1,311,747
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	1,500,000	1,500,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	1,500,000	1,500,000
35. Unassigned funds (surplus).....	819,983	808,030
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36).....	3,819,983	3,808,030
38. Totals (Page 2, Line 28, Col. 3).....	5,220,874	5,119,777

### DETAILS OF WRITE-INS

2501. Accounts payable and other liabilities.....	260	256
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	260	256
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	0	0
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

## STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....0).....			
1.2 Assumed..... (written \$.....374,249).....	327,679	318,589	1,302,525
1.3 Ceded..... (written \$.....0).....			
1.4 Net..... (written \$.....374,249).....	327,679	318,589	1,302,525
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....211,583):			
2.1 Direct.....	30,875	108,066	279,537
2.2 Assumed.....	211,553	208,658	848,335
2.3 Ceded.....	30,875	108,066	279,537
2.4 Net.....	211,553	208,658	848,335
3. Loss adjustment expenses incurred.....	42,492	42,157	170,715
4. Other underwriting expenses incurred.....	88,957	89,097	329,523
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	343,002	339,912	1,348,573
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(15,323)	(21,323)	(46,048)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	15,091	14,912	62,370
10. Net realized capital gains (losses) less capital gains tax of \$.....65.....	(65)	(106)	(585)
11. Net investment gain (loss) (Lines 9 + 10).....	15,026	14,806	61,785
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....1,035 amount charged off \$.....4,384).....	(3,349)	(5,988)	(20,985)
13. Finance and service charges not included in premiums.....	16,471	16,999	67,019
14. Aggregate write-ins for miscellaneous income.....	5,952	6,389	24,459
15. Total other income (Lines 12 through 14).....	19,074	17,400	70,493
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	18,777	10,883	86,230
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	18,777	10,883	86,230
19. Federal and foreign income taxes incurred.....	10,229	7,943	29,808
20. Net income (Line 18 minus Line 19) (to Line 22).....	8,548	2,940	56,422
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	3,808,030	4,076,747	4,076,747
22. Net income (from Line 20).....	8,548	2,940	56,422
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	3,405	4,279	(139)
27. Change in nonadmitted assets.....			
28. Change in provision for reinsurance.....			
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			(325,000)
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	11,953	7,219	(268,717)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	3,819,983	4,083,966	3,808,030
<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Other fee income.....	5,987	6,789	25,628
1402. Miscellaneous income or (expense).....	(35)	(400)	(1,169)
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	5,952	6,389	24,459
3701. ....			
3702. ....			
3703. ....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

Statement for March 31, 2014 of the **Infinity Preferred Insurance Company**  
**CASH FLOW**

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>			
1. Premiums collected net of reinsurance.....	331,335	324,392	1,326,430
2. Net investment income.....	19,300	15,030	55,502
3. Miscellaneous income.....	19,074	17,400	70,493
4. Total (Lines 1 through 3).....	369,709	356,822	1,452,425
5. Benefit and loss related payments.....	185,445	169,158	723,856
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	129,359	131,155	490,565
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(2,524)	(4,000)	29,762
10. Total (Lines 5 through 9).....	312,280	296,313	1,244,183
11. Net cash from operations (Line 4 minus Line 10).....	57,429	60,509	208,242
<b>CASH FROM INVESTMENTS</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....		75,000	176,008
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			17
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	75,000	176,025
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	49,520		
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	49,520	0	0
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(49,520)	75,000	176,025
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....			
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			325,000
16.6 Other cash provided (applied).....	3,267	(8,186)	(62,604)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	3,267	(8,186)	(387,604)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	11,176	127,323	(3,337)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	48,891	52,228	52,228
19.2 End of period (Line 18 plus Line 19.1).....	60,067	179,551	48,891

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001 .....			
---------------	--	--	--

---



---

**NOTES TO FINANCIAL STATEMENTS**


---



---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Accounting Practices**

The financial statements of Infinity Preferred Insurance Company ("the Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for purposes of determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners ("NAIC") *Accounting Practices and Procedures Manual*, has been adopted as a component of prescribed or permitted practices by the state of Ohio.

	State of Domicile	2014	2013
<b>NET INCOME</b>			
(1) Company state basis (Page 4, Line 20, Columns 1 & 3)	OH	8,548	56,422
(2) State Prescribed Practices that increase/decrease NAIC SAP			
(3) State Permitted Practices that increase/decrease NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	OH	8,548	56,422
<b>SURPLUS</b>			
(5) Infinity Preferred Insurance Company state basis (Page 3, line 37, Columns 1 & 2)	OH	3,819,983	3,808,030
(6) State Prescribed Practices that increase/decrease NAIC SAP			
(7) State Permitted Practices that increase/decrease NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	OH	3,819,983	3,808,030

**NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

No significant change.

**NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL**

No significant change.

**NOTE 4 – DISCONTINUED OPERATIONS**

No significant change.

**NOTE 5 – INVESTMENTS**

D. Loan-Backed Securities - The Company does not invest in loan-backed securities.

E. Repurchase Agreements and/or Securities Lending Transactions - The Company does not participate in repurchase agreements or securities lending transactions.

I. Working Capital Finance Investments - Not applicable.

**NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

No significant change.

**NOTE 7 – INVESTMENT INCOME**

No significant change.

**NOTE 8 – DERIVATIVE INSTRUMENTS**

No significant change.

**NOTE 9 – INCOME TAXES**

No significant change.

**NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES**

No significant change.

**NOTE 11 – DEBT**

B. The Company does not have any Federal Home Loan Bank agreements.

---

---

## NOTES TO FINANCIAL STATEMENTS

---

---

### NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Benefit Plan - The Company does not have any defined benefit plans.

### NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

No significant change.

### NOTE 14 – CONTINGENCIES

No significant change.

### NOTE 15 – LEASES

No significant change.

### NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

No significant change.

### NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A. Transfers of Receivables Reported as Sales - The Company did not sell any receivable balances during 2014.

B. Transfer and Servicing of Financial Assets - Not applicable.

C. Wash Sales - The Company was not involved in any wash sale transactions during 2014.

### NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE PORTION OF PARTIALLY INSURED PLANS

No significant change.

### NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

No significant change.

### NOTE 20 – FAIR VALUE MEASUREMENTS

A. Inputs Used for Assets and Liabilities Measured at Fair Value

(1) Fair Value Measurement by Level 1, 2 and 3 - The Company values all assets and liabilities at amortized cost.

(2) Rollforward of Level 3 Items – Not Applicable.

(3) Policy on Transfers Into and Out of Level 3 - Not Applicable.

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

Fair values are based on prices quoted in the most active market for each security. If quoted prices are not available, fair values are estimated based on the fair value of comparable securities, discounted cash flow models or similar methods.

(5) Derivative Fair Values – Not applicable.

B. Other Fair Value Disclosures – Not applicable.

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The Company has categorized its assets and liabilities into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity in the valuation method by which fair value was determined. The three levels are defined as follows:

Level 1 - Fair value measurements are based on quoted prices in active markets for identical assets. This category includes U.S. Treasury securities.

Level 2 - Fair value measurements are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which all significant techniques are observable in active markets. This category includes municipal bonds.

Level 3 - Fair value measurements are based on valuations derived from valuation techniques in which one or more significant inputs are unobservable in the marketplace. This category includes bonds for which there is no active or inactive market for similar instruments, bonds whose fair value is determined based on unobservable inputs and bonds, other than those backed by the U.S. Government, that are not rated by a nationally recognized statistical rating organization.

**NOTES TO FINANCIAL STATEMENTS**

Aggregate fair value measurements for all financial instruments at March 31, 2014, are as follows:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 5,061,049	\$ 5,021,595	\$ 5,061,049	\$ 0	\$ 0	\$ 0

D. Not Practicable to Estimate Fair Value- Not Applicable.

**NOTE 21 – OTHER ITEMS**

G. Offsetting and Netting of Assets and Liabilities - Not Applicable.

I. Risk Sharing Provisions of the Affordable Care Act - Not Applicable.

**NOTE 22 – EVENTS SUBSEQUENT**

None.

**NOTE 23 – REINSURANCE**

No significant change.

**NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDTERMINATION**

No significant change.

**NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

The following table provides an analysis of the change in loss and LAE reserves net of reinsurance recoverables (in thousands):

	March 31, 2014	March 31, 2013
Balance at beginning of period	\$ 632	\$ 559
Loss and LAE incurred:		
Current accident year	257	251
Prior accident years	(3)	0
	254	251
Loss and LAE payments made for:		
Current accident year	(81)	(78)
Prior accident years	(157)	(149)
	(238)	(227)
Balance at end of period	\$ 648	\$ 583

Reserves as of December 31, 2013 were \$632 thousand. As of March 31, 2014, \$157 thousand has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$472 thousand as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Private Passenger Auto and Commercial Auto lines of insurance. As a result, there has been a \$3 thousand favorable prior year development during the three months ended March 31, 2014 as compared to no development during the three months ended March 31, 2013. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. See table below for the effect resulting from the inclusion of extra-contractual obligations.

Beginning in 2005, losses and expenses associated with extra-contractual obligations were reflected in the underwriting section of the income statement. The following table reflects the effect to Schedule P of the extra-contractual obligations (in thousands):

Year	Payments for Loss and LAE	Outstanding Loss and LAE	Loss and LAE Incurred
Prior	\$ 0	\$ 0	\$ 0
2005	4	0	4
2006	2	0	2
2007	2	0	2
2008	0	0	0
2009	2	0	2
2010	1	0	1
2011	1	0	1
2012	0	0	0
2013	0	0	0
2014	0	0	0
	\$ 12	\$ 0	\$ 12

**NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS**

No significant change.

---

---

## NOTES TO FINANCIAL STATEMENTS

---

---

**NOTE 27 – STRUCTURED SETTLEMENTS**

No significant change.

**NOTE 28 – HEALTH CARE RECEIVABLES**

No significant change.

**NOTE 29 – PARTICIPATING POLICIES**

No significant change.

**NOTE 30 – PREMIUM DEFICIENCY RESERVES**

No significant change.

**NOTE 31 – HIGH DEDUCTIBLES**

No significant change.

**NOTE 32 – DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES**

No significant change.

**NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES**

No significant change.

**NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS**

No significant change.

**NOTE 35 – MULTIPLE PERIL CROP INSURANCE**

No significant change.

**NOTE 36 – FINANCIAL GUARANTY INSURANCE**

The Company does not write financial guaranty insurance.

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]
- 2.2 If yes, date of change: .....
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No [ ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
Atlanta Casualty Group, Inc.'s name changed to Infinity Insurance Agency, Inc.
- 
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC<br>Company Code | 3<br>State of<br>Domicile |
|---------------------|---------------------------|---------------------------|
| Not Applicable      |                           |                           |
5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]  
If yes, attach an explanation.  
Not Applicable
- 
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/2011.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....12/31/2011.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....5/8/2013.....
- 6.4 By what department or departments?  
Ohio
- 
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]
- 7.2 If yes, give full information:  
Not Applicable
- 
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
Not Applicable
- 
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].
- | 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| Not Applicable      |                             |          |          |           |          |
- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code. Yes [X] No [ ]
- 9.11 If the response to 9.1 is No, please explain:  
Not Applicable
- 
- 9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
Not Applicable
- 
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

Not Applicable

**PART 1 - FINANCIAL**

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ ] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

.....

**PART 1 - INVESTMENT**

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [ ] No [X]

11.2 If yes, give full and complete information relating thereto:

Not Applicable

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$.....0

13. Amount of real estate and mortgages held in short-term investments:

\$.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [ ] No [X]

14.2 If yes, please complete the following:

	1		2	
	Prior Year-End		Current Quarter	
	Book/Adjusted Carrying Value		Book/Adjusted Carrying Value	
14.21 Bonds.....	\$	.....0	\$	.....0
14.22 Preferred Stock.....	\$	.....0	\$	.....0
14.23 Common Stock.....	\$	.....0	\$	.....0
14.24 Short-Term Investments.....	\$	.....0	\$	.....0
14.25 Mortgage Loans on Real Estate.....	\$	.....0	\$	.....0
14.26 All Other.....	\$	.....0	\$	.....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$	.....0	\$	.....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$	.....0	\$	.....0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [ ] No [ ]

Not Applicable

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$.....0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$.....0

16.3 Total payable for securities lending reported on the liability page:

\$.....0

17. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No [ ]

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
The Bank of New York Mellon	One Wall Street, New York, New York 10286

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation.

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
Not Applicable		

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [ ] No [X]

17.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
Not Applicable			

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
Not Applicable	Wellington Management Company	280 Congress Street, Boston, MA 02210

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No [ ]

18.2 If no, list exceptions:

Not Applicable

**GENERAL INTERROGATORIES (continued)**

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]  
 If yes, attach an explanation.  
 Not Applicable

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]  
 If yes, attach an explanation.  
 Not Applicable

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:  
 Not Applicable

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period				
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total	
						0					0
Total	XXX	XXX	0	0	0	0	0	0	0	0	0

5. Operating Percentages:

5.1 A&H loss percent 0.0 %  
 5.2 A&H cost containment percent 0.0 %  
 5.3 A&H expense percent excluding cost containment expenses 0.0 %

6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0

6.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

**SCHEDULE F - CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Type of Reinsurer	6 Certified Reinsurer Rating (1 through 6)	7 Effective Date of Certified Reinsurer Rating
------------------------------	-------------------	------------------------	----------------------------------	---------------------------	---	---

**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL	N						
2. Alaska.....AK	N						
3. Arizona.....AZ	N						
4. Arkansas.....AR	N						
5. California.....CA	N						
6. Colorado.....CO	N						
7. Connecticut.....CT	N						
8. Delaware.....DE	N						
9. District of Columbia.....DC	N						
10. Florida.....FL	N						
11. Georgia.....GA	N						
12. Hawaii.....HI	N						
13. Idaho.....ID	N						
14. Illinois.....IL	N						
15. Indiana.....IN	N						
16. Iowa.....IA	N						
17. Kansas.....KS	N						
18. Kentucky.....KY	N						
19. Louisiana.....LA	N						
20. Maine.....ME	N						
21. Maryland.....MD	N						
22. Massachusetts.....MA	N						
23. Michigan.....MI	N						
24. Minnesota.....MN	N						
25. Mississippi.....MS	N						
26. Missouri.....MO	N						
27. Montana.....MT	N						
28. Nebraska.....NE	N						
29. Nevada.....NV	N						
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	N						
32. New Mexico.....NM	N						
33. New York.....NY	N						
34. North Carolina.....NC	N						
35. North Dakota.....ND	N						
36. Ohio.....OH	L			(819)	11,424		11,138
37. Oklahoma.....OK	N						
38. Oregon.....OR	N						
39. Pennsylvania.....PA	L			2,329	229,748	269,007	412,353
40. Rhode Island.....RI	N						
41. South Carolina.....SC	N						
42. South Dakota.....SD	N						
43. Tennessee.....TN	N						
44. Texas.....TX	N						
45. Utah.....UT	N						
46. Vermont.....VT	N						
47. Virginia.....VA	N						
48. Washington.....WA	N						
49. West Virginia.....WV	N						
50. Wisconsin.....WI	N						
51. Wyoming.....WY	N						
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CAN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....(a)	2	0	0	1,510	241,172	269,007	423,491

**DETAILS OF WRITE-INS**

58001.....	XXX						
58002.....	XXX						
58003.....	XXX						
58998. Summary of remaining write-ins for Line 58 from overflow page....	XXX	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above).....	XXX	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

## SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

	<u>FEIN Number</u>	<u>NAIC Co. Code</u>	<u>Domiciliary State</u>
<b>INFINITY PROPERTY AND CASUALTY CORPORATION</b>	03-0483872		
<b>Hillstar Insurance Company*</b>	31-1358834	10068	IN
<b>Infinity Financial Centers, LLC</b>	20-4363792		
<b>Infinity Insurance Company*</b>	31-0943862	22268	IN
Infinity Insurance Agency, Inc.	58-1293110		
Infinity Agency of Texas	74-2641866		
Infinity Assurance Insurance Company*	75-1227771	39497	OH
Infinity Auto Insurance Company*	34-0927698	11738	OH
Leader Managing General Agency, Inc.	75-2280915		
Leader Group, Inc.	34-1852743		
Infinity Casualty Insurance Company*	58-1132392	21792	OH
Infinity County Mutual Insurance Company*@	43-6030348	13820	TX
Infinity Indemnity Insurance Company*	34-1767787	10061	IN
Infinity Preferred Insurance Company*	34-1785809	10195	OH
Infinity Reserve Insurance Company	31-1627506		
Infinity Safeguard Insurance Company*	73-0772113	16802	OH
Granite Finance Company	74-1537031		
Infinity Security Insurance Company*	58-1806192	38873	IN
Infinity Select Insurance Company*	31-1333017	20260	IN
Infinity Standard Insurance Company*	58-1806189	12599	IN
Infinity Property and Casualty Services, Inc.	58-1080659		
Casualty Underwriters, Inc.	58-0642684		
The Infinity Group, Inc.	31-1357130		

\*Denotes Insurer

@ Denotes company which is affiliated but not owned

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
<b>Members</b>														
3495	Infinity Property and Casualty Corporation	00000	03-0483872		0001195933	NASDAQ	Infinity Property and Casualty Corporation		UIP				Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	10068	31-1358834				Hillstar Insurance Company	IN	IA	Infinity Property and Casualty Corporation	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	00000	20-4363792				Infinity Financial Centers, LLC		NIA	Infinity Property and Casualty Corporation	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	22268	31-0943862				Infinity Insurance Company	IN	UDP	Infinity Property and Casualty Corporation	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	00000	74-2641866				Infinity Agency of Texas		NIA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	39497	75-1227771				Infinity Assurance Insurance Company	OH	IA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	11738	34-0927698				Infinity Auto Insurance Company	OH	IA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	00000	75-2280915				Leader Mananging General Agency, Inc.		NIA	Infinity Auto Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	00000	34-1852743				Leader Group, Inc.		NIA	Infinity Auto Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	21792	58-1132392				Infinity Casualty Insurance Company	OH	IA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	00000	58-1293110				Infinity Insurance Agency, Inc.		NIA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	10061	34-1767787				Infinity Indemnity Insurance Company	IN	IA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	10195	34-1785809				Infinity Preferred Insurance Company	OH		Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	00000	31-1627506				Infinity Reserve Insurance Company		NIA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	16802	73-0772113				Infinity Safeguard Insurance Company	OH	IA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	00000	74-1537031				Granite Finance Company		NIA	Infinity Safeguard Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	38873	58-1806192				Infinity Security Insurance Company	IN	IA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	20260	31-1333017				Infinity Select Insurance Company	IN	IA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	
3495	Infinity Property and Casualty Corporation	12599	58-1806189				Infinity Standard Insurance Company	IN	IA	Infinity Insurance Company	Ownership	100.000	Infinity Property and Casualty Corporation	

Q12

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
	Infinity Property and Casualty Corporation	00000.....	58-1080659				Infinity Property and Casualty Services, Inc.....		NIA.....	Infinity Standard Insurance Company.....	Ownership.....	...100.000	Infinity Property and Casualty Corporation.....	
	Infinity Property and Casualty Corporation	00000.....	58-0642684				Casualty Underwriters, Inc.....		NIA.....	Infinity Property and Casualty Services, Inc.....	Ownership.....	....51.000	Infinity Property and Casualty Corporation.....	
3495.....	Infinity Property and Casualty Corporation	13820.....	43-6030348				Infinity County Mutual Insurance Company.....	TX.....	IA.....	Infinity Insurance Company.....	Management.....		Infinity Property and Casualty Corporation.....	
	Infinity Property and Casualty Corporation	00000.....	31-1357130				The Infinity Group, Inc.....		NIA.....	Infinity Insurance Company.....	Ownership.....	...100.000	Infinity Property and Casualty Corporation.....	

Q12.1

Asterisk	Explanation

**NONE**

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....				0.0
2. Allied lines.....				0.0
3. Farmowners multiple peril.....				0.0
4. Homeowners multiple peril.....				0.0
5. Commercial multiple peril.....				0.0
6. Mortgage guaranty.....				0.0
8. Ocean marine.....				0.0
9. Inland marine.....				0.0
10. Financial guaranty.....				0.0
11.1. Medical professional liability - occurrence.....				0.0
11.2. Medical professional liability - claims-made.....				0.0
12. Earthquake.....				0.0
13. Group accident and health.....				0.0
14. Credit accident and health.....				0.0
15. Other accident and health.....				0.0
16. Workers' compensation.....				0.0
17.1 Other liability-occurrence.....				0.0
17.2 Other liability-claims made.....				0.0
17.3 Excess workers' compensation.....				0.0
18.1 Products liability-occurrence.....				0.0
18.2 Products liability-claims made.....				0.0
19.1, 19.2 Private passenger auto liability.....		29,427		0.0
19.3, 19.4 Commercial auto liability.....				0.0
21. Auto physical damage.....		1,448		0.0
22. Aircraft (all perils).....				0.0
23. Fidelity.....				0.0
24. Surety.....				0.0
26. Burglary and theft.....				0.0
27. Boiler and machinery.....				0.0
28. Credit.....				0.0
29. International.....				0.0
30. Warranty.....				0.0
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0	0.0
35. Totals.....	0	30,875	0	0.0

**DETAILS OF WRITE-INS**

3401.....				0.0
3402.....				0.0
3403.....				0.0
3498 Sum. of remaining write-ins for Line 34 from overflow page.....	0	0		XXX
3499 Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0		0.0

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1 Medical professional liability - occurrence.....			
11.2 Medical professional liability - claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1 Other liability-occurrence.....			
17.2 Other liability-claims made.....			
17.3 Excess workers' compensation.....			
18.1 Products liability-occurrence.....			
18.2 Products liability-claims made.....			
19.1 19.2 Private passenger auto liability.....			
19.3 19.4 Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
33. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business.....	0	0	0
35. Totals.....	0	0	0

**DETAILS OF WRITE-INS**

3401.....			
3402.....			
3403.....			
3498 Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499 Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2014 Loss and LAE Payments on Claims Reported as of Prior Year-End	2014 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2014 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2011 + Prior.....	55	34	89	11		11	46	1	29	76	2	(4)	(2)
2. 2012.....	70	53	123	22	1	23	57	3	43	103	9	(6)	3
3. Subtotals 2012 + Prior.....	125	87	212	33	1	34	103	4	72	179	11	(10)	1
4. 2013.....	162	258	420	103	20	123	115	17	161	293	56	(60)	(4)
5. Subtotals 2013 + Prior.....	287	345	632	136	21	157	218	21	233	472	67	(70)	(3)
6. 2014.....	XXX	XXX	XXX	XXX	81	81	XXX	54	122	176	XXX	XXX	XXX
7. Totals.....	287	345	632	136	102	238	218	75	355	648	67	(70)	(3)
8. Prior Year-End's Surplus As Regards Policyholders	3,808										Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
											1. ....23.3 %	2. ....(20.3)%	3. ....(0.5)%
													Col. 13, Line 7 Line 8
													4. ....(0.1)%

Q14

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	<b>Response</b>
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO

**Explanation:**

- 1.
- 2.
- 3.
- 4.

**Bar Code:**



**NONE**

**Infinity Preferred Insurance Company**  
**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

NONE

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Total valuation allowance.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

NONE

**SCHEDULE BA - VERIFICATION**

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....	0	0
12. Deduct total nonadmitted amounts.....		
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

NONE

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year.....	4,910,582	5,079,239
2. Cost of bonds and stocks acquired.....	49,520	
3. Accrual of discount.....	1,962	8,291
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		1,227
6. Deduct consideration for bonds and stocks disposed of.....		176,008
7. Deduct amortization of premium.....	536	2,166
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	4,961,528	4,910,582
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	4,961,528	4,910,582

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	4,959,474	110,650	49,955	1,426	5,021,595			4,959,474
2. NAIC 2 (a).....								
3. NAIC 3 (a).....								
4. NAIC 4 (a).....								
5. NAIC 5 (a).....								
6. NAIC 6 (a).....								
7. Total Bonds.....	4,959,474	110,650	49,955	1,426	5,021,595	0	0	4,959,474
<b>PREFERRED STOCK</b>								
8. NAIC 1.....								
9. NAIC 2.....								
10. NAIC 3.....								
11. NAIC 4.....								
12. NAIC 5.....								
13. NAIC 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	4,959,474	110,650	49,955	1,426	5,021,595	0	0	4,959,474

QS102

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:  
NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

**SCHEDULE DA - PART 1**

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999.....	.....60,067	.....XXX.....	.....60,067		

**SCHEDULE DA - VERIFICATION**

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....48,891	.....52,228
2. Cost of short-term investments acquired.....	.....61,131	.....783,650
3. Accrual of discount.....		.....104
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		.....17
6. Deduct consideration received on disposals.....	.....49,955	.....787,109
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	.....60,067	.....48,891
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	.....60,067	.....48,891

**Sch. DB-Pt A-Verification  
NONE**

**Sch. DB-Pt B-Verification  
NONE**

**Sch. DB-Pt C-Sn 1  
NONE**

**Sch. DB-Pt C-Sn 2  
NONE**

**Sch. DB-Verification  
NONE**

**Sch. E-Verification  
NONE**

**Sch. A-Pt 2  
NONE**

**Sch. A-Pt 3  
NONE**

**Sch. B-Pt 2  
NONE**

**Sch. B-Pt 3  
NONE**

**Sch. BA-Pt 2  
NONE**

**Sch. BA-Pt 3  
NONE**

### SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Government</b>									
912828 C2 4	US TREASURY N/B.....		...03/27/2014	Citigroup (SSB).....		49,520	50,000	.57	1.....
0599999	Total Bonds - U.S. Government.....					49,520	50,000	.57	XXX.....
8399997	Total Bonds - Part 3.....					49,520	50,000	.57	XXX.....
8399999	Total Bonds.....					49,520	50,000	.57	XXX.....
9999999	Total Bonds, Preferred and Common Stocks.....					49,520	.XXX.....	.57	XXX.....

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

QE04

**Sch. D-Pt 4**

**NONE**

**Sch. DB-Pt A-Sn 1**

**NONE**

**Sch. DB-Pt A-Sn 1-Footer A**

**NONE**

**Sch. DB-Pt A-Sn 1-Footer B**

**NONE**

**Sch. DB-Pt B-Sn 1**

**NONE**

**Sch. DB-Pt B-Sn 1-Footer A**

**NONE**

**Sch. DB-Pt B-Sn 1-Footer B**

**NONE**

**Sch. DB-Pt B-Sn 1B-Broker List**

**NONE**

**Sch. DB-Pt D-Sn 1**

**NONE**

**Sch. DB-Pt D-Sn 2**

**NONE**

**Sch. DL-Pt. 1**

**NONE**

**Sch. DL-Pt. 2**

**NONE**

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
The Bank of New York Mellon..... New York, New York.....	.....	.....0.010	.....	.....	.....	.....	.....	XXX..
0199999. Total Open Depositories.....	...XXX.....	...XXX.....	.....0	.....0	.....0	.....0	.....0	XXX..
0399999. Total Cash on Deposit.....	...XXX.....	...XXX.....	.....0	.....0	.....0	.....0	.....0	XXX..
0599999. Total Cash.....	...XXX.....	...XXX.....	.....0	.....0	.....0	.....0	.....0	XXX..

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year

NONE